

Annual report and accounts 2025 to 2026



- Report presented to Parliament pursuant to section 74(3) of the Railways Act 1993
- Accounts presented to the House of Commons pursuant to section 6(4) of the Government Resources and Accounts Act 2000
- Accounts presented to the House of Lords by Command of His Majesty
- Ordered by the House of Commons to be printed on 14 July 2026

Preface

About this annual report and accounts

This document integrates performance and financial data to help readers gain a better understanding of the work of the Office of Rail and Road (ORR). It covers the activities of ORR

from 1 April 2025 to 31 March 2026 and is split into three main sections:

The **performance report** includes a summary of progress achieved in 2025-26 in delivering our strategic objectives and service standards (the performance overview), followed by a fuller review of delivery of our strategic objectives (the performance analysis).

The **accountability report** is split into three sub-sections and includes:

- A corporate governance report, which includes the directors' report, the statement of Accounting Officer's responsibilities and a governance statement;
- A remuneration and staff report, which includes pay and benefits received by executive and non-executive board members and details of staff numbers and cost; and
- A Parliamentary accountability and audit report, which allows readers to understand ORR's expenditure against the money provided to it by Parliament by examining the statement of outturn against Parliamentary Supply and includes a copy of the audit certificate and report made to Parliament by the head of the National Audit Office, setting out his opinion on the financial statements.

The **financial statements** show ORR's income and expenditure for the financial year, the financial position of ORR as of 31 March 2026, and additional information designed to enable readers to understand these results.

Chief Executive's report



Feras Alshaker, chief executive and accounting officer

The effective operation of our rail and strategic road networks is fundamental to national life, supporting economic growth and connecting people and communities. ORR protects the interests of current and future users by ensuring the safety, value and performance of these networks.

In carrying out this role, it has been another busy year across our functions. We have delivered all business plan commitments within our control, while responding flexibly to additional priorities where required. This has taken place against a backdrop of significant transformation in the rail sector.

The transition to Great British Railways (GBR) represents the most substantial structural shift in a generation. Over the year, we continued to work closely with government and industry to shape the development of the new framework, including helping to ensure that GBR is able to operate safely when it is established in autumn 2027.

We have supported the UK Government's growth agenda, including through our work to improve the rail investment framework by removing barriers to third-party investment in the railway. In addition, we assisted the Department for Transport in developing the regulatory framework for the new Lower Thames Crossing, a nationally significant scheme intended to reduce congestion on the strategic road network and support economic growth.

We responded to the UK Government's regulatory reform programme, introducing new service standards and commitments to speed up key processes. We also engaged with key stakeholders and reduced the burden of regulation.

Sustained vigilance to keep the GB rail network safe remains vital. A key intervention this year was to require the industry to strengthen its control of overspeeding risk, following a number of incidents with the potential for catastrophic outcomes. We will continue to monitor progress closely and take action where necessary.

We supported the Carmont fatal accident inquiry, which is examining the full circumstances surrounding the tragic deaths of three people following the derailment of a train in Aberdeenshire in 2020. We gave evidence at the final hearing in March and, once the Sheriff's report is published, will consider its findings carefully and take forward any relevant lessons.

One of our core roles is to monitor railway companies to ensure they meet their obligations to passengers and to step in where they do not.

This year we strengthened our oversight of operators' provision of passenger assistance. While most assistance is delivered successfully, failures can have serious consequences for those who rely on it when travelling. We introduced a new framework to compare operators' performance and identify good practice, providing a stronger basis for targeted intervention. Our work secured action plans from two of the poorest performers – South Western Railway and West Midlands Trains. A third – Northern Trains – committed to making improvements and providing a package of reparations to passengers after we found it had breached its licence.

We continued to monitor Network Rail's Wales and Western region following our 2024 enforcement action. The changes we required it to make have led to a significant improvement in performance, with passengers experiencing more reliable journeys. While there is more to be done, sufficient progress has been made to allow us to close our formal enforcement action.

A key part of our work is the sustained scrutiny and challenge we provide to National Highways and Network Rail to ensure they use their funding effectively to deliver value for taxpayers. During the year, we reported that National Highways had exceeded its efficiency targets over the most recent five-year road period. Network Rail has also exceeded its efficiency targets for the seventh consecutive year. These are significant achievements by both organisations, supported by our ongoing oversight.

In this context, it is important that we hold ourselves to the same standards we expect of others. We continue to modernise how we work and the service we provide. During the year, ORR rolled out a new Train Driver Licensing Portal, making our processes more efficient while reducing administrative burdens for operators. We have also begun to make greater use of artificial intelligence where it adds value. This includes an in-house tool that supports the analysis of complex data, strengthening the evidence base for our regulatory decisions.

This foreword provides only a brief snapshot of our work over the year. The remainder of this annual report sets out our activities in more detail, including the day-to-day work that often goes unnoticed, such as the authorisation of rail infrastructure, health and safety inspections, and the professional back-office support that underpins all our regulatory activities.

Looking ahead, we will remain focused on our core regulatory role while continuing to support the establishment of Great British Railways and delivery of UK Government growth priorities.

Feras Alshaker, interim chief executive and accounting officer

Chair's report



Declan Collier, Chair

This has been a year of significant change for the rail and road sectors, and one in which the Office of Rail and Road has played an important role in supporting the system through a period of reform, constraint and uncertainty.

ORR's purpose is to protect the interests of current and future users. Over the past year, we have continued to do so by providing independent, evidence-based oversight and by taking clear, informed decisions that balance short-term pressures with long-term outcomes for passengers, freight customers, road users and taxpayers.

The wider fiscal context for the UK remains constrained, and the rail and road sectors continue to operate under significant financial pressure. The conflict in the Middle East has contributed to higher energy prices and other input costs, putting further strain on the sectors we regulate. Against this backdrop, the UK Government has challenged regulators to do more to support economic growth.

Our decision in October to award access to Temple Mills International depot to Virgin Trains was important in this regard. It paves the way for competition on international passenger services and significant investment, supporting economic growth. Alongside this, our role in providing advice to government on National Highways' business plan helped provide a more stable and deliverable basis for the company's activities and its supply chain in the third road period.

Alongside our core regulatory work, we also progressed a number of wider initiatives aimed at improving outcomes for passengers. This included publishing our findings from our review of revenue protection practices, which sought to strike a fair and proportionate balance between tackling deliberate fare evasion and protecting passengers from being unfairly penalised. The Secretary of State accepted our recommendations in full and published a comprehensive response in March 2026. The response sets out concrete steps being taken, including measures to simplify the ticket-buying process and support clearer, more transparent ticketing for passengers.

The introduction of the Railways Bill in Parliament in the autumn was a significant milestone. This provided important clarity on aspects of the future structure of the railway and its regulatory framework, including a broader role for ORR in relation to Great British Railways. However, key elements remain to be finalised. We therefore engaged closely with stakeholders to explain our prospective role and to inform our approach. We also continued to provide independent advice to government as policy developed.

Looking ahead, the oversight role we are expected to take on in relation to Great British Railways will require us to work differently. Alongside this, we have been asked to take on significant new responsibilities in relation to the Lower Thames Crossing and to provide oversight of Transport for London's capital programme. ORR is therefore undertaking a transformation programme to ensure it has the capabilities, ways of working and culture required to operate effectively across this

broader remit. This includes strengthening our ability to operate in an agile, flexible and innovative way – as a modern regulator should do. The Board has established a Transformation Committee to provide oversight of this programme and its delivery.

It is also vital that the Board itself remains effective in this changing context. This year we commissioned an independent Board effectiveness review, which included input from stakeholders across the rail and road sectors and government. This confirmed that the Board is operating effectively, while also identifying areas for further development as our role evolves.

There were a number of changes to Board membership during the year. Justin McCracken stepped down from the Board after 11 years, and I thank him for his valuable contribution over that time. In November, Ann Metherall and Lindsey Fussell joined the Board. They bring valuable experience in consumer policy, regulation and engineering, strengthening the Board's collective capability during this period of change.

At executive level, John Larkinson retired as Chief Executive in April 2026. I pay tribute to John for his outstanding leadership over the past seven years.

Looking ahead, ORR will play an important role in helping enable a rail and road system that is safe, efficient, resilient and focused on the needs of its users. In a period of continued reform and uncertainty, our responsibility is not only to provide robust oversight, but to bring clarity, challenge and insight to the choices that will define the system for years to come.

Lastly, I would like to thank all ORR colleagues for their professionalism, expertise and commitment over the past year. Their work underpins everything we achieve, and will be critical as we continue to support the system through the next phase of change.

Declan Collier, Chair

- → Next Performance report: Overview