

Annual Report and Accounts 2023 to 2024

Risk profile

The key corporate risks managed by ORR during 2023-24 were as follows:

| Principal risks and mitigating actions | Risk category | Change in the year |
|--|---------------------|--|
| <p>Uncertainty around implementation of CP7 and modernisation programmes, industrial relations, financial pressures and managing ageing infrastructure impact on ORR's credibility as a health and safety regulator.</p> <p>We have worked with dutyholders, seeking sustained compliance with health and safety responsibilities (delivering our proactive inspection work, providing feedback in end of year reports and appropriate use of enforcement).</p> <p>We are progressing a strategic intervention on Network Rail maintenance delivery in CP7, including embedding of modernising</p> | <p>Reputational</p> | <p>Score remained the same throughout the year</p> |

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|--|---------------------|--|
| <p>maintenance and management of change.</p> <p>We pursue effective responses from Network Rail to rail break incidents and seek assurance of learning from such incidents across Network Rail.</p> <p>We will recruit additional resource to provide a focal point to work with internal and external stakeholders in holding Network Rail to account for meeting commitments in their CP7 delivery plan for safety.</p> | | |
| <p>ORR does not hold Network Rail to account for declining train service performance.</p> <p>We held Network Rail to account in accordance with our holding to account policy, escalating concerns with train service performance where relevant.</p> <p>We publicly reported on Network Rail's contribution to train service performance, including through a published letter and Network Rail annual assessment report.</p> <p>We engaged with industry stakeholders on our approach to holding to account for train service</p> | <p>Reputational</p> | <p>Score remained the same throughout the year</p> |

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|---|---------------------|---|
| <p>performance.</p> <p>An investigation was launched into Network Rail's train service performance in its Wales and Western region, as train performance was notably poor compared to other Network Rail regions.</p> | | |
| <p>We fail to deliver key milestones of PR23 programme, causing uncertainty for Network Rail, its supply chain and train operators.</p> <p>Programme milestones were actively tracked by the project management office throughout the 2023 periodic review, and risks and mitigations actively monitored.</p> <p>We worked with external stakeholders and had governance channels in place to coordinate the delivery of key milestones.</p> | <p>Reputational</p> | <p>Risk closed after the publication of the final determination</p> |
| <p>We do not keep pace with emerging cyber security threats which results in a cyber attack on the critical infrastructure of the business.</p> | <p>Operational</p> | <p>Score increased part way through the year</p> |

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|--|---------------------|---|
| <p>Network management is kept up to date and in accordance with recognised standards.</p> <p>Laptop and mobile device encryption and multi-factor authentication have been in place throughout the year.</p> <p>We maintain and publicise a security policy for accessing data.</p> <p>Staff are reminded of their responsibilities in respect of data security and are encouraged to report potential problems.</p> <p>We work with partner organisations to monitor threats and implement security measures.</p> | | |
| <p>Having exposed the size of the issue, we are ineffective in reducing the effect of resource availability shortage "P*-coded" pre-cancellations on passengers and stakeholders.</p> <p>We have required TOCs to advertise pre-cancellations to the public as soon as they are known. We will use the TOC licence to monitor compliance.</p> | <p>Reputational</p> | <p>Risk lowered due to increased transparency through our reporting</p> |

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|---|---------------------|--|
| <p>We collect and publish periodic data from all TOCs on resource availability shortage "P*-coded" pre-cancellations, including where caused by Network Rail.</p> <p>We are currently engaging TOCs and Network Rail to bring network-wide consistency on how pre-cancellations are recorded, intending to eliminate the need to collect separate data and therefore reduce manual processing workload.</p> | | |
| <p>Delays and challenges in setting of RIS3 lead to a loss of confidence in the roads reform system and impact ORR's advice to the Secretary of State.</p> <p>We started our efficiency review at risk to mitigate the impact on the delay to the overall programme, by reviewing an interim draft RIS and draft strategic business plan.</p> <p>We have also engaged with DFT and National Highways on what contingency plans would be required, should there be no RIS by March 2025.</p> | <p>Reputational</p> | <p>Risk arose in Q3, score has remained the same for the remainder of the year</p> |