

John Larkinson
Chief Executive



Andrew Haines
Chief Executive, Network Rail

By email

30 January 2025

Dear Andrew,

Funding gap in Network Rail's CP7 plan for England and Wales

Thank you for your recent engagement on the CP7 funding gap. A lot of hard work has been undertaken recently between our teams and I appreciate the work Network Rail has done in reducing the gap in recent months and your willingness to engage transparently on this issue. This letter follows on from the letters we sent last year, most recently in [November](#).

Network Rail has made good progress in reducing the size of the gap by £1 billion from the time you were preparing the CP7 delivery plans to just under £500 million today with a plan to reduce it to around £450 million by the end of this financial year. This has been achieved through accepting some of the opportunities for savings we outlined in our Final Determination. As you've shown, more savings could come from these, depending on the delivery of individual projects.

The attendance of Jeremy Westlake, your Chief Financial Officer, at our January Board was a welcome and important step in providing assurance on how seriously Network Rail is taking this issue and that it has a plan for closing the gap. We were provided with Network Rail's assessment of the options to close the gap, which would in total reduce it to a manageable level.

We discussed the importance of maintaining the condition of the rail network and that Network Rail must continue to look at all available options for resolving the funding gap before it considers cutting back on planned renewals for core assets. We will continue to work with your team to understand progress in reducing the funding gap, through our regulatory financial reporting, and continue to monitor progress against the regulated targets set out in our Final Determination. I look forward to Network Rail building on the good progress seen over the last year.

Yours sincerely

John Larkinson
Chief Executive Officer