Annual report and accounts 2024 to 2025

Performance report: Overview

The performance overview provides a short summary of the annual report and accounts.

Our purpose

To protect the interests of rail and road users, improving the safety, value and performance of railways and roads, today and in the future.

Our values

We are part of the Civil Service and its code underpins our values, which are:

- Inclusive
- Professional
- Ambitious
- Collaborative

Our strategic objectives

A safer railway

ORR is the health and safety regulator for all of Britain's rail industry. Our strategic objective is to enforce the law and ensure that the industry delivers continuous improvement in the health and safety of passengers, the workforce and public, by achieving excellence in health and safety culture, management and risk control.

Better rail customer service

We have a key role to improve the rail passenger experience in the consumer areas for which we have regulatory responsibility and take prompt and effective action to improve the service that passengers receive where it is required.

Value for money from the railway

We support the delivery of an efficient, high-performing rail service that provides value for money for passengers, freight customers, governments, and taxpayers. We also regulate other significant elements of the national rail infrastructure, including London St. Pancras Highspeed (formerly High Speed 1) and the UK portion of the Channel Tunnel.

Better highways

National Highways operates the strategic road network, managing motorways and major roads in England. Our role is to hold it to account for its performance and delivery, so that its customers enjoy journeys on England's roads.

Who we are and how we work

The Office of Rail and Road (ORR) is an independent, non-ministerial UK government department, established by and accountable directly to Parliament. We protect the interests of current and future rail and road users, overseeing the safety, value and performance of the railways and the performance and efficiency of England's strategic road network.

We regulate Network Rail, including setting the targets it is expected to achieve, and report regularly on its performance. We regulate health and safety standards and compliance across the whole rail industry. We oversee competition and consumer rights issues – driving a better deal for rail passengers and taxpayers. We also regulate the London St. Pancras Highspeed (formerly High Speed 1) link to the Channel Tunnel.

We hold National Highways to account on its commitments to improve the performance and efficiency of England's strategic road network.

As an independent regulator, we operate within the framework set by UK legislation and are accountable through Parliament and the courts.

ORR comprises a governing Board appointed by the Secretary of State for Transport and over 360 professionals spanning engineering, railway safety, legal, economics and competition, operating from six offices across the country.

Organisational structure

The diagram below shows how we are structured. Each directorate is headed by a director. Within each directorate, there are typically several teams.

- Railway Safety
- Strategy, Policy and Reform
- Economics, Finance and Markets
- Railway Planning and Performance
- Legal
- Corporate Operations
- Communications
- Private Office

The focus of each of the directorates is as follows:

- Railway Safety – ensuring duty holders across Britain's rail industry manage health and safety risks effectively and meet their statutory duties.
- Strategy, Policy and Reform – strategic direction of ORR and our role in rail reform; issues around access to the rail network, the licensing of rail operators, international policy, and our role in protecting rail passengers by monitoring and enforcing passenger-facing licence conditions as well as consumer law.
- Economics, Finance and Markets – preparation and delivery of the periodic review for Network Rail; monitoring and reporting on Network Rail's financial performance and efficiency; cross-industry financial and economic analysis; competition work including market studies and casework.
- Planning and Performance – holding Network Rail to account for its performance and its stewardship of the national railway network infrastructure; holding to account HS1; production of rail statistics; monitoring whether the Government's Road Investment strategy is being delivered in our role overseeing National Highways and its management of the strategic road network.
- Corporate Operations – finance, procurement, HR, IT, facilities, estates.

- Communications – communications services.
- Legal – legal services.
- Private Office – Chief Executive's office.

2024 to 2025 overview

April

- We reported on disabled passengers' experience of making complaints, finding inadequate standards of service and some non-compliance with the complaints code of practice and accessible travel policy guidance. We asked all operators to report on how they are rectifying issues for disabled passengers.
- We published an open letter to launch control period 7.
- We gave evidence to the Transport Select Committee on the draft Rail Reform Bill.

May

- We launched our refreshed diversity and inclusion strategy, focusing on 'representation, ownership, leadership and engagement'.
- We began a programme of risk management training across the organisation.

June

- We brought senior stakeholders in the international passenger services market together to discuss barriers and opportunities for competition and growth.
- We concluded our major market study on the provision of railway station catering services, recommending a number of remedies to increase competition.

July

- We published our findings for the investigation into National Highways' performance and identified the need for improvements to bring the company back into compliance with its duty to deliver efficient, effective outcomes for road users, taxpayers and the public.
- We held our annual 'Year in Rail' event, allowing over 80 key stakeholders to hear about and discuss our annual rail reports.

August

- We launched new guidance to the rail industry on managing fatigue in staff, which is often a causal factor in rail safety incidents.
- We submitted our report to the Department for Business and Trade demonstrating how we take account of the growth duty when delivering our health and safety regulatory work.
- We spoke at a Westminster, Environment, Energy and Transport Forum event on road infrastructure and road investment strategy 3 (RIS3).

September

- We announced we were satisfied with Network Rail's improvement plan for the Wales & Western Region, following our investigation into deteriorating train performance, and have seen a welcome improvement in reliability for all users.
- We spoke at the Rail Freight Group conference.

October

- We asked Network Rail to address significant performance issues across the Eastern Region, advising it to take a whole-system approach and work closely with train operators and stakeholders to deliver a comprehensive improvement plan.
- We spoke at Rail Partners' rail freight summit and at a Westminster, Environment, Energy and Transport Forum event on next steps for the UK freight industry.

November

- We approved a new regional co-operative rail service in the West Country, giving it the opportunity to secure the finance it needs to start operations.
- We published our climate change adaptation report, a requirement under the Climate Change Act, providing an overview of the risks, impacts and barriers facing the main industry bodies we regulate.
- We addressed the Rail All-Party Parliamentary Group on the subject of international rail and spoke at a Westminster, Environment, Energy and Transport Forum event on next steps for infrastructure finance and development.
- We published our annual rail industry financials (UK) statistics.

December

- We completed bystander training for all colleagues, giving people the tools to recognise and respond appropriately when they witness or experience bias or harassment.
- We called for better information provision on rail replacement bus services and tasked operators to review their approach and demonstrate fit-for-purpose processes. We followed up with an industry workshop.
- We welcomed the December 2024 deadline being met for Network Rail to return to compliance with timetable production milestones.
- We held webinars on rail industry finance for both Westminster and Scottish Parliamentarians.
- At the request of ministers, we launched our revenue protection review call for evidence.

January

- We issued our final determination for High Speed 1, which sets the charges for access to network for control period 4 (CP4), the five years commencing in April 2025.
- We and Transport Focus brought together over 70 leaders from across the rail industry to work on improving the experience of passengers when trains are stranded between stations, following a number of high-profile incidents in 2024.

February

- We worked at pace to ensure that an interim settlement for National Highways was in place for 1 April 2025, to support investment in critical infrastructure.
- We held a series of workshops with the Heritage Railway Association to support health and safety leadership across the heritage sector, with positive feedback.
- We saw the successful prosecutions of Network Rail for the fatal incidents of track workers struck by trains at Margam and Surbiton.
- We spoke at the Rail Industry Association's future of rail reform conference.
- We launched our HR helpdesk and case management module - tech-driven solutions to support our people more efficiently.

March

- We published a report looking at how costs and benefits are assessed for safety initiatives on the railway, identifying best practice learning points for the industry.

- We produced our assessment of safety performance on the strategic road network that challenged National Highways to deliver more improvements.
- We published a report revealing productivity levels across the whole rail industry, providing a useful baseline for the future as we look ahead to rail reform.
- Our annual parliamentary drop in took place allowing us to explain more about our role to interested Peers and MPs.
- We addressed the Rail All-Party Parliamentary Group on rail reform and a Westminster, Environment, Energy and Transport Forum event on the next steps for Britain's rail network.

Performance against the business plan

The work we have carried out in the year is set out in more detail in the 'strategic objective' chapters in the performance analysis section. We achieved 15 out of 15 service standards and 36 out of 44 business plan deliverables for 2024-25.

Our funding

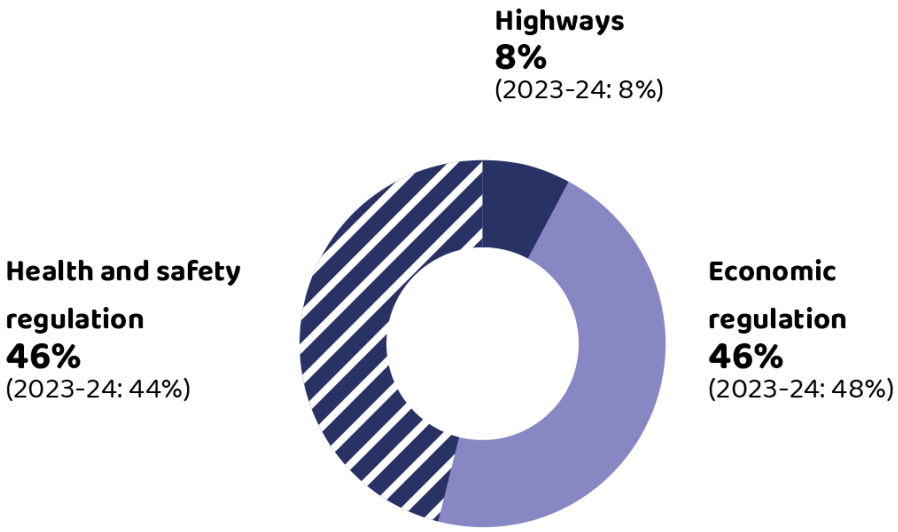
Our budget is agreed with HM Treasury through the Spending Review process and is then formalised by Parliament through the Supply Estimates procedure. Spending Review 2021 covered the years 2022-23 to 2024-25.

Our rail functions are funded almost entirely by the railway industry – broadly, passenger train and freight operating companies, plus Network Rail. We work within a defined budget and charge the industry via a safety levy and an economic licence fee. We also cover our regulatory costs relating to the Channel Tunnel, London St. Pancras Highspeed and Northern Ireland by charging the relevant organisations. Our charges are based on a full economic cost model, therefore without profit. Our combined charges and other income meet our rail-related costs in full. We receive grant funding from the Department for Transport (DfT) for our highways function. We have a token resource budget of £2,000 provided by Parliament.

Our capital departmental expenditure limit (CDEL) was £1,220,000 in 2024-25 and £1,620,000 in 2023-24.

Where we spent our money

In 2024-25 we spent a total of £40.8m (2023-24: £40.8m) compared to a budget of £42.0m, ending the year 2.8% below budget. The chart below shows the spend by key work area.



A more detailed comparison of what we spent this year compared to the Estimate is provided under 'Our finances'.

Principal risks

The key corporate risks we faced and actively managed in 2024-25 were:

- lack of sufficient trained and competent safety specialist staff to deliver our statutory and regulatory functions;
- holding Network Rail to account for declining train service performance;
- our reputation as a health and safety regulator is diminished by fatal accident inquiries, challenges to enforcement decisions or negative media coverage;
- not keeping pace with emerging cybersecurity threats which results in a cyber-attack on the critical infrastructure of the business;
- new plans for rail reform are based on misunderstandings of the industry structure and regulatory framework; and
- delays and challenges in setting the road investment strategy 3 (RIS 3) lead to a loss of confidence in the roads reform system and impact ORR's advice to the Secretary of State.

Details of how we mitigated these risks in the year are set out in the performance analysis section.

- ← Previous Annual report and accounts 2024 to 2025
- → Next Performance report: Performance analysis