

TRANSPORT Briefing

ORR bosses deny reforms represent power grab

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Office of Rail Regulation bosses have denied that the organisation is mounting a power bid while revealing the regulator could potentially set train fares in future.

ORR chief executive Richard Price and chair Anna Walker appeared before the House of Commons Transport Committee on Tuesday (13 March) when they were asked about plans that would see the ORR take on a formal role monitoring the performance of train operators and major suppliers in addition to scrutinising Network Rail.

"What we are arguing for is to work alongside the DfT on the monitoring of the train operating companies' performance so that we can see it, between us, as a whole, and instead of bearing down on costs on just one part of the system, we can put it together and look at it as a single whole," said Walker.

"It's not a power bid for two reasons - there is absolutely no challenge to the DfT in its role in granting franchises to the TOCs, and the second thing is, as an organisation we are not interested in power for ORR, but only where it can be shown to be in the interests of the sector or the passenger for us to have a greater role."

Pressed by the committee's Tom Harris on the potential for the ORR to take over responsibility for letting franchises to train operators, if asked to by the DfT, she said staff skills within the organisation would be a key factor to consider.

Later in the session the chief and chair of the regulator were asked if the ORR would like to have a role setting train fares, a move not ruled out by Walker. "This is something an independent regulator can do and do with some benefit," she said, noting that that the ORR would have to work within parameters set by government so long as public money was involved.

"We believe, in due course, it would be possible for government to lay down the overall approach and for the regulator to deliver within that overall approach," said Walker. However, performance monitoring across the rail industry is a much more pressing issue, she added. "The monitoring of performance we believe, given the complexity of this industry, is an immediate concern."

Train operating companies have opposed plans to give the ORR new powers to scrutinise their performance, claiming the proposals would undermine efforts to reduce the cost and complexity of the rail industry (TB 8322).

Walker: absolutely no challenge to DfT in its role granting franchises to train operating companies



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