



Department
for Transport

From the Secretary of State for Transport
The Rt Hon Heidi Alexander MP

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Declan Collier
Office of Rail and Road
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06 January 2025

Dear Declan,

I wanted to take this opportunity to write to you to confirm my policy position regarding Open Access.

Whilst this letter does not replace the formal guidance currently in place and holds no formal legal standing, I hope it will be helpful to the ORR by setting out my expectations for how the Government's vision for Open Access operates alongside a publicly owned railway.

I also intend to consider amendments to my Secretary of State guidance. This will build upon the policy position set out in this letter, as well as wider consideration of how a reformed sector - as it moves towards a single directing mind and public ownership - provides better value for passengers and taxpayers.

I recognise the benefits that can be provided by Open Access operators in the right circumstances and that both existing and new Open Access operators can open up new markets, drive innovation and offer choice to passengers.

However, there is a balance to be struck to ensure the benefits provided by Open Access operators outweigh the impacts they have on taxpayers and the ability to operate the network efficiently. We need to be mindful of the impacts of Open Access such as the level of revenue they can abstract from contracted services and the associated implications for passengers and

taxpayers. I am also aware of the additional pressures new services can create on already constrained network capacity and their impact on the value secured from public investment in infrastructure. While Open Access operators pay variable access charges to Network Rail to cover the direct costs incurred running their trains on the network, unlike government-contracted operators they do not fully cover the costs of fixed track access charges towards long-term maintenance of the network and central support costs. Currently only one Open Access operator contributes towards fixed costs via an Infrastructure Cost Charge, and taxpayers are left to fill shortfalls.

I want to ensure appropriate balance between these elements, and my priority is to see the network move to a financially sustainable model which maximises benefits and value for passengers and taxpayers while delivering improved performance as we move towards public ownership. As such I would like to make clear my expectation that you give due consideration to the priorities I set out in this letter whilst respecting your statutory duties. I wish to see the impacts on the taxpayer and on overall performance for passengers – such as potential congestion on the network – given primacy when considering open access applications.

I look forward to meeting you and working together to improve the railways for customers and taxpayers. My officials will reflect the position set out above in responses to the applications that you are currently considering and remain ready to work with you.

Yours ever,

A handwritten signature in black ink, appearing to read 'Heidi Alexander', written in a cursive style.

THE RT HON HEIDI ALEXANDER MP
SECRETARY OF STATE FOR TRANSPORT