ORR Business Plan 2025 to 2026

Reform

Rail reform

There are two linked parts of rail reform, one moving the English passenger train operators into public ownership and the second centred on the setting up of Great British Railways (GBR).

The first part will require us to provide the necessary safety permissions within defined timescales. Working with stakeholders, we will also provide scrutiny and constructive challenge to any proposals to ensure that change is managed safely.

The timetable and deliverables for the second part are primarily set by the Department for Transport (DfT). DfT is currently consulting on the proposals, but we expect work in the first half of this year (up to September) to focus heavily on the decisions that need to be taken to introduce legislation in the Autumn, and subsequently the Parliamentary process will raise further issues. Alongside that, there will be significant ongoing work for us in supporting DfT in the development of the governance framework and funding framework for GBR. The specific areas we are currently (or expect to be) involved in are:

- **Revision of our functions and duties** - the duties that govern ORR are being reviewed and streamlined to ensure that they are aligned with the new sector model, as well as allowing us to align with wider government priorities like promoting growth.
- **A new financial framework** - a new five-year funding process is being developed which will determine our role in assessing business plans, settlement viability and assuring major changes to GBR's plans or funding within the five-year period.
- **A new access appeals mechanism** - we will lead on the development of a robust appeals mechanism to ensure fairness and non-discrimination for third parties such as freight and

open access operators wishing to access and use GBR's network and associated facilities.

- **A new governance framework** will be developed for GBR and the roles and responsibilities of each party will need to be defined.
- **A reformed retail model** - GBR will perform the functions the Rail Delivery Group (RDG) performs today for all retailers. RDG currently determines the terms of licences with third parties, taking decisions on matters such as charges and commission rates. DfT will consider where this role should sit in the future, which could include GBR, ORR, or possibly another body.
- **A new passenger watchdog** – a watchdog to advocate for passengers and hold both GBR and non-GBR operators to account for improving the passenger experience will be created. It will likely absorb some passenger-focused regulatory functions of ORR, but we will retain all enforcement powers.

Reform of regulators and regulations

In March 2025 HM Treasury (HMT) published 'New approach to regulators and regulations supporting growth' which stated a commitment to **reduce bureaucracy for businesses and cut administrative costs for business by 25%** by the end of the Parliament. For rail, this links to the previous section on rail reform which will lead to significant changes in what we do and how we do it.

But we need to start on this 25% reduction before GBR is set up and we also need to expand the scope of work to include other companies we regulate or provide services to. Hence, we are engaging with:

- The rail infrastructure managers Network Rail and London St Pancras Highspeed and National Highways. We will review the reporting requirements we place on each organisation, the escalation processes we use when we consider there could be a problem, and the way we report publicly on the companies. We will ask each company to set out any proposals they have to reduce administrative burdens we impose. We will produce an initial report on Network Rail by end Q1.
- The companies whom we provide services to and our performance in doing this. We have a set of KPIs which we use (see Service Standards section) but we will be engaging with the sector to check if the rail industry-facing KPIs are both relevant and challenging and whether other KPIs would be more useful. We will report on this work by end Q2.

In relation to the **competition regime**, the HMT March publication committed to consulting in the coming months on legislative reform proposals where the Government can take action to improve the pace, predictability and proportionality of the UK's competition regimes. We are the competition regulator for railway services, holding concurrent powers with the CMA. We will engage fully with this consultation, building on our previous engagement with the CMA on the recent concurrency review which concluded in December 2024.

The HMT March publication also referred to competition regulators regularly reviewing the necessity for any binding remedy coming out of a market investigation. As described elsewhere in our plan, we have already commenced a review of the remedies following the **rolling stock leasing market investigation** from 2009 (and last reviewed in 2020).

Finally, the HMT March publication committed us to conduct a **deep dive into the rail network investment framework** with the rail supply chain to encourage direct investment into railway infrastructure. This work is already underway, and we have had initial engagement with industry and intend to carry out more in Q1 at the end of which we will report on our initial findings. Our initial findings will determine the next steps we intend to take with the supply chain and other stakeholders to support growth and investment in rail infrastructure.

Alongside this work we will continue to challenge industry and ourselves on **understanding the cost and benefits of managing and controlling risks**. For example, following the recommendations from our review of approaches to assessing the costs and benefits of health and safety interventions in rail (published in March this year), we will continue to work with industry and report on progress in addressing the recommendations for ourselves and industry mid-way through the year. By the end of the business year we will complete **a full stocktake of progress** against the recommendations from our March report.

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