

Business plan summary 2021-22



Welcome to
King's Cross

11 05 45

Let's travel safely

-  Travel at
quieter times
-  Wash your
hands
-  Wear a face
covering

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Foreword

The last year has been tough for the whole industry, but as the economy begins to recover from the Covid-19 pandemic and anticipated passenger numbers rise, our work to ensure improvements for passengers will become even more important.

We will monitor how well companies are providing better assistance to passengers who need it, what impact improvements to customer information are having and whether the industry's approach to handling customer complaints remains fit for purpose.

We will also work with the industry to maintain, as far as possible, the gains made to train service performance during the pandemic.

We have also made gains in holding Network Rail to account in the last year: this will continue. We will focus on issues that ultimately affect all taxpayers and users – the need for Network Rail to further improve its efficiency while keeping its assets in good condition. Alongside this we will kick off a major new analysis (the 2023 Periodic Review) of what funding Network Rail will receive in the future and what it should deliver for that funding.

Our work on improving health and safety across the rail industry, with its emphasis on proactive inspection, will remain a high priority. In addition to significant areas of work which preceded the pandemic, such as track worker safety, we will build on new Covid-19 areas, such as the much higher levels of cleanliness expected on trains and at stations.

We will hold Highways England to account for the delivery of the outputs agreed with government, and our roads work will expand to include a more in-depth look at larger capital projects.

And, as ever, we will work constructively with the industries we monitor and regulate to deliver improvements in the public interest. Our funding for the year has been set by government and we will maintain a tight grip on costs and deliver within that funding.

We will continue to ensure that ORR itself provides the most efficient service to taxpayers and the industry, also applying the best parts of what we have learned from working remotely for over a year as we return to more regular office-based arrangements.



A handwritten signature in black ink, appearing to read 'John Larkinson'.

John Larkinson
Chief Executive

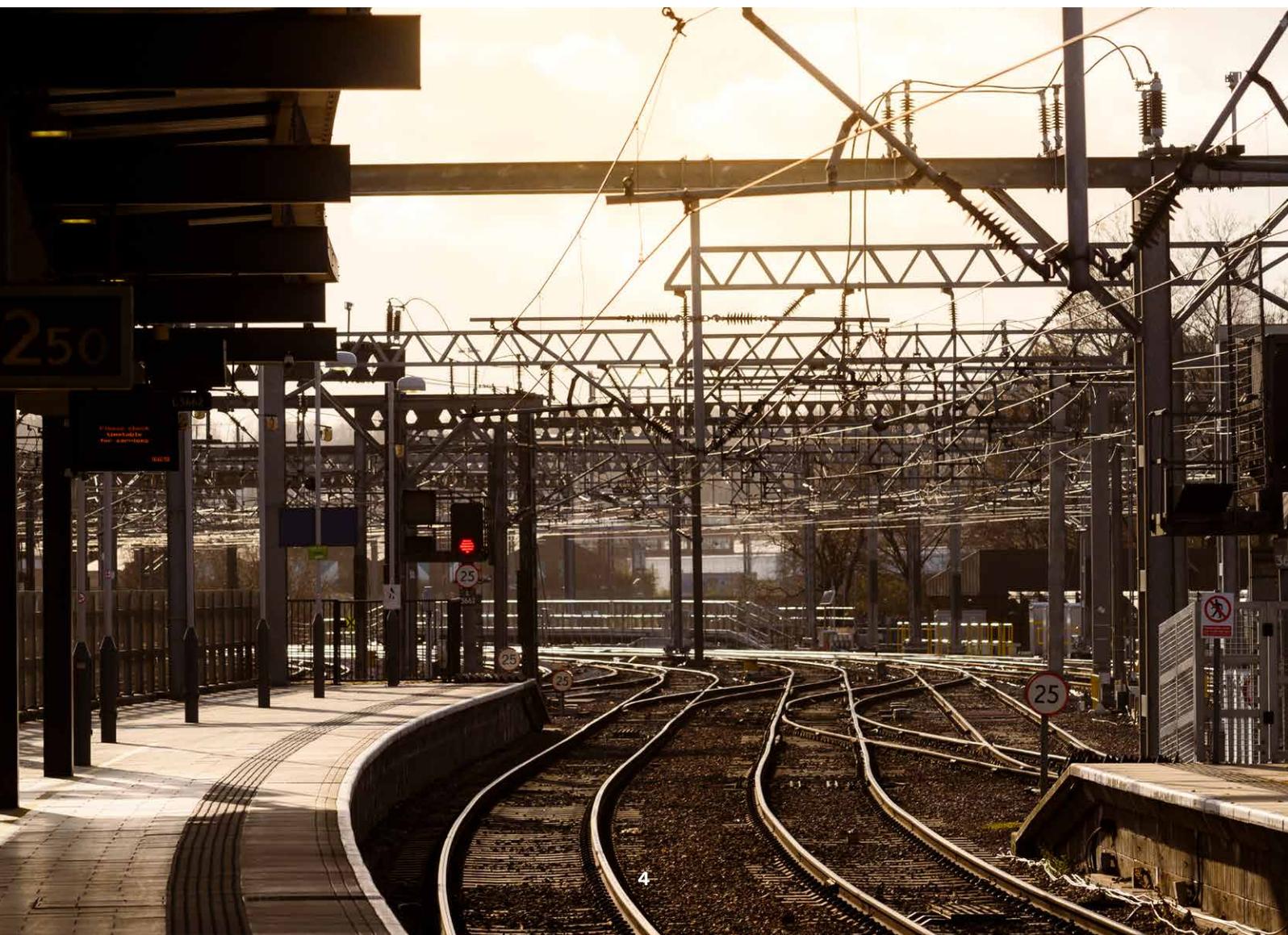
Health & Safety

ORR has worked hard in the past year to help the rail industry operate safely throughout the pandemic, including publication of a suite of **Covid-related guidance**. We continue to keep this under review and maintain regular dialogue with stakeholders so that we can respond swiftly and appropriately to changing situations.

Looking to the future, challenges remain in how we manage the transition back to pre-pandemic levels of train service. The health and wellbeing of passengers and the workforce must be at the heart of how the industry operates, including how we maintain the higher levels of cleanliness and lower crowding.

In the coming year, we will continue to promote **Health and Safety by Design**, building on good examples in a number of priority areas. We support the development of the industry's strategic plan for **electrification** and associated technologies like battery power, so that in time diesel can be proactively eliminated from the network.

On climate change and air quality we are addressing with industry the management of extreme weather risk, and taking forward the findings of the published reports from Network Rail's taskforces on **earthworks and weather management**, following the Carmont derailment.



The use of **technology** in reducing risk and improving efficiency and customer experience is an increasingly important focus for ORR. Examples include use at remote inspections, driver-controlled operations and at passive level crossings. We will also explore how technological solutions can deliver cleaner trains in terms of surfaces and air quality.

Track worker safety remains a priority and Network Rail's Safety Task Force is showing leadership in response to improvement notices, with preventive and protective measures on course for implementation by 2022. We will also seek improvements in depot safety following fatalities and enforcement notices, including monitoring the effectiveness of the Rail Delivery Group sub-group tasked with this issue.

We will continue to work with the Train Operating Companies (TOCs) to reduce the risk to passengers at the **platform-train interface (PTI)**, including visually impaired people using station platforms where tactile surfaces have not yet been installed. We will maintain pressure to reduce the number of Signals Passed at Danger (SPAD) through implementation of the SPAD strategy.

ORR will support the introduction of new **rolling stock and infrastructure** and will have an important assurance role to play in the reinstatement of assets after prolonged shutdown. This includes in the **heritage sector**, where we are also working on leadership and succession. We will continue to support the Light Rail Safety and Standards Board in delivering its objectives in the **tram sector**.

Unfortunately, **trespass and suicide** remain significant challenges. We will continue to encourage Network Rail and the TOCs to work together on preventive measures.

We will monitor and support **London Underground's** efforts to maintain a strong safety record while facing considerably higher financial constraints. And as **Crossrail** prepares for trial operation this year, we will continue to have a central role in helping them meet their target to become operational in early 2022.

Following the **UK's exit from the EU** at the end of 2020, we will be working on agreement of the new bi-national regulations this summer and ensuring appropriate arrangements are in place to support effective safety regulation of the **Channel Tunnel**.

As roles and working practices inevitably shift within the industry, ORR will be proactive in ensuring change is managed effectively, with a strong focus on **supporting the mental health of the workforce**. We will help accelerate the good work of the Rail Wellbeing Alliance and continue to push initiatives like the Million Hour Challenge, where employees can volunteer hours to the Samaritans, with knock-on benefits to their own mental health.

Our **core work of inspections, investigations and statutory activity** (such as the issuing of safety certificates, train driving licences and level crossing orders) will continue and we will remain agile in responding to issues that arise. In the first six months of this year we will enhance our interoperability authorisations and train driving licensing processes and guidance; improve data capture from our proactive inspections; and publish new guidance on principles for managing level crossing safety.

Better Rail Customer Service

A substantial piece of work for ORR in the past 18 months has been revising guidance on **accessibility** in relation to rail replacement services and approving all train companies' Accessible Travel Policies (ATP) against this.

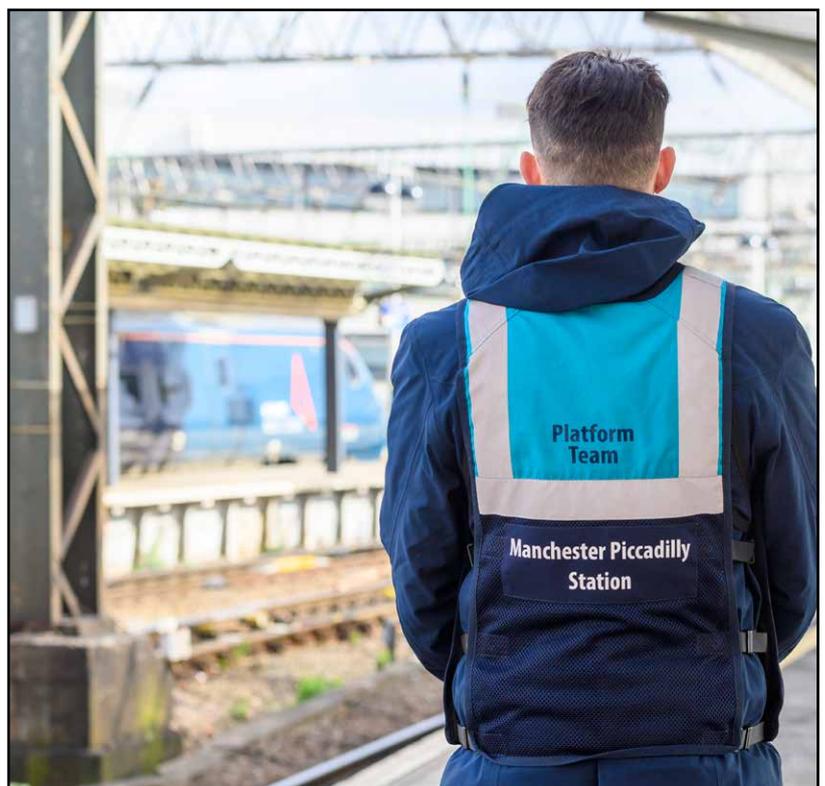
In the coming 12 months, we will continue to monitor the ATP requirements with a particular focus on staff disability awareness and equality training. From April, we will collect data on the use of accessible vehicles, publish the outcome of our audit on station accessibility information and monitor new requirements designed to improve the reliability of booked assistance.

We have been working very positively with industry on plans to improve **passenger information**. Following trials, the new Customer Information Measure to assist companies assess and improve their performance will be introduced this year, and we will continue to feed into the industry's overall plan for improvement. We will maintain our monitoring of the quality of information provision to passengers, including when work is being carried out on the network, such as station redevelopment.

In the first quarter of the business year, we will publish a consultation on our review of **complaints handling** guidance to ensure it remains fit for purpose. We will also publish the outcome of our consultation on the introduction of new requirements to increase passengers' awareness of their rights to claim **delay compensation** and to improve these processes.

We have been rolling out the findings of our independent review of the **Rail Ombudsman**, part of ensuring that complaints can be escalated effectively where necessary. In the coming 12 months we will embed the improvements into the scheme arrangements, including a greater role for ORR in its oversight.

Like other regulators responsible for international travel, we have been given additional requirements to enforce new **Covid-19** regulations. ORR will respond positively to any new developments and continue to support the Government and operators in controlling the spread of the virus. We are also working to increase awareness of consumers' rights during these difficult times and will continue to address concerns raised on issues such as ticket sales and the right to a refund.



Better Highways

In our role of **holding Highways England to account**, we continue to monitor its response to the pandemic, providing a flexible but appropriate level of challenge to ensure that it is meeting its obligations to road users and funders.

We are also adapting our approach more generally this year in response to the requirements of the **second Roads Investment Strategy (RIS2)**, including taking a more in-depth look at some of Highways England's biggest projects and how it is executing its duties. Historically the indicators of performance for Highways England have been backwards looking, so we plan to develop more forward-looking indicators, so that we can be confident of Highways England's future performance.

During 2021, we will work with Highways England and the Government to assess the impact of the **Covid-19** pandemic on Highways England's plans for the remainder of the road period to 2025.

We are already thinking about what can be achieved in the **third Roads Investment Strategy (RIS3)** and preparing to provide our advice on efficiency to the Secretary of State for Transport. We will publish our approach to carrying out this activity by the end of the calendar year.



Analysis and Policy

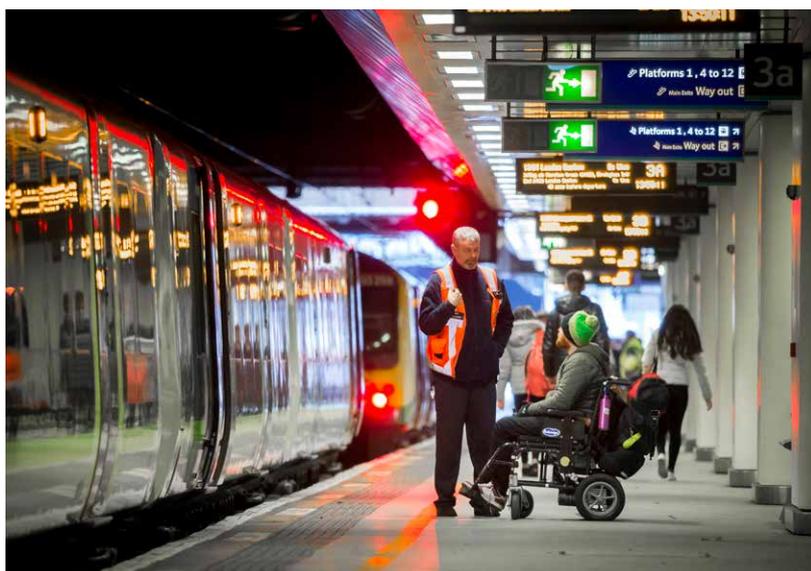
The rail industry is undergoing a transformation and we are responding by evolving our approach to regulation. In our role to facilitate the smooth running of the railway, we will help implement reform and support recovery for the future while ensuring the system operates efficiently today, whether that is for passengers or for the industry. In doing so we always take a balanced, impartial and evidence-based view.

This year we expect to see publication of the Government's White Paper on **rail reform**, which will set out proposed changes to the structure of the industry. Independent assurance and oversight will remain necessary in the public interest, whatever shape the system takes. We are ready to respond accordingly, to provide expertise and advice to government, other funders and the industry and will adopt an agile approach while the pace and the scale of reform remains uncertain.

One policy area where the Government might wish to set new objectives for the rail industry is **decarbonisation** and we will support developments as required. We are working on an update to our environmental policy and we will consult on updated environmental guidance by the end of 2021.

As passenger numbers begin to return after Covid-19 subsides, we will monitor Network Rail's **train timetabling** process to ensure that the good train service performance we have seen during the pandemic is maintained as far as possible.

In the past year we have worked hard with the French and UK governments to put arrangements in place to enable UK rail companies to continue to operate services via the Channel Tunnel following the **UK's exit from the EU**. Over the next year, there is work to do to finalise the legal framework for safety and technical matters to ensure the industry remains equipped to deal with those changes. We will ensure guidance is up-to-date and will continue to work with industry to manage some of the risks and opportunities associated with having greater control over our legal framework.



At the same time, we will develop a new strategy and approach for our international engagement so that we can maintain our relationships with other authorities and keep up to date on EU safety and economic regulation matters where they are relevant to the delivery of our duties.

On **access to the network**, we will continue with the day-to-day job we have in law to review and approve decisions taken between Network Rail and operators and to provide independent resolution where they cannot agree.

Value for Money from the Railway

This year we will maintain the pragmatic approach to **holding Network Rail to account** that we adopted during the pandemic. We have continued to provide independent scrutiny on behalf of passengers, the freight sector and funders but much of our monitoring is now more qualitative and less quantitative.

During the coming year we will continue to monitor and escalate issues as they arise, making full use of our toolkit to achieve the best outcomes for users and funders, with a focus on **train performance, asset sustainability and efficient delivery**.

This year will see the launch of the next **Periodic Review (PR23)** which sets out how much funding the railway needs and what it should deliver in return. This comes at a time of unprecedented change and uncertainty with considerably lower passenger volumes. We have begun the preparatory work for the PR23 programme and will write to industry stakeholders later this year to begin discussions about the scope and priorities for the review in light of government announcements about wider reform.

The **GB signalling market study** is part of ORR's continuing programme of reviewing and monitoring competition in important railway markets. We have restarted the study after it was closed last year due to Covid-19 and bringing it to completion will be a significant deliverable for 2021-22. The aim of the study is to identify any competition issues and any barriers to entry or expansion for new or smaller players in the market. In May we will decide whether to make a referral to the Competition and Markets Authority. If we don't make a referral, we will go on to consider what, if any, remedies we can put in place to add value and improve competition. We will do this by November.

Another area of work for the competition team will be to continue to monitor the impact of **open access**, taking into account the practical limitations imposed by Covid-19. This work remains important, however, given the changes that have happened in this market as a result of lower passenger demand.

In March 2021 we launched an enforcement case relating to the provision of certain training services in the passenger rail transport sector and during the coming year we will work to progress the case. Other day-to-day case work for the competition team continues.



Running ORR

ORR's effectiveness as a regulator is influenced by how well we manage ourselves.

In the past 12 months, as part of continuously modernising our ways of working, we completed implementation of a new integrated Finance and HR system, developed a three-year technology strategy, refreshed our approach to pay and reward and developed a comprehensive diversity and inclusion (D&I) strategy. Alongside this we have continued to support staff while working differently during the Covid-19 pandemic.

All this has meant that, despite the challenges to our staff of working from home for over a year, ORR has continued to **maintain its overall performance**.

This coming year, the first year of our technology strategy, we will focus on the implementation of our **information strategy** alongside other workstreams to improve security and controls and adopt a standard user platform.

Our staff remain our greatest asset and we will keep paying close attention to their welfare. We will continue to ensure our people have the skills and tools to do their role, including facilitating **effective remote working**, and we are considering how workplace practices will change once Covid-19 subsides.



This will be the first year of ORR's new **diversity and inclusion (D&I) strategy**, with a focus on equality and inclusion. We have set D&I aspirations and we will have a refreshed approach to recruitment with a clear updated employee value proposition by August 2021, so that we can continue to attract and retain the talent we need for the challenges and opportunities of the future.

We will be measuring ORR's **impact on the environment** as part of the 'Greening Government' sustainability drive, which includes a range of targets to decrease greenhouse gas emissions between 2017/18 and 2025 by reducing travel, paper usage, waste to landfill and single use plastics.

ORR's **reputation** for providing independent oversight and assurance is important and we will continue to ensure our approach is understood by external stakeholders. Internally, we will work to make sure our staff recognise the value they bring to the organisation and feel valued in return.

Funding ORR

We have three discrete income streams relating to our three main lines of business: railway health and safety regulation, railway economic regulation and the monitoring of the strategic road network. There is no potential for cross-subsidy between these three funding streams.

On the rail side, we receive income from the rail industry to fund our core work, with health and safety regulation and economic regulation accounting for 49% and 43% of our annual income respectively. Our monitoring of the strategic road network is funded in the form of a direct grant from the Department for Transport and provides around 8% of the budget. In money terms, this means we will be raising £35.3m in statutory charges to spend on the railways during FY 2021-22 and our roads budget from the Department for Transport will be £2.9m.



Service Standards for 2021-22

Much of ORR's 'business as usual' involves providing services to those in the industry or others with a need for our work. As an organisation that is largely funded, directly or indirectly, by the public, it is essential that we publish service standards as part of our commitment to transparency. These are our standards below.

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 (Railway and Other Guided Transport Systems Regulations 2006)	100% determined within four 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 reported being published
Efficient processing of technical authorisations	100% of responses within 28 days of receiving complete submission
Access and licensing casework	100% decided within two 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 including adjustment to account for cases investigated	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
Publication of quarterly statistical releases	100% published within 4 months after quarter end



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