

# Business Plan 2014-15

April 2014



**Cover image used with the kind permission of Peter Darling.**

Image shows preparation for track renewal on London Underground at East Finchley station.

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# Foreword

The Office of Rail Regulation (ORR) is the independent safety and economic regulator for the UK rail industry. We are the economic regulator for infrastructure (Network Rail and HS1), the safety regulator for the rail industry as a whole (including main line, metro and tram lines across Britain) and the industry's consumer and competition authority. This document summarises our business plan for 2014-15.

2013-14 saw the completion of our Periodic Review (PR13) of Network Rail's outputs and funding for the five-year control period to 2018-19 (CP5). So 2014-15 is now about putting that into action. We will drive for the best possible outcome for the railway's customers and for taxpayers in England, Wales and Scotland. In doing so, our five strategic objectives remain unchanged (see page 7). Within the ORR work programme described herein, you will find **six priorities** shaping our focus for 2014-15.

First and foremost of our priorities, as always, is **health and safety**. Building on the mainline railway being one of the safest in Europe, we will continue to prioritise above all else the health and safety of passengers and workers on our railways and members of the public affected by railway operations. We will also deliver the second phase of our occupational health programme for UK railway workers, tailored to the specific risks that their jobs present. The law must be complied with but we also work with the sector to promote excellence in health and safety.

Second, we will focus on **holding Network Rail to account** for the delivery of the regulatory outcomes that we set for CP5. We will increasingly be using leading indicators and data analysis to spot any shortcomings in delivery before they have a material impact on outcomes. Alongside performance on punctuality and maximising capacity on the network, we will be focussing on the state of assets across the network. Our analysis demonstrates that getting the basics right in terms of proactive maintenance and renewals can significantly improve service performance. This includes drainage and earth-works, to improve the resilience of the network to climate change and extreme weather.


Third, learning from the lessons of how we planned PR13, we will make an immediate start on the preparatory work for the **periodic review 2018**. This is likely to focus on the structure of charges, capacity, incentives and competition. These are all big and important issues and we want to work with the sector to discuss them and get them right.

Fourth, we will focus on the needs of **passenger and freight customers** in our work programme. Holding Network Rail to account for delivery of the outputs specified in PR13, particularly punctuality and capacity, will contribute to this priority. We will be working with the industry and stakeholders on a consumer programme of work including the information available to passengers when buying tickets, the approach to complaints handling and to ticketing compensation and refunds. We will also be discussing freight customer views with a newly-formed customer panel.

Fifth, we will prioritise greater **transparency** across the entire rail sector. We believe transparency has the potential to improve customer experience, competition and clarity of outcomes for those who fund the industry – predominantly fare-paying passengers and taxpayers. Building on our success in obtaining National Statistics accreditation, we will increasingly open our data (and ORR) to public scrutiny. In the year ahead we will also examine ways in which we can make ORR's own governance processes and performance more transparent, starting by reporting on our progress against plan in the course of the business year, not just at the year end.

Finally, we are conscious that none of this will be possible without maintaining a skilled and committed workforce. Therefore we will continue to prioritise the **development of ORR staff**, providing a modern working package in which their extremely high levels of commitment can translate into better value outcomes for the public. Efficiency is part of this value calculation and that is why we are making further efficiencies that reduce ORR running costs in real terms.

By focussing on these priorities, we believe ORR can help to deliver a better railway for Britain.



**Richard Price**  
Chief Executive



**Anna Walker**  
Chair



# How we work

ORR is the independent economic and safety regulator for the UK rail industry, including HS1.

Our principal **economic** regulatory functions are set out in the Railways Act 1993. In short, they are to:

- regulate Network Rail's stewardship of the national rail network;
- licence operators of railway assets; and
- approve track, station, light maintenance depot access.

We have concurrent **competition** jurisdiction with the Competition and Markets Authority (CMA) to investigate potential breaches of the Competition Act 1998 and to refer markets under the Enterprise Act 2002 in relation to the railways. Under Part 8 of the Enterprise Act ORR is also a designated enforcer of consumer law. We also produce nationally accredited statistics on the rail sector.

Our **health and safety** functions are found in the Railways Act 2005 (plus the amendments made by that Act to the Railways Act 1993) and in the Health and Safety at Work etc. Act 1974 (HSWA 1974). In summary, we are the enforcing authority for the HSWA 1974, for the Railways and Other Guided Transport Systems (Safety) Regulations 2006 and for various other pieces of railway specific legislation. We are also the National Safety Authority in the context of the European Railway Safety Directive. Overall our health and safety function requires us to ensure compliance with the law (the requirement on the duty holder as service provider to ensure services are as safe as reasonably practicable and to encourage improvement).

This variety of duties and responsibilities makes it particularly important that ORR takes a strategic approach to defining its role, applying our limited resources in a way that maximises value while reducing cost and risk for the industry. We therefore plan our annual activities in the context of our long-term vision for the railway, and in pursuit of our five strategic objectives as an independent regulator. These objectives guide our work, indicate a direction of travel, help us to determine priorities and strengthen our accountability to our stakeholders for what we are here to achieve. The objectives allow us to plan our annual activities in a longer-term context, and to more easily determine where we are allocating our resources in the most efficient way.

This business plan begins with our five strategic objectives, follows with detail of our planned outputs under these objectives, and finishes with information on our use of resources, service standards and how we will hold ourselves to account.

Further information on ORR and its work can be found on our website: <http://orr.gov.uk>.

## ORR STRATEGIC OBJECTIVES

**1. Drive for a safer railway:** Enforce the law and ensure that the industry delivers continuous improvement in the health and safety of passengers, the workforce and public, by achieving excellence in health and safety culture, management and risk control.

**2. Support a better service for customers:** Use our powers to hold the industry to account for performance and standards of service across the railway network, for passengers and freight. Promote on-going improvement in the experience of passengers by encouraging the industry to work together, including to provide greater transparency of information.

**3. Secure value for money from the railway, for users and funders:** Strengthen incentives for the whole industry to work together to drive greater efficiency from the use and maintenance of existing railway capacity, and more cost-effective investment in the network.

**4. Promote an increasingly dynamic and commercially sustainable sector:** Support sustainable economic growth by promoting innovation and efficient long-term investment across the rail industry through the appropriate development of effective markets and regulatory intervention.

**5. Be a high-performing regulator:** Develop and apply proportionate and risk-based regulation, taking a whole-sector approach. Make more effective use of our resources across safety and economic functions, maximise the value of our regulation while minimising the costs of compliance for the industry.

# i. Drive for a safer railway

## Long-term outcome

ORR is the health and safety regulator for the whole of the rail industry. Our long term aim is for Britain's railway industry to be the world leader in operating a network that protects and promotes the health and safety of its passengers, the workforce and the public. This means that duty holders must

demonstrate compliance with the Health and Safety at Work etc. Act 1974 and associated rail specific legislation, through excellence in health and safety management so that over time we consistently see zero industry caused fatalities year-on-year across the rail network. We believe that continuous improvement should be led by the industry itself, demonstrating excellence in healthy and safety management, increasingly achieved through its own assurance processes with less need for intervention by ORR.

**1. Drive for a safer railway:** Enforce the law and ensure that the industry delivers continuous improvement in the health and safety of passengers, the workforce and public, by achieving excellence in health and safety culture, management and risk control.

## Medium-term outputs

Over the next five years we will safeguard passengers, the workforce, and the public by challenging the rail industry to identify and assess risks properly and comply with the law, and prosecute breaches of the law if necessary. We will push duty holders to implement excellent health and safety management systems, inspect compliance using a risk-based framework.

On the path to our long-term outcome, by 2019 we want to see:

- duty holders implementing excellent health and safety management systems;
- a 50% reduction in catastrophic train accident risk;
- the maximum reduction in risk at level crossings that is possible, but not less than a 25% reduction;
- a significant reduction in worker safety risk, primarily but not exclusively arising from improvements in Road Rail Vehicles, being able to take electrical isolations more easily, and improvements in the protection of track workers;
- an improvement in the management of, and consequent reduction in, passenger-train interface risk; and
- an improvement by the industry in the measurement and management of occupational health.

In 2014-15 we would expect to see positive movements on all of these measures.



## **2014-15 activities**

The following are highlights from our 2014-15 work programmes which we believe will contribute to achieving the long-term outcome specified above. All activities are continuous throughout 2014-15 unless otherwise stated and any associated service standards can be found in the final section of this plan.

### Enforcing the law

- We will ensure that Network Rail delivers our CP5 determination safely, with particular focus on high risk activities, including track, level crossings, workforce safety, electrical isolations and civil structures; we have new dedicated inspection teams in these areas.
- We will undertake efficient and effective investigations of accidents and incidents and take related enforcement action, as appropriate.
- We will exercise our statutory responsibilities in line with our published policies and procedures, including the strategic risk priorities that guide our approach to planned inspection and audit.
- We will deliver our statutory processing of level crossing orders, safety certificates and train driving licences.
- We will ensure that the whole industry acts appropriately in response to identified safety issues, including recommendations made by the Rail Accident Investigation Branch.

### Ensuring risk is effectively managed

- We will target at least half of our front-line activity on proactive inspection with Network Rail and other rail duty holders, based on our on-going analysis of risk priorities.
- We will implement a 5-year programme of interventions to validate London Underground's safety management system, including (in 2014-15) infrastructure safety and public safety in relation to escalators.
- We will ensure that Network Rail delivers its own strategies on health, safety and well-being to deliver continuous improvement in its health and safety performance.

### Driving continual improvement

- We will continue to develop safety policy including revised Railway Safety Regulations, implementation of the Law Commission level crossing report, revised construction design and management regulations, promotion of industry awareness of European Common Safety Methods and processes to deliver these.
- We will continue to promote the wider use of our Railway Management Maturity Model (RM3) to measure duty holder performance towards excellence in the management of health and safety risks.
- In quarter 1 we will launch our 2014-19 second occupational health programme to further encourage duty holder improvements in the leadership, identification, management and control of health risks.

## ii. Support a better service for customers

### Long-term outcome

We want to see a railway that is run primarily in the interests of its customers, both passengers and freight, where companies are able to benefit from the rewards of putting their customers first. In particular, we want to see:

- passenger service and experience at its highest ever level;
- an increasingly flexible and higher capacity network that can more efficiently and effectively meet the demands of all users; and
- rail freight continuing to play an important role in Britain's logistics.

**2. Support a better service for customers:** Use our powers to hold the industry to account for performance and standards of service across the railway network, for passengers and freight. Promote on-going improvement in the experience of passengers by encouraging the industry to work together, including to provide greater transparency of information.

### Medium-term outputs

Over the next five years we will protect customers' interests by holding Network Rail to account for regulatory performance improvements to service, especially around punctuality and reliability, using our enforcement powers for any non-compliance if appropriate. As the competition and consumer authority for the UK rail sector we will also investigate and enforce against breaches of the law if appropriate. However, regulatory enforcement is something we only expect to use as a last resort. Predominantly we believe improvements for passengers can be achieved through a different way of working with the industry, increasingly moving to a position where it is customers that hold it to account. This means making sure that the right information, customer feedback mechanisms and commercial incentives are in place. That is why, for example, we will set up a freight customer panel and publish a code of practice on ticket selling.

On the path to our long-term outcome, by 2019 we want to see:

- 92.5% of passenger trains arriving on time;
- all franchised train operators in England & Wales exceeding 90% punctuality (with the exception of certain long distance services which have more challenging targets for cancellations and significant lateness);
- disruption to passengers from engineering works to have fallen by 8%;
- greater and more useful transparency of information provided in the interests of customers;

- greater consumer involvement in enhancement projects becomes the norm;
- service performance of freight trains at 92.5%, as measured by the freight delivery metric; and
- disruption to freight customers from engineering works to have fallen by 17%.

## **2014-15 activities**

The following are highlights from our 2014-15 work programmes which we believe will contribute to achieving the long-term outcome specified above. Delivery dates are by quarter within 2014-15 and any associated service standards can be found in the final section of this plan.

### Customers

- Beginning in the first half of 2014-15 we will develop the passenger role in network enhancements, including passenger views on scheme outputs, benefits and trade-offs.
- Throughout 2014-15 we will monitor the delivery of Network Rail's PR13 outputs covering performance, asset management, enhancements and network availability, holding Network Rail to account for meeting its obligations including tougher punctuality targets, and publication of more disaggregated data as part of the expansion of our transparency programme.
- Throughout 2014-15 we will investigate complaints about the sector which fall under our consumer and competition powers, as appropriate, to protect the interests of railway customers.
- Throughout 2014-15 we will continue work with our consumer panel to protect the interests of railway passengers.

### Transparency

- Throughout 2014-15 we will drive better industry and ORR transparency as a way of achieving market-driven regulation, in the interests of consumers.
- Throughout 2014-15 we will develop better public understanding of industry finances and operations, in the interests of consumers.
- Throughout 2014-15 we will extend the use of ORR data and analytics by the public and third parties, in the interests of consumers.

### Working with the industry

- In quarter 1 we will publish a statement on our approach to approving, monitoring and enforcement of train and station operators' obligations to establish and comply with a disabled people's protection policy.
- In quarter 1 we will publish a statement on our approach to the approval, monitoring and enforcement of train and station operator obligations to establish and comply with complaints handling procedures.
- In quarter 2 we will review next steps on the 'code of practice for passenger information' licence condition.
- In quarter 3 we will publish updated guidance on complaints handling procedures.

- In quarter 4 we will consult on the current state of the rail retail (ticketing) market and make recommendations.
- In quarter 4 we will, by working closely with the industry, publish a code of practice on ticket selling on behalf of passengers.
- In quarter 4 we will review progress on industry initiatives to improve awareness of compensation and refunds for passengers.
- In quarter 1 we will set up a new freight customer panel and work collaboratively with the rail freight industry on commercial issues affecting the industry.

### iii. Secure value for money from the railway

#### Long-term outcome

We believe that Britain could in the future enjoy a railway that is largely able to meet its own costs from its revenues, with less reliance on subsidy (other than for social and economic benefit). In particular, we want to see:

- a railway that understands and reflects the real costs of its operation at every level;
- a railway which is recognised as being highly efficient through international, EU, national and other sector/activity benchmarking; and
- Network Rail being transparently held to account by all its customers.

**3. Secure value for money from the railway, for users and funders:** Strengthen incentives for the whole industry to work together to drive greater efficiency from the use and maintenance of existing railway capacity, and more cost-effective investment in the network.

#### Medium-term outputs

Over the next 5 years we will ensure that the railway industry focuses on delivering its outputs at an efficient cost, in order to deliver better value for the public subsidy that it receives. We will hold Network Rail to account for cost-efficient delivery of the programme of operational maintenance, renewals and enhancements that it has agreed to for CP5. We will employ increasingly sophisticated data analysis including at network and route level to create leading indicators of future performance gaps, and take enforcement action if appropriate. This mirrors the shift in focus that we expect of Network Rail too – moving from a “find and fix” to “preventative maintenance” approach to management of its assets. Crucially, we also plan to work differently with Network Rail and the train and freight operating companies to make sure that the right incentives and relationships exist and are used by Network Rail customers to hold it to account in the way any commercial supplier ought to be.

On the path to our long-term outcome, by 2019 we want to see:

- Network Rail achieving 19.4% efficiency savings on its support, operations, maintenance and renewals expenditure – in addition to the 40% already achieved in the last ten years;
- Network Rail achieving maintenance efficiencies of 16.4% by the final year of CP5, through better management of resources and by moving to a more predictive and preventative maintenance regime;

- Network Rail achieving (new to CP5) stretching regulated outputs for the quality of its asset data and asset management capability, plus the delivery of a programme which will increase the effectiveness with which Network Rail deploys its asset knowledge to make decisions;
- Network Rail improving the resilience of the network to climate change – specifically we expect to see published climate change resilience plans in place for all routes by the end of September 2014, which we will then monitor its progress against; and
- Network Rail moving to a more predictive and preventative maintenance regime (rather than reacting to failures), making sure the right work is done at the right location at the first visit and that working arrangements allow the most productive use of time.

## **2014-15 activities**

The following are highlights from our 2014-15 work programmes which we believe will contribute to achieving the long-term outcome specified above. Delivery dates are by quarter within 2014-15 and any associated service standards can be found in the final section of this plan.

### Network Rail

- Throughout 2014-15 we will deliver the programme of enhancement project reviews to support the Enhancement Cost Adjustment Mechanism we defined in PR13 and ensure delivery.
- Throughout 2014-15 we will deliver Periodic Review 13 (PR13), in particular holding Network Rail to account for delivery of the maintenance and renewals that will improve the reliability of its assets as well as analysing and improving operational impacts on performance.
- In quarter 1 we will assess Network Rail's performance in 2013-14 to inform our report to Network Rail's Remuneration Committee's decisions on remuneration.
- In quarter 2 we will ensure Network Rail delivers route resilience plans in time to inform the CP5 renewals and enhancement project scopes as necessary.
- In quarter 2 we will develop our analytical approach to asset management data to turn the significant increase in regulatory indicators we are asking from Network Rail into forward looking performance precursors.
- Throughout 2014-15 we will monitor Network Rail's financial performance, including an annual report on their finance and efficiency in quarter 3.
- By quarter 3 we will have improved our technical capability in the key areas of European Train Control Systems (ETCS) and overhead line electrification to ensure informed engagement with Network Rail on these programmes.
- In quarter 4 we will work with Network Rail to develop the CP5 Civil & Structure work-bank for years 3 – 5 of CP5 to ensure the network is as robust as possible.

### High Speed 1 (HS1)

- In quarter 1 we will complete the Periodic Review of HS1 (PR14).
- In quarter 2 we will publish our 2013-14 annual assessment of HS1.



### Wider industry

- Throughout 2014-15 we will ensure that infrastructure and rolling stock interoperability requirements are delivered in a quality and timely manner in accordance with the relevant statutory provisions framework.
- In quarter 1 we will publish, in collaboration with industry, a report on GB rail financial data.

## iv. Promote an increasingly dynamic and commercially sustainable sector

### Long-term outcome

In 2013, our Long Term Regulatory Statement set out our long-term vision for the development of the sector and our regulation of it. We want to see a railway that grows sustainably, by innovating and developing new services, attracting new passengers and freight. In particular, we want to see a sector that makes an even greater contribution regionally and nationally to connectivity and thus the economic and social prosperity of the UK.

**4. Promote an increasingly dynamic and commercially sustainable sector:** Support sustainable economic growth by promoting innovation and efficient long-term investment across the rail industry through the appropriate development of effective markets and regulatory intervention.

### Medium-term outputs

Over the next five years, we will use our expertise and independence to advise the governments on aspects of railways policy, with the aim of enhancing capacity and improving services in anticipation of continued growth in demand. We will use our reputation as a trusted expert to influence developments at the European level, particularly in respect of inter-operability and competition. We will also make an immediate start on the preparatory work for periodic review 2018; focussing on charges, capacity, incentives and competition. In doing so, we plan to work differently with Network Rail, train operating companies and freight operating companies, promoting wider industry collaboration where appropriate. In particular, we want to encourage more commercial dialogue between Network Rail and its customers on how best to meet the priorities of passenger and freight operators. We believe that better provision of information on costs and delivery is necessary to facilitate this, and hence why we will continue to press for greater transparency not just at a network level but also at a route level where we consider it will benefit consumers.

On the path to our long-term outcome, by 2019 we want to see:

- greater competition throughout the railway industry, including in the supply chain;
- more opportunities for access to capacity on the network; and
- greater transparency of information and use of evidence, in order to articulate the case for an increase in competitive opportunities.

## 2014-15 activities

The following are highlights from our 2014-15 work programmes which we believe will contribute to achieving the long-term outcome specified above. Delivery dates are by quarter within 2014-15 and any associated service standards can be found in the final section of this plan.

### Market development

- Throughout 2014-15 we will continue to apply ORR competition powers, including by working with the UK Competition Network of competition regulators and the CMA, to build and share best practice and generally to enhance the benefits that competition may bring in different rail industry markets and supply-chains for the benefit of all railway users.
- Throughout 2014-15 we will build closer alliances with other economic regulators (including the UK Regulators Network) in order to build and share best practice, particularly focussed on improving coordination across regulated sectors to enhance investment and efficiency for the benefit of consumers.
- Throughout 2014-15 we will build on our long term vision and objectives for the UK rail sector contained in our Long-Term Regulatory Statement (July 2013) by developing its themes into an evidence-base for PR18 development activities. This will specifically focus on charges, capacity, incentives and competition (including reviewing when competition and regulatory levers are each deployed to best effect). This work will draw on the Rail Delivery Group's review of charges covering passenger and freight operators.
- In quarter 4 we will review orders put in place by Competition Commission for the rolling stock market.

### Access and capacity

- Throughout 2014-15 we will deliver access, licensing and related casework to agreed timescales.
- In quarter 3 we will, by working with Network Rail, improve data and modelling to forecast capacity use more accurately.
- In quarter 3 we will introduce an access rights 'reopener' in the network code to give flexibility to adjust rights for big industry changes.
- In quarter 4 we will update our criteria and procedures for access, to improve clarity and take account of PR13.

### Europe

- Throughout 2014-15 (but subject to EU timetables) ORR will promote alignment of EU rail policies with UK objectives, and to encourage open markets, competition and interoperability across the continent. In particular, we will:
  - revise ORR guidance on appeals to take account of revision of access and management regulations and explain the impact of the revised EU Recast directive;
  - engage with European rail regulatory bodies via IRG-Rail to harmonise regulatory approaches at EU level and work with Department for Transport to influence the

development of EU secondary legislation avoiding additional regulatory burden for GB railways;

- negotiate with European Rail Agency to deliver revised assessment criteria for safety certification which support the centrality of a duty holders Safety Management System, in line with ORR's approach; and
- continue to work with neighbouring National Safety Authorities to harmonise supervision arrangements to facilitate the provision of cross-border services.

## v. Be a high-performing regulator

### Long-term outcome

We want to see an industry based on increasingly self-regulating commercial behaviour delivering a safe, efficient, customer-centred railway. This should mean, over time, substantially less regulatory intervention will be necessary. In particular, we want to see:

- a more integrated and effective approach to independent regulation of rail in the UK, that creates less complexity and cost to the industry and its customers;
- ORR as a trusted and respected regulator by industry, government and rail customers;
- a step-change in the transparency of ORR's own governance processes and performance; and
- ORR leading the debate about best-practice in rail regulation internationally.

**5. Be a high-performing regulator:** Develop and apply proportionate and risk-based regulation, taking a whole-sector approach. Make more effective use of our resources across safety and economic functions, maximise the value of our regulation while minimising the costs of compliance for the industry.

### Medium-term outputs

Over the next five years we will continue to work to create a regulatory environment which is in the interests of customers and society, only intervening proportionately where necessary. We will apply the principles of better regulation that have been developed by government and the community of professional regulators in the UK and internationally. We improve collaboration between UK economic regulators (via the UK Regulators Network), to spread best-practice in economic regulation. And we will honour the principles of efficiency, effectiveness and transparency that we ask of the industry. In particular, we will examine ways in which we can make ORR's own governance processes and performance increasingly more transparent, starting by reporting on our progress against plan in the course of 2014-15.

## **2014-15 activities**

The following are highlights from our 2014-15 work programmes which we believe will contribute to achieving the long-term outcome specified above. Delivery dates are by quarter within 2014-15 and any associated service standards can be found in the final section of this plan.

### Capability

- Throughout 2014-15 we will continue to build closer links with the industry and further develop our rail expertise.
- Throughout 2014-15 we will operate in full compliance with and thus enhance our 'Investors in People' accreditation.
- In quarter 2 we will further develop our strategic workforce planning, talent management and leadership development to ensure the organisation has the right skills for the next control period and beyond.
- In quarter 3 we expect to see an increase in our staff engagement score, as measured through the annual civil service survey.

### Accountability

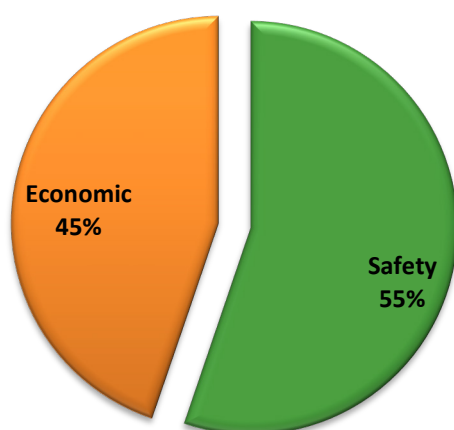
- Throughout 2014-15 we will further reduce our annual overhead costs, particularly through smarter working, in order to deliver a 2.6% real terms reduction in our maximum statutory charges to industry.
- Throughout 2014-15 we will deliver excellent customer service, as specified in the 'Service standards' section of this plan, and develop further measures of customer service based on feedback where appropriate.
- Over the course of 2014-15 we will develop analyses to account more clearly for the economic and social value of our activities and the costs of compliance that we impose on the industry, in the interests of strengthening our accountability to our stakeholders and the public.
- In quarter 1 we will commission an independent review of our handling of PR13 and publish it and our response to the findings.
- In quarter 3 we will produce a mid-year report on how we are progressing against this Business Plan.



# Resources

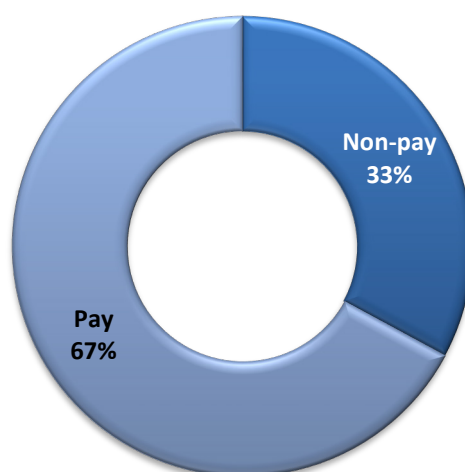
ORR is committed to meeting the Government's aim of reducing the cost of regulators by 5% in real terms by 2015-16. More than half of this saving will be achieved in 2014-15 by:

- reducing overhead costs;
- increasing efficiencies through smarter working; and
- generating income external to the railway industry.

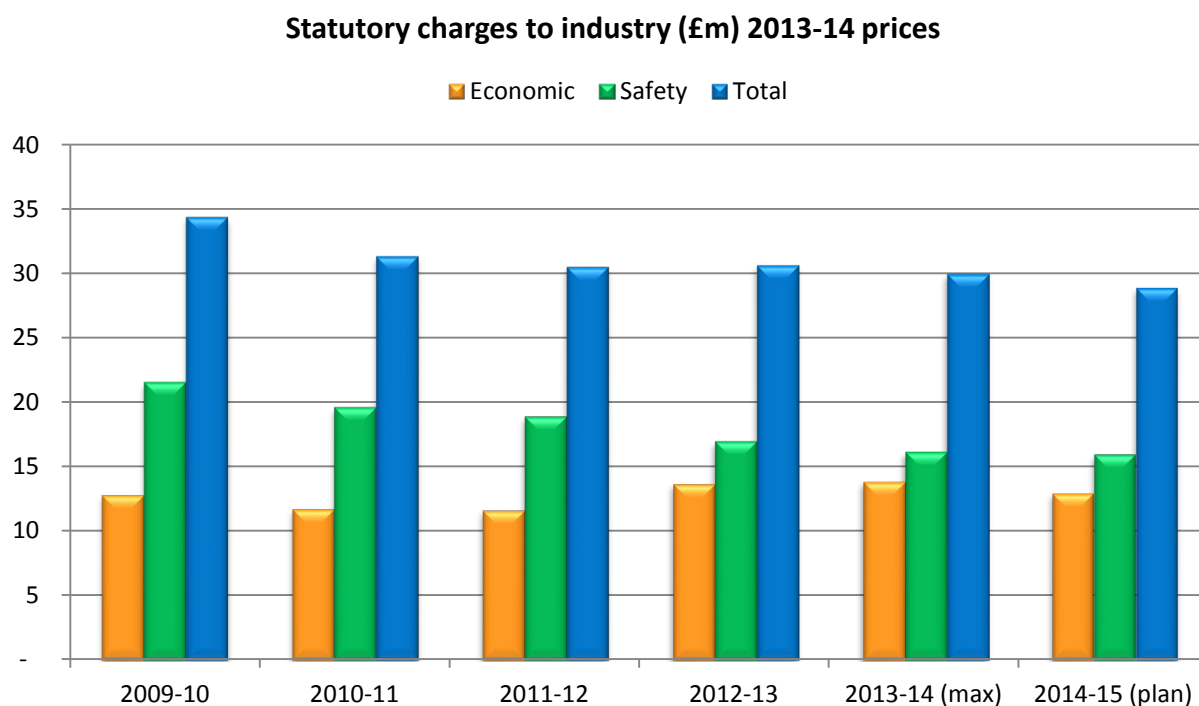


Our planned maximum of statutory charges to industry in 2014-15 totals **£29.7m**, split 55:45 between the safety levy and the economic licence fee.

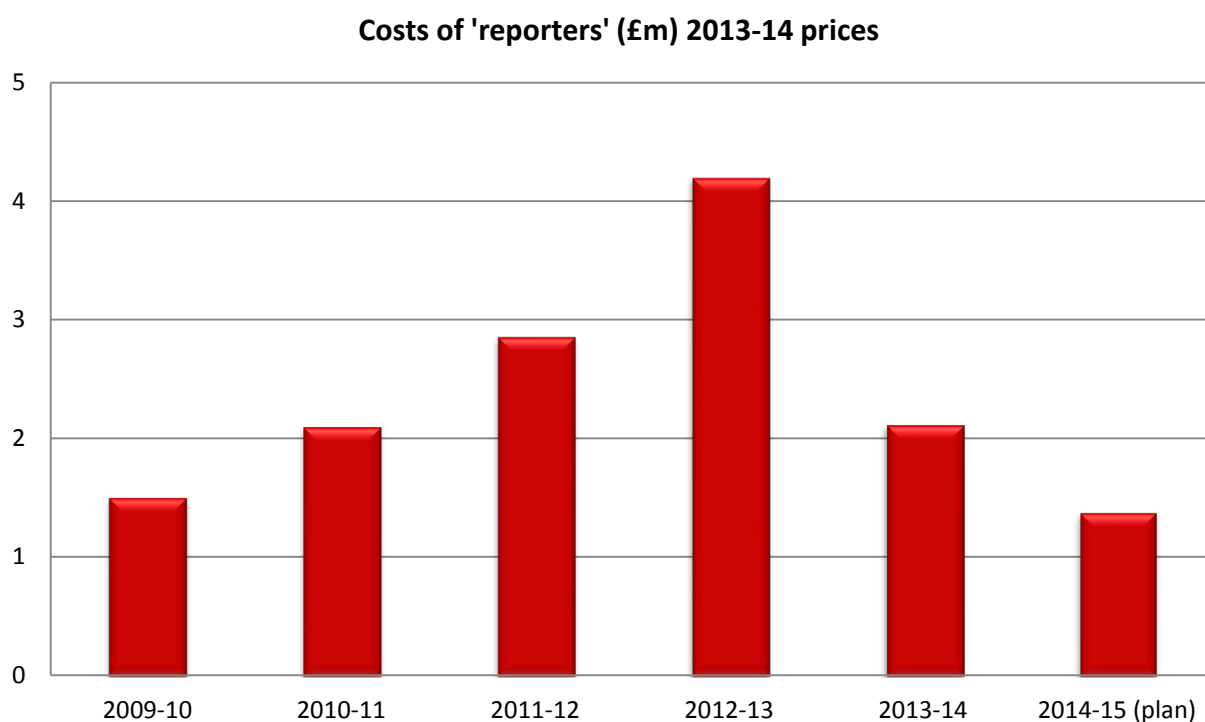
This income is used to pay for our staff and associated overheads, two-thirds of which relates to salary and associated on-costs for approximately **280 staff**.



A comparison of our statutory charges to industry over time shows that ORR has reduced its direct costs to industry in real terms.



Furthermore, ORR is also reducing the indirect costs that are passed onto industry via 'reporters', in response to industry feedback.



# Service standards

Much of what ORR does as part of 'business as usual' activities involves providing services to those in the industry or others with an interest in railways. As an organisation that is largely funded, directly or indirectly, by the public we believe it is essential that we publish service standards as part of our commitment to transparency.

In our first year of doing so, we have to acknowledge that some measures may not be perfect. However, we are committed to continuous improvement in this regard and as such we welcome any feedback you may have on what and how we should measure our performance in future.

SERVICE PROVISION	STANDARD
Issue new or revised train driver licences	100% of applications processed within one month of receipt of all necessary documentation
ROGS safety certificates and authorisations	100% determined within four months of receiving completed application
Report to Rail Accident Investigations Branch (RAIB) on the progress of its recommendations	100% response to RAIB recommendations within 1 year of associated RAIB reported being published
Efficient processing of Enhancement Cost Adjustment Mechanism (ECAM) submissions	100% of responses within 21 days of receiving complete submission
Efficient processing of technical authorisations	100% of responses within 28 days of receiving complete submission
Access and licensing casework	100% decided within 2 months of receipt of all relevant information
Freedom of Information requests	90% of requests for information responded to within 20 working days of receipt
General enquiries and complaints	95% of enquiries and complaints responded to within 20 working days of receipt
Prompt payment of suppliers' invoices to ORR	80% paid within 10 days of valid invoice 100% paid within 30 days of valid invoice



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