

THE OFFICE OF RAIL AND ROAD
161st BOARD MEETING
25 June 2019, 09:00 – 15:30
One Kemble Street, London WC2B 4AN

Non-executive members: Declan Collier (Chair), Stephen Glaister, Anne Heal, Bob Holland, Michael Luger, Graham Mather, Justin McCracken

Executive members: John Larkinson (Chief Executive), Graham Richards (Director Railway Planning and Performance); Ian Prosser (Director Railway Safety).

In attendance: Daniel Brown (Director Strategy and Policy & Railway Markets and Economics), Russell Grossman (Director of Communications), Freya Guinness (Director Corporate Operations), Juliet Lazarus (General Counsel), Tess Sanford (Board Secretary)

Other ORR staff in attendance are shown in the text.

Item 1 WELCOME AND APOLOGIES FOR ABSENCE

1. The chair welcomed everyone to the meeting. There were no apologies

Item 2 DECLARATIONS OF INTEREST

2. No new relevant interests were declared. Graham Mather reported that he had been appointed by HMT to their Infrastructure Finance Review Panel. SCS staff would not be present for the item on staff performance.

Item 3 APPROVAL OF PREVIOUS MINUTES AND MATTERS ARISING

3. The Board noted that the date of the draft minutes circulated was incorrect. The Chair would sign an amended version. The report on the action points was noted.

Item 4 EXECUTIVE REPORTS – ORAL HEADLINES AND UPDATES

4. Dan Brown reported on the current caseload of Open Access applications and the way the high level of activity was being resourced internally. There was an apparent trend towards more applications being at an earlier, more speculative stage. He also updated the board on work on the CVL proposals, preparations to publish *Measuring up* and continuing work on DPPP (which the board would see in July), and proposals from the CMA working with BEIS on reform of the current competition framework and the role of concurrent regulators.
5. Russell Grossman reported on announcements, statistical releases and media work, a private session with the Treasury Select Committee and a separate meeting between its chair and Declan Collier. The NR regions were officially active from 24 June and he would circulate their stakeholder pack to the board **[Action]**. Preparations for publishing *Measuring up*, the CIAR and the Monitors were in hand for July dates.
6. He explained how the impact of reports was measured. The annual report on communications and strategy review would be considered by the Board in July.

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7. Freya Guinness reported on progress with fit-out at Cabot Square and likely move dates and negotiations to exit OKS without dilapidations. Work was in hand to implement the individual travel and carer claims for staff.
8. John Larkinson reported on continuing engagement in Scotland and Wales, work at NR to extend the role of the PMO to four years 'upstream' of timetable changes, and the negotiation of costs in respect of the JR action *[that Eurostar has now withdrawn]*.

Item 5 PERFORMANCE ON THE RAIL AND ROAD NETWORKS

Stephanie Tobyn, Catherine Williams and Liz McLeod were on the phone for this item

9. The board discussed the range of views of stakeholders in Scotland and the work the team did to engage and support them within the constraints of the wider settlement. This work was valued and would continue.
10. The board noted the report on how the various TOCs working on ECML had performed and NR's performance. The report showed that while NR's contribution to delay minutes had increased, the TOC on TOC and TOC on self delays had also increased substantially.
11. The board noted that ORR had no direct responsibility to report on TOC performance. The board discussed the way such information added context to NR's performance in a particular region. The board agreed that where accurate data was available and added to a wider understanding of performance on the network, it should be made public. Transparency was an important benefit of independent regulation and it should not be restricted only to those areas where ORR had a direct responsibility to report. It was recognised that this would build on ORR's reputation to deliver reliable analysis based on evidence. Commentary should be rooted in analysis of NR's performance as part of the wider industry. The board noted the importance of explaining this approach to stakeholders and asked that the executive move as quickly as possible to put a final version of this report into the public domain. **[Action]** It was timely given its focus on one region and would complement the emphasis on efficiency at the start of CP6. It was important to deliver such work in a timely way if it was to support improvements in the industry.
12. The board discussed the report on the December 2019 timetable change noting that after the May change a number of new red risks had been identified. The board discussed relative responsibilities for addressing the emerging risks and particularly noted the likely need for DfT to address PRM dispensations, which had been raised with DfT directly, and a question about the operational resilience of the new GWR fleet given its size.
13. The board discussed progress on arrangements for the CVL, including on their safety management system and risk management. ORR would continue to support this by working closely with TfW and Keolis/Amey as their plans progressed.

Item 6 HEALTH AND SAFETY MONTHLY REPORT

14. Ian Prosser introduced the report. He highlighted:
 - improvements in freight safety,
 - NR's failure to procure a CSAMs which would have met a number of RAIB recommendations,

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- concerns with the assurance regime at LUL where recent Fire Brigade inspections suggested that internal assurance systems needed attention,
 - a letter from the Heritage Rail Association to members setting out the need for a more robust approach to safety standards in the sector.
15. The board discussed in more detail concerns about LUL's assurance and its financial pressures as well as restructuring of its safety management. They also sought more detail on two incidents (Balham near miss and Corby landslip).

Item 7 CHIEF INSPECTOR'S ANNUAL REPORT

16. Ian Prosser introduced the paper which included the foreword of the report setting out the three major challenges he had identified: 'increased pressure on the system', 'effective introduction of new technology' and 'supporting people' where he particularly highlighted the unacceptably high numbers of track workers in near misses with trains. The board had discussed the key messages at its May meeting.
17. The board noted the report and that some findings were counter-intuitive, particularly around crowding which passengers saw as a high safety risk.

Item 8 SPENDING REVIEW 2019

Lucy Doubleday joined the meeting for this item

18. Lucy Doubleday explained the planned approach to the spending review. The executive proposed to seek more resources to meet cost increases in pensions, pay, office and IT costs. It was now understood that where ORR had undertaken unplanned work by flexing internal resources over recent years, this had led to slow delivery of planned work, particularly in relation to customers, and this was felt to be unsustainable so additional resources would also be sought to cover this. No reference would be made to potential change from the Williams Review as these were very uncertain.
19. The board approved the approach, noting the importance of maintaining a good relationship with HMT and securing value for money for funders.

Item 9 PUTTING PASSENGERS FIRST (formerly NR's 100 day plan)

20. John Larkinson described recent work on PPF issues, including issues in Scotland.

Item 10 and 11 RSSB visitors

21. Ian Prosser briefed the board on the background to the RSSB and its relationship with ORR.

Mark Phillips – CEO of RSSB joined the meeting

22. Mark Phillips passed on Barbara Moorhouse's apologies for not attending at short notice. Her local station had been closed as a result of flooding.

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23. Mr Phillips tabled some slides setting out the RSSB's vision, mission, strategic objectives and values and its five year strategic plan. He explained the steps RSSB had taken to address the findings of the last quinquennial review.
24. The meeting discussed the challenges for RSSB in demonstrating its long term impact in improving safety, reducing operating costs for the industry, and delivering benefits for customers noting that the time taken for research to deliver cost savings made it hard to interest current operators in investing for the future. The meeting discussed the work RSSB was doing in engaging stakeholders, building commercial revenue and delivering benefits for members. Mr Phillips also explained the range of research currently in hand. The board welcomed the positive response by RSSB to the quinquennial review and highlighted the importance of continuing to build strong relationships with stakeholders. The industry should continue to look to RSSB for leadership in safety culture and standard setting.

Item 12 ANNUAL CONSUMER REPORT – MEASURING UP

Marcus Clements and Sukhninder Mahi joined the meeting for this item with Stephanie Tobyn on the phone

25. Marcus Clements highlighted changes in this year's report, particularly the shift to more assertive language and new data sets added. The board welcomed the report and discussed the importance of regional and route based information for comparative purposes. There would be a high level version of the report designed for rail users as well as the detailed data for operators and the industry.

Item 13 WILLIAMS REVIEW

Robert Cook joined the meeting for this item

26. Dan Brown briefed the board on engagement with the Williams Team and with the DfT around the review. He described in some detail the emerging thinking from both and the degree to which proposals were well developed or part of a coherent system. The board discussed the ideas offered, noting the likely need for primary legislation to implement any significant change.
27. The board speculated on the possible implications for ORR but noted that the range of outcomes was still very wide and some of the thinking apparently contradictory.
28. The board endorsed the executive's current approach and plans for engaging with stakeholders in advance of Keith Williams' next major speech. They should continue to point to evidence of ORR's impact and capability in discussions about the future, and support development of proposals that were coherent and implementable.
29. John Larkinson assured the board that he would continue to keep staff informed of general progress pending the emergence of any meaningful detailed proposals.

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Item 14 ROLLING STOCK

30. Ian Prosser introduced the paper which reported on challenges for the rail industry around the introduction of new rolling stock and lessons from recent experience.
31. The board discussed the paper and the evidence that current processes and the overlapping TSI and UK regimes made the identification and addressing of issues even more challenging. This was an area where a more strategic approach could contribute to a more coherent programme of introductions and upgrades across the network.

Item 15 COMMITTEE CHAIRS' REPORTS

32. Justin McCracken reported on the HSRC the day before. The agenda had included a report from John Halsall, new chair of the Health and Wellbeing policy group, and a team from Cambridge University who were working on public perception of risk. He noted the annual report from RAIB reflected the tangible improvement in its relationship with ORR.

Item 16 ANY OTHER BUSINESS

33. The chair reported on his recent engagement activity, highlighting positive feedback on ORR's work on NR efficiency and about its work in Scotland, and progress with NED recruitment.
34. General Counsel notified the board of an employment tribunal case.

*All executive staff left the meeting, except Tess Sanford
Jo Napper joined the meeting*

Item 17 SCS PERFORMANCE

A fuller note of this discussion is included with the Renco records

35. Michael Luger reported on proceedings at Renco the previous day.
36. The board discussed the recommendations of the RENCO in relation to senior staff performance and agreed to implement them.
37. When Cabinet Office guidance is received a further decision on the quantum of performance awards will be sought.