

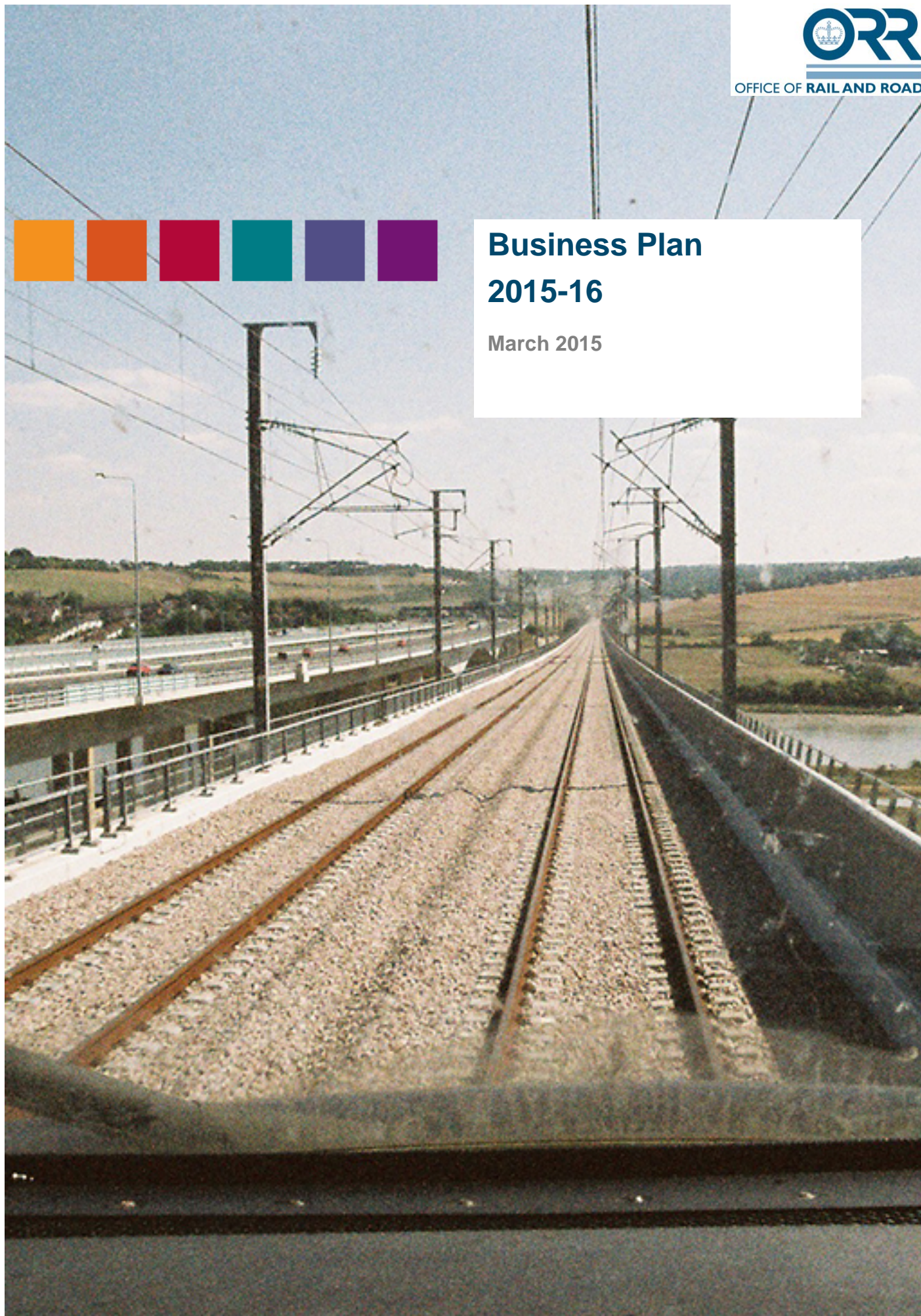


OFFICE OF RAIL AND ROAD



# Business Plan 2015-16

March 2015



# Contents

<b>Introduction</b>	<b>3</b>
<b>The value of independent regulation</b>	<b>5</b>
<b>ORR strategic objectives</b>	<b>10</b>
<b>1. Drive for a safer railway</b>	<b>11</b>
<b>2. Support a better service for customers</b>	<b>16</b>
<b>3. Secure value for money from the railway</b>	<b>22</b>
<b>4. Promote an increasingly dynamic and commercially sustainable sector</b>	<b>26</b>
<b>5. Secure improved performance and value for money from the strategic road network</b>	<b>30</b>
<b>6. Be a high-performing regulator</b>	<b>34</b>
<b>Resources</b>	<b>37</b>
<b>Service standards</b>	<b>40</b>

## Front cover image

'Ctrl-testing-Medway viaduct' by Matt's photostream - Flickr: Medway viaduct. Licensed under CC BY-SA 2.0 via Wikimedia Commons.

Use of the name, the Office of Rail and Road, reflects the new roads functions conferred on the Office by the Infrastructure Act 2015. Until this name change is confirmed by legislation, the Office of Rail Regulation will continue to be used in all documents, decisions and matters having legal effects or consequences.

# Introduction

This business plan marks the start of a landmark year for the Office of Rail Regulation. We continue to be the economic regulator for railway infrastructure, the health and safety regulator for the rail industry as a whole and the industry's consumer and competition authority. This year we will take on responsibility for the economic regulation of the UK side of the Channel Tunnel, and we are also taking on additional responsibility for monitoring the development of the strategic road network. Our new highways director is leading consultation on monitoring the roads programme from March. To mark this expansion in our remit, from 1 April 2015 we will be known as the Office of Rail and Road (ORR)<sup>1</sup>.

Independent regulation and monitoring help to underpin efficiency, safety, growth and investment in Britain's rail and roads industries. ORR has helped drive substantial improvements in efficiency and performance and in customer satisfaction over the last decade in the rail industry. And while we cannot be complacent, ORR has also played a key role in helping to make Britain's railways among the safest in the world. There remain real challenges however: notably accommodating sustained growth on a congested network while meeting rising customer expectations, and ensuring the government's major investment programme in rail is delivered. The shape of our business plan for 2015-16 reflects these challenges.

Regulation gives the rail industry the stable long-term framework in which it can plan and deliver improvements. That is why Network Rail has a five-year control period (known as CP5). However, in the first year of CP5 we already see the indicators we put in place to monitor delivery highlighting infrastructure and performance issues that need attention. Our immediate focus this year will be to do everything we can to ensure the CP5 regulated targets are fully met.

Improving health and safety for passengers, the public and those working in the rail industry goes hand in hand with improving economic performance. We have some way to go to reach our target of zero industry-caused fatalities but the rail industry has a good recent safety record. We can see progress in reducing overall risk on the railway though we will be paying attention in 2015-16 to emerging areas of potential risk as a result of growth, and to improving workforce safety and infrastructure resilience. We retain our target of keeping our inspectors spending at least half of their time on proactive work focused on high risk activities.

We want to see a railway that is run in the interests of its customers, both passengers and freight. We have agreed a code of practice with the train operating companies on providing ticket purchasing information for customers, and we will be reporting on the first stage of our review of the ticket retail market in June. We have set up a freight customer panel in

---

<sup>1</sup> ORR will use the name Office of Rail and Road for operating purposes with effect from 1 April 2015. Legal force is expected to be given to this name from 1 October 2015.

addition to our consumer panel. We will continue to work with the rail industry and passenger groups to provide richer, more accessible data, to ensure passenger complaints are handled more effectively, and provide passengers with the information they need during disruption as well as improving services for disabled people.

We will be working with the Competition and Markets Authority (CMA) to identify opportunities to increase competition between rail operators for the benefit of passengers. This will include investigating changes that might support a greater role for open-access operators. We will continue to use our competition powers when competition law is breached, and to refer potential complaints referred to us.

This year ORR takes on new responsibilities for monitoring Highways England's management and development of the strategic roads network – the motorways and main 'A' roads in England. During 2015-16 we will focus on developing our new monitoring regime, consulting stakeholders, and promoting greater transparency in the sector.

As well as developing our innovative partnership with the French regulator on Channel Tunnel regulation, ORR will be working to influence EU policy proposals towards open markets, competition and interoperability across the continent in a way that is beneficial for the UK. We will also continue to monitor HS1 to ensure that it delivers against its plans in the first year of its new control period.

We will be focusing our own organisational development on transforming our pay and reward structure whilst matching civil service constraints and enhancing our skills and capabilities for the future. In line with our commitment to reduce the regulatory burden on the rail industry, we will further reduce our annual overhead costs, particularly through smarter working, in order to deliver a 2.4% real terms reduction in our maximum statutory charges. We will also continue, as part of our commitment to making ORR open and accountable, to publish our service targets and other information on our own operations.

The bulk of this plan focuses on the concrete steps we are taking towards our longer term goal for a railway that compares with the best in the world. It also shows how we use and develop ORR's expertise to build our monitoring role on roads.

We held a successful stakeholder event on our business plan in February. Key messages focused on improving our public website, setting out the role of ORR following Network Rail's reclassification to the public sector, and assessing the cost and impact of our proposals for the rail industry. This plan takes these messages into account.



**Anna Walker**, Chair



**Richard Price**, Chief Executive

# The value of independent regulation

ORR is the economic regulator for railway infrastructure, the health and safety regulator for the rail industry as a whole and the industry's consumer and competition authority. From April, ORR will take on an additional responsibility for monitoring Highways England's management of the strategic road network.

In rail, ORR adds value by combining regulation of the safety, the efficiency and the performance of the railway because these challenges often have common causes and remedies. ORR has statutory responsibility for:

- **efficiency and performance** of Network Rail and other mainline rail infrastructure providers (including HS1 and the UK end of the Channel Tunnel), to hold them to account on performance for users within a long-term framework;
- regulation and enforcement of **health and safety** on the railways, to protect passengers, workers and the public;
- **regulation of access** to the rail network for passenger services and freight, to maximise capacity and ensure fair and equal treatment of operating companies and the charges that they pay;
- the **licensing and authorisation** of rail activities and technical standards, to ensure safety and interoperability of rail infrastructure and vehicles across the network, and internationally;
- our role as the **competition authority** for the rail sector, concurrent to the Competition and Markets Authority (CMA), to ensure fair and efficient markets for customers and across the sector including the supply chain;
- our various responsibilities to protect and promote **passenger interests** under consumer law, including vulnerable members of society; and
- we now also hold **Highways England** to account for its day-to-day efficiency and performance, running the strategic road network, and for delivering the five year road investment strategy set by the Department for Transport (DfT).

We take a strategic approach to applying our expertise across these varied roles. We therefore plan our annual activities in the context of our long-term vision for the railway and the strategic road network, and in pursuit of our six strategic objectives as an independent regulator (Further information on ORR and its work can be found on our website: <http://orr.gov.uk>.)

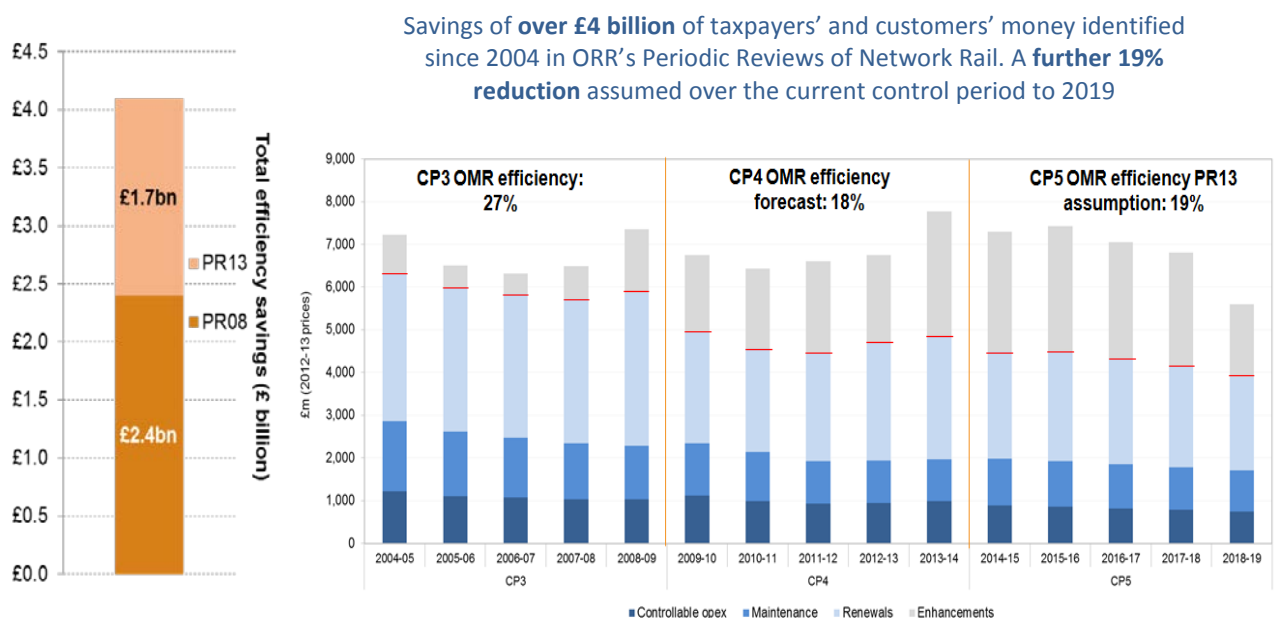
We work in an integrated way bringing our teams of experts together to collaborate on finding solutions to the challenges facing the industry. We believe this approach brings

significant benefits to the rail industry, to funders and consumers, and will benefit highways development as well.

## We have an effective model

The UK needs a railway that is safe, efficient, meets the needs of users and is flexible and responsive to change. The model of five year planning and delivery that ORR applies, which delivers a credible focus on whole-life costs, has been proven to be an effective and efficient way of regulating long-term capital assets. This model has delivered substantial benefits:

- In CP3 and CP4 Network Rail's efficiency improved by around 35-40%, and ORR's latest periodic review in 2013 assumed that the company will close the gap with the most efficient European rail infrastructure operators by 2019.
- These reductions in the day-to-day costs of the railway have freed up resources for the government to reinvest in a better railway.
- Notwithstanding recent challenges, punctuality has improved and with it, customer satisfaction.
- Britain's recent rail safety record is good, and we challenge the industry to retain its place among the safest railways in the world.

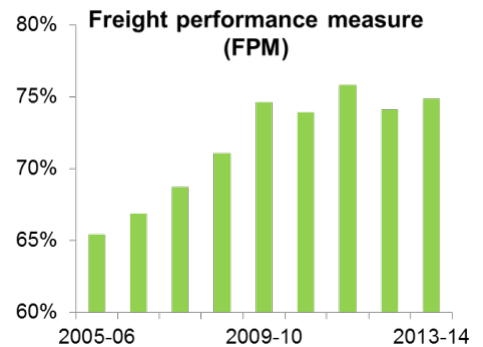
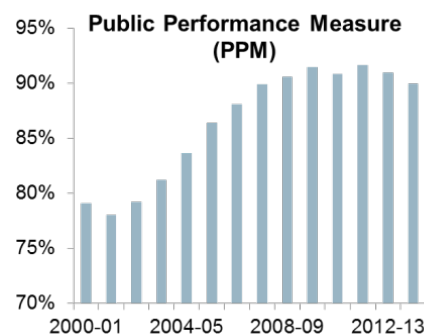


The forecasts for CP5 in this chart are the assumption from our PR13 determination. Network Rail is updating its CP5 plans including the resulting efficiency savings.

Between 2001-02 and 2013-14 the Public Performance Measure (PPM) of passenger trains that arrive at final destination on time has **increased from 78% to 90%**.

Between 2005-06 and 2013-14, **freight punctuality has increased from 65% to 75%**.

ORR has set stretching performance targets in the past 5-10 years and has overseen **record levels of punctuality for passenger and freight** against a backdrop of sustained growth in customer demand



Government will continue to want to procure rail projects and services into the future, and it is important that it is a sophisticated and informed purchaser. ORR supports this by providing appropriate and expert challenge within the system, to help control costs and hold Network Rail and others to account for delivery.

## We are independent and accountable

The independence and accountability of a body like ORR is important if we are credibly and visibly to put customers' interests first. We ensure that there is fair and equal treatment between companies in the rail sector – for instance in access to the network and in objectively resolving disputes - which is essential for continued investment and competition, and allows a stable longer-term view to be taken. It helps to give confidence to governments to invest, but also to private investors and businesses in the rail industry – for example in the supply chain, in rolling stock, and the privately-owned HS1 network.

We are here to help inform the difficult trade-offs expertly, with use of evidence and analysis. Accountable to Parliament, we guarantee transparency and public accountability, shining a light on how the system is delivering, and on how it is using customers' and taxpayers' money. We also take a joined-up approach between England, Scotland and Wales, while supporting the different priorities of the governments in each country.

## Why does this matter?

The success of rail over the last decade in attracting growing passenger numbers, more freight traffic and providing new train services brings with it real challenges. It is harder to

maintain performance and to meet customers' rising expectations on a more congested network. And while the rail industry has attracted investment from governments in new and improved capacity, it is a major challenge to deliver major complex projects on a live network while meeting obligations to today's customers. This presents risks to hard-won improvements in the rail industry's performance and efficiency.

The value of a joined-up approach is that the challenges of ensuring the safety, the efficiency and the performance of the railway are overlapping and often have common causes and remedies. ORR adds value by combining the regulation of these functions together with a sharp focus on the interests of the railway's customers.



A benefit of being both independent and joined-up is the ability to build an expert multi-disciplinary professional team to drive better regulatory outcomes. We bring together experts in a number of specialist areas to deliver better regulatory outcomes for the rail industry, its funders and especially its railway users. The ORR team includes:

- commercial and financial expertise in rail markets, on which we are building with new expertise in roads;
- regulatory economists with cross-sector expertise in regulation of network monopolies;
- multi-disciplinary engineering teams, expert in rail infrastructure performance and costs, with road engineering experts joining ORR as well;
- experts in consumer affairs and competition regulation;
- health and safety inspectors, risk experts and prosecutors; and
- industry-leading legal advisors on UK and European rail statutes.

We firmly believe, based on the evidence of past failures, that there is no trade off to be made between an efficient and well-performing railway and a safe railway, and we take a joined-up approach to regulating for both objectives. For example, in our most recent



periodic review of Network Rail, as well as setting efficiency targets, performance requirements and scrutiny of project delivery, we focused on the imperative that the railway remains safe for its passengers, workers and the public. Our experience is that effective safety management supports management of business delivery risks and can improve efficiency. Equally experience shows that compromising on safety will undermine all other objectives for the railway. Joined-up, independent regulation helps to make sure that efficiency, delivery and safety objectives are not just reconciled but are mutually reinforcing.

This joined-up approach is also how ORR has developed this business plan for 2015-16.

### **The value of independent monitoring of highways**

ORR has statutory responsibility for carrying out activities to monitor how Highways England is exercising its functions. The monitoring activities will include monitoring the company's delivery of the performance, efficiency and improvement requirements that government sets out in its road investment strategy (RIS) and advising on requirements for a future RIS. We also have the power to carry out enforcement action where Highways England has contravened or is contravening compliance with the RIS or compliance with its licence.

In delivering our highways monitoring and enforcement activities we will make ensure Highways England's plans, operational and financial performance are more transparent. We will hold the company to account for its delivery to help drive better outcomes for road users and those affected by the strategic road network.

We intend to extend our joined-up approach to our new role as highways monitor in 2015-16, and look to forge synergies between our rail and roads functions. We will share experience between the two roles and will set up a process for sharing best practice, for example on monitoring enhancement schemes. We will share benchmarking information and will set up our monitoring functions with a view to facilitating cross-industry benchmarking. We will also be able to draw on joint support functions for rail and roads, reducing overhead costs to the rail industry.

## ORR strategic objectives

**1. Drive for a safer railway:** 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.

**2. Support a better service for customers:** Use our powers to hold the industry to account for performance and standards of service across the railway network, for passengers and freight. Promote ongoing improvement in the experience of passengers by encouraging the industry to work together, including to provide greater transparency of information.

**3. Secure value for money from the railway, for users and funders:** Strengthen incentives for the whole industry to work together to drive greater efficiency from the use and maintenance of existing railway capacity, and more cost-effective investment in the network.

**4. Promote an increasingly dynamic and commercially sustainable sector:** Support sustainable economic growth by promoting innovation and efficient long-term investment across the rail industry through the appropriate development of effective markets and regulatory intervention.

**5. Secure improved performance and value for money from the strategic road network:** Secure improved performance, including efficiency, safety and sustainability, from the strategic road network, for the benefit of road users and the public, through proportionate, risk-based monitoring, increased transparency, enforcement and robust advice on future performance requirements\*.

**6. Be a high-performing regulator:** Develop and apply proportionate and risk-based regulation and monitoring, taking a whole-sector approach. Make more effective use of our resources across all of our functions, maximise the value of our regulation while minimising the costs of compliance for the businesses we regulate.

\*We are consulting on our proposals for delivering our highways role and will review our approach in light of responses to the consultation.

# 1. Drive for a safer railway

## Long-term outcome

ORR is the health and safety regulator for the whole of the rail industry. Our long-term aim is for Britain's railway industry to be the world leader in operating a network that protects and promotes the health and safety of its passengers, the workforce and the public. This means that duty holders must demonstrate compliance with the

Health and Safety at Work etc. Act 1974 and associated rail specific legislation, through excellence in health and safety management so that over time we consistently see zero industry caused fatalities year-on-year across the rail network. We believe that continuous improvement should be led by the industry itself, demonstrating excellence in health and safety management, increasingly achieved through its own assurance processes with less need for intervention by ORR. Our health and safety regulatory strategy sets out how we will achieve this<sup>2</sup>.

**1. Drive for a safer railway:** 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.

## Medium-term outcomes and outputs

Over the next four years we will safeguard passengers, the workforce, and the public by challenging the rail industry to identify and assess risks properly, and comply with the law, prosecuting breaches of the law if necessary. We will push duty holders to implement excellent health and safety management systems and inspect compliance using a risk-based framework.

On the path to our long-term outcome, by 2019 on the mainline railway we want to see:

- duty holders implementing excellent health and safety management systems, as measured by our railway management maturity model (RM3) based assessments of duty holders' risk management maturity;

---

<sup>2</sup> Our health and safety regulatory strategy can be seen at <http://orr.gov.uk/publications/corporate-publications/health-and-safety-strategy>.

- a 50% reduction in catastrophic train accident risk, as measured by the Rail Safety and Standards Board's precursor indicator model's (PIM) ongoing indication of changes in train accident risks;
- the maximum reduction in risk at level crossings that is possible, but not less than a 25% reduction, as measured by the safety management information system (SMIS);
- a significant reduction in worker safety risk, primarily but not exclusively arising from improvements in road rail vehicles, being able to take electrical isolations more easily, and improvements in the protection of track workers, as measured by SMIS;
- an improvement in the management of, and consequent reduction in, passenger-train interface risk, as measured by RM3 and SMIS respectively;
- an improvement by the industry in the measurement and management of occupational health, as measured by RM3 and in duty holders' own annual reports; and
- improvement in infrastructure safety, as measured by the PIM and SMIS.

In 2015-16 we will continue to push for progress, and would expect to see positive movements on all of these measures, and will push the industry to achieve this.

## 2015-16 activities

The following are highlights from our 2015-16 work programmes which we believe will contribute to achieving the long-term outcome specified above. All activities are continuous throughout 2015-16 unless otherwise stated and associated service standards can be found in the final section of this plan.

### Enforcing the law

We will:

- continue to ensure that Network Rail delivers our CP5 determination safely, with particular focus on high risk activities, including track, level crossings, workforce safety, electrical safety and civil structures; we have dedicated inspection teams in these areas;
- undertake efficient and effective investigations of accidents and incidents and take related enforcement action, as appropriate;

- exercise our statutory responsibilities to ensure compliance with health and safety law in line with our published policies and procedures, including the strategic risk priorities that guide our approach to planned inspection and audit;
- take proportionate action where we find problems;
- deliver our statutory processing of level crossing orders, safety certificates, train driving licences and Rail Accident Investigation Branch (RAIB) recommendations; and
- ensure that the whole industry acts appropriately in response to identified safety issues, including recommendations made by RAIB.

## Ensuring risk is effectively managed

We will:

- look to publish more information on the effectiveness of ourselves and the industry in managing health and safety risk;
- target at least half of our front-line activity on proactive inspection with Network Rail and other rail duty holders, based on our ongoing analysis of risk priorities;
- continue implementation of a five year programme of interventions to validate London Underground's safety management system, including (in 2015-16) infrastructure safety and public safety in relation to escalators; and
- ensure that Network Rail delivers its own strategies on health, safety and well-being to deliver continuous improvement in its health and safety performance.

## Driving continual improvement in our processes, regulations and the law

In 2014-15 we introduced a comprehensive process management system which focuses on our key areas which have a significant Impact on the way that we carry out our business, and ensures that there is a plan for their periodic review. In addition in 2015-16 we will:

- continue to develop safety policy including revised railway safety regulations, implementation of the Law Commission level crossing report, revised construction design and management regulations, promotion of industry awareness of European common safety methods and processes to deliver these;
- continue to promote the wider use of RM3 to measure duty holder performance towards excellence in the management of health and safety risks;

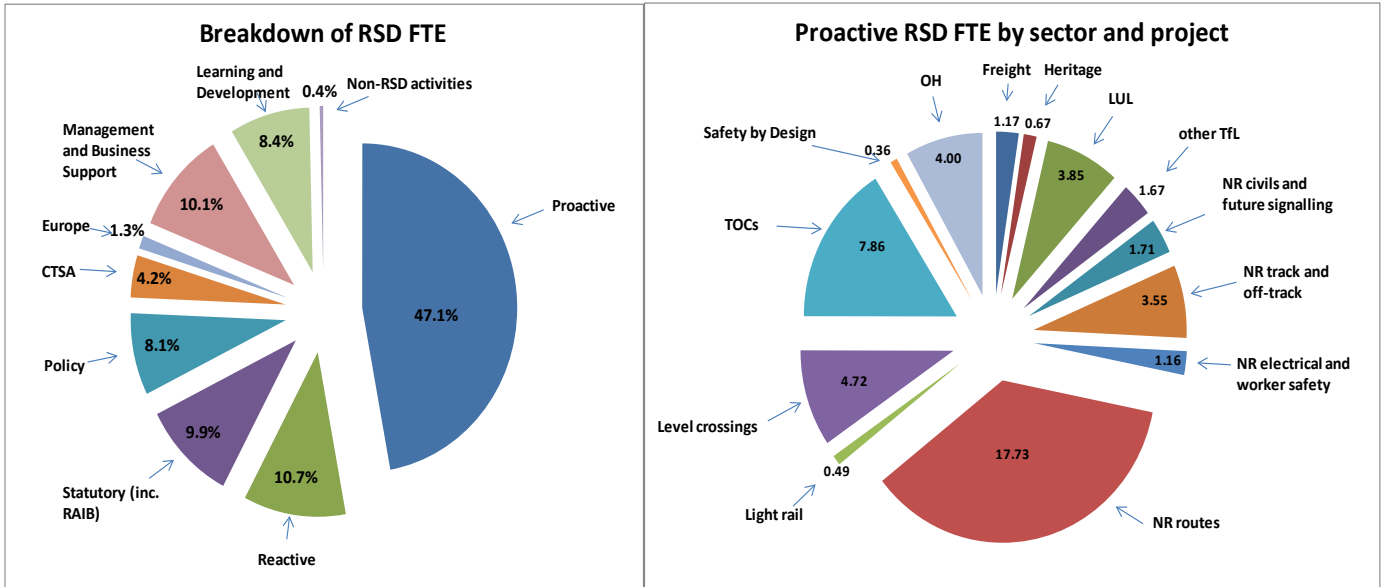
- complete the 2014-15 national Network Rail RM3 assessment by the end of April 2015;
- continue to review, revise and where appropriate publish new chapters on our strategy for regulating health and safety risk<sup>3</sup>. In 2015-16 we will review and republish the following chapters:
  - Chapter 1: Health and safety management systems – republish June 2015;
  - Chapter 7: Rolling stock asset safety – republish October 2015;
  - Overview: Key facts – republish September 2015;
  - Chapter 10: Europe – republish December 2015; and
  - Chapter 4: Level crossings – republish March 2016
 to ensure that our resources continue to target the right priorities;
- publish our 2014-15 annual health and safety report by July 2015;
- sign up to the Department of Health’s responsibility deal by the end of April 2015;
- publish our 2014 review of the industry standing in terms of its occupational health management by the end of quarter 1;
- engage with HS2 to review engagement arrangements, with particular focus on safety by design issues.
- Our policy activities will include:
  - publication of new railway safety regulations, including new guidance and the provision of awareness sessions – by end of quarter 1;
  - publication of a revised enforcement policy statement – by end of quarter 2;
  - a review of our policy position on on-train passenger crowding – by end of quarter 3; and
  - publish as agreed with HSE, ORR’s new enforcement responsibility in respect of safety by design enforcement for new-build railways (such as HS2) – by end of quarter 3.
- We will review the following internal processes and methodologies:
  - our enforcement policy statement (as mentioned in public consultation);
  - inspector and assistants competency management system; and

---

<sup>3</sup> See associated links at: <http://orr.gov.uk/publications/corporate-publications/health-and-safety-strategy>

- a follow up assessment with ERA's assistance of our regulatory activities in 2015 using RM3-R.

- We plan to utilise our health and safety resource in 2015-16 as shown below:



## 2. Support a better service for customers

### Long-term outcome

We want to see a railway that is run in the interests of its users, both passengers and freight, where companies are able to benefit from the rewards of putting their customers first. In particular, we want to see:

- passengers' experience of rail travel at its highest-ever level;
- an increasingly flexible and higher capacity network that can more efficiently and effectively meet the demands of all users; and
- an industry which is increasingly responsive to the needs of freight customers, with a growing role for rail freight both in contributing to economic growth and supporting Britain's need for an efficient and sustainable transport sector.

**2. Support a better service for customers:** Use our powers to hold the industry to account for performance and standards of service across the railway network, for passengers and freight. Promote ongoing improvement in the experience of passengers by encouraging the industry to work together, including to provide greater transparency of information.

### Medium-term outcomes and outputs

Rail users – passengers and freight - are paying a growing share of the cost of running and investing in the network and services. They have rising expectations of services, and expect the industry to give them value for their money and to respond to their needs.

ORR works to support better services for the railway's customers in several ways:

- through setting performance objectives for Network Rail, particularly on punctuality, reliability and improvements to the network, and holding the business to account for delivering these commitments and meeting the terms of its license;
- by making sure the industry as a whole fulfils its legal obligations to its customers, such as making sure customers have the information they need to make choices about their journeys, about the tickets they buy, and that they are looked after when things go wrong;
- by helping to empower customers to understand their rights, so that they can get the best value for money and get redress when things go wrong; and influence the way services develop for the future; and



- by making sure that the industry keeps its customers, its workforce and the public safe.

Our work, to hold Network Rail to account for delivering what it promised at the amount it agreed to do it for, is a central part of our role. We require Network Rail to meet its obligation to provide a safe, high-performing, and efficient railway for passengers and freight users. We do this by enforcing compliance with its licences and by conducting five-yearly reviews that set its funding and what it must achieve within the relevant control period.

These reviews look at how Network Rail should work more closely with train operators, suppliers and others to reduce costs and deliver more for customers. Network Rail has agreed the following regulatory targets for the period 2014-19:

- 92.5% of passengers arriving on time;
- all franchised train operators in England & Wales exceeding 90% punctuality;
- disruption to passengers from engineering works to have fallen by 8%;
- greater consumer involvement in enhancement projects becoming the norm;
- service performance of freight trains at 92.5%, as measured by the freight delivery metric; and
- disruption to freight customers from engineering works to have fallen by 17%.

Our role enables us to touch on all aspects of the passenger journey whether purchasing a ticket, receiving information or assistance from station or train staff, ensuring that track and other equipment is maintained or improved, improving punctuality and reliability and ensuring customers and taxpayers secure value for money from the railway. Our combined safety and economic function enables us to focus on wider issues such as crowd safety and welfare at stations where passenger frustration can often be most apparent.

Over the next four years we will work with train and station operators to improve the ways that passengers are empowered and protected when purchasing their ticket, accessing services to meet their needs, dealing with travel disruption and seeking compensation and redress when problems arise.

We use a range of regulatory tools to both identify and highlight best practice but also to hold licence holders to account as part of our monitoring and escalation process. We can apply our influence, intervening to highlight and address issues before formal action is necessary – this includes informal and formal review meetings, letters, public statements, data analysis, and industry and government engagement. When a compliance issue is

identified we will use the most appropriate regulatory tool to address it, including using our formal enforcement powers where necessary.

However, we believe that many improvements for passengers can be achieved through a different way of working with the industry, increasingly moving to a position where it is customers that hold it to account. This means making sure that the right information, customer feedback mechanisms and commercial incentives are in place to improve the passenger experience. We have been working proactively with Network Rail and train operators to ensure that:

- passengers are given sufficient information, can exercise choice and make the best decision when purchasing tickets and selecting services;
- those passengers needing additional assistance to make their journey receive the necessary level of support from train and station operators;
- sufficient timely and accurate information is available to passengers during times of travel disruption so that they can make informed decisions regarding their journey;
- when problems arise there are appropriate means for passengers to make complaints and seek compensation and redress for poor service; and
- management information and insights from complaints is used to identify systemic and recurring problems and identify areas when services should be improved.

In 2015-16 we will continue to work with the rail industry to ensure that their obligations to passengers are understood, consistently applied and proactively monitored by the companies themselves so as to support a better level of overall service for passengers. Building on our work to secure a code of conduct on ticket retailing, which will help passengers choose the best ticket for their particular needs, we will seek further opportunities to work with the industry to raise passenger awareness and understanding of their rights.

We will also look to the future and consider how regulation, industry arrangements and practices within the retail market are facilitating choice and, in particular, promoting investment and innovation in the best interest of passengers. This is a key area of interest for us given the scale of this market and the concerns and expectations of passengers as outlined below:



## 2015-16 activities

The following are highlights from our 2015-16 work programmes which we believe will contribute to achieving the long-term outcome specified above. Delivery dates are by quarter within 2015-16 and any associated service standards can be found in the final section of this plan.

### Customers

- Throughout 2015-16 we will establish monitoring arrangements to ensure that Network Rail and passenger train operating companies are fulfilling regulatory and consumer law obligations that are designed to protect and empower passengers, including those on passenger information during disruption, complaints handling procedures, disabled persons protection policies and the code of practice on ticket selling. We will act if these obligations are not met.
- Throughout 2015-16 we will investigate and act on complaints about the sector which fall under our consumer and competition powers, as appropriate, and focus our resources and priorities on systemic issues and those aspects of compliance which are most important to passengers, freight customers, funders and where non-compliance would cause most harm.
- Throughout 2015-16 we will continue work with our consumer panel to ensure that our policies and regulatory decisions are based on a sound understanding of consumer issues, are proportionate and effective in delivering positive change and protect the interests of railway passengers.

### Transparency

Greater transparency gives people information which allows them to understand their choices and options better. Transparency can also help to build confidence and trust in the railways. This matters because increased confidence can help drive better behaviours

across the whole sector to deliver improved value for money and greater focus on customers.

- Throughout 2015-16 we will continue to publish rail industry data to develop better public understanding of industry finances, safety and operations, in the interests of consumers and taxpayers.
- By the end of quarter 3 we will publish disaggregated financial data on Network Rail's routes, as part of our annual assessment of the company, and consider what more can be published to provide more detailed information on its performance.
- During the year we will review the developing status of open data across the rail industry, and take action where necessary to ensure passengers, industry and third parties benefit from the full potential of railway data. This is key to allowing greater innovation in areas such as passenger information during disruption.

## Working with the rail industry

- Throughout 2015-16 we will deliver access, licensing and related casework to agreed timescales, so that core rail industry processes can work efficiently.
- Throughout 2015-16 we will build on our current engagement with freight customers by working with our new freight customer panel. In quarter 3 we will hold a wider event with freight customers to discuss their views and experiences of how the market is working, how to facilitate further growth, and their initial views on Network Rail's outputs and funding for the next control period.
- Throughout 2015-16 we will increase our senior level engagement with passenger train operators to ensure the industry understands our plans for our consumer facing work, we have an open and constructive dialogue on what can be delivered, and we can move issues forward for the benefit of rail passengers.
- In quarter 1, we will consult on our emerging findings regarding our review into the market for ticket selling. We will set out our views on the impact of the regulations and industry arrangements and practices for ticket selling, along with our recommendations on the preferred options to better capture the benefits and/or address the issues.
- Throughout 2015-16 we will work with the industry to raise passenger awareness and understanding of their rights and what to expect in terms on

information and services when purchasing tickets, travelling by train or seeking redress.

- Throughout 2015-16 we will work with both Network Rail and the rolling stock industry to ensure authorisation of technical files in a timely manner in order to allow new assets – such as new trains and infrastructure - to be brought into operational use. In addition we will work with industry to deliver improvements in the quality of technical files submitted for authorisation, to reduce the risks of delays and hence protect passengers.

## 3. Secure value for money from the railway

### Long-term outcome

We believe that Britain could in the future enjoy a railway that is largely able to meet its own costs from its revenues, with less reliance on subsidy - other than funding to deliver social and economic benefits. In particular, we want to see:

- a railway that understands and reflects the real costs of its operation at every level;
- a railway which is recognised as being highly efficient, by comparison with international benchmarks in rail and in other comparable sectors; and
- Network Rail and other infrastructure providers being held to account by all its customers for delivering their expectations, supported by effective regulation and greater transparency.

**3. Secure value for money from the railway, for users and funders:** Strengthen incentives for the whole industry to work together to drive greater efficiency from the use and maintenance of existing railway capacity, and more cost-effective investment in the network.

### Medium-term outcomes and outputs

Over the next four years we will ensure that the rail industry focuses on delivering its outputs at an efficient cost, in order to deliver better value for its customers and also the public subsidy that it receives. We will hold Network Rail to account for cost-efficient delivery of the programme of operation maintenance, renewals and enhancements that it has agreed to for CP5.

We will employ increasingly sophisticated data analysis including at network and route level to create leading indicators of risks to future performance and delivery, press the industry to address these risks, and take enforcement action if appropriate. This mirrors the shift in focus that we expect of Network Rail too – moving from a “find and fix” to “preventative maintenance” approach to management of its assets. Crucially, we also plan to work differently with Network Rail and the train and freight operating companies to make sure that the right incentives and relationships exist and are used by Network Rail customers to hold it to account in the way any commercial supplier ought to be.

On the path to our long-term outcome, by 2019 we want to see:

- Network Rail achieving 19.4% efficiency savings on its support, operations, maintenance and renewals expenditure, in addition to the around 35-40% already achieved in CP3 and CP4;
- Network Rail achieving maintenance efficiencies of 16.4% by the final year of CP5, through better management of resources and by moving to a more predictive and preventative maintenance regime;
- Network Rail achieving (new to CP5) stretching regulated outputs for the quality of its asset data and asset management capability, plus the delivery of a programme which will increase the effectiveness with which Network Rail deploys its asset knowledge to make decisions;
- Network Rail improving the resilience of the network to climate change; and
- Network Rail moving to a more predictive and preventative maintenance regime (rather than reacting to failures), making sure the right work is done at the right location at the first visit and that working arrangements allow the most productive use of time.

## 2015-16 activities

The following are highlights from our 2015-16 work programmes which we believe will contribute to achieving the long-term outcome specified above. Delivery dates are by quarter within 2015-16 and any associated service standards can be found in the final section of this plan.

### Network Rail

- Throughout 2015-16 we will deliver the programme of enhancement project reviews to support the enhancement cost adjustment mechanism to ensure the establishment of efficient cost baselines for the enhancement programme and its efficient delivery.
- Throughout 2015-16 we will hold Network Rail to account for delivery of the maintenance and renewals volumes that are defined in the delivery plan to ensure improvements in the reliability of its assets as well as analysing and improving operational impacts on performance.
- In quarter 2 we will complete our review of the Network Rail civil adjustment mechanism submission, in order to define the efficient cost of the civil structure work-banks for years 3-5 of CP5.

- In quarter 4 we will commence a new asset management maturity assessment to benchmark Network Rail's capability improvement plan.
- Throughout 2015-16 we will directly support the DfT franchise programme with tender evaluation capability, as well as providing technical support to ensure train operating companies' performance targets are aligned with those set for Network Rail in the periodic review.
- In quarter 1 we will carry out a sustainability review against the Network Rail renewals CP5 year 1 delivery plan.
- In quarter 1 we will assess Network Rail's performance in 2014-15 to inform our report to Network Rail's remuneration committee's decisions on remuneration.
- Throughout 2015-16 we will monitor Network Rail's financial performance, including an annual report on their finance and efficiency in quarter 3.

## High Speed 1 (HS1)

- We will continue to monitor HS1 in support of its train operators, to ensure that it delivers against its plans in the first year of its new control period 2.

## Channel Tunnel

- ORR will adopt responsibilities currently held by the Channel Tunnel Intergovernmental Commission for the economic regulation of the Tunnel. This new responsibility will be exercised jointly with the French rail regulator, the Autorité de Régulation des Activités Ferroviaires (ARAF). Responsibility for safety and security in the Tunnel will continue to be the responsibility of the Intergovernmental Commission. Together with ARAF we will:
  - promote fair competition between railway undertakings and ensure full transparency and non-discriminatory access to the Channel Tunnel;
  - support the provision of better services for passengers and freight users; and
  - encourage optimal use of rail capacity and efficiency in the operation of the Channel Tunnel.

## Wider industry

- Throughout 2015-16 we will ensure that infrastructure and rolling stock interoperability requirements are delivered in a quality and timely manner in accordance with the relevant statutory provisions framework.



- In quarter 4 we will publish, in collaboration with the rail industry, a report on GB rail financial data.

## 4. Promote an increasingly dynamic and commercially sustainable sector

### Long-term outcome

The railway makes a critical contribution to the growth and prosperity of the UK, and allows communities to thrive. ORR wants to see a railway that grows sustainably in line with growing demand, by innovating and developing new services, attracting new passengers and freight. In particular, we want to see a sector that makes an even greater contribution regionally, nationally and internationally to connectivity, and to the economic and social prosperity of the UK.

**4. Promote an increasingly dynamic and commercially sustainable sector:** Support sustainable economic growth by promoting innovation and efficient long-term investment across the rail industry through the appropriate development of effective markets and regulatory intervention.

### Medium-term outcomes and outputs

We will continue to apply ORR's expertise and independent perspective to advise the government on aspects of railways policy, with the aim of improving the value for taxpayers' and customers' money; of enhancing capacity and improving services in anticipation of continued growth in demand.

Our reputation internationally as a trusted expert in rail markets and regulation continues to influence developments at the European level, particularly in respect of inter-operability and competition between services across national borders. We will continue to work with European regulators and governments to support the opening-up of European rail markets to support greater international connectivity from the UK for passengers and freight, through the Channel Tunnel, and to create opportunities for UK rail businesses to succeed in other markets.

In 2015-16 we will begin to consult stakeholders on the agenda for the 2018 periodic review, which presents an opportunity to improve network performance, in terms of making the best use of the current infrastructure, supporting informed decisions about how to expand the network, and encouraging all parties to work together to innovate, improve service quality and reduce cost. We will build on the collaborative approach that we have taken to working with Network Rail, train operating companies and freight operating companies, engaging all of our stakeholders in the process of developing the long-term direction of regulation.

We will also continue our work to monitor and improve how the rail sector as a whole contributes to positive and sustainable outcomes for rail users and funders, and work with stakeholders to make progress on three broad areas:

- continuing to monitor competition in rail markets, whilst also looking for opportunities for greater competition in these markets and in relation to Network Rail;
- the challenge of optimising capacity across an increasingly busy network;
- greater alignment of incentives between rail service providers and customers across the value-chain, including by looking at the structure of access charges set by ORR.

## 2015-16 activities

The following are highlights from our 2015-16 work programmes which we believe will contribute to achieving the long-term outcome specified above. Delivery dates are by quarter within 2015-16 and any associated service standards can be found in the final section of this plan.

### Market development

- Throughout 2015-16 we will continue to apply ORR competition powers, including by working with the UK Competition Network of competition regulators and the Competition and Markets Authority (CMA), to build and share best practice and generally to enhance the benefits that competition may bring in different rail industry markets for the benefit of all railway users. Separately, we will be working with the CMA to identify opportunities for reforms that could increase the potential gains from competition between rail operators, including through changes that might support a greater role for open-access operators.
- Throughout 2015-16 we will build closer alliances with other economic regulators including through our participation in the work of the UK Regulators Network in order to build and share best practice, particularly focussed on improving coordination across regulated sectors to enhance investment and efficiency for the benefit of consumers. Several cross-regulator studies will be published in 2015-16, including on cross-sector investment interaction and the consideration of affordability issues in investment planning.

- Throughout 2015-16 we will build on our long-term vision and objectives for the UK rail sector by working with stakeholders to develop ORR's objectives for the 2018 periodic review. This will build on:
  - experience from CP5;
  - work done in 2014-15; and
  - further work to identify options to improve how we might regulate Network Rail in future and align incentives across the sector.
- This work will draw on the Rail Delivery Group's continuing review of charges covering passenger and freight operators. We will publish an initial consultation on possible options for changes to the charging structure in quarter 3.
- We will develop thinking in relation to system operation by Network Rail building on commitments in PR13 in order to incentivise best use of current infrastructure to maximise capacity of the network.
- We will develop further our approach to determining the level of Network Rail's revenue requirement by looking further at the scope for route based comparison and lessons learned from different ways of working on railways, for example in relation to alliancing.
- To complement our scrutiny of the efficient cost of rail investments, we intend to consider further the role value for money plays in our assessment of spending on the network, protecting the interests of the railway's customers and funders.
- We will consult on our timetable and overall approach to PR18 in quarter 4.

## Access and capacity

- We will consider how our regulation of Network Rail might maximise capacity on the current infrastructure, including through improved transparency about how the network is operated.
- In light of our new responsibilities for jointly regulating access to the Channel Tunnel with the French regulator ARAF, we will consider the capacity and usage of the Tunnel and how this could be beneficially exploited.

## Europe

- Throughout 2015-16 ORR will work with other European regulators, the new EU Commission and industry stakeholders in the UK to promote the alignment of EU rail policies with UK objectives. This will create new opportunities for UK

businesses to connect to the continent by rail, and also potentially open up new markets for UK-based rail businesses to enter and succeed in European markets. Specifically we will:

- continue to affect the development of the 4<sup>th</sup> rail package of EU policy proposals from the new European Commission to encourage open markets, competition and inter-operability across the continent in a way that is beneficial for UK users, funders and industry;
- support greater international connectivity from the UK for passengers and freight, through the Channel Tunnel. We are working to authorise new passenger trains and services for use on HS1 and in the Tunnel in 2015-16, that will open up new direct routes from the UK to currently un-served destinations on the continent. We will also support the implementation of the new European freight corridor to the continent, to improve the speed and reliability of international rail freight services;
- engage with European rail regulatory bodies via IRG-Rail to harmonise regulatory approaches at EU level and work with the Department for Transport to influence the development of EU secondary legislation avoiding additional regulatory burden for GB railways; and
- continue to work with neighbouring national safety authorities to harmonise supervision arrangements to facilitate the provision of cross-border services.

# 5. Secure improved performance and value for money from the strategic road network

## Context

As set out in the Infrastructure Act 2015 (the Act), ORR is taking on a new role monitoring Highways England's delivery of the government's road investment strategy (RIS) and its management and operation of the strategic road network from April 2015.

The Act implemented a package of roads reforms including transforming the Highways Agency into a government-owned company called Highways England, with the powers, duties and increased flexibility needed to operate, maintain and enhance the strategic road network (SRN). The Act requires government to set out long-term funding for Highways England and to specify the investments and levels of performance that the company must deliver during each road period. It has also established two new roles, with ORR taking on a highways monitor role with responsibility for monitoring and enforcing the performance and efficiency of Highways England, and Transport Focus taking on responsibility for protecting and promoting the interests of road users.

The highways monitor function has been set up to provide expert scrutiny of Highways England's delivery, and to give assurance to funders, road users and wider stakeholders. The role will provide a step-change in the transparency of the sector; the monitoring framework will require Highways England to publish far more information on its plans and performance, and we will make public our assessment of its operational and financial performance. Importantly, improved transparency will allow other stakeholders to play a more informed role in holding the company to account to complement our work.

We are consulting on our proposals for delivering our highways monitoring and enforcement role in the first quarter of 2015-16. We will analyse responses to the consultation and review our proposals in light of them. We intend to publish our conclusions later in the year.

## Long-term outcome

ORR wants its performance monitoring regime to give confidence to users, funders and other stakeholders that Highways England is delivering the RIS and is being held to account for the

**5. Secure improved performance and value for money from the strategic road network:** Secure improved performance, including efficiency, safety and sustainability, from the strategic road network, for the benefit of road users and the public, through proportionate, risk-based monitoring, increased transparency, enforcement and robust advice on future performance requirements.

delivery of improved performance, including efficiency, safety and sustainability, through proportionate and risk-based monitoring, enforcement where appropriate, and advice on future performance requirements. We want to deliver a step-change in the transparency of Highways England's plans and performance.

In the longer-term, we want our monitoring to actively support a sector where Highways England, its suppliers and funders work together to meet the needs of road users and the public, delivering a safe, efficient and high-performing SRN.

## Medium-term outcomes and outputs

Over the next five years we will monitor Highways England against the requirements set out in the government's first road investment strategy and specific parts of its licence. To achieve this we will establish and continuously improve a robust framework for the reporting of operational and financial performance. We will also monitor the delivery of Highways England's improvement plans, including those set out in its strategic business plan and delivery plan. For example, we will monitor and report on its plans to improve its asset management capability and information.

We will report on our findings annually. We will employ increasingly sophisticated data analysis, including regional data where possible, to understand current and likely future performance and efficiency. Where Highways England is not delivering the levels of performance and efficiency required we will discuss the issues with them and take enforcement action if appropriate.

Our assessments of performance and efficiency will be an important input to our advice on future road investment strategies.

On the path to our long-term outcome, by 2020 we want to see:

- Highways England delivering the levels of performance set out in the first RIS performance specification;
- Highways England delivering the enhancements set out in the first RIS investment plan to time and on budget;
- Highways England delivering the £1.2 billion of capital efficiency required by the first RIS performance specification;
- a step-change in the quantity and quality of Highways England's performance and efficiency information in the public domain; and

- Highways England establishing robust management reporting processes to support our highways monitoring role.

## 2015-16 activities

As we have been restricted in our ability to recruit before we received our new powers (contained in the Act), we will start the year with limited staff and will build up our staffing levels during the year. We expect our total roads complement to reach 15 to 20 people over time.

Particularly in the first year, we need to prioritise our work to reflect the build-up of resources.

It is important that we develop close links between our roads and rail staff where this will achieve synergies. Areas may include data analysis, asset management, financial assessment and efficiency benchmarking.

We are currently consulting on our approach to highways monitoring and enforcement activities and we will continue to develop our approach during 2015-16, taking account of the consultation responses.

The following are the highlights from our 2015-16 work programmes which we believe will contribute to achieving the long-term outcome specified above. Delivery dates are by quarter within 2015-16.

- Throughout 2015-16 we will deliver our monitoring of Highways England's performance and efficiency deliverables as set out in the first RIS, and our monitoring of relevant parts of the licence.
- By the end of quarter 2 we will consult on our enforcement policy for highways.
- By the end of quarter 3 we will have developed and published our draft monitoring reporting templates and guidelines setting out our annual reporting requirements.
- By the end of quarter 3 we will have carried out an interim assessment of Highways England's performance and efficiency in quarters 1 and 2.
- By the end of quarter 4 we will have published our initial plans for benchmarking Highways England's efficiency to feed into future RISs.
- We will provide advice to the Secretary of State as required under the Act.



- Throughout 2015-16 we will link the work of our rail and roads teams to achieve synergies and deliver wider benefits, while ensuring each team focuses on its specific role.

## 6. Be a high-performing regulator

### Long-term outcome

We want to see a rail industry based on increasingly self-regulating commercial behaviour delivering a safe, efficient, customer-centred railway. We want our highways monitoring to actively support an industry where Highways England, its suppliers and funders work together to meet the needs of road users and stakeholders, delivering a safe, efficient and high-performing strategic road

network. This should mean that, over time, both the rail and highways sectors should require substantially less regulatory intervention. In particular, we want to see:

**6. Be a high-performing regulator:** Develop and apply proportionate and risk-based regulation and monitoring, taking a whole-sector approach. Make more effective use of our resources across all of our functions, maximise the value of our regulation while minimising the costs of compliance for the businesses we regulate.

- a more integrated and effective approach to independent regulation of rail in the UK, that creates less complexity and cost to the industry and its customers;
- the development of an integrated and effective approach to independent monitoring and enforcement of performance and efficiency on the strategic road network, that delivers on transparency, but avoids undue costs to the industry and its customers;
- ORR as a trusted and respected regulator by industry, governments, rail customers and road users;
- a step-change in the assessment of the impact of, and the transparency of, ORR's own governance processes and performance; and
- ORR leading the debate about best-practice in the regulation and monitoring of rail and roads internationally.

### Medium-term outcomes and outputs

Over the next five years we will continue to work to create a regulatory and monitoring environment which is in the interests of customers and society, only intervening proportionately where necessary. We will apply the principles of better regulation that have been developed by government and the community of professional regulators in the UK and internationally. Through our participation in the UK Regulators Network we will improve collaboration between UK economic regulators to spread and learn from best-practice in economic regulation and monitoring. We will seek to realise synergies and

sharing of best-practice between our rail and highways roles. And we will honour the principles of efficiency, effectiveness and transparency that we ask of the industries.

## 2015-16 activities

The following are highlights from our 2015-16 work programmes which we believe will contribute to achieving the long-term outcome specified above. Delivery dates are by quarter within 2015-16 and any associated service standards can be found in the final section of this plan.

### Capability

- Throughout 2015-16 we will continue to build closer links with the rail and highways industries, in order to further develop our railways and highways expertise.
- We will develop our organisation so that we implement our highways role as an exemplar of effective and proportionate monitoring and regulation, putting in place over the year the full capability required to deliver our new role.
- Throughout 2015-16 we will implement sharing of best practice between our rail and highways roles.
- Throughout 2015-16 we will operate in full compliance with our 'Investors in People' accreditation, to assist in attracting and retaining the right people to achieve our objectives.
- Throughout 2015-16 we will implement changes arising out of our 2014-15 projects on skills and capabilities, to ensure the organisation has the right skills for the next control period and beyond.
- In quarter 3 we expect to see an increase in our staff engagement score, as measured through the annual civil service people survey, thus furthering our reputation as a high-quality organisation working in the interests of customers and taxpayers.
- By quarter 4 we will have commenced introduction of a transformed pay and reward structure, working within the limits of public pay constraint, to assist in attracting and retaining the right people to achieve our objectives.

## Accountability

- We will continue to work with our stakeholders to explain the value that independent regulation adds to the rail and roads sectors and to understand how it can be improved, and to deliver efficiency, safety and performance for all users, customers and funders of these sectors.
- Throughout 2015-16 we will continue to implement our updated approach to policy development (including where appropriate through the use of impact assessments), so that the costs, benefits and implications of our proposals to the industry as a whole are fully understood at the point when decisions are taken.
- We will continue to refine and improve our website following its re-launch last year. This work will be informed by user feedback, and we are engaging directly with those who raised questions about ORR's website at the business plan stakeholder event held in February 2015.
- Throughout 2015-16 we will further reduce our annual overhead costs, particularly through smarter working, in order to deliver a 2.4% real terms reduction in our maximum statutory charges to industry.
- Throughout 2015-16 we will deliver excellent customer service, as specified in the 'service standards' section of this plan.
- Throughout 2015-16 we will further extend the use of ORR data and analytics by the public and third parties, through greater and more innovative use of social medial channels.
- In quarter 3 we will produce a mid-year report on how we are progressing against this Business Plan.

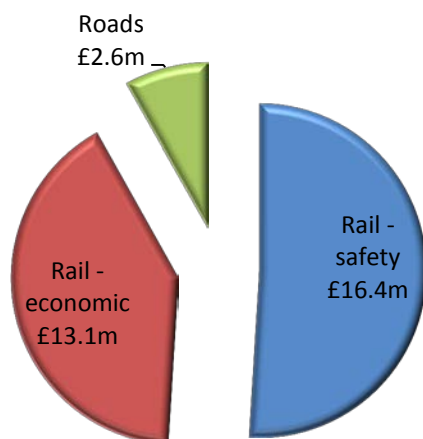
## Resources

ORR's rail functions are funded almost entirely by the rail industry – broadly train and freight operating companies, plus Network Rail. We charge the rail industry via a safety levy and economic licence fee. ORR is committed to meeting the government's aim of reducing the cost of regulators by 5% in real terms by 2015-16, from the 2013-14 baseline set for this commitment for rail in Spending Review 2013. Half of this commitment was met in 2014-15 and the remainder of the commitment will be honoured in 2015-16 by:

- reducing overhead costs;
- exercising pay constraint; and
- generating income external to the railway industry.

Our planned maximum statutory charges to the rail industry in 2015-16 total £29.5 million, split 55:45 between the safety levy and economic licence fee, respectively.

We have agreed a funding settlement with the Department for Transport (DfT) for our strategic road network monitor function, which will be set on a triennial basis. Funding will be provided by yearly grant from DfT. In 2015-16, this amounts to £2.6 million, reducing to £2.55 million in 2016-17 and £2.5 million in 2017-18.



Total income from our rail and roads functions of £32.1 million in 2015-16.

Our new highways monitor function provides us with an opportunity to create cost synergies with our rail function. We plan to accommodate the highways monitor function within our existing premises and infrastructure, and recharge the highways monitor function with a portion of overhead costs to avoid the rail industry cross-subsidising highways. In 2015-16 we estimate that around £400,000 of overhead costs can be recharged to the highways function, although this is subject to uncertainties around levels

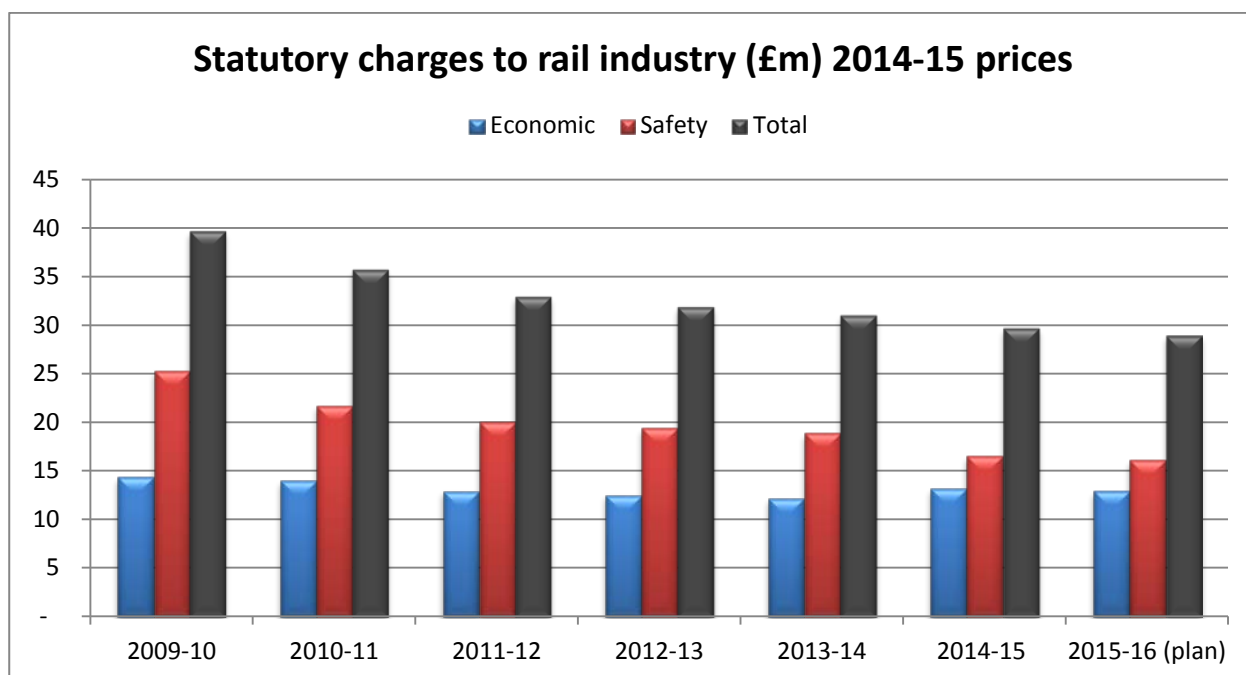
and speed of recruitment. This is included within the £2.6 million budget for the roads function.

Our income from the rail industry is used to pay for our staff and associated overheads, two-thirds of which relates to salary and associated on-costs for approximately 275 staff.

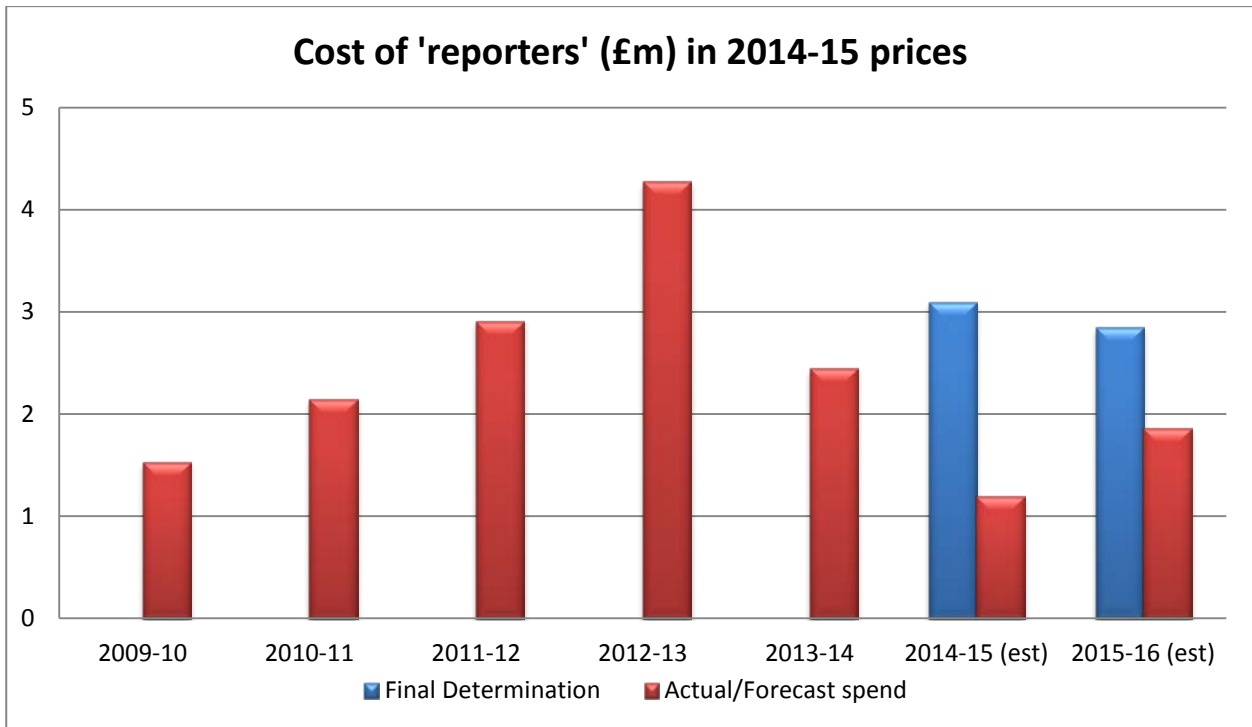
Over time we expect our roads complement to reach 15 to 20 people. We expect staff costs to form a lower proportion of total costs during 2015-16 due to various start-up costs expected in the first year.

## Charges to the rail industry

A comparison of our maximum possible statutory charges to rail industry over time shows that the Spending Review 2013 commitment was an extension of an already established pattern of ORR reducing its maximum possible statutory charges to the industry in real terms. Since the beginning of the current Parliament ORR has reduced its direct costs to the rail industry by £10.0 million in real terms, with a further £0.7 million real term savings expected next year.



Furthermore, ORR is also reducing the indirect costs that are passed onto the rail industry via 'reporters', in response to industry feedback.



ORR has reduced the real cost of reporters from £4.2 million in 2012-13 to an estimated £1.2 million in 2014/15. We are also expecting significant savings to be made against Network Rail's CP5 final determination both in 2014-15 and in 2015-16, with savings of around £1.9 million in 2014-15 and £1.0 million in 2015-16. These savings can then be used by Network Rail to run the railway.

## Service standards

Much of what ORR does as part of 'business as usual' activities involves providing services to those in the industry or others with an interest in railways. As an organisation that is largely funded, directly or indirectly, by the public we believe it is essential that we publish service standards as part of our commitment to transparency.

2014-15 was the first year in which we published a commitment to meet certain service standard levels. By the end of quarter 3 in 2014-15, we had achieved the required service standard for 8 out of 10 commitments.

For 2015-16 we remain committed to meeting or exceeding these standards. In the context of having lowered charges to the industry again this year, this represents further improvement in our operational efficiency.

Service provision	Standard	Performance outturn to Q3
Issue new or revised train driver licences	100% of applications processed within one month of receipt of all necessary documentation	95%
ROGS safety certificates and authorisations (rail)	100% determined within four months of receiving completed application	100%
Report to Rail Accident Investigations Branch (RAIB) on the progress of its recommendations	100% response to RAIB recommendations within 1 year of associated RAIB reported being published	100%
Efficient processing of Enhancement Cost Adjustment Mechanism (ECAM) submissions (rail)	100% of responses within 21 days of receiving complete submission	100%
Efficient processing of technical authorisations to place infrastructure or rolling stock into service (rail)	100% of responses within 28 days of receiving complete submission	100%
Access and licensing applications casework (rail)	100% decided within 2 months of receipt of all relevant information	100%
Freedom of Information requests	90% of requests for information responded to within 20 working days of receipt	94%
General enquiries and complaints	95% of enquiries and complaints responded to within 20 working days of receipt	92%
Prompt payment of suppliers' invoices to ORR	80% paid within 10 days of valid invoice	94%
	100% paid within 30 days of valid invoice	100%





© Crown copyright 2015

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](http://nationalarchives.gov.uk/doc/open-government-licence/version/3) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at [orr.gov.uk](http://orr.gov.uk)

Any enquiries regarding this publication should be sent to us at [orr.gov.uk](http://orr.gov.uk)