

THE OFFICE OF RAIL AND ROAD

131st BOARD MEETING

10:00 – 12:00 MONDAY 12TH DECEMBER 2016

ONE KEMBLE STREET, LONDON WC2B 4AN

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

Tracey Barlow and David Franks on conference call

Executive members: Joanna Whittington (Chief Executive), Ian Prosser (Director Railway Safety), Graham Richards (Director Railway Planning and Performance),

Executive Director: John Larkinson (Director Railway Markets and Economics)

In attendance: Dan Brown (Director Strategy and Policy), Juliet Lazarus (Director Legal Services and Competition), Tess Sanford (Board Secretary), Russell Grossman (Director Communications) Peter Antolik (Director Highways Monitor)

Tom Taylor (Director Corporate Operations) to item 6

Other ORR staff in attendance are shown in the text.

Item 1 WELCOME AND APOLOGIES FOR ABSENCE

1. Michael Luger had sent apologies.

Item 2 DECLARATIONS OF INTEREST

2. There were no relevant declarations of interest.

Item 3 APPROVAL OF PREVIOUS MINUTES AND MATTERS ARISING

3. The Board agreed the November minutes subject to one correction.
4. Board members had not received Ian Prosser's letter to the Transport Select Committee and this would be circulated [*Action Secretariat*].

Item 4: MONTHLY HEADLINES

5. **Ian Prosser** reported on:
 - ongoing investigations into the fatal Croydon tram crash;
 - work to monitor the transition to driver only operation on some lines;
 - progress on NR's civils asset management improvement plan;
 - prosecutions in hand, including one which would have resource implications following a not-guilty plea by the defendants.
6. **Graham Richards** highlighted:
 - the publication of the six monthly Monitors which had resulted in balanced coverage of key issues;
 - Likely findings of the Chris Gibb review: the board would consider a paper on their implementation in January [*forward programme*].

7. **John Larkinson** reported on:
 - DfT's plans to decouple the HLOS/SOFA process from enhancements and their request for information from ORR to support these processes – the information would be brought to the board for decision in January;
 - Northern Ireland, where our role will begin in January 2017. The board would receive a full update in February *[forward programme]*.
8. **Juliet Lazarus** updated the board on the HAL judicial review process.
9. **Joanna Whittington** reported to the board on:
 - 6 monthly meeting with the Roads Minister
 - Work with HE to address our data assurance concerns and questions around pavement condition. The chair and chief executive are scheduled to attend the ORR board meeting in January;
 - Key themes from the Secretary of State's policy speech on rail and implications for ORR;
 - The appointment of Chris Burchell as RDG's chair for a two year term;
 - Meetings with TOCs;
 - HMT's agreement to our budget proposal for the next three years;
 - The successful outcome of the two unexpected potential financial claims on ORR originally reported in September.
10. Joanna reported to the board that Tom Taylor offered a new role and would be leaving ORR in January 2017. The board thanked Tom for his significant contribution to the organisation and wished him well.

Tom Taylor left the meeting

ITEM 5 DECEMBER SUPER-COMPLAINT UPDATE REPORT

Stephanie Tobyn and Annette Egginton joined the meeting for this item

11. ORR had committed to publishing a report before the end of the year giving an update on progress on our recommendations in response to the super complaint. This report met that commitment.
12. The board discussed the improvements identified to date, noting plans for further monitoring and reporting during 2017. There had been some improvement in most TOCs although the pace of change was variable. The board noted that plans for monitoring would prioritise TOCs who had not so far responded positively to the recommendations. The board discussed the content of the report and delegated sign-off to John Larkinson *[Action]*.
13. The board discussed whether enforcement might be justified at this time.
14. The board agreed that the report demonstrated that our policy of constructively engaging with TOCs and bringing transparency had encouraged them to make improvements for customers. Our strategy should continue as planned. If our further work next year highlights any material issues with individual TOCs, the possibility of enforcement action would be considered. *[Action: forward programme]*

ITEM 6 HIGHWAYS – ORR’S APPROACH TO RIS2

Richard Coates and David Hunt joined the meeting for the next two items.

15. ORR previously committed to publishing our approach to RIS2 and this document would meet that commitment.
16. Peter Antolik introduced the item and briefed the board on key stakeholder views, particularly around our expectations of transparency during the RIS process. The board noted that transparency of our own advice was a key principle that ORR had established when taking on the Highways Monitor role.
17. The RIS2 process would build on the experience of delivering RIS1 and the board recognised the importance of applying learning during its development.
18. The board delegated sign off of the document to the CEO and Highways Director *[Action]*

ITEM 7 HIGHWAYS - INTERIM REVIEW OF HIGHWAYS ENGLAND’S CAPITAL PLANNING AND DELIVERY

19. ORR’s Annual Assessment of Highways England’s Performance 2015-16 had identified weaknesses in HE’s capital planning and delivery. In that report we had shown the company as meeting their KPI on pavement condition. We now knew the data supplied had been incorrect and this paper set out for the board plans to publish an update which corrected the original report and provided an update on our other concerns about the company’s capital planning and delivery.
20. The board was aware that late reported data from HE had revealed that their KPI on pavement condition had not been met. This incident had raised three separate issues: HE had not met their reporting requirements to the regulator, HE had not met our requirements for board-level assurance of their data, and the actual condition of pavement across the network had apparently deteriorated. Stephen Glaister had met with HE’s Audit Committee Chair to set out the ORR’s concerns.
21. Issues with the capital planning and delivery had become clearer and would also be set out in the interim review.
22. The board noted that the Chair and Chief Executive of HE were already scheduled to attend the January board meeting and welcomed the opportunity to reiterate the importance of accurate reporting to the Highways Monitor.
23. The board noted that the draft review would be considered in detail by the Highways Committee in January and published shortly thereafter.

David Hunt and Richard Coates left the meeting

ITEM 8 ANY OTHER BUSINESS

24. A short paper had been circulated seeking agreement to some minor revisions of the **MOU with HSE** because memorandums of understanding are a reserved matter. This was agreed and the CEO should sign the document.
25. There was no other business.
26. The next meeting would be in January.

FOR PUBLICATION

Meeting closed 12.15 pm