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Paul Plummer Esq  
Director, Planning & Regulation  
Network Rail Infrastructure Limited  
40 Melton Street  
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NW1 2EE

Dear Paul

**Development of the asset register - October 2007 progress report and the way forward**

Following discussions and meetings with members of your team on the progress on the development of the asset register, we are writing to confirm our views on the contents you provided in your October progress report. We have reviewed the report against the requirements of the asset register guidelines as well as the relevant task completion reports we have received. Our views take into account the more recent letter received from Iain Coucher confirming that Network Rail believes that it is now compliant with Licence Condition 24.

Your report shows satisfactory progress on the broader asset information strategy and we note the various initiatives being pursued. We welcome the continuing progress on the development of these initiatives.

In respect of the 'core' asset register, we note that your report states that all of the initiatives in the remaining task 3c were completed within the required timescale. We are particularly pleased to see the successful population of the OPAS system, as this was clearly a high-risk element throughout the programme.



At a meeting on 3 December, we agreed that the Independent Reporter, AMCL, would continue with auditing high risk elements of Task 3c to confirm that you have complied with the objectives of the compliance framework. The specific audits cover:

- Rail Defects (Track);
- Business Critical Documents and Drawings (E&P);
- Asset Condition Data – Traction Systems (E&P);
- Asset Condition Data – 3<sup>rd</sup> Rail Contact Systems (E&P); and
- Standardisation and Improvement in the use of Ellipse (E&P).

The following Task 3c outputs were also previously defined as high-criticality. However, their review has been deferred, following the tripartite meeting, as they have been or will be evaluated under other elements of the Independent Reporter scope. As such they will not effect the decision on compliance. The outputs were:

- Total Tonnage Capability (Track);
- Route Availability (Civils).

Tri-partite meetings in December clarified the audit activities required to confirm full compliance with Licence Condition 24. The letter from AMCL to Network Rail and ORR, dated 21 December 2007 details the scope for these audits that are to be completed by the end of February 2008. The audits will include:

- Review of the application and effectiveness of the ADM procedures for multi-discipline renewals projects
- Review of the application and effectiveness of the ADM procedures for maintenance activities

Once we have confirmed our view on Network Rail's compliance, there will be the need for Network Rail to assess the current quality of asset data overall to ensure that it is fit for purpose (complete, accurate, current, relevant etc.). This issue should be the subject of further discussion at the regular liaison meetings. You are also aware that we are considering whether to include a broader obligation on asset management in the network licence to replace the existing Condition 24. We will continue to discuss this and the other issues raised in our letter at future meetings.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Colin Brading', with a long horizontal stroke extending to the right.

**Colin Brading**