

Rosemary Hopkins
33 Horseferry Road,
London
SW1P 4DR

31st October 2025

Dear Rosemary,

ORR's oversight and holding to account of the CP7 digital signalling portfolio

I am writing to you regarding ORR's oversight and holding-to-account responsibilities for Network Rail's digital signalling portfolio within Control Period 7 (CP7).

As you are aware, the migration from conventional signalling to European Train Control System (ETCS) remains a critical component of delivering a safer, higher-capacity, and more resilient railway. In line with ORR's principles of risk-based, targeted, proportionate, and transparent regulation, we have continued to align our holding to account of Network Rail's CP7 digital signalling portfolio (the portfolio) with the expectations set out in our Final Determination for CP7.

In our [Final Determination for CP7](#), we identified that Network Rail's plans for West Coast North Modernisation (WCNM) were too optimistic and did not adequately address the complexity of the portfolio, and consequently we challenged Network Rail to consider its delivery timescales for this programme. Network Rail accepted our challenge and subsequently re-profiled its programme delivery across Control Periods 7 and 8.

In contrast, for East Coast Digital Programme (ECDP), we accepted Network Rail's proposals for renewals funding which were at a greater level of maturity. Hence, our determination supported delivery of associated committed enhancements milestones for ECDP (which are funded through the RNEP).

Progress to date

At the start of CP7, we [wrote](#) to DfT, setting out how we would hold Network Rail to account for its delivery of the portfolio, which includes the following programmes:

- infrastructure renewals: ECDP, WCNM, Brighton Mainline South Haywards Heath, Midland Mainline South St Pancras, Great Western Mainline Paddington to Hayes;
- fleet fitment;
- enabling projects;

- research, development and innovation projects (including Target £190k plus); and
- Control Period 6 (CP6) legacy projects.

The purpose of our CP7 monitoring is to understand and challenge, where appropriate, Network Rail's capability to deliver the portfolio and identify opportunities for efficiency, in line with the Government's [High Level Output Specification \(HLOS\) 2022](#).

As part of our regular engagement with your team, we have outlined our forward programme of Independent Reporter commissions, agreed how our teams will work together across ORR, Network Rail and DfT, and provided details of our wider industry engagement, including with the supply chain.

Network Rail has also committed to provide early sight of programme changes and risk profiles, report against agreed milestones and expenditure forecasts, and provide assurance evidence on its cost efficiency and delivery performance.

Independent Reporter assessment of Network Rail's CP7 year one portfolio deliverables and financial performance

I am pleased to confirm we have now completed our first Independent Reporter study. This assessed Network Rail's delivery across the portfolio for year one of CP7.

The review found that Network Rail had made progress in mobilising a team to oversee the portfolio while noting that most programmes are still in their early phases. Specific findings included:

- programme delivery lacks the necessary granularity to enable effective identification and impact assessment of delivery of trends and outputs;
- significant risks exist within programmes linked to requirements management and system integration which could lead to scope creep and a failure to achieve the outcomes which underpin the business case for digital signalling;
- wider industry and stakeholders are actively engaged in the deployment of digital signalling. However, the portfolio is heavily reliant on stakeholders to work collaboratively to achieve its goals. There is not a clear strategy for risk ownership, this has the potential to lead to confusion over accountability and may result in programme delays and difficulty in delivering outputs; and
- significant estimating uncertainty exists across programmes due to an absence of comparable benchmarks. The assumptions made on unit rates for

both signalling equivalent units (SEUs) and fleet fitment need to be validated to ensure confidence in delivery of initiatives.

An executive summary of the report has now been published on our [website](#) and provides an overview of Network Rail's deliverability and financial performance. The review also introduced a mechanism for assessing maturity at programme level and set out several recommendations.

We will now work with Network Rail to address the recommendations from the review and agree an action plan as part of our monitoring and holding to account activity.

Ongoing activity

We have already started scoping future independent reporter studies which will assess Network Rail's change management capability across the portfolio, a review into its fleet fitment programme and further assessments each year of the control period which will be similar to that already completed in year one.

Should it be helpful I would be happy to meet with you or your team to discuss our work in this area. We remain committed to working collaboratively with you and your team and will continue to engage in forums in preparation for CP8.

This letter will be published on our website.

Yours sincerely

Feras Alshaker

Director, Planning and Performance