Will Godfrey

Director Economics, Finance and Markets



To the addresses set out in the appendix

13 March 2024

Dear Sir/Madam,

Implementation of the 2023 periodic review: Issue of review implementation notices

We have today issued <u>review implementation notices</u> under Schedule 4A to the Railways Act 1993 (the Act) in respect of the 2023 periodic review (PR23). These confirm that the changes set out in the review notices that we issued on 20 December 2023 are to take effect on and from 1 April 2024. They also direct the parties to track and station access agreements to enter into supplemental agreements to give effect to these changes.

Background

On 20 December 2023, we issued <u>review notices</u> setting out the relevant changes that we proposed to make to track and station access agreements in connection with the implementation of our <u>final determination</u> decisions and <u>conclusions to our drafting changes to access contracts consultation</u> on PR23. Network Rail then had until 9 February 2024 to object to these changes.

On 12 February 2024, we issued notices of agreement confirming to beneficiaries (parties that hold an access agreement with Network Rail) that Network Rail had not objected. Each beneficiary listed in the annex to the relevant notice of agreement then had 28 days in which to give notice that they wished to terminate their access agreements.

That period has now elapsed and no termination notices were issued.

The issue of review implementation notices today marks the final stage of the statutory implementation process for PR23 and confirms that control period 7 (CP7) will commence on 1 April 2024.

Head Office: 25 Cabot Square, London E14 4QZ T: 020 7282 2000 www.orr.gov.uk



Direction to Network Rail and train operators

It is important that our PR23 directions are fully and accurately implemented in track and station access agreements for CP7. This is a legal requirement. We will be monitoring the successful implementation of these directions.

The review implementation notices direct the parties to relevant track and station access agreements to amend those agreements so that the relevant changes that were specified in our review notices shall come into effect on and from 1 April 2024.

The notices require the parties to each relevant access agreement to do this by entering into a supplemental agreement (the "review notice supplemental agreement"), a template for which is appended to the notice (with the exception of the Traction Electricity Rules review implementation notice). The template review notice supplemental agreements included in the notices for public service passenger operator (PSO), freight and relevant open access passenger operator track access agreements apply the changes that we are directing to the Traction Electricity Rules. As such, a separate supplemental agreement is not required for this review notice.

Microsoft Word versions of these template review notice supplemental agreements are available alongside the PDF versions of the review implementation notices on our website.

Network Rail and operators should therefore enter into these review notice supplemental agreements as soon as is practicable following the receipt of the relevant review implementation notice. The review notice supplemental agreement specifies that the effective date and time of the changes is 02:00 hours on 1 April 2024 regardless of the date that it is actually entered into.

Submission of supplemental agreements

In line with section 72(5) of the Act, the facility owner to each supplemental agreement should send us one signed copy for the public register within 14 days of that agreement being made. These should be sent by email only. Hard copies are not required.

For track access agreements, please send these to Emyl Lewicki (Head of Passenger Track Access, <u>Track.Access@orr.gov.uk</u>) and, for station access agreements, for the attention of Gerry Leighton Head of Stations and Depots, <u>StationsandDepots@orr.gov.uk</u>).

Revised model track access agreements and track access guidance

We will shortly be reissuing our model track access contracts for CP7 and our track access guidance for the approval of track access contracts, reflecting the changes brought about by PR23. We will advise Network Rail and operators when we have done this.



Network Grant

On 28 February 2024, we approved the grant mechanisms separately for England & Wales and Scotland, in accordance with Part 3A of Schedule 7 of track access agreements between Network Rail and specified passenger train operators.

We also issued revised profiles of CP7 network grant payments for England & Wales and Scotland, following discussions with the governments and Network Rail.

Next steps

We look forward to receiving signed supplemental agreements from Network Rail and station facility owners in due course.

Should you have any questions relating to any matter referred to in this letter, or any other aspect of the implementation process, please contact PR23@orr.gov.uk

Yours faithfully

Will Godfrey



Appendix- List of addressees

Charter passenger train operators*

Department for Transport

Freight train operators*

Holders of freight customer contracts

HM Treasury

Network Rail Infrastructure Limited

Open access passenger train operators (who hold track access agreements that include an access charges reopener)*

Passenger Transport Executives/ concession authorities

Public Service Operators

Rail Delivery Group

Rail Partners

Scottish Minister for Transport

Secretary of State for Transport

Transport Scotland

Welsh Government

^{*}Some of these operators have additional explanatory wording in their cover letter