Annual report and accounts 2022 to 2023

Staff report

Staff numbers and related costs (audited)

Table 16: Analysis of staff costs

Category	Permanently employed staff (£000)	Others (£000)	2022-23 Total (£000)	2021-22 total (£000)
Wages and salaries	20,064	1,240	21,304	18,772
Social security costs	2,514	24	2,538	2,129
Other pensions costs	5,110	-	5,110	4,708
Total costs	**27,688**	**1,264**	**28,952**	**25,609**
Less: recoveries from	(280)	-	(280)	(101)

Category	Permanently employed staff (£000)	Others (£000)	2022-23 Total (£000)	2021-22 total (£000)
outward secondments				
Total net costs	**27,408**	**1,264**	**28,672**	**25,508**

All ORR staff and related costs are charged to administration budgets.

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme in which ORR is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2016. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation.

For 2022-23, employers' contributions of £4,777,919 were payable to Civil Service pension schemes (2021-22: £4,415,543) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2022-23 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £122,400 were paid to an appointed stakeholder pension provider (2021-22: £78,728). Employer contributions are age-related and range from 8.0% to 14.75% of pensionable earnings. Employers also match employee contributions up to 3% of pensionable earnings. In 2022-23 employer contributions of £4,006, 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees (2021-22: £7,702).

No contributions were due to the partnership pension provider at 31 March 2023 (31 March 2022:

£nil).

No members of staff retired early on ill-health grounds (2021-22: one). There were no additional accrued pension liabilities (2021-22: £nil).

The Railway Pension Scheme (RPS) is a funded multi-employer defined benefit scheme administered by Railway Pensions Trustee Company Limited. This is a defined benefit scheme which prepares its own scheme statements. Details of the RPS pension statements can be found in the annual report and accounts of the RPS (www.railwaypensions.co.uk). Employer contributions of £18,081 were paid to the trustees of the RPS in 2022-23 at a rate of 1.5 times the individual members' contributions, on the basis of actuarial valuations (2021-22: £18,104, 1.5 times). ORR matches some of the BRASS2 contributions (an AVC scheme) made by the members. In 2022-23, matching contributions of £2,608 were made (2021-22: £2,608). We expect contributions to be at a similar level in 2023-24.

With regard to the accrued pension costs for a former Chair and past rail regulators, no notional contributions (as advised by the Government Actuary) have been charged to the Statement of Comprehensive Net Expenditure (2021-22: £nil). The liability at 31 March 2023 is estimated at £680,000 (31 March 2022: £953,000).

Average number of persons employed (audited)

The average number of whole-time equivalent persons employed during the year was as follows:

Table 17: Average number of employees

Operating segment	Permanent staff	Others	2022-23 Total	2021-22 Total
Economic regulation	166	8	174	149

Operating segment	Permanent staff	Others	2022-23 Total	2021-22 Total
Safety regulation	165	6	171	171
Roads monitoring	23	2	25	21
Total	**354**	**16**	**370**	**341**

The 'Others' category above is analysed as follows:

Table 18: Breakdown of 'Others' category

18.1 2022 to 2023

Category	Number	Total cost £000
Non-executive directors	8	261
Agency staff	8	1,003
Specialist contractors	-	-
Consultants	-	-

Category	Number	Total cost £000
Total	16	1,264

18.2 2021 to 2022

Category	Number	Total cost £000
Non-executive directors	8	269
Agency staff	5	600
Specialist contractors	-	-
Consultants	-	-
Total	13	869

Agency costs have increased in 2022-23 due to more agency staff being used by the Information Technology team.

Staff composition

Table 19: Staff composition at 31 March 2023

Category	Male FTE	Female FTE	Total FTE
SCS 3	1	-	1
SCS 2	5	3	8
SCS 1	7	5	12
Employees	187	151	338
Total	**200**	**159**	**359**

Exit packages (audited)

No exit packages were paid in 2022-23 or 2021-22.

Sickness absence data

The average annual working days lost per employee through sickness in 2022-23 was 3.6 (2021-22: 2.9).

Staff turnover

During 2022-23 staff turnover was 15.6% which is significantly higher than in 2021-22 (13.5%). This represents a return to our pre-pandemic turnover rates and indicates an increase of recruitment opportunities outside the civil service.

Civil Service People Survey

ORR participates in the Civil Service People Survey. The 2022 survey, in which we had a very high staff response rate of 87%, showed an engagement level of 62%.

Staff policies applied during the year

All employees at ORR are required to comply with the terms of the Civil Service code, including the core values of integrity, honesty, objectivity and impartiality. The Code also sets out what an employee must do if they believe they are being required to act in a way that conflicts with the Code, or if they become aware of actions of others which they believe are in conflict with the core values. During 2022-23 three internal whistleblowing complaints were raised (see 'Governance Statement - Whistleblowing').

Diversity and inclusion

At ORR, we are committed to the principles of equality and diversity, both as an employer and as a safety and economic regulator. In accordance with the Equality Act 2010, ORR has published specific equality objectives and regularly publishes diversity data in our capacity as an employer. We:

- eliminate unlawful discrimination, harassment and victimisation;
- promote equality of opportunity between people who share a 'protected characteristic' (such as age, disability or race) and those who do not; and
- foster good relations between people who share a protected characteristic.

Our diverse backgrounds, experience and talents are critical in securing our success as a regulator. We make every effort to ensure that our people practices reflect the true value of every individual, and that we continually foster a diverse, open and inclusive workplace.

We aim to ensure that nobody receives less favourable treatment particularly on the basis of age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, gender or sexual orientation. We are a 'Level 2: Disability Confident Employer' status which encourages applications from people with disabilities, offers them a guaranteed interview if they meet the minimum requirements for the role, and adjustments through the recruitment process.

There is support for colleagues with disabilities when in employment, making workplace adjustments to their working environment and competition providing additional training and support, utilising 'Access to Work' resources. To build on our work to date we recruited a diversity and inclusion lead to drive the delivery of our strategy. We have continued to recruit and train fair treatment ambassadors. We continue to operate a diversity and inclusion strategy board and a staff diversity network.

This year we continued our participation in the UK Regulators Network scheme, Next Generation Non-Executive Directors (NEDs) which aims to widen the talent pipeline and diversity of NEDs in the public sector. We have welcomed four colleagues from the network who will receive mentoring and observe committee meetings during a 12-month period.

We continue to engage with our Staff Representatives Group (which includes representatives from trade unions as well as non-union employee representatives) on a regular basis to share information on the organisation and on all aspects concerning employment. Quarterly meetings are open for staff to attend as observers.

Health and wellbeing

We continue to be active in our health and wellbeing initiatives and promote physical, emotional and financial wellbeing.

We have regularly promoted our mental health first aiders, have run drop-in sessions for 'Brew Monday' and 'Time to Talk' day, talks by our Wellbeing Champion, and we encourage employees to share how they look after their own wellbeing. We continue to participate in the Samaritans' 'Million Hours Challenge'.

We offer employees occupational health support via Health Management Limited, access to free flu vaccinations, an Employer Assistance Programme, with free face-to-face counselling sessions and a dedicated management support line.

Health and safety

We fully recognise and accept our legal responsibility in relation to the health, safety and welfare

of our employees and for all people using our premises. We comply with the Health & Safety at Work Act 1974 and all other relevant legislation as appropriate.

We are committed to the positive promotion of accident prevention and the elimination of incidents involving personal injury, illness or damage. We actively monitor and manage our employee absence, ensuring that employees receive the support and advice they need from occupational health and/or our employee assistance service, to remain in work or return to work. The Executive Committee reviews our absence data on a quarterly basis for trends and changes and discusses how we can improve wellbeing. We have trained internal Display Screen Equipment assessors in each of our offices, who undertake workstation assessments, with employees receiving an annual reminder to complete an assessment.

Apprenticeships

We have 16 apprentices working across several different areas of the business, including some existing roles which we have been able to convert to apprenticeships to provide our staff with new challenges and qualifications.

Off-payroll engagements

Highly paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater

Off payroll engagements duration	Number
Number of existing engagements as of 31 March 2023	8
Of which, number that existed:	
for less than one year	5

Off payroll engagements duration	Number
for between one and two years	2
for between two and three years	-
for between three and four years	-
for four or more years	1

Highly paid off-payroll workers engaged at any point during the year ended 31 March 2023, earning £245 per day or greater

Off payroll engagements category	Number
Number of temporary off-payroll workers engaged during the year ended 31 March 2023	13
Of which:	
Not subject to off-payroll legislation	8
Subject to off-payroll legislation and determined as in scope of IR35	2

Off payroll engagements category	Number
Subject to off-payroll legislation and determined as out of scope of IR35	3
Number of engagements reassessed for compliance or assurance purposes during the year	-
Of which: number of engagements that saw a change to IR35 status following review	-

Off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023

Off payment engagements category	Number
Number of off-payroll engagements of board members, and/or, senior officials with significant responsibility, during the financial year that have existed for less than one year at time of reporting	-
Total number of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant responsibility", during the financial year. This figure includes both on payroll and off-payroll engagements	10

Facility time publication requirements

The following disclosures are required under Statutory Instrument 328: The Trade Union (Facility

Time Publication Requirements) Regulations 2017.

Relevant union officials

Union Official Statistics	Number
Number of employees who were relevant union officials during the relevant period	3
Full-time equivalent employee number	2.7

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1-50%	3
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Pay bill spent on facility time	Number
Total cost of facility time (£000)	9
Total pay bill (£000)	27,412
Percentage of total pay bill spent on facility time	0.03%
Total cost of facility time (£000)	9

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time: 27%.

John Larkinson
Accounting Officer

- ← Previous Remuneration report
- → Next Parliamentary accountability and audit report