

Tackling the complexity and burden of regulation

Reducing the administrative burden of regulation on Network Rail

Executive Summary

In March 2025, the Government published the Regulation Action Plan. As part of this, the Chancellor of the Exchequer pledged to drive economic growth by cutting the administrative cost of regulation to businesses by 25% by the end of the current Parliament. Building on work already underway, ORR developed an initial plan to reduce the administrative burden of regulation on Network Rail. ORR commissioned Arup and Rebel to further analyse medium- to long-term opportunities for reducing the administrative burden.

Both ORR and Network Rail demonstrated strong engagement and a shared commitment to driving better outcomes. Throughout the project we saw open, thoughtful and constructive contributions from all participants, as well as leadership from the project team.

We delivered the project through a programme of facilitated workshops focused on four priority themes. These sessions created space for ORR and Network Rail to explore issues openly, build a shared understanding, deepen trust, surface frictions, and test practical solutions. The issues in focus were ways of working between ORR and Network Rail, requirements arising from interoperability regulations, asset management, and train performance.

Across all four workshops, ORR and Network Rail identified the set of challenges that can make engagement more difficult. These included differing interpretations of what is meant by 'proportionate' regulation; need for greater clarity on Network Rail region, route and function accountabilities; duplicative processes; inconsistencies in how information flows between teams; and difficulties in ensuring the right people connect at the right time. Participants approached these issues constructively to identify opportunities for improvement.

Through the workshops, ORR and Network Rail developed tangible actions to reduce administrative burden. These included improving and clarifying guidance, strengthening senior relationships, clarifying roles and responsibilities, and increasing transparency around specific regulatory activities that are less well understood by Network Rail. Many of these actions can deliver benefits quickly and build momentum for wider reform.

In addition to theme-specific actions, we identified cross-cutting findings that shape the overall regulatory relationship. We developed overarching recommendations grouped across three categories – systems, leadership and symbols – which together provide a coherent pathway for improving the effectiveness and efficiency of regulation. These include greater clarity on how the parties interact; enabling dialogue at the right levels to further the relationship and reduce the wider potential for generating conflict and/or redundant work; and a greater role for leaders in both organisations to set the tone of engagement.

Context

The Government is committed to improving the UK regulatory framework to foster growth

In March 2025, the Government published the Regulation Action Plan, setting a direction to reduce the administrative burden of regulation by the end of the Parliament.

Getting regulation right is a delicate balance. Too little can undermine safety, performance, and public confidence, while too much can drain resources and slow progress. The challenge for ORR and all regulators is to ensure its regulation adds value and drives improvement without creating unnecessary complexity or duplication.

In rail the regulatory framework governs the interactions of ORR & Network Rail across a range of activities that shape the performance, safety and reliability of the railway. Key areas include:

- Business planning and funding.
- Performance monitoring.
- Asset management.
- Licence compliance and assurance.
- Safety (*outside the scope of this review*).

This work is timely given the ongoing reform of the rail system in Great Britain. This will transform governance, accountability and regulation; with a new monitoring and reporting role for ORR in relation to Great British Railways.

Key points from the Regulation Action Plan

- ✓ Regulatory reform is needed to better facilitate growth and innovation in the economy, because:
 - Regulation can be too complex and duplicative, stifling progress and innovation.
 - Businesses suffer from a lack of certainty and predictability from regulators and regulation.
 - Regulation has become too risk averse.
- ✓ The plan sets out four principles for modern regulation: growth-supporting, targeted and proportionate, transparent and predictable, and adaptable.
- ✓ The plan asks regulators to take forward reform to support three actions:
 - Tackle complexity and burden (*focus of this review*).
 - Reduce uncertainty.
 - Challenge and shift excessive risk aversion.

Our study

This study aims to support ORR and Network Rail develop action plans to unlock medium- and long-term opportunities

ORR and Network Rail had already begun a workstream to identify opportunities to interact in a more efficient and effective way. This enabled ORR to respond to the Government's pledge to reduce administrative burden by setting out a number of quick wins as well as opportunities for the medium and longer-term.

This study was commissioned to support ORR and Network Rail in exploring the medium- to longer-term opportunities, given they are more complex and require detailed scoping.

The objectives of the study were to:

- Improve the effectiveness, efficiency and consistency of how ORR and Network Rail work together across key regulatory processes.
- Build a shared, evidence-based understanding of where administrative burden arises, why, and how to resolve it.
- Identify practical actions that can be taken forward over time, alongside a jointly owned plan for delivery.

Our role

A joint Arup-Rebel team was commissioned to provide independent scrutiny, structured challenge and facilitation. Our role was to:

- Design and facilitate workshops to bring ORR and Network Rail together in a constructive, solutions-focused environment.
- Analyse the interaction between the organisations, drawing out systemic issues, behavioural dynamics and opportunities for improvement.
- Provide objective evidence, external perspective and methodological rigour, enabling both organisations to engage openly and make progress with complex areas.
- Ensure the study produced clear and actionable steps that could be jointly taken forward.

Methodology

Facilitated workshops explored the key areas of interaction, tensions, and frictions, before identifying solutions.

We designed the study to be collaborative, evidence-based and focused on practical improvement. The study had three phases:

1. Project initiation

- Agreeing focus and objectives for the study.

2. Workshop design and facilitation – *repeated for each workshop.*

- ORR issued detailed remits for each workshop, setting a clear rationale and objective for each workshop, identifying important questions, and signposting relevant material.
- We undertook detailed pre-meets with ORR and Network Rail to understand perspectives and surface key tensions.
- Each half-day workshop was carefully designed to draw out tensions in a constructive way, building empathy for each other's perspective.

3. Conclusions and reporting

- Workshop participants jointly developed action plans for the specific topics. We drew on the workshops and other analysis to develop overarching recommendations and suggested actions for ORR and Network Rail.

ORR and Network Rail agreed four workshop topics

- **Ways of working** – this workshop explored how ORR and Network Rail engage with each other day-to-day, using the jointly agreed Ways of Working principles as a framework.
- **Interoperability** – this session examined how ORR and Network Rail navigate the Railway Interoperability Regulations (RIR) throughout the lifecycle of a project.
- **Asset management** – this workshop considered how ORR and Network Rail interact on maintenance and renewals activities, from information requests to assurance and planning discussions.
- **Train performance** – this session looked at how ORR and Network Rail work together to understand and improve train performance, including the role of enhanced monitoring.

Overview of workshop discussions

The workshops shared experiences and developed a common understanding, leading to tangible solutions.

Topic	Key issues	Opportunities and actions
<p>Ways of working – this workshop explored how ORR and Network Rail engage with each other day-to-day, using the jointly agreed Ways of Working principles as a framework.</p>	<ul style="list-style-type: none"> • Further clarity sought on Network Rail region, route and function accountabilities. • Potential for process-heavy engagement, with issues sometimes not progressing quickly enough, and opportunities to involve colleagues in a more timely fashion. 	<ul style="list-style-type: none"> • Deepen senior ORR/Network Rail relationships. • Strengthen shared understanding of roles and responsibilities. • Updates to guidance and principles. • Proactive communication, relationship-building and earlier verbal dialogue to resolve issues.
<p>Interoperability – this session examined how ORR and Network Rail navigate the Railway Interoperability Regulations (RIR) throughout the lifecycle of a project.</p>	<ul style="list-style-type: none"> • Variation in understanding and application of RIR requirements across Network Rail teams and wider stakeholders / contractors, e.g. around Intermediate Statements of Verification (ISVs). • Variable quality and timing of engagement, creating uncertainty, rework and avoidable delay. 	<ul style="list-style-type: none"> • Update and clarify guidance. • Strengthen early, structured engagement, ensuring projects and sponsors systematically engage ORR. • Improve system-wide coordination, e.g. targeted awareness-raising for third parties.
<p>Asset management – this workshop considered how ORR and Network Rail interact on maintenance and renewals activities, from information requests to assurance and planning discussions.</p>	<ul style="list-style-type: none"> • Different possible interpretations of what the principle for regulation to be ‘proportionate’ means in practice. • Benefit from improved understanding of the right contacts within Network Rail for different issues. 	<ul style="list-style-type: none"> • Clarify model, roles and responsibilities across Network Rail for regulatory engagement. • Strengthen transparency and purpose of specific regulatory activity by clear articulation of problem statements, with the intended use of information set out upfront.
<p>Train performance – this session looked at how ORR and Network Rail work together to understand and improve train performance, including the role of enhanced monitoring.</p>	<ul style="list-style-type: none"> • Added workload for delivery teams because of different internal Network Rail requirements to material submitted to ORR. • Scope, purpose and future pathway of ORR intervention not always clear to Network Rail. 	<ul style="list-style-type: none"> • Move towards a “one plan” approach, ORR scrutiny to use Network Rail’s internal performance management information where possible and appropriate. • Shared understanding of what “good” looks like for plans and recovery actions.

Conclusions

ORR and Network Rail's positive engagement identified opportunities to work together more effectively and efficiently

Participants from ORR and Network Rail consistently demonstrated a genuine commitment to improving how the organisations work together and to ensuring the regulatory system remains fit for purpose, proportionate and effective.

Across all workshops we encountered rich, thoughtful discussion, often with more to explore than time allowed. This reinforced the value of dialogue and highlighted the benefit of continuing these conversations as part of work to strengthen the regulatory relationship.

Beyond the topic-specific insights from each workshop, we identified a set of cross-cutting findings that influence the overall effectiveness of the regulatory relationship. These themes recurred throughout the study and relate to the fundamentals of how ORR and Network Rail interact.

From the findings, we have set out recommendations grouped across three categories – systems, behaviours and symbols:

- **Systems** actions include updating and clarifying guidance creating a revised “contract” for engagement, improving how ORR defines and explains the rationale of its interventions, and strengthening clarity on Network Rail’s operating model.
- **Leadership** actions focus on more purposeful dialogue and relationship-building, clearer ownership of the relationship at senior level, and improving the ways of unblocking issues.
- **Symbolic** actions include embedding joint learning processes and demonstrating visible commitment to enhanced ways of working.

These actions are interdependent and mutually reinforcing. Taken together, we consider that they will help ORR and Network Rail to engage more effectively and efficiently.