

Systematic approach to safety guidance

Office of Rail and Road

RPC rating: validated

Description of proposal

In 2016 the Office of Rail and Road (ORR) carried out a review of its technical guidance for the rail industry. This guidance provides advice for businesses on how to comply with health and safety requirements. As part of this exercise, the regulator reduced the volume of its guidance by removing out-of-date sections from the ORR website, and by shortening its eight-part 'Railway Safety Principles & Guidance' document into a single, high-level publication.

Impacts of proposal

The business impact target (BIT) assessment states that the simplified guidance would be read mainly by employees of businesses that are new entrants to the rail industry. ORR expects an average of around three new entrants each year, based on a recorded total of fifteen newly established businesses over the past five years. The regulator has assumed that three employees from each business familiarise themselves with the material, explaining that heads of safety, operations and engineering would need to do so. Using a manager's hourly wage (including non-wage labour costs) of £24 an hour, a reduction in guidance of 600 pages is estimated to save new rail businesses approximately £16,000 a year.

Quality of submission

The assessment provides a sufficient level of evidence for the RPC to be able to validate a rounded equivalent annual net direct cost to business (EANDCB) of zero. The regulator has used historical data and the operational experience of its inspectors to inform the assumptions used to estimate the cost saving to rail businesses. Given that this benefit affects a small number of businesses a year, the RPC accepts that a 'light touch' assessment is appropriate in this case.

The regulator has considered whether to assess a potential cost saving to existing businesses when they need to re-familiarise themselves with the guidance. The assessment explains that it would not be proportionate to do so, given that employees are likely to be familiar with the more comprehensive guidance already, and that "...existing businesses may refer only to some parts of specific guidance from time to time..." (page 2). However, the assessment would benefit from

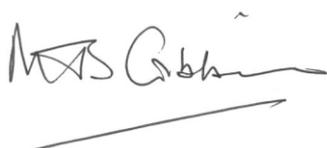
considering how many employees in existing businesses might be newly appointed into positions where they would need to read the guidance for the first time. The assessment could also be improved by considering whether they would need to engage with guidance as a function of specific activities, or disseminate the information to other employees within their business. However, the RPC accepts that such an assessment is unlikely to affect the BIT score.

Departmental assessment

| Classification | Qualifying regulatory provision (OUT) |
|--|---------------------------------------|
| Equivalent annual net direct cost to business (EANDCB) | Zero |
| Business net present value | £0.73 million |

RPC assessmentⁱ

| Classification | Qualifying regulatory provision (OUT) |
|------------------------------|---------------------------------------|
| EANDCB – RPC validated | Zero |
| Business impact target score | Zero |



Michael Gibbons CBE, Chairman

ⁱ For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000