



Business plan 2024-25

Our Purpose

To protect the interests of rail and road users, improving the safety, value and performance of railways and roads, today and in the future.



Our business plan 2024-25

ORR's day job of regulating the rail and road industries to protect the interests of current and future users covers a huge range of activities throughout the year, from health and safety inspection and enforcement to new train authorisations and holding the industries to account on better customer service. We will continue to carry out these crucial frontline activities with excellence and independence.

There are, however, three discrete and important pieces of work coming up in 2024-2025 to ensure value for money for the travelling public, taxpayers and wider stakeholders.

Firstly, this year marks the start of the new five-year control period for Network Rail. We will be putting a new monitoring framework in place to hold the company to account for delivering the train performance and other outcomes that we required in return for the approximately £43 billion of real terms funding approved for its operation, maintenance and renewal of the network.

Secondly, we have a large piece of work to do on roads, looking at the future efficiency of National Highways under the third Road Investment Strategy and we will be checking that plans for England's strategic road network between 2025 and 2030 are efficient and deliverable.

And thirdly, we will be carrying out our periodic review of the High Speed 1 rail network to scrutinise its future costs and outputs for the five-year period starting in 2025. This review will have an additional dimension now that two companies have publicly announced that they intend to apply for access

rights to compete with Eurostar to provide services between London and the Continent.

Of course, there will be a general election during this business year and that requires us to be flexible and adaptive. ORR has always been good at responding positively to change, and we stand ready to provide independent advice as appropriate.

I know that my colleagues at ORR will, as ever, deliver this year's programme of work with efficiency and diligence and I thank them for their continued hard work and professionalism. We are committed to continuing to develop and support our people to provide an effective level of oversight and assurance now and in the future.



John Larkinson
Chief Executive

Who we are and how we work

We are an independent, non-ministerial UK government department, established by, and accountable directly to Parliament.

We regulate Network Rail, including targets it is expected to achieve, and report regularly on its performance. We regulate health and safety standards and compliance across the whole rail industry. We oversee competition and consumer rights issues – driving a better deal for rail passengers and taxpayers. We also regulate the High Speed 1 link to the Channel Tunnel.

We hold National Highways to account on its commitments to improve the performance and efficiency of England's strategic road network.

ORR comprises a governing board appointed by the Secretary of State for Transport and over 360 professionals, spanning engineering, safety, legal, economics and competition, operating from six offices across the country.

Funding

2024-25 is the third year of a three-year spending settlement agreed with HM Treasury.

Most of our income comes from the rail industry to fund our core work, with health and safety regulation and economic regulation accounting for 45% and 46% of our annual income respectively. We receive a grant from the Department for Transport to fund our regulation of the strategic road network.

Our total budget for 2024-25 will be **£41.7m**. We will raise **£37.8m** in statutory charges to spend on the railways and our roads budget will be **£3.9m**.



Our values



Inclusive

- Include and value others by demonstrating fairness and respect
- Proactively help others and be open to receiving support
- Treat everyone respectfully and be considerate of others' needs



Professional

- Recognise the knowledge and skills that we all bring
- Take pride in - and accountability for - the quality of our work
- Aspire to be an expert in our field



Ambitious

- Continuously seek innovative ways to improve & deliver outcomes that make a difference
- Constructively challenge ourselves and each other to achieve our best
- Take ownership of our professional development



Collaborative

- Work together to achieve better outcomes
- Be open minded to the ideas of others
- Share expertise and build networks across ORR and more widely

Our strategic objectives

Our business plan summarises what we aim to achieve each year to meet our four strategic objectives:



A safer railway



Better rail customer service



Value for money from the railway



Better highways





A Safer Railway

We remain focused on supporting the railways through a considerable period of change. As we enter the first year of **Control Period 7 (CP7)**, we are readying ourselves to hold Network Rail to the commitments to safety it made in its Delivery Plan.

With fewer asset renewals and a greater reliance on inspection and maintenance activities, we will examine arrangements for ensuring Network Rail realises the benefits of its Modernising Maintenance Programme, including risk-based maintenance to deliver safe and reliable assets. We will also closely monitor their delivery of the Infrastructure Monitoring project, that provides essential data to infrastructure managers.

The **occupational health, safety and wellbeing of railway workers** remains a priority for ORR. On health, our focus will be on workforce exposure to welding fumes and asbestos in the non-mainline sectors. We will continue to engage with the important work of the Rail Wellbeing Alliance and support industry's efforts on this issue, as we look ahead to developing our strategy for health regulation over the next five years.

Extreme weather events and their impact on buildings and structures management continue to be a significant and growing issue for the rail industry and we will support them in addressing this as part of the CP7 delivery plan. We will continue to work with Network Rail's Weather Risk Task Force and monitor the delivery of its action plans for risk mitigation.

We will also look at areas of **key risks for train and freight operating companies** and, through our membership of industry groups, develop targeted strategies to drive improvement. We welcome efforts by train companies to collaborate on Risk Management Maturity Model (RM3) assessments and action plans, to encourage excellence in health and safety management.

New **Channel Tunnel binational regulatory arrangements** are expected to come in this year, transferring National Safety Authority (NSA) responsibilities for the UK half of the tunnel to ORR. We will continue to work constructively with EPSF, the French railway NSA, to plan a smooth and effective transition.





A Safer Railway

Our emphasis with **Transport for London** continues to include asset management and the management of change of risk associated with, for example, the delivery of **London Underground's** hugely ambitious Four Lines Modernisation (4LM) project on the underground network.

We continue to support and influence the **tramway sector**, holding them to account for delivering health and safety. Our planned work includes a focus on how tramway operators are managing the risk of collision between tram vehicles, other vehicles and vulnerable road users through delivery of effective health and safety management systems and reviewing our approach to regulating risks arising from public behaviour around the tramway.

We will continue to support health and safety leadership across the **heritage sector** as it explores options to better promote consistent standards, including through engagement activities on risk management improvement and the use of technology where appropriate.

We will input on **industry policy, legislation and guidance** as it relates to health and safety on the railways. This year we will work with the Department for Transport on proposed legislation to lower the minimum age for train drivers and to secure potential wider reforms following the case for change made in the 2023 Post Implementation Review of the Train Driving Licences and Certificates Regulations.

As **new technologies and innovative approaches** are brought into the industry, ORR is working closely with other health and safety regulators,

as well as investing in our own expertise. We will continue to work with industry to influence how the evolution and adaptation of technology by Network Rail can improve safety.

Our important **day-to-day proactive and reactive work** of inspections, investigations, enforcements, and statutory activity, such as issuing of safety certificates and authorisations, train driving licences, level crossing orders and RAIB recommendation follow-ups, will continue across the year.

Linked to this, a large piece of work this year will be to support a **Fatal Accident Inquiry** to examine the full circumstances surrounding the tragic deaths and injuries from the derailment of a train at Carmont, Aberdeenshire in 2020.

We have also had the "first notice" from the Procurator Fiscal about the Fatal Accident Inquiry relating to the Saughton Tram Crossing fatality. Scottish Solicitors have been engaged and input to the initial hearings is likely to be in 2024-25.



"ORR is working closely with other health and safety regulators, as well as investing in our own expertise."



Better Rail Customer Service



Accessibility to the rail network and services for all customers, and in particular customers with disabilities, will continue to be a priority area for ORR this year. Our work will include scrutiny of the provision of assistance at stations managed by Network Rail, which accounts for over a third of the assistance booked by passengers, and of the reliability of lifts across the network, which are essential for passengers who need step-free access.

We will review station operators' processes for maintaining and operating Help Points, so that passengers can be confident they can request the assistance they need at stations, and will consult on proposals to require operators to take passenger views into account when considering staffing changes that might affect the way disabled passengers are supported.

We will test operators against the commitments they made in their Accessible Travel Policies and plan to increase our impact by developing a new approach to benchmarking performance.

We will continue to hold operators to account for better quality **passenger information** so that journeys can be made with more confidence. We will monitor performance against the Customer Information Pledges, with a particular focus on how passengers are kept informed during unplanned disruption, including information on rail replacement services.

Last year, we commissioned a review with Transport Focus of the experience of passengers on **stranded trains**. We will work with industry to embed the learning and actions from this, to ensure that Network Rail and operators focus on the needs of passengers.

Building on our interventions last year, we will maintain our focus on the transparency of the fees charged by **third party ticket retailers** and will review the existing **Retail Information Code of Practice**, including its status and scope to support retailers in giving passengers a clear understanding of the service they can expect.

Having taken on sponsorship of the **Rail Ombudsman** from the Rail Delivery Group, we will continue to hold the service provider to account for effective delivery and meeting contractual requirements for planned changes and improvements. This includes ensuring delivery of the Ombudsman's accessibility road map so that all passengers who need to escalate unresolved complaints with the service are able to do so.



Better Rail Customer Service

"We continue to believe that on-rail competition through open access brings more choice and better services for passengers."



Access to the network and licensing of railway operators will remain a significant area of work. We will carry out our day-to-day role of reviewing and approving decisions taken between Network Rail and train operating companies about use of the network, providing independent resolution where they cannot agree. We will publish our annual review of the Network Statements where all regulated infrastructure managers must describe their arrangements for granting access.

We continue to believe that on-rail competition through **open access** brings more choice and better services for passengers. Early in the year we will report and consult on a review of our decision-

making framework for assessing the economic impact of new open access services, aiming to strengthen our decision-making and make the process more accessible to applicants.

We also expect to consider several open access proposals throughout the year. We will continue to work with **Grand Union Trains** as it prepares to implement new services between London and Wales and we are working closely with **HS1 and Eurotunnel** to improve the transparency of their arrangements for access to their networks, because we expect to deal with applications to run **new international services** through the Channel Tunnel.

High-performing and resilient **timetables** are an essential part of providing a good service to passengers and freight customers. We continue to support the ability of train operators and their customers to plan with certainty, therefore will ensure that Network Rail complies with established industry timescales in producing timetables by the end of 2024. We will **improve transparency** around the industry's delivery in this area by publishing data on our website every six months, showing our and industry's compliance with key deadlines for decisions about the timetable and access to the network.



Value for Money from the Railway

Holding Network Rail to account, as infrastructure manager for the GB mainline rail network, is one of the central ways in which ORR ensures that the railway is run in the most efficient way for users and funders.

This April sees the commencement of **Control Period 7 (CP7)**, following the successful conclusion of our Periodic Review (PR23).

We will look back at the last Control Period (CP6) in our **Annual Assessment of Network Rail**, where we will set out our views on the organisation's delivery to its stakeholders across its regions and functions, highlighting any current and future risks and areas of concern. We will follow this up with our **Annual Efficiency and Finance Assessment** in the third quarter of the year.

We will put measures in place to ensure that the settlement funding that Network Rail has been allocated for the next five years of CP7 is well spent, with a continued focus on **better train performance** for both passengers and freight customers. We will produce a set of leading indicators of train performance (such as signaller vacancies), to meet a commitment we made in PR23. In the spring we will conclude our licence breach investigation into train performance in Network Rail's Wales and Western Region.

As we look beyond PR23, we will commence work with industry to reset Network Rail's train performance trajectories and incentive regimes for the last three years of CP7 (2026-28). Looking further ahead still to PR28, we intend to commence early work on the approach to charges for passenger and freight operators who use Network Rail's infrastructure.





Value for Money from the Railway

"We will commence work with industry to reset Network Rail's performance trajectories and incentive regimes for the last three years of CP7 (2026-28)."

Another significant piece of work this year will be our **2024 Periodic Review (PR24) of High Speed 1 (HS1)**. This will set the charges for access to the HS1 network for Control Period 4 (CP4), the five years commencing in 2025, and will look in particular at HS1's affordability and asset sustainability. We will publish our Draft Determination in September and our Final Determination in January 2025.

Effective **competition** is an important driver of value for money. We will be concluding our market study on station catering in the summer, and we intend to launch a new market study during the course of 2024-25. We will continue to monitor implementation of our previous

recommendations from our market studies into signalling and ticket gates. As part of our day-to-day role, we will consider any complaints arising about anti-competitive behaviour, opening new cases under our competition enforcement powers where appropriate. We will continue to provide advice to the Competition and Markets Authority (CMA) on rail-related mergers and will also provide competition advice to government and other stakeholders, including on matters related to open access.

ORR is the publisher of **official statistics** for rail, including gathering and reporting information on rail safety, industry finance, passenger usage and rail performance. The transparent reporting of statistics provides valuable and accessible information to the public and helps us hold the rail industry to account on performance, efficiency and value for money.



Better Highways

National Highways has obligations to road users and funders to operate, maintain and enhance an efficient, safe and reliable strategic road network (SRN), which comprises the motorways and major A roads in England. As the independent highways regulator, ORR uses its regulatory powers to hold the company to account for delivery of this.

The focus of our work across the coming year will be a mix of closing out the current, **second road period (RP2)** as it comes to an end in March 2025 and preparing for the next five-year period, the **third road period (RP3)**, due to start in April 2025.

We will continue to monitor and report on National Highways' performance and its delivery of the **second road investment strategy (RIS2)** in our annual assessment (to be laid in Parliament) and regional benchmarking work.

In the first quarter of the year, we will publish the outcome of our **investigation** into National Highways' performance, delivery and capability launched in February 2024.

On the recommendation of the Transport Select Committee, with the fixed-term funding for additional resource available to us until the end of this financial year, we will again publish our **annual assessment of safety performance on the strategic road network**. Its ongoing value has been recognised by a number of industry and parliamentary stakeholders. Separately, we will publish our **quality assurance** of National Highways' smart motorways annual safety update report.

Looking towards the **third road investment strategy (RIS3)**, we will carry out our Efficiency Review of National Highways' draft Strategic Business Plan early in the year and deliver our independent expert advice to the Secretary of State for Transport. Ultimately, our recommendations will help the government maximise the long-term benefits of its investment in the SRN, leading to better outcomes for road users, improved environmental impacts, and better value for money for taxpayers.

We will work with the Department for Transport to ensure that National Highways has a refreshed and clear **performance framework for RP3** with challenging but deliverable commitments for which we can hold the company effectively to account. Alongside this we will review and consult publicly on our **holding National Highways to account policy for RP3**. The revised policy will reflect our maturing approach and expectations.



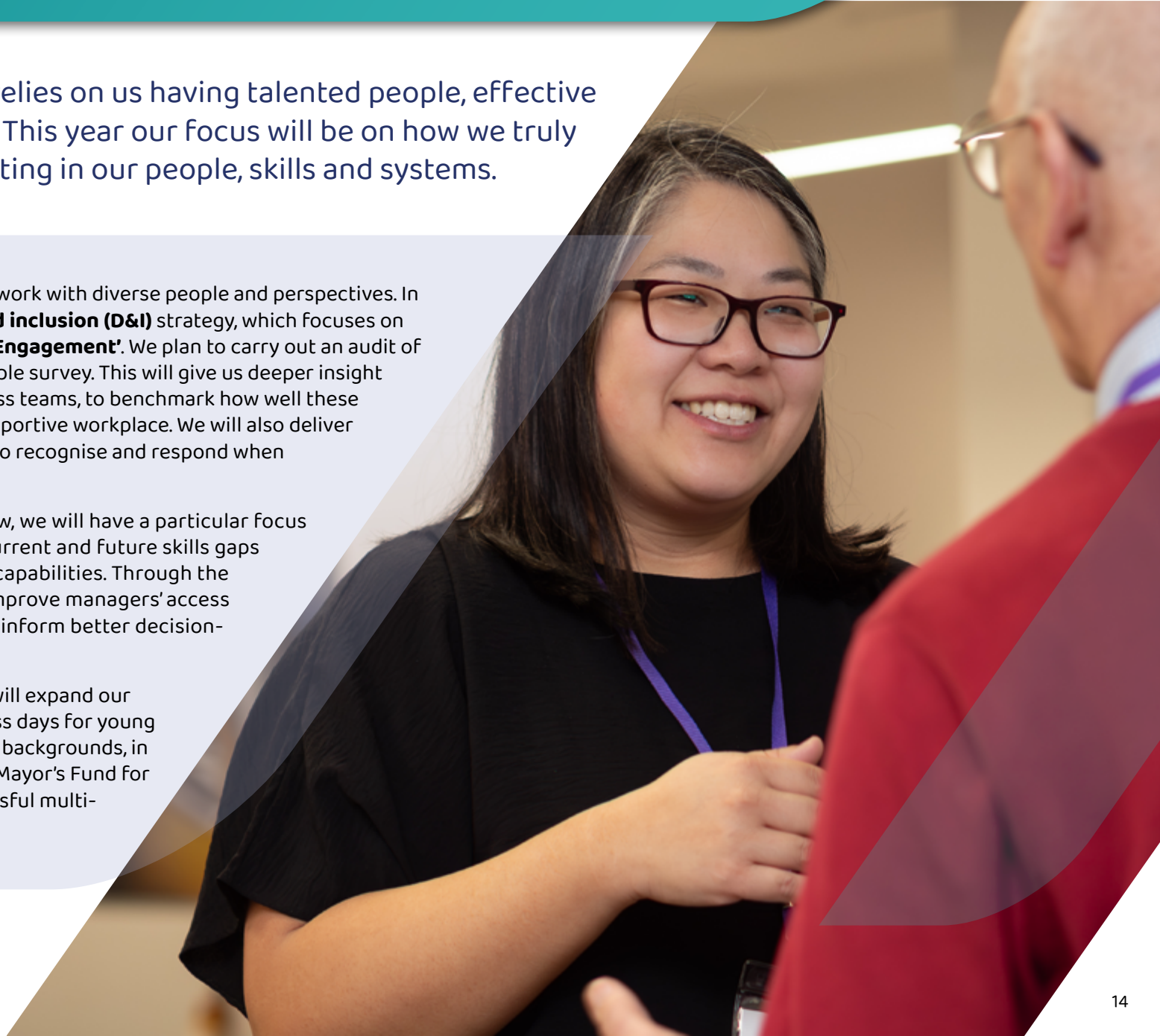
Our People and Performance

Our performance as a regulator relies on us having talented people, effective processes and good governance. This year our focus will be on how we truly develop as an organisation, investing in our people, skills and systems.

We want ORR to continue to be a great place to work with diverse people and perspectives. In April we will publish our refreshed **diversity and inclusion (D&I)** strategy, which focuses on **'Representation, Ownership, Leadership and Engagement'**. We plan to carry out an audit of ORR culture, building on feedback from our people survey. This will give us deeper insight into organisational culture and behaviours across teams, to benchmark how well these are aligned with our goal of an inclusive and supportive workplace. We will also deliver bystander training to give our people the tools to recognise and respond when witnessing bias or harassment.

Under our new approach to performance review, we will have a particular focus this year on **talent management**, to identify current and future skills gaps and enhance our leadership and management capabilities. Through the introduction of new data dashboards we will improve managers' access to real-time information about their people, to inform better decision-making.

We will also do more around **early careers**. We will expand our intern programme this summer, running business days for young people from low-income and underrepresented backgrounds, in partnership with Access Aspiration (part of the Mayor's Fund for London charity) and we will continue our successful multi-discipline apprenticeship programme.



Our People and Performance



This year will see the creation of a new three-year **technology strategy**, aiming to enhance existing services whilst harnessing new and emerging Artificial Intelligence (AI) technologies. The strategy will have a strong focus on upskilling our people to maximise the benefits of using new, more efficient administration tools. We will focus on making tools available that enable our people to work autonomously wherever they are.

Ensuring we maintain robust protection against cyber threats remains a high priority. Our new **Cyber Security Plan** draws together recommendations from audits and measures required by central government and this year we will deliver a new iterative programme of works to ensure we maintain our security maturity across the organisation and are able to meet the UK Government Security Standards by the required date of 2030.

In March 2023, we published our first **Corporate Environmental Strategy**, setting out a range of organisational and employee actions ORR can take to meet the Greening Government Commitments for 2021-2025, and throughout this year we will work on embedding and implementing the strategy's action plan.

We will continue to communicate the value of effective and independent regulation to external stakeholders, and will ensure that our decisions are always based on robust and pragmatic legal advice.

Service Standards for 2024-25

Provision	Standard
Issue new or revised train driver licences	100% of applications decided within 1 month of receipt of all necessary documentation
ROGS safety certificates and authorisations (Railway and Other Guided Transport Systems Regulations)	100% decided within 4 months of receiving completed application
Report to the Rail Accident Investigations Branch (RAIB) on the progress of its recommendations	100% response to RAIB recommendations within 1 year of associated RAIB report being published
Efficient processing of technical authorisations	100% of responses within 28 days of receiving complete submission
Approve the Accessible Travel Policy of a new licence holder	100% approved within 6 weeks of receipt of all relevant information
Track, station and depot access applications	100% decided within 6 weeks of receipt of all relevant information
Operator licence and licence exemption applications	100% decided within 2 months of receipt of all relevant information
Freedom of Information requests	100% of requests for information responded to within 20 working days of receipt*
General enquiries and complaints, including adjustment to account for cases investigated	95% of enquiries and complaints responded to within 20 working days of receipt
Data access rights requests	100% of all data access requests responded to within 1 month of receipt
Prompt payment of suppliers' invoices to ORR	90% paid within 5 days of valid invoice, 100% paid within 30 days of valid invoice
Publication of the four accredited official statistics quarterly statistical releases	100% published within 4 months of quarter end
Market studies	100% of interim market study reports published within 6 months of launch of market study
Proactive, preventative regulatory interventions	50% of ORR inspector time spent on proactive, preventative regulatory interventions

*includes responding to the requestor to indicate a time extension beyond 20 days will be necessary, for example to consider the application of a public interest test.

Deliverables 2024-25

The following table summarises specific, time-critical actions ORR will deliver over the next 12 months.

What we will deliver	When we will deliver it
A SAFER RAILWAY	
Convene an event to bring together senior leaders from track and train dutyholders to engage in the industry's rail resilience capability	Q1
Deliver a strategic, structured and targeted intervention programme on Network Rail's approach to maintaining the safety of assets, specifically focused on maintenance delivery activities (including 'modernising maintenance')	Q3
Work with DFT to secure legislative changes following the Post Implementation Review of the Train Driving Licences and Certificates Regulations 2010	Q3
Deliver a strategic, structured and targeted intervention programme to assess the adequacy of industry's risk management arrangements for operating during extreme weather	Q4
Secure transfer to ORR of National Safety Authority (NSA) responsibilities for the UK half of the Channel Tunnel	Q4
Review and influence industry's new Platform Train Interface strategy	Q4
Undertake a focused inspection programme to look at rail workers' welding fumes exposure	Q4
Develop and deliver face-to-face engagement activities to drive improvements in health and safety risk management across the heritage sector	Q4
Review outputs from the rail resilience capability event to develop future areas of work	Q4

Deliverables 2024-25

What we will deliver	When we will deliver it
BETTER RAIL CUSTOMER SERVICE	
Consult on proposals to require operators to take passenger views into account when considering station staffing changes	Q1
Report and consult on a review of our open access economic assessment methodology	Q1
Publish six-monthly data on ORR and industry's compliance with sale of access and timetabling deadlines	Q2 and Q4
Assess and report on the quality of passenger information for planned rail replacement services	Q3
Develop a new approach to benchmarking operators' performance on provision of assistance to passengers	Q4
Conclude and publish the outcome of the review of the Retail Information Code of Practice	Q4
Conduct annual review of Network Statements for Network Rail, Eurotunnel, HS1, the Heathrow Airport Link and Core Valley Lines	Q4

Deliverables 2024-25

What we will deliver	When we will deliver it
VALUE FOR MONEY FROM THE RAILWAY	
Publish open letter on conclusion of PR23 and outline future CP7 work	Q1
Publish final report on railway station catering market study	Q1
Publish Annual Assessment of Network Rail	Q2
Publish Annual Assessment of HS1	Q2
Produce draft determination for HS1 (PR24)	Q2
Publish Network Rail Annual Efficiency and Finance Assessment	Q3
Publish Annual Assessment of Network Rail's stakeholder engagement	Q3
Publish Annual Rail Safety statistics	Q3
Publish Annual Rail Industry Finance statistics	Q3
Publish Statistics on Annual Estimates of Station Usage	Q3
Produce final determination for HS1 (PR24)	Q4
Consult on approach to charges for CP8	Q4

Deliverables 2024-25

What we will deliver	When we will deliver it
BETTER HIGHWAYS	
Carry out Efficiency Review of National Highways' Strategic Business Plan for RIS3	Q1
Quality assure National Highways' annual smart motorways safety update report	Q1
Publish the outcome of our investigation into National Highways' performance, delivery and capability	Q1
Publish our Annual Assessment of National Highways' performance	Q2
Publish regional benchmarking of National Highways' performance	Q3
Publish our third Annual Assessment of Safety Performance on the Strategic Road Network	Q4
Refresh our policy on how we will hold National Highways to account for the third road period (RP3)	Q4

Deliverables 2024-25

What we will deliver	When we will deliver it
OUR PEOPLE AND PERFORMANCE	
Provide risk management training for ORR colleagues	Q1
Provide fraud awareness training for ORR colleagues	Q2
Introduce people information dashboards for managers	Q2
Complete the first cycle of our rolling 12-month Cyber Security Plan	Q2
Hold an ORR business insight day in partnership with Access Aspiration	Q3
Revise ORR procurement policy and procedures to comply with new procurement legislation	Q3
Deliver bystander intervention training	Q3
Evaluate and benchmark organisational culture via a culture audit	Q3
Finalise ORR's new 3-year Technology Strategy	Q4



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