

Date of Request:	Request and ORR's response
29/04/08	<p>Request:</p> <p>Request for information on what fees (if any) the Office of Rail Regulation charges for. Such as information on:</p> <ol style="list-style-type: none"> 1. Who is charged for ORR services? 2. Which ORR services' are charged for? 3. What are the charges and how are they structured? 4. Any income that might be earned for other services. <p>ORR's response:</p> <p>Questions 1 & 2:</p> <p>ORR is funded almost entirely by the Rail Industry – the Train Operating companies, and Network Rail, through a combination of licence fees and a railway safety levy. Economic regulation activities are funded through the licence fee and health and safety activities through the safety levy.</p> <p>We work within a defined budget, and invoice for the safety levy and licence fee to meet our costs. If we receive income which is in excess of what we have spent in the year, we carry this forward to a future year. The effect of this is that future charges for safety and licence fees can be reduced.</p> <p>Question 3:</p> <p>Following a recent consultation on funding arrangements we have concluded that the full costs of economic regulation should be borne by Network Rail, with effect from 1 April 2006.</p> <p>Following the passage of the Railway Safety Levy Regulations 2006, providers of railway services are required to pay a levy to cover the costs of ORR's activities as the health and safety regulator and enforcement body for the railway industry. The levy is based on relevant turnover – that is the turnover on railway-related activities reported by the railway service provider for the previous financial year. Those railway service providers with a relevant turnover below £1 million are not liable to pay the levy, and those railway service providers with a relevant turnover between £1 million and £5 million are liable only to pay a flat rate fee of £1000.</p> <p>ORR writes to railway service providers who are potentially liable to pay the levy, asking for details of relevant turnover and on the basis of the information determines the levy due.</p>

Question 4:

Other income earned is minimal – around 0.2m per year. This is achieved through invoices for IT/accommodation services to the Office of the PPP Arbiter who co-locate with us at One Kemble Street and recovery of Channel Tunnel Safety Authority costs.

Further information can be found on our website at: <http://www.rail-reg.gov.uk/server/show/nav.1238>