

**THE OFFICE OF RAIL AND ROAD**  
**141<sup>ST</sup> BOARD MEETING**  
**09:00-13:15 TUESDAY 28 NOVEMBER 2017**  
**ONE KEMBLE STREET, LONDON WC2B 4AN**

**Non-executive members:** Stephen Glaister (Chair), Tracey Barlow, David Franks, Anne Heal, Bob Holland, Michael Luger, Justin McCracken, Graham Mather

**Executive members:** Joanna Whittington (Chief Executive), John Larkinson (Director Railway Markets and Economics), Ian Prosser (Director Railway Safety), Graham Richards (Director Railway Planning and Performance).

**In attendance:** Dan Brown (Director Strategy and Policy), Russell Grossman (Director Communications), Freya Guinness (Director Corporate Operations and Organisational Development), Juliet Lazarus (Director Legal Services and Competition), 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.
2. There were no apologies for absence.

**Item 2 DECLARATIONS OF INTEREST**

3. Anne Heal reported that she had a new appointment as a board member at ELEXON. It was agreed that this would not present a conflict of interest.
4. David Franks had previously noted that his role as CEO of Irish Rail had a potential conflict in any work that ORR's board did in relation to our role in Northern Ireland. He would absent himself from the meeting during the item on enforcement policy and had not received the papers.

**Item 3 APPROVAL OF PREVIOUS MINUTES AND MATTERS ARISING**

5. The minutes were agreed and signed by the chair.
6. The update on matters arising was noted.

**Item 4: MEETING WITH RAIL DELIVERY GROUP**

7. The Board reflected on their discussions with the Chair and Chief Executive of the Rail Delivery Group the previous afternoon.
8. The board discussed what they had heard, focusing particularly on:
  - RDG's important leadership role in delivering the industry's health and safety strategy;
  - The importance of cooperation between dutyholders in delivering this strategy;
  - RDG's understanding of key issues for PR18 and
  - their grasp of potential benefits of route devolution in NR and the importance of the central and system operator functions of NR being effectively delivered.

## Item 5: HEADLINES AND REGULAR REPORTS

9. **Ian Prosser** updated the Board on: fines of £3.6m following the West Marina conviction; forthcoming reports on the multi-fatality Sandilands tram accident; safety monitoring of conditions during industrial action on the network; and visits to West Country Railways, a track team and level crossings. The board asked about progress on SMIS+<sup>1</sup>, the number of SPAD<sup>2</sup>s reported against the 5 year control limits, the failure of a freight wagon in Wales, and NR's revised approach to level crossing orders.
10. The board noted that HSRC<sup>3</sup> had asked the team to look at the effectiveness of our existing reporting regime in covering all areas of the network - for example, safety at stations not run by NR. In time this might lead to changes in the board report. [Action]
11. **Graham Richards** reported on recent poor train punctuality and whether it was likely to be a seasonal variation; progress on the complex new Thameslink timetable for 2018; planning for Christmas blockades at London termini and the scenario planning which NR was undertaking to support it. He also reported on work in hand to align ORR and DfT's plans for reviews and internal audits of Highways England and the impact on HE's plans for dealing with unanticipated disruption at the channel ports of government's decision not to build a lorry park in Kent. The board discussed both regulatory escalators and particularly challenges faced by the team around technical authorisations for EGIP.
12. **John Larkinson** reported on: latest discussions with Transport Scotland over the new Scotland timetable and rolling stock; the successful seminar to launch ORR's assisted travel research; progress on the TfL/Heathrow access appeal; engagement with potential third party funders, and progress in NR's preparations and governance around its transformation plan.
13. **Joanna Whittington** reported on meetings with ministers and members of the Transport Select Committee and with other stakeholders. The TSC had announced a hearing on rail infrastructure to which ORR would give evidence. She also reported on competition issues and internal matters including senior recruitment, the senior leadership programme, London office relocation and early results from the civil service people survey. A plan to address these results would be discussed by Renco in January and the board would receive a report in February [forward programme]

## Item 6 CHANNEL TUNNEL

*This item has been redacted from the published version as a regulatory update and privileged legal advice*

## Item 7 FOLLOW UP TO BOARD AWAYDAY

17. The board noted a useful discussion the previous day on business planning and the strategic objectives. There were no board actions to record.

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<sup>1</sup> RSSB's information system

<sup>2</sup> Signals passed at danger

<sup>3</sup>ORR's Health and safety regulatory committee

**Item 8 RAIL ECONOMIC ENFORCEMENT POLICY – NORTHERN IRELAND**

*David Franks left the meeting to avoid a conflict of interest  
Liz McLeod joined the meeting for this item and item 9.*

18. The board noted that revisions to the policy were necessary to reflect changes to legislation by the transposition of the European Access and Management regulations. Consultation responses had led to a separation of the policies for GB and NI. A policy for GB had been agreed in October.
19. The amended policy was approved.

*David Franks re-joined the meeting.*

**Item 9 SCOTLAND**

20. John Larkinson reported on discussions between HMT and Transport Scotland about funding for the railway in Scotland. No SoFA had been set out by the Scottish government.

*The rest of this item (paras 21-22) has been redacted as policy development including privileged legal advice*

**Item 10 PR18**

**PROPOSED INCENTIVE CHANGES IN PR18**

*Chris Hemsley, Alex Bobocica and Paul Cornick joined the meeting for this item.*

23. John Larkinson introduced two consultations about removing financial incentives from NR in CP6 partly because of changes to NR's financial framework and partly because these incentives had proved ineffective in CP5.

*The rest of this item (paras 24-31) to be redacted until after publication of the draft determination.*

32. The board discussed the draft and delegated sign off of the consultation documents to John Larkinson. [Action]

**PREPARING FOR ROUTE SBP MEETINGS**

33. John Larkinson briefed board members on the purpose and aims of the route strategic business plan meetings that they would be attending as observers after the December board. Challenge meetings would follow in January.

**Item 11 RAILWAY FUTURES**

*Ian Maxwell joined the meeting for this item*

## **FOR PUBLICATION**

34. Ian Maxwell presented the history of signalling and current challenges for developing the digital railway. More accurate and robust train control could deliver advantages such as better fuel consumption, higher capacity on track, better information for passengers and operators and better system safety. However the cost of upgrading existing equipment to meet new standards was potentially very high and the payback period for such investment likely to be long. Most focus was therefore on new kit or local upgrades with accompanying challenges around the interfaces between old and new technology.
35. The board thanked Ian for the presentation and noted the report.

### **Item 12 NR PERFORMANCE**

36. Graham Richards introduced the paper. The board discussed the way in which the act of investigating performance on a route drove improvements in that route. The report showed a poor level of performance on some routes and the board noted the possibility of future enforcement as a result. The board noted that this would be discussed again at the February board meeting when we would have a clearer view on the picture for 2017/18.

### **Item 13 ANY OTHER BUSINESS**

37. The Board noted the board forward programme, paper on the need for a London office, and two sets of minutes from ARC and Renco committee, approved in October.