

**THE OFFICE OF RAIL AND ROAD**  
**144<sup>th</sup> BOARD MEETING**  
**08:30-12:45 TUESDAY 27 FEBRUARY 2018**  
**THE QUEENS HOTEL, LEEDS, LS1 1PJ**

**Non-executive members:** Stephen Glaister (Chair), Tracey Barlow, Anne Heal, Bob Holland, Michael Luger

**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 in Leeds are shown in the text.**

**Item 1 WELCOME AND APOLOGIES FOR ABSENCE**

1. The chair welcomed everyone to the meeting. Justin McCracken and Graham Mather had sent apologies. He noted that David Franks had resigned.

**Item 2 DECLARATIONS OF INTEREST**

2. No declarations in relation to this agenda.

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

3. The minutes of the meeting in January were agreed subject to one correction and would be signed by the chair.
4. The update on matters arising was noted.

**Item 4: STAKEHOLDER FEEDBACK**

5. The board reflected on the visits and meetings they had attended the previous day including:
  - Highways England regional management and Tingley Depot;
  - Sheffield trams (Supertram project);
  - Neville Hill (a multi user rail depot);
  - Leeds station (3<sup>rd</sup> largest outside London)
  - Transport for the North's Chair.
6. The board also discussed what they had heard from guests both over dinner and in the short plenary session which followed.
7. Guests' feedback would also be sought, but the board continued to find these regional visits helpful in developing their understanding of the challenges for the industries we regulate and their day to day operations.
8. The board asked for their thanks to be passed to our visit hosts and to staff for the day's arrangements.

## Item 5 HEADLINES AND REGULAR REPORTS

9. **Ian Prosser** made one correction to the written report: 21 suicides had been recorded on the network in the report period. He highlighted landslip incidents in Scotland, the historically low level of the PIM<sup>1</sup> and updated the Board on investigations into the Sandilands tram incident, reporting that the first meeting of the industry steering group was that day. He reported that NR had acted on a number of signalling wrong side failures by revising arrangements for signal testers' competence assessment. Finally, he reported that Johnny Schute, Deputy Chief Inspector, had resigned to become COO at RSSB.
10. **Graham Richards** reported on progress by DfT and HMT towards agreeing RIS2. On rail, he reported on: work ORR did to enable new Thameslink services to begin to run between East Anglia and West Sussex; fleet reliability on some operators; delivery of the next Scotland timetable change
11. **John Larkinson** reported on: discussions with ORR's freight customer panel and NEXUS (Newcastle), current work by the consumer team on ticket machines and the National Rail Conditions of Carriage, progress on the Southampton open access application.
12. **Joanna Whittington** reported on meetings with the new Rail Minister, Jo Johnson, senior DfT officials, operators and owning groups. ORR had held three regional meetings to discuss the business plan as well as the usual London meeting. She also reported on organisational development work and the need for additional provisional funding for a London office move. This was ORR's busiest period in the five year cycle for Network Rail and resources were stretched.

## Item 6 INDEPENDENT AUDIT AND RISK COMMITTEE MEMBER

13. The Board agreed to the process for recruitment set out in the paper.

*The remaining items were re-arranged to accommodate the early departure of the Chief Executive for a short notice ministerial meeting. The minutes reflect the order in which the items were taken.*

## Item 7 NETWORK RAIL: INFORMED TRAVELLER

14. John Larkinson tabled new slides which updated the board on progress since papers had been circulated the previous week.
15. ORR had called in Network Rail to discuss how the issue had arisen and their plan for recovery. The real number of customers likely to be impacted was lower than originally forecast. It was important that all parties understood what had happened and what was needed to return to T-12 compliance. Discussions with all parties continued. An emerging issue in Scotland alongside the recovery plan on T-12 meant that NR's timetabling resources were likely to be under pressure for a protracted period.
16. The board discussed whether there was more that could be done by ORR to ensure that TOCs and NR kept their customers properly informed. They also noted the plans to consider whether the issue could have been foreseen earlier

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<sup>1</sup> [tla??]

and to monitor NR's progress against its recovery plan. This work would add pressure to stretched ORR resources.

#### **Item 7 PR18 – LICENCE REVISION PROJECT**

*Chris Hemsley, Sheona Mackenzie and Claire Simpson joined the meeting for items 7, 8a and 8b*

17. Claire Simpson gave an update on work to date on the project – and on positive discussions with NR to explore its implications. Discussions with the routes to ensure they understood the implications of the proposed changes would follow.
18. The board agreed that the licence changes proposed could help embed NR's transformation and bring stability for the next period.
19. The board sought assurance that the NR board would be briefed on the process and its aims. It was important that Route Managing Directors understood the implications for their independence and accountability.
20. The board would consider a more detailed paper in April (forward programme).

#### **Item 8a PR18 UPDATE**

21. Chris Hemsley introduced the update, describing progress on the strategic business plan at route level and NR's engagement with DfT, TS and their customers. He described the high volume of work in hand to scrutinise the developing plans.
22. Chris described how resourcing risks were being mitigated by external contractors and redeploying internal resources.

*paras 23-24 have been redacted until the publication of the draft determination.*

*Joanna Whittington left the meeting at this point.*

25. ORR scrutiny continues around asset maintenance and performance, planned spending on level crossings and the R&D programme.
26. The board noted the update.

#### **Item 8b PR18: ACCEPTANCE OF THE DETERMINATION**

27. The board noted the importance of ensuring that NR's formal acceptance of the settlement was matched by an industry-wide understanding of the way that the determination would work and be monitored during the control period.
28. The paper outlined a programme of engagement to help build the necessary understanding and acceptance of the settlement both within NR and across other stakeholders.

*Para 29 has been redacted until after the publication of the draft determination.*

#### **Item 9 NETWORK RAIL: PERFORMANCE**

29. Graham Richards introduced the item, drawing on the monthly performance report to demonstrate his decision to look at NR's performance on the Wessex route closely. The investigation would look at whether NR understood the reasons for its poor

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performance and what steps they would take to improve it: and whether improvement was sustainable.

30. Performance on the GTR and South West Rail franchises was also discussed. While GTR's underlying improvement was acknowledged, the reputational damage that prolonged poor performance did would take a long time to overcome. Headline incidents, such as the failure of replacement buses to cope at Redhill that weekend also demonstrated that operators were still failing to think adequately about customers' experience during service alterations.

### **Item 10 ORR 2017 STAFF SURVEY**

31. Freya Guinness introduced the report, highlighting the impact of the IT transformation project and continuing pay constraint.
32. The board discussed the existing pressures on staff and the programme of work planned to address some of the issues, noting that plans for the relocation of the London office aimed to avoid some of the communications issues that the IT programme had highlighted. They noted the action plan and supported the approach.

### **Item 11 ORR BUSINESS PLAN**

33. Russell Grossman introduced the proposal to repeat last year's approach to the publication of the ORR business plan. The board would be asked to approve the allocation of directorate budgets at their March meeting.
34. The board commented on the plan and noted the proposal.

### **ANY OTHER BUSINESS**

35. The board noted the documents circulated below the line: the forward programme and minutes of the ARC approved in January, together with the project initiation document for the London relocation. The Renco minutes were still to be circulated [Action]
36. The board secretary reported that plans for a regional visit in May had been shelved as impractical given the expectation that PR18 business (necessitating staff attendance) would form the bulk of business.
37. There was no other business