ORR Business Plan 2026 to 2027

Transformation

The UK Government has embarked on fundamental reforms to the rail sector and, separately, to the role of regulators and regulations in helping to drive economic growth across the UK. Supporting and implementing these changes will be a major focus for ORR in the coming business year.

Rail reform

The first part of rail reform is already underway and involves **transferring passenger train operators into public ownership**. ORR is required to provide the necessary safety permissions for these new services within defined timescales. Last year, South Western Railway, C2C, Greater Anglia and West Midlands Trains were added to those previously nationalised, and we will continue our programme to certify the remainder by the end of 2027. We will also work with stakeholders to ensure that all change is managed safely.

In parallel, the government has introduced a Railways Bill (in November 2025) to **establish Great British Railways (GBR)** as the sector's directing mind, with streamlined regulation and greater accountability to the Secretary of State. The Bill is expected to achieve Royal Assent in the autumn this year. We now have a clear baseline from which to move forward and greater clarity on ORR's new role and responsibilities, including as an independent, expert advisor to the Secretary of State for Transport.

Alongside this, we will continue to support DfT in the development of policy and the governance and funding frameworks for GBR. Examples of specific areas we expect to work on this year are:

- **Assessing the effectiveness of GBR's safety management system** – we will work with industry stakeholders to engage in the development of GBR's safety management system. This work will take place ahead of our statutory assessment in the 2027-28 work year to determine whether necessary statutory safety permissions can be issued.

- **A new financial framework** – we will start preparing the framework for the new five-year Funding Period Review for GBR (formerly the Periodic Review of Network Rail) including our role in assessing GBR's business plans and settlement viability and advising the Secretary of State.
- **A new access appeals mechanism** – we will formally consult on detailed proposals for a new access appeals mechanism, as our role changes to an appeals body, and will develop and engage the industry on proposals for how we intend to monitor access to the GBR network.
- **Access and use policy** - we will continue to advise DfT and Network Rail on the development of GBR's access and use policy, in our capacity as statutory consultee on this critical policy.
- **Revision of our functions and duties** – we will continue to work with Government and stakeholders to develop policy for delivering our future functions and duties and will consult on relevant aspects in due course.
- **A reformed retail model** – working alongside DfT, we will lead development of a new retail code of practice. The code will oversee and set expectations for a range of functions and activities to be undertaken by GBR in its future role as both a retailer and the operator of key industry retail systems.
- **A new passenger watchdog** – a watchdog will be created out of Transport Focus to advocate for passengers and drive improvements in both GBR and non-GBR operators to enhance the passenger experience. It will absorb some passenger-focused regulatory functions of ORR but we will retain an enforcement role. We will work with Transport Focus on developing this new structure.

Within ORR we are undergoing an important **transformation programme** focused on creating an agile organisation with the right capability and a strong culture that reflects our talented people and embeds our commitment to diversity and inclusion. This will ensure we are fit for the future and have the appropriate people, processes and policies in place to integrate into the sector wide reform programme, as well as supporting the UK Government's agenda on regulatory reform and economic growth.

As part of the transformation programme, we are **building new capabilities** to ensure that we are equipped to monitor whole-system railway delivery. For example, we are strengthening our capability to monitor strategic decisions around rolling stock and delivery of train services, and to monitor arrangements for how GBR will support the ticket retailing market. Where our role is being refocused, for example to focus on hearing appeals relating to access decisions and on enforcing the Passenger Watchdog's consumer standards, we are working closely with industry partners to deliver a smooth transition.

We are also committed to **further developing our health and safety regulatory capability** and **improving our efficiency** as part of our regulatory excellence programme. Ten new inspectors have been recruited, with their development supported by a new bespoke training team.

Reform of regulators and streamlining of regulations

We continue to support the UK Government's agenda for economic growth across the UK and the streamlining of regulations to facilitate this. Following last year's requirement from HM Treasury (HMT) **to reduce bureaucracy and administrative costs for business by 25%** by the end of this Parliament, we will work to reduce regulatory burdens and drive best value and efficiency. Our duties and functions are also being changed by the proposals in the Railways Bill to ensure they are aligned with the new rail sector model described above.

In December 2025 Dr Richard Judge was appointed by the Department for Business and Trade (DBT) to review ORR as part of a broader review of regulators. **We await recommendations and will incorporate any agreed actions into our workplans.**

We will continue to support growth in the road and rail sectors, removing market barriers and reducing administrative burdens. Examples of this work in the coming year include:

- following up on the work we started last year regarding the reporting requirements and processes we place on Network Rail, London St Pancras Highspeed and National Highways;
- implementing our findings of the review we did last year on the KPIs we use for the rail industry companies to which we provide services;
- continuing to use our competition powers to reduce barriers to new market entrants and ensure the right conditions are in place for market growth;
- concluding our deep dive into the Rail Network Investment Framework, as requested by HM Treasury, with recommendations for streamlining the guidelines and encouraging more third-party investment in the rail supply chain, supporting government plans for economic growth; and

- challenging industry and ourselves on the costs and benefits of managing and controlling risks, continuing to embed a new approach on health and safety interventions across the rail industry.

AI and innovation

As the rail and road sectors adopt increasingly data driven and digital technologies, we continue to develop our understanding of AI and how it can be used to drive innovation and efficiency. Artificial intelligence can help us handle growing volumes of information, improving the quality and consistency of analysis and targeting regulatory effort where it adds most value.

In response to a ministerial commission focused on how regulators can use AI to raise productivity and support economic growth, we have committed to publishing a plan by May 2026 setting out how we will support the safe adoption of AI across the rail and road sectors through our regulatory activities. We will report annually on how this has been achieved, ensuring our regulatory frameworks, guidance and processes remain effective and proportionate as AI enabled products and services evolve.

Alongside this external role, we are using AI to improve our own productivity and effectiveness. We have established a dedicated AI innovation fund (up to £100,000) to support internal projects, such as testing how AI can reduce manual effort, improving the accuracy and consistency of analysis, and enabling better use of data. This builds on our investment in Microsoft Copilot and wider digital tools, helping to free up professional judgement for more complex issues and ensuring ORR remains an effective regulator as the use of AI continues to grow.

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