



Annual Report and Accounts 2023 to 2024

Performance report: Overview

Performance overview

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

Our purpose

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

Our values

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

- Inclusive
- Professional
- Ambitious
- Collaborative

Our strategic objectives

A safer railway

ORR is the health and safety regulator for all of Britain's rail industry. Our strategic objective is to

enforce the law and ensure that the industry delivers continuous improvement in the health and safety of passengers, the workforce and public, by achieving excellence in health and safety culture, management, and risk control.

Better rail customer service

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

Value for money from the railway

We support the delivery of an efficient, high-performing rail service that provides value for money for passengers, freight customers, governments, and taxpayers. We also regulate other significant elements of the national rail infrastructure, including High Speed 1 (HS1) and the UK portion of the Channel Tunnel.

Better highways

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

Who we are and how we work

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

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

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

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

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

Organisational structure

The diagram below shows how we are structured. Each directorate is headed by a director.

Within each directorate, there are typically several teams.

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

2023 to 2024 overview

April

- We prosecuted Amey Rail Ltd following an electrical shock injury to a rail worker, resulting in a £533,000 fine.
- We introduced a fertility treatment support policy for staff.

May

- We gave evidence to the House of Commons' Transport Select Committee on minimum service levels for rail.
- Linbrooke Services Ltd was prosecuted in Scotland with a penalty of £600,000 following

the death of an electrician who fell from height.

June

- We published our PR23 draft determination which set out our views on Network Rail's plans for the control period April 2024 to March 2029 (CP7).
- We commenced a major market study on the provision of railway catering services.
- We provided mandatory training on inclusion to all staff.

July

- We published our annual assessment of Network Rail's and National Highways' performance; our annual consumer report and our annual report of health and safety on Britain's railways.
- We held our 'A Year in Rail' stakeholder event in London.
- We worked with DfT and other stakeholders to support the government's consultation to change the minimum age of train drivers from 20 to 18.
- We prosecuted Transport for London and Tram Operations Limited for health and safety failings that caused the 2016 Croydon tram crash. They were fined £10m and £4m respectively.

August

- We published new guidance for the heritage sector on safety management system requirements and delivered workshops across the country.
- We recruited seven summer interns who obtained work experience in different areas of our business.
- ORR maintained its Silver award status in the ENET TIDE evaluation.
- Declan Collier was reappointed as ORR chair.
- Edinburgh Trams Ltd was prosecuted in Scotland and fined £240,000 following the death of pedestrian struck by a tram.

September

- We wrote to TOCs on the need for better explanation of passengers' options in the event of pre-cancellation of trains due to resource shortages (p*-coding).
- Network Rail prosecuted for health and safety failings that led to the Carmont train

derailment in 2020. Network Rail were fined £6.7m.

- We gave evidence to the House of Commons' Transport Select Committee on accessibility and ticket offices.
- We prosecuted Gwili Railway Company after a volunteer was injured in a fall from height. They were fined £18,000.
- Eight trainee inspectors joined ORR after we received 1,700 applications for the posts.
- We reported on Network Rail's annual efficiency and performance.

October

- We issued Network Rail with an improvement notice for Euston station overcrowding.
- We published our final determination which confirmed what Network Rail is required to deliver in return for approximately £43 billion of funding.
- We provided advice to the Competition and Markets Authority for phase 2 of the Hitachi/Thales merger inquiry.
- We launched our data strategy, with the aim of unlocking the value of data to improved day-to-day operations and delivering real insights that can lead to better regulatory decisions.

November

- We took over sponsorship of the Rail Ombudsman allowing us to hold the provider to account for independent and impartial delivery of the service.
- We gave evidence to the London Assembly's Transport Committee on safety.
- We launched an investigation into the delivery of train service performance in Network Rail's Wales and Western region.
- We gave evidence to the House of Commons' Transport Select Committee on accessibility.
- We relocated our Glasgow office to a government hub.
- We held a webinar for Scottish politicians on 'the period ahead for rail in Scotland' following the publication of our final determination for CP7 in Scotland.

December

- Our review of fees charged and incentives offered by ticket retailers identified concerns about drip pricing, and secured commitments to improve transparency and fairness for consumers during the ticket buying process.

- Our annual assessment of safety performance on the strategic road network showed that National Highways is not on course to achieve its target of a 50% reduction of people killed or seriously injured on England's strategic road network.
- Our interim findings from our railway catering market study were that the market is not functioning as well as it should be.
- 82% of our staff participated in the 2023 civil service people survey, and our engagement score was 64%.
- We took part in 'One Big Thing', the government's initiative on data literacy and skills, topping the league table of civil service departments participating, with 87% of our staff registering.
- Richard Hines appointed as Director, Railway Safety.

January

- We held a parliamentary drop in in Westminster, attracting MPs and Peers from across the political spectrum to hear more about the ORR's work.
- We introduced a resolution policy.

February

- We launched an investigation into National Highways' performance, delivery and capability, after a number of previously identified risks materialised and performance dipped across several areas during the year.
- We held an insight day in partnership with Access Aspiration where 25 young people joined us to learn more about ORR, the civil service and the world of work.

March

- We published our first corporate environmental strategy, setting out measures ORR and colleagues can take to reduce our impact on the environment.
- We gave evidence to the Net Zero, Energy and Transport Committee in the Scottish Parliament.
- Our review of the reliability of lifts at stations on the GB rail network and information provided to passengers regarding lift faults identified concerns with lift performance and we launched a review of Network Rail's monitoring and management processes.
- We approved the new Grand Union Trains service between London and Scotland,

introducing competition on the West Coast Mainline for the first time.

- Senior management were given training on conducting investigations and managing discipline and grievances in the workplace.

Performance against the business plan

The work we have carried out in the year is set out in more detail in the 'strategic objective' chapters in the performance analysis section. We achieved 46 out of 52 of our business plan deliverables for 2023-24 and 8 out of 10 service standards.

Our funding

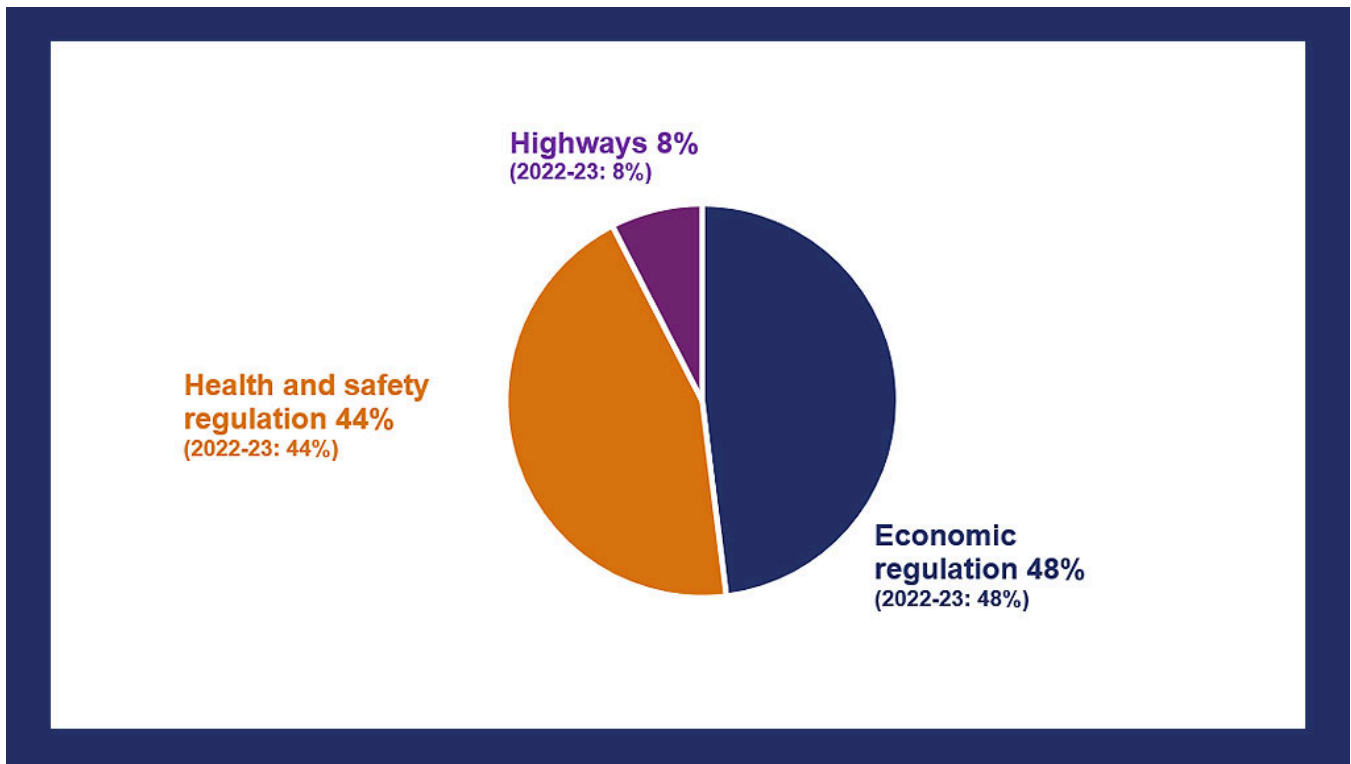
Our budget is agreed with HM Treasury through the Spending Review process and is then formalised by Parliament through the Supply Estimates procedure. Spending Review 2021 covered the years 2022-23 to 2024-25.

Our rail functions are funded almost entirely by the railway industry – broadly, passenger train and freight operating companies, plus Network Rail. We work within a defined budget and charge the industry via a safety levy and an economic licence fee. We also cover our regulatory costs relating to the Channel Tunnel, HS1 and Northern Ireland by charging the relevant organisations. Our charges are based on a full economic cost model, therefore without profit. Our combined charges and other income meet our rail-related costs in full. We receive grant funding from the Department for Transport (DfT) for our highways function. We have a token resource budget of £2,000 provided by Parliament.

Our capital departmental expenditure limit (CDEL) was £1,620,000 in 2023-24 and £720,000 in 2022-23.

Where we spent our money

In 2023-24 we spent a total of £40.8m (2022-23: £40.0m) compared to a budget of £41.8m, ending the year 2.5% below budget. The chart below shows the spend by key work area.



A more detailed comparison of what we spent this year compared to the Estimate is provided in our financial performance section

Principal risks

The key corporate risks we faced and actively managed in 2023-24 were:

- failure to deliver key milestones of the PR23 programme;
- not being seen to hold Network Rail to account for declining train service performance;
- late notice service removals;
- emerging cyber threats;
- the impact on ORR's credibility as a regulator as a result of uncertainty around the implementation of control period 7, modernisation programmes, industrial relations, financial pressures and managing ageing infrastructure; and
- delays and challenges in setting RIS3 lead to a loss of confidence in the roads reform system and impact on ORR's advice to the Secretary of State.

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