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Rt. Hon Mark Harper MP
Secretary of State for Transport
Department for Transport
Great Minster House, 33 Horseferry Road
London
SW1P 4DR

Jeremy Westlake
Chief financial officer
Network Rail Infrastructure Limited
Waterloo General Office
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28 February 2024

Dear Secretary of State and Mr Westlake

Approval of Grant Mechanism for the Purposes of Part 3A (English and Welsh Grant Dilution) of Schedule 7 of Track Access Agreements between Network Rail Infrastructure Limited and specified passenger train operators and Variation of annual amounts of Network Grant

We refer to the definition of "Grant Mechanism" as set out in the Public Service Operator Passenger Track Access Agreements Review Notice issued on 20 December 2023, which is to be incorporated into the track access agreements between Network Rail Infrastructure Limited (Network Rail) and each of the passenger train operators whose names are specified in Annex 1.

We note the grant agreement made on 6 December 2023 between the Secretary of State and Network Rail for the payment of network grant during Control Period 7, as defined in that agreement. Clause 9 of that agreement contains the provisions agreed between Network Rail and the Secretary of State setting out how the annual amounts of network grant contained in Schedule 1 of the agreement for each year of Control Period 7 may vary.

This letter sets out our approval of those provisions for the purposes of Part 3A of Schedule 7 to the track access agreements.

We also note the annual amounts of network grant contained in Table 1 of the letter from ORR to Network Rail dated 2 November 2023 and, having consulted with Network Rail and the Secretary of State, vary the amounts for England & Wales set out in Table 1 of that letter as follows:



Table 1: CP7 Network Grant, cash prices

£ million	2024-25	2025-26	2026-27	2027-28	2028-29	CP7 Total
England & Wales	5,576	5,517	5,477	5,520	5,439	27,529

This letter has been copied to the passenger train operators listed in Annex 1, and to Merseytravel Limited, Rail for London Limited, South Yorkshire Mayoral Combined Authority, Transport for Wales and the Welsh Government.

Yours sincerely

Carl Hetherington

For and on behalf of the Office of Rail and Road



Annex 1 - passenger train operators

Abellio East Anglia Limited

Arriva Rail London Limited

Northern Trains Limited

The Chiltern Railway Company Limited

Abellio East Midlands Limited

First Greater Western Limited

First MTR South Western Trains Limited

TransPennine Trains Limited

Govia Thameslink Railway Limited

Transport for Wales Rail LTD

London North Eastern Railway Limited

SE Trains Limited

Merseyrail Electrics 2002 Limited

MTR Corporation (Crossrail) Limited

Trenitalia c2c Limited

First Trenitalia West Coast Rail Limited

West Midlands Trains Limited

XC Trains Limited