

John Larkinson
Chief Executive



Andrew Haines
Chief Executive
Network Rail Infrastructure Limited
By email

15 May 2023

Dear Andrew

Non-compliance with structure examinations

We have recently discussed the concerns ORR has with Network Rail's limited progress on eliminating non-compliance with structures examinations. This letter summarises the background and those concerns.

Since that discussion there have been constructive conversations between our teams and the remainder of this letter sets out the agreed way forward to resolve this issue.

Network Rail is required to comply with the terms of the Network Management Duty regarding maintenance of the network as set out in Condition 1 of its network licence. Further, each region is required to comply with the timescales for structure examinations and evaluation as set out in the relevant company standard and maintain accurate and readily accessible information relating to these structures. Compliance with the application of Network Rail's own policies and criteria (i.e. company standards) and the maintenance of accurate information regarding assets are requirements of Condition 5.6 and 5.8 of Network Rail's network licence.

If Network Rail does not complete the overall examination process at the required intervals, faults could be undetected (or detected but not properly assessed). In some cases this could lead to a safety incident, it could also result in speed restrictions being put in place to mitigate the safety risk, making it more difficult to run trains on time. Failure to manage the examination process could also impact Network Rail's ability to efficiently plan its maintenance and renewal activities.

We started escalating our concerns about non-compliance in 2021, but progress has not been good enough, and, in some cases, compliance rates have deteriorated (see annex).

During this time a report by WSP Consultants in October 2022, commissioned by Network Rail, recommended the revision of the company standard for examinations. Network Rail subsequently modified the standard and compliance with this new standard ([CIV/006](#)) is intended for September 2023. The aim of the standard

CIV/006 is to support a more risk based examination regime through changes to tolerance of examinations; visual examination intervals; and examinations delivery by line of route.

Since this new standard was published, we have reviewed Network Rail's plans for compliance and have two specific concerns:

- Network Rail does not have robust plans in place across all its regions to achieve a reasonable level of compliance with the new standard and reduce the backlog of examinations; and
- regions are making insufficient progress to implement the use of available technology (for example drones or sonar scour monitoring technology) to reduce the backlog of inspections.

Agreed actions

Network Rail needs to do more to achieve compliance with standard CIV/006 and hence delivery of a safe and efficient examination process. We have agreed the following workplan:

- Network Rail will submit an initial plan for eliminating non-compliance by 30 June 2023. Our teams will meet at the end of May to review progress in developing this plan.
- The plan should describe the future steady state in each region with regards to compliance and should evidence how Network Rail is taking a coordinated approach to technology adoption, supply chain management, and business process improvement to maintain compliance once achieved.
- Once received at the end of June, ORR will comment on the initial plan and Network Rail will produce a final plan for the end of August 2023. Network Rail will provide regular progress updates against delivery of the plan to ORR.
- At the end of CP6 ORR will investigate Network Rail's overall progress in line with our Holding to Account Policy for CP6.

Yours sincerely

John Larkinson
Chief Executive

Annex: Structures Overall Non-Compliance Volumes

Each of the graphs below show non-compliance volumes for each region, from May 2021, when we escalated our concerns. The non-compliance volumes are broken into four areas of non-compliance:

- **Site Non-compliance:** Number of examinations not yet completed on site beyond site tolerance;
- **Submission Non-compliance:** Number of examinations completed on site, but exam report not yet submitted;
- **Evaluation Non-compliance:** Number of examination reports submitted to Network Rail but not yet evaluated; and
- **Total Non-compliance:** the sum of the above three points.





