Investing in the rail network: a guide for investors

1. Understanding the investment opportunity

1.1 This document provides an overview of the types of infrastructure investment opportunities available on the rail network and outlines key considerations for prospective investors. It is intended to help third-party investors, developers and delivery partners better understand how and where they can invest in the rail network and what to expect during project development.

1.2 The document covers a range of asset types (including track, stations, depots, power systems and place-based development) and sets out:

a. why these assets present opportunities for investment;
b. roles and responsibilities of key stakeholders;
c. the regulatory, technical and commercial considerations involved;
d. typical delivery pathways and agreements; and
e. relevant guidance on risk, approvals and long-term operation and maintenance.

1.3 This content complements ORR's wider guidance on access and licensing, safety and authorisations. It also aligns with the principles of the Railways Act 1993 and the Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016.

1.4 This document is intended to support informed, early-stage engagement and help third-parties structure commercially viable projects that meet operational, technical and regulatory expectations. Further information on the content found within this document can be found in our Rail Network Investment Framework.

What are Third-Party Promoted Schemes?

1.5 Third-party promoted schemes involve infrastructure investments funded by entities other than Government or Network Rail. These investors may include local authorities, private developers, rolling stock companies, independent investors or privately-owned train operators.

1.6 Network Rail can facilitate investment from third-parties via its suite of template contractual agreements, or via bespoke contractual agreements (typically used for projects valued over £50m). Please see chapter 3 of the Rail Network Investment Framework for further information.

1.7 The majority of third-party or privately promoted schemes that affect NR's operational railway often interact through three key mechanisms:

Development Services Agreement (DSA)

a. A DSA is normally entered into early in the project lifecycle.
b. It sets out the scope, roles, responsibilities and cost recovery for NR's delivery of development activities (e.g. feasibility and option selection).
c. It allows NR to provide assurance that a proposal is technically feasible, compliant with standards and can integrate safely with the operational railway.
d. It helps manage risk for both the promoter and NR before large sums are spent on detailed design or construction.

Asset Protection Agreement (APA)

a. An APA comes later in the project lifecycle, typically when the scheme is progressing to detailed design and delivery.
b. Its purpose is to govern works that directly interface with or impact NR's infrastructure (construction, possessions, safety, temporary works).
c. The APA focuses on protecting NR's assets, operational railway and safety obligations under the law.
d. Many third-party enhancement projects that are developed under a Development Services Agreement (DSA) progress into delivery under an Implementation Agreement (IA). The IA enables the works designed and assured during the DSA stage to move into physical construction on the operational railway.
e. The IA sets out the binding terms for delivery; defining scope, programme, funding

responsibilities, risk allocation, governance, and assurance requirements. It also establishes the processes for change control, safety, and regulatory compliance, ensuring that delivery aligns with Network Rail's standards and maintains operational safety.

1.8 Our guidance in the following sections shows how third-party investment projects commonly use these types of agreements, including via process flow maps.

Government-sponsored schemes

In contrast to third-party promoted schemes, Government-sponsored infrastructure schemes are those which are promoted by the Department for Transport, Transport for Wales or Transport Scotland. These are not required by their high-level output specifications and are separate from enhancements.

Indicative High-Level Timeline

1.9 The development and delivery of third-party or privately funded projects on the UK rail network typically follow a structured series of steps, from early engagement and feasibility through to construction and handover. The timeline below provides a high-level, indicative overview of the key stages that are commonly undertaken.

Stage	Typical Duration	Key activities
1. Early Engagement	1-3 months	Initial discussions with Network Rail and other stakeholders to understand constraints, opportunities and requirements.
2. Feasibility / Option Identification	3-6 months	Assessment of technical feasibility, land ownership, access, operational impacts and funding models.

Stage	Typical Duration	Key activities
3. Development Services Agreement (DSA)	Typically entered into during this phase	Formal agreement with Network Rail to act as the delivery agent for the scheme.
4. Option Selection / Single Option Development	6-12 months	Refinement of preferred option, technical studies, stakeholder engagement and planning consents.
5. Detailed Design & Consents	6-12 months	Detailed engineering design, safety assurance, completion of land and statutory consents.
6. Asset Protection Agreement (APA)	Typically entered into before construction	Agreement with Network Rail covering works that interface with or may impact railway assets, setting out safety, assurance and cost recovery arrangements. If NR are delivering the works on behalf of the investor, an IA will be entered into.
7. Construction & Delivery	12-36 months (varies widely)	Construction of the scheme, NR oversight and asset protection during works, commissioning and handover.

Stage	Typical Duration	Key activities
8. Handover & Close-Out	3-6 months	Final assurance, as-built information, and financial close-out.

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