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ORR's regulation of land disposals by Network Rail

Following our consultation in March¹, we are now updating our regulatory arrangements for the way we deal with Network Rail's land disposals. Our thanks go to everyone who responded.

Overall, the consultation confirmed that our regulatory arrangements are well supported and on the whole work well, and the updates we proposed were largely supported in principle. Copies of the responses we received are available on our website. We have also appended to them a summary table of respondents' views and our consideration of them².

Two points we received are worth mentioning here though. We proposed to add two new general consent Grounds in connection with the provision of station or freight facilities and/or rail infrastructure activities. Although seen as potentially helpful in facilitating third party investment, there was also some reservation that once such a transaction completes, there is a risk of subsequent development for non-rail purposes. This can be mitigated by Network Rail including conditions in its transaction documentation that restrict the land's use to that proposed, and Network Rail will, as now, continue to do so. On that basis we have added the new Grounds and we will check that they and the other general consent Grounds are being used correctly in our annual audits.

We have also considered how to recognise the status of the virtual Freight and National Passenger Operators route as this is not referred to specifically in Network Rail's network licence, yet it is well placed to provide a strategic view. Network Rail recognises this and includes its business function responsible for freight and national passenger operators when consulting stakeholders. We consider this to be an important internal stakeholder and so have included it specifically in the list of stakeholders we expect Network Rail to consult as routine.

Our main objective and policy on land disposal remains unchanged. We will continue to publish on our website the information provided by Network Rail, including the stakeholder views it received in its background consultations. We will continue to take account of these views when making our decisions. We will do this as promptly as we can and explain our reasons for decision in each case.

We will place a copy of this letter on our website alongside the updated guidance document, dated October 2019.



Les Waters

¹ https://orr.gov.uk/_data/assets/pdf_file/0018/40743/land-disposal-by-network-rail-the-regulatory-arrangements-draft-consultation-document-2019-03-25.pdf

² https://orr.gov.uk/_data/assets/pdf_file/0020/41168/responses-to-consultation-on-orr-land-disposal-arrangements.pdf