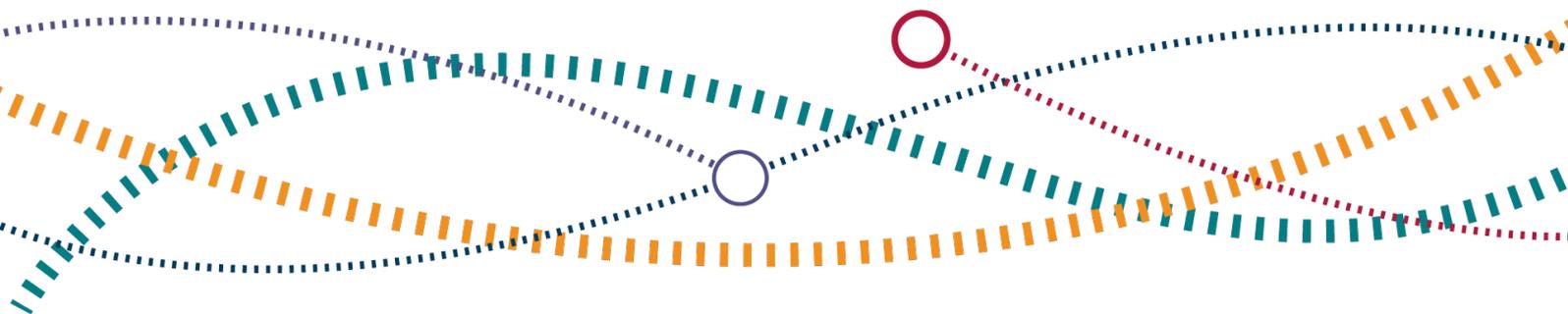




Sustainable Development Policy Statement

21 September 2022



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ORR Policy Statement on Sustainable Development

Introduction

1. This policy statement applies to how we incorporate sustainable development principles in delivering our rail regulatory functions and holding National Highways to account, as well as our internal corporate activities and processes. It sets out our approach to fulfilling our specific duties on sustainable development.
2. We have developed this sustainable development policy statement after [consulting](#) publicly on 15 September 2021. We published our consultation conclusions on 21 September 2022.
3. Our different powers and duties in relation to rail and road affect the degree to which we can shape sustainable development outcomes in our regulated sectors. This drives how we develop and implement policy in these areas, and how we allocate resources across our internal and external activities.

Our rail role

4. ORR is both an economic and safety regulator in rail, and our role varies across the United Kingdom and across the rail organisations that we regulate.
5. Our statutory duties under section 4 of the Railways Act 1993 (as amended) include:
 - to ‘contribute to the achievement of sustainable development’; and
 - in exercising our functions to ‘have regard to the effect on the environment of activities connected with the provision of railway services’.
6. We also have a duty to have regard to any general guidance given to ORR by the Secretary of State and Scottish Ministers about railway services or other matters relating to railways.

Our roads role

7. As part of its roads reform package, the government set up a new strategic highways company (National Highways) to maintain, renew, operate and improve the strategic road network (SRN) – the motorways and main ‘A’ roads in England. Our role and

powers are set out in sections 10 to 13 of the [Infrastructure Act 2015](#), a [Memorandum of Understanding \(MoU\)](#) between the Department for Transport (DfT) and ORR and [statutory guidance](#).

8. When exercising our functions, we have a statutory duty to have regard to the environmental impact of the way in which National Highways achieves its objectives. We also hold the company to account to comply with the conditions of its licence, which include that the licence holder should:
 - ensure that protecting and enhancing the environment is embedded into its business decision-making processes and is considered at all levels of operations; and
 - consider the cumulative environmental impact of its activities across its network and identify holistic approaches to mitigate such impacts and improve environmental performance.

Wider sustainability duties

9. We are also subject to sustainability duties as a public authority, such as the [Greening Government Commitments](#). These duties can vary across the UK, Great Britain and the devolved nations, for example, the Public Sector Equality Duty applies in Great Britain, and Wales has specific biodiversity requirements. The UK and Scottish Governments also have different timeframes for achieving net zero.

Our policy on sustainable development

10. This policy statement provides a framework to allow us to respond to the sustainability agenda as it develops, in a manner appropriate to our functions, duties, powers and resources, while taking account of wider policy and industry developments.
11. We are committed to supporting the delivery of the UK and devolved governments' sustainable development policy objectives.
12. Our ambition is to support a step change in sustainable development outcomes through the exercise of our regulatory functions, to support the industries we regulate and to behave consistently with these policies as an organisation.
13. We will contribute to these objectives through:
 - (a) Use of our regulatory powers and influence to work to develop a more sustainable rail network and SRN as part of a sustainable transport system;

(b) ORR's internal corporate action on sustainable development, including supporting delivery of our Greening Government Commitments.

14. We will seek to exercise our regulatory powers to be consistent with, and supportive of, governments' sustainable development policies and objectives. We will focus on areas where there are legislative requirements, policy direction and funding from governments. This includes requiring compliance with legal obligations as a minimum in our regulated sectors where ORR is the statutory enforcement authority and going beyond this where it is proportionate and in line with governments' policies to do so. We will reflect the legislation and policy of the different nations of the UK.
15. We will seek to use our rail regulatory powers in rail and how we hold National Highways to account to achieve continual improvement in sustainability and environmental performance to the extent it is appropriate to do so.
16. We will consider how to deliver the best sustainable development and environment outcomes in our decision making across the range of our regulatory toolkit, including in our:
 - Official Statistics role for rail and rail statistical publications on our data portal;
 - broader holding to account and reporting with the rail bodies we regulate and National Highways and any action we take to secure improvements;
 - licensing activity;
 - approach to setting economic incentives for rail and advising on efficiency targets for National Highways; and
 - approach to consumer protection, including inclusive, accessible travel on rail and having regard to the interests of users of highways.
17. Similarly, in carrying out our duties to regulate health and safety on Great Britain's railways, we will continue to have regard to sustainable development and environment issues in how we carry out these activities.
18. We will also apply a principle of continual improvement to our internal policies and sustainability and environmental performance.
19. This policy, its objectives, and management arrangements used to put it into operation will be kept under review and amended as we consider appropriate.
20. ORR's Chief Executive Officer is accountable for the delivery of the policy.

Putting our policy into practice

In how we work with third parties

21. We will implement our policy on sustainable development according to regulatory best practice. This will involve:
- (a) reflecting and integrating our sustainable development policy into our policies and processes across ORR;
 - (b) working across our rail and road functions within the context of our differing duties, functions and powers;
 - (c) working in partnership with funders and industry stakeholders;
 - (d) taking into account the varying legislative and policy requirements across governments of and within the United Kingdom; and
 - (e) contributing to the work of the UK Regulators' Network (UKRN) to share best regulatory practice, including on net zero and climate change.
22. ORR considers its role is to build on and complement work being done by industry and governments on sustainable development and environment in line with the following criteria:
- (a) **appropriate:** to ORR's role in the wider industry structures, and aligned well to our statutory role / remit (now and in the future);
 - (b) **proportionate:** reflecting ORR's need to prioritise resources across the breadth of specialist issues:
 - (i) to the extent to which the issue impacts rail or the SRN; or
 - (ii) the extent to which rail or the SRN impacts on the issueand to ORR's priorities and resources in delivering its broader functions.
 - (c) **effective:** to enable us to help governments achieve their goals;
 - (d) **additional:** to other bodies (including Department for Transport, Transport Scotland, Transport for Wales, Network Rail, National Highways, RSSB, environment agencies, and local authorities), avoiding duplicating effort; and

- (e) **aligned:** to ORR's strengths as an organisation (e.g. in assessing, securing efficiency, and the design of economic incentives).

In our corporate operations

23. We will continue to develop our processes and activities to deliver our Greening Government Commitments and report on progress against them, on our website and as part of the Department for Transport group.
24. In making formal decisions about ORR's corporate actions we will consider the impact of them on our Greening Government Commitments (and wider sustainability issues as appropriate) and aim to maximise the sustainability benefits we can deliver.
25. We will raise awareness with ORR staff about how our internal processes and regulatory activities incorporate sustainable development and environmental objectives, and the important role all our staff can play in delivering the objectives of this policy. We will provide improved briefing and training opportunities for all staff to enable this.
26. We will continue to use our corporate risk register and horizon scanning processes to identify emerging sustainable development issues, threats and opportunities relevant to ORR and/or the industry and develop and action our responses through projects with 'SMART' objectives – specific, measurable, achievable, realistic, and timebound.
27. The ORR Board will ensure that it has access to appropriate expertise to provide scrutiny and challenge of our activities across the breadth of sustainability issues.

Scrutinising and reporting on progress

28. Good quality, readily available and appropriately disaggregated data is crucial in helping the rail industry and National Highways (and their stakeholders) understand their progress towards sustainability objectives. As part of our Official Statistics role, we will seek to work with the rail industry to publish industry data as a key enabler to improving performance. We also publish data on National Highways' performance measures. This will in part improve transparency of the company's sustainability performance.
29. We will report on the rail industry's, National Highways' and our own performance on our website. We will also report our performance against our Greening Government Commitments in our Annual Report and Accounts that we submit to Parliament, and publish on our website.



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