# Annual Report and Accounts 2023 to 2024

## Risk profile

The key corporate risks managed by ORR during 2023-24 were as follows:

| Principal risks and mitigating actions | Risk category | Change in the year |
|---|---|---|
| **Uncertainty around implementation of CP7 and modernisation programmes, industrial relations, financial pressures and managing ageing infrastructure impact on ORR's credibility as a health and safety regulator.**<br><br>We have worked with dutyholders, seeking sustained compliance with health and safety responsibilities (delivering our proactive inspection work, providing feedback in end of year reports and appropriate use of enforcement).<br><br>We are progressing a strategic intervention on Network Rail maintenance delivery in CP7, including embedding of modernising | Reputational | Score remained the same throughout the year |

| Principal risks and mitigating actions | Risk category | Change in the year |
|---|---|---|
| maintenance and management of change.<br><br>We pursue effective responses from Network Rail to rail break incidents and seek assurance of learning from such incidents across Network Rail.<br><br>We will recruit additional resource to provide a focal point to work with internal and external stakeholders in holding Network Rail to account for meeting commitments in their CP7 delivery plan for safety. | | |
| **ORR does not hold Network Rail to account for declining train service performance.**<br><br>We held Network Rail to account in accordance with our holding to account policy, escalating concerns with train service performance where relevant.<br><br>We publicly reported on Network Rail's contribution to train service performance, including through a published letter and Network Rail annual assessment report.<br><br>We engaged with industry stakeholders on our approach to holding to account for train service | Reputational | Score remained the same throughout the year |

| Principal risks and mitigating actions | Risk category | Change in the year |
| --- | --- | --- |
| performance.<br><br>An investigation was launched into Network Rail's train service performance in its Wales and Western region, as train performance was notably poor compared to other Network Rail regions. | | |
| **We fail to deliver key milestones of PR23 programme, causing uncertainty for Network Rail, its supply chain and train operators.**<br><br>Programme milestones were actively tracked by the project management office throughout the 2023 periodic review, and risks and mitigations actively monitored.<br><br>We worked with external stakeholders and had governance channels in place to coordinate the delivery of key milestones. | Reputational | Risk closed after the publication of the final determination |
| **We do not keep pace with emerging cyber security threats which results in a cyber attack on the critical infrastructure of the business.** | Operational | Score increased part way through the year |

| Principal risks and mitigating actions | Risk category | Change in the year |
|---|---|---|
| Network management is kept up to date and in accordance with recognised standards.<br><br>Laptop and mobile device encryption and multi-factor authentication have been in place throughout the year.<br><br>We maintain and publicise a security policy for accessing data.<br><br>Staff are reminded of their responsibilities in respect of data security and are encouraged to report potential problems.<br><br>We work with partner organisations to monitor threats and implement security measures. | | |
| **Having exposed the size of the issue, we are ineffective in reducing the effect of resource availability shortage "P*-coded" pre-cancellations on passengers and stakeholders.**<br><br>We have required TOCs to advertise pre-cancellations to the public as soon as they are known. We will use the TOC licence to monitor compliance. | Reputational | Risk lowered due to increased transparency through our reporting |

| Principal risks and mitigating actions | Risk category | Change in the year |
|---|---|---|
| We collect and publish periodic data from all TOCs on resource availability shortage "P*-coded" pre-cancellations, including where caused by Network Rail.<br><br>We are currently engaging TOCs and Network Rail to bring network-wide consistency on how pre-cancellations are recorded, intending to eliminate the need to collect separate data and therefore reduce manual processing workload. | | |
| **Delays and challenges in setting of RIS3 lead to a loss of confidence in the roads reform system and impact ORR's advice to the Secretary of State.**<br><br>We started our efficiency review at risk to mitigate the impact on the delay to the overall programme, by reviewing an interim draft RIS and draft strategic business plan.<br><br>We have also engaged with DfT and National Highways on what contingency plans would be required, should there be no RIS by March 2025. | Reputational | Risk arose in Q3, score has remained the same for the remainder of the year |


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