

THE OFFICE OF RAIL AND ROAD
138th BOARD MEETING
09:00 -14:45 TUESDAY 25th JULY 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), Juliet Lazarus (Director Legal Services and Competition), Tess Sanford (Board Secretary)

Peter Antolik (Director Highways Monitor) and Lucy Doubleday (Associate Director Finance) attended for items 1-4. **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 from members. Freya Guinness (Director of Corporate Operations and Organisational Development) was on leave.

Item 2 DECLARATIONS OF INTEREST

3. There were no new declarations of interest in relation to the planned business.

Item 3 APPROVAL OF PREVIOUS MINUTES AND MATTERS ARISING

4. The Board Secretary noted some last minute clarifications to the circulated minutes which were agreed. The non-executive members approved the note of their private session on SCS performance.
5. On matters arising:
 - Graham Richards reported that although the ORR's information and analysis team were well connected to government's work on big data, they did not have a network with the academic institutions but would be seeking to establish this.
 - The action relating to management information about vacancies had been completed.
 - The PR18 framework consultation would be published later that week.
6. The update on the other matters arising was noted.

Item 4: HEADLINES AND REGULAR REPORTS

7. Ian Prosser updated the Board on: investigations into the multi-fatality tram incident at Croydon; progress on rolling stock authorisations; enforcement activity on NR and one heritage railway; and the launch of the annual rail health and safety report.
8. The board would discuss a further report on Croydon in the autumn **[forward programme]**.

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9. Graham Richards noted a lag between reported end of period data and the board reporting cycle this month. He reported on the impact of major incidents and hot weather on performance. He updated the board on the large scale blockades planned by NR in August and the risks to passengers' experience as a result of these. Operational contingencies were in place but major disruption to passengers (many of whom would not be regular travellers) was inevitable. Possible safety risks in stations and on platforms had also been considered. A major lessons-learned review was already planned by NR.
10. **Joanna Whittington** reported on:
 - Progress and issues with the IS transformation programme which had particularly impacted remote and regional staff.
 - The publication of our annual assessment of Highways England, and discussions around the capital baseline for RIS1 and the timetable for RIS2.
 - External meetings with stakeholders.
11. **Juliet Lazarus** reported on the withdrawal of HAL's appeal against the judicial review, which had found in favour of ORR.
12. **Lucy Doubleday** updated the board on ORR's financial position at the end of quarter 1 and the range of some potential liabilities. ORR continued to run with a high level of vacancies and the board sought assurance that the impact of these was properly understood.

Lucy Doubleday left the meeting

Item 5 SUMMER PUBLICATIONS AND PR18 UPDATE

13. Joanna Whittington described work undertaken by staff with NR, DfT, Transport Scotland (TS), Welsh Government and HMT, which had culminated in the publication of an HLOS¹ by Westminster and Scotland. New Guidance from the Secretary of State had also been issued.
14. We had formally extended the period for the SoFA² to be submitted by government until 13 October.
15. ORR had published the year end Monitors for NR which showed it is carrying out its core work (ie excluding enhancements) 5% less efficiently than it did three years ago. We had also published our February advice letters to DfT and TS setting out our advice on renewals in CP6.
16. John Larkinson tabled slides setting out recent events, background on the HLOS/SOFA process, the implications of the extension notices, and the work planned by ORR and others over the summer in order to support Government's production of its SoFA by the new deadline. The pressure on some staff across the office during this time, as a result of rapidly moving events, had been considerable and this had inevitably diverted resource from other planned work on PR18.
17. In the light of all the recent developments the PR18 timetable was being reviewed.

¹ High level output specification

² Statement of funds available

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18. The board discussed the role that ORR had played and should continue to play in gathering and sharing robust evidence to support informed decision making by governments.
19. NR's progress towards route based devolution was discussed. Opportunities for efficiency gains were a key driver for the continuing transformation programme and an essential part of plans for CP6. The board discussed the importance of engagement with NR, and particularly its board, to support its continued progress in this essential programme.
20. The board considered the update and endorsed the executive's approach. The chair congratulated the team on progress to date and acknowledged the importance of keeping up momentum (our own and others') during the next 2-3 months. The team should continue to take a robust independent stance, respecting our own role and others' responsibilities for delivering the next steps.

Peter Antolik left the meeting.

Item 6 SECRETARY OF STATE'S GUIDANCE

21. The board discussed and noted the Secretary of State's Guidance. The board is required to take the guidance into account.

Item 7 2017-18 COMMUNICATIONS STRATEGY

Ed Butcher joined the meeting for this item

Russell Grossman presented the paper including the results of our recent stakeholder survey. This report demonstrated progress over the last survey the previous year and the intention was to continue broadly progressing the same strategy.

22. The board discussed opportunities to:
 - be more definitive about ORR's role and its powers in delivering a fair system for operators and passengers;
 - strengthen relationships with business media;
 - increase regional engagement and reporting;
 - improve understanding of our role by Parliamentarians, including new select committee and shadow members, and by relevant special advisers.
23. The board noted our improving evidence base about the service provided to rail customers by different TOCs. This should be used proactively in support of our work of protecting the interests of current and future users of the railway.
24. To help keep NEDs informed of our work with stakeholders we would ensure they received the stakeholder newsletter and a list of the current Ministerial and shadow teams in transport, with the list of new select committee members when it was available. [Action: Russell Grossman]

Item 9 PR18 CHARGES AND INCENTIVES

Alex Bobocica joined the meeting for this item.

25. The board discussed the relative incentive properties of charging by vehicle or by train and noted the proposal for an impact assessment on the different approaches.
26. The board discussed and agreed the market segmentations proposed.
27. The board discussed our criteria for determining which markets to test for 'market can bear', (eg low price elasticity and no simple option for modal switch to road).
28. The board noted that in considering the result of the consultation they would also reflect on the Secretary of State's guidance, particularly around passenger service charges.
29. The consultation would be issued in September and the board delegated sign off to John Larkinson [action].

Item 10 VISITORS: ANNA BRADLEY, CHAIR AND MARK PHILLIPS, CEO OF RSSB (Rail Safety Standards Board)

30. The chair welcomed the guests. Anna Bradley thanked the board for the invitation which was timely in the context of work RSSB was doing to follow up ORR's quinquennial review.
31. The visitors gave a short presentation on their progress on the review, challenges the organisation faces and plans for internal change to meet those challenges.
32. The meeting discussed the planned consultation on revisions to RSSB's constitution. ORR's approval was needed to any changes proposed and it was important that the purpose of that oversight was properly understood and met.
33. ORR asked about progress on the introduction of SMIS+.
34. The meeting discussed stakeholders in the industry and particularly the role that RDG was playing in industry leadership.
35. The chair thanked Anna and Mark for attending and for a useful conversation. He noted that he and Joanna Whittington were attending RSSB's board later in the year.

Anna Bradley and Mark Phillips left the meeting

36. The board reflected on what they had heard from our visitors and asked for an update on ORR's role and purpose in approving any changes to the RSSB constitution [Action – Ian Prosser].

Item 11 OVERALL APPROACH ON PASSENGERS WITH DISABILITIES AND ACCESSIBILITY

Stephanie Tobyn, Harriet Gamper, Tom Cole and Marcus Clements joined the meeting for this item.

37. Stephanie Tobyn briefed the board on our current work on passengers with disabilities, including our focus on collecting new data to build a

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strong evidence base. We would be publishing new research in September and the Board would be taken through the implications of this work at its September meeting. [forward programme]. The team would write to each TOC setting out the findings and these would be published.

38. Joanna Whittington highlighted the gap between the legislative framework and increasing public expectations around the accessibility of public transport to disabled passengers. The board discussed this mismatch.
39. The board discussed ORR's role in enforcing against technical standards for accessibility of rolling stock. Two sets of standards (RVAR and PRMTSI) applied to different sets of rolling stock. RVAR was the more rigid, whereas the modern PRMTSI allowed a 'reasonable adjustments' approach. The board discussed ORR's reactive approach to enforcement against RVAR and agreed it was reasonable in view of the risk and a proportionate use of resources. There were adequate options in place for enforcement as a result of a complaint.
40. The board noted that this regulation covered only wheelchair access and not access for people with other disabilities.
41. From 2020 all vehicles must be compliant with PRMTSI.

Item 12 HIGH SPEED 1 – PERIODIC REVIEW 2019 (PR19)

Feras Alshaker joined the meeting for this item.

42. Graham Richards introduced the item. The key areas for the consultation were outlined. The board discussed the changing pressures on capacity and on operators using the network.
43. The board noted that two of its NED members would visit the network in September.

Item 13 FEEDBACK FROM COMMITTEES

44. Bob Holland reported back from the Audit and Risk Committee meeting highlighting discussions on the IS transformation programme and good discussions on the risk environment. Follow up reporting from previous audit reports had also been improved.
45. Justin McCracken reported back from the Health and Safety Regulatory Committee meeting. He highlighted a frank and open discussion with Simon French of RAIB which had demonstrated a much improved working relationship between the two organisations. The committee also discussed
 - the implications of the CIAR³, particularly around light rail
 - work on the management of train movements (including signalling)
 - the annual review of the committee's business
 - the need to review and potentially refresh RIHSAC's activity.

Item 13 ANY OTHER BUSINESS

³ Chief Inspector's Annual Report on Health and Safety in the railways

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46. The Board noted the board forward programme and two sets of minutes from Highways Committee and Renco, approved in June.

signed

Stephen Glaister

26 September 2017