

These notes refer to the Railways and Transport Safety Act 2003 (c.20) which received Royal Assent on 10 July 2003

RAILWAYS AND TRANSPORT SAFETY ACT 2003

EXPLANATORY NOTES

THE ACT

Part 2 - Office of Rail Regulation

43. This part extends to England, Wales and Scotland.

Background

44. The post of Rail Regulator was created as part of the privatisation of the railways, with his functions defined in the Railways Act 1993, as amended by the Transport Act 2000. This part of the Act, together with Schedules 1, 2 and 3, replaces the Rail Regulator with a corporate body established along board lines, called the Office of Rail Regulation. The Office assumes all of the existing functions of the Regulator.
45. The Secretary of State for Transport announced the decision to introduce a regulatory board structure for rail regulation on 12 June 2002. This move is consistent with the recommendations of the Better Regulation Task Force report on economic regulators (July 2001), and follows what has been done or is in the process of being done for other regulators. A public consultation document entitled “Creating a Regulatory Board for Railways” was subsequently issued.

Commentary on sections

Section 15: Establishment & Schedule 1: Office of Rail Regulation

46. [Section 15\(2\)](#) gives effect to Schedule 1. Schedule 1 gives details about the membership, staff and financial arrangements of the new Office of Rail Regulation.
47. [Paragraphs 6 and 7](#) allow the Office to establish committees and to delegate its functions to such committees. Membership of those committees is not limited to Office members and employees. This enables the Office to bring outside expertise to committees, which may be advisory or decision making and deal with specific tasks or have continuing functions.
48. [Paragraph 18](#) requires the Office to make arrangements to manage potential or perceived conflicts of interests which could affect the performance of a particular function and, as well as members, covers employees and others appointed to committees.
- [Paragraph 18\(1\)](#) requires declaration and withdrawal from involvement where a financial or other personal interest is likely to influence a person’s performance of a particular function.
 - [Paragraph 18\(2\)](#) applies where an interest is not in fact likely to influence a person’s performance of the function, but which is nonetheless relevant to that function. In

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such a case, the interest must be declared and the person must not perform that function, unless the Office decides that he may do so.

Section 16: Transfer of functions

49. [Section 16\(5\)](#) gives effect to Schedule 2. This Schedule makes consequential amendments to existing legislation as a result of the transfer from the Rail Regulator to the Office of Rail Regulation.
50. [Section 16\(5\)](#) also gives effect to Schedule 3. This Schedule provides, amongst other things, for actions of the Regulator prior to commencement to continue to be valid.