

**THE OFFICE OF RAIL AND ROAD  
186<sup>TH</sup> BOARD MEETING**

**Tuesday 19 October 2021, 09:00 – 13:30**

**At 25 Cabot Square, E14 and by MS Teams**

**Non-executive members:** Declan Collier (Chair), Stephen Glaister, Madeleine Hallward, Bob Holland, Justin McCracken, Michael Luger, Anne Heal in Cabot Square and Graham Mather online.

**Executive members:** John Larkinson (Chief Executive)  
Ian Prosser (Director, Railway Safety) online

**In attendance:** Vinita Hill (Director, Corporate Operations) Laura Majithia (Director of Legal Services) Feras Alshaker (Interim Director of Planning and Performance) Dan Brown (Director, Economics, Markets and Strategy), Tess Sanford (Board Secretary) Russell Grossman (Director of Communications)

Other ORR staff who attended on line and in person are shown in the minutes.

**Item 1 WELCOME AND APOLOGIES FOR ABSENCE**

1. The Chair welcomed everyone to this fifth face to face meeting of the ORR Board in 2021.
2. As previously noted, Graham Richards (Director, Planning and Performance) had recused himself from the meeting because of his secondment to GBRTT.
3. The chair welcomed Vinita Hill to the organisation as the new Director of Corporate Operations.

**Item 2 DECLARATIONS OF INTEREST**

4. No new interests were declared.

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

5. The board approved the minutes of the September 2021 meeting subject to corrections in relation to the report from HSRC and a typo.
6. The board noted updates on the closure of the actions outstanding and the two remaining issues. John Larkinson reported that the MOU with DfT on cyber security was now ready for signature and a way forward had been found to secure access to necessary information sharing.

**Item 4 CHIEF INSPECTOR'S MONTHLY REPORT**

7. Ian Prosser briefed the board on the forthcoming RAIB report on Carmont, and measures taken in-house to join up monitoring of NR's response to recommendations from Mair, Slingso and ORR on drainage. Work was in hand to ensure that Network Rail understood what would enable the enforcement notices on track worker safety to be closed out in 2022.  
*Redact para 8 from published version as referring to current or potential legal action*
9. The work on cracks on the Hitachi fleet continued and information gathering for the final report continued with additional resources. The board asked why the pace of

work on Class 800 interconnectors was so slow, given the seriousness of the risk and Ian Prosser would report back [Action 10/01].

10. The terms of reference for ORR's review of the Light Rail Safety and Standards Board (LRSSB) had been published.
11. The board heard that Network Rail was undertaking an urgent review of station assets after the roof collapse at Northwich – this would be raised at the next high level meeting with Network Rail.
12. Ian also reported that testing on Eleclink continued. He highlighted a recent improvement notice on a heritage railway for driver competence and management. An investigation into the Enfield Town buffer stop overrun was in hand. He noted the cluster of cases around Metrolink double units and work in hand to identify any underlying cause while a technical solution was being tested.
13. The board noted that customer reluctance to hold handrails might account for increased trips slips and falls on the London underground and noted that the cleaning regime made the actual risk smaller than passengers perceived. The legionella risk which had been identified by a train operator had been quickly communicated to other operators.
14. It was noted that HSRC took a regular report on and an active interest in all outstanding RAIB recommendations, particularly long standing ones.

#### **Item 5 CHIEF EXECUTIVE'S REPORT**

15. John Larkinson updated the board on recent developments and took questions on the written report.

*Redact this report (paras 16-18) from the published version as time-sensitive and covering confidential issues.*

#### **Item 6 HIGHWAYS UPDATE**

*Redact paragraphs 19, 20 and 21 as information for future reporting.*

#### **Item 7 ORR PERFORMANCE – Q2 REPORT AGAINST THE BUSINESS PLAN**

*Lucy Doubleday joined remotely for this item.*

22. Vinita Hill outlined the current financial position and noted that ORR had met all its service standards.
23. Lucy Doubleday reported on efforts to ensure that the budget was met and noted a potential high cost item to address a previously unrecognised risk to the document management system.
24. The board discussed the importance of staffing up (including temporary support) to ensure delivery of the business plan and urged the executive to use the learning and development budget as fully as possible. The board noted the report.

#### **Item 8 DECISION – COMPETITION – PHASE 2 MARKET STUDY ON SIGNALLING, PROPOSED REMEDIES**

*Steve Armitage, Graeme Horgan, Ben Watkins attended remotely for this item. Calum Glazier joined the meeting.*

*Redact this item as policy discussion of a regulatory intervention.*

#### **Item 9 VISITORS – PETER HENDY AND ANDREW HAINES**

*Sir Peter Hendy and Andrew Haines joined remotely.*

27. Sir Peter set out a personal view of the importance of reform and the creation of a single guiding mind to lead the industry. He recognised the importance of mechanisms to protect and support private sector bodies operating in that environment. Great British Railways (GBR) would be different to Network Rail, accountable to Parliament and the Secretary of State and responsible for delivering, not for setting strategy or funding. He noted that the interface between GBR and devolved administrations and governments was still to be worked out.
28. Andrew Haines described progress by GBR's Transformation Team (GBRTT) in the areas it was delivering, noting that DfT would deliver a much wider agenda. He trailed the forthcoming second report from the Infrastructure Projects Authority and described the challenges it identified.
29. They both highlighted the importance of quickly establishing GBR as a body with appropriate membership and governance.
30. The meeting discussed customer expectations around retail ticketing and fares and the importance of a coherent strategic approach to improving accessibility. Both would drive increased customer confidence. The meeting also reflected on freight customers' needs.
31. The risks around a long period of uncertainty and potential management distraction were considered. Andrew Haines described what he had done to manage that risk. Overall things were going well at NR – he cited the escalator and ORR's recent report on stakeholder engagement. NR's senior managers had a full agenda and workforce reform was about to begin so there was no scope for distraction.
32. The board asked whether there was anything more that ORR could help with over and above what was already in hand. Andrew Haines commented on a good working relationship and a welcome pragmatism on finding ways to work within the current framework. It would be important to make sure that the current system continued to operate while work went on to create a better future.

*Sir Peter Hendy and Andrew Haines left the meeting.*

33. The board reflected on what they had heard from their visitors and discussed the wide agenda that DfT had to address including immediate challenges such as contracts for passenger operators. Achieving transformative change at the desired pace would be very challenging and need joined up application from everyone.

## **Item 10 DISCUSSION – RAIL REFORM**

*Rob Cook joined the meeting. Catherine Williams attended remotely.*

34. Dan Brown described the challenge of working with colleagues in DfT who were new to their roles and unfamiliar with the detail of the legislative and regulatory framework. The ORR team were working hard alongside them to ensure that unintended consequences could be identified and headed off before they became embedded. This was a very dynamic and fast moving environment and that speed inevitably imported risk.
35. The board noted that the question of whether ORR's duties should be reviewed had recently been raised at working level. John Larkinson had offered to engage on this in the context of the oversight and assurance role set out in the white paper and making helpful pragmatic changes. Catherine Williams suggested that the

more important issue was the emerging picture of ORR’s roles and responsibilities as set out in the paper. Our duties were about how ORR could weigh decisions, but the roles and responsibilities articulated the ‘what’ of our functions and those would need to be set before the duties could be finalised. This would be included in the agenda for the board’s strategy day in November. [Action 10/02]

**Item 11 DISCUSSION – NETWORK RAIL – MID YEAR REPORTING**

*Richard Coates joined the meeting for this item, Jay Symonds attended remotely.*

- 36. Feras Alshaker introduced the item explaining that although performance had been good through the pandemic, it was now dropping as the number of passengers increased. The timetable was the written contract with passengers and performance remained the most important thing to most of them.
- 37. Richard Coates set out some minor updates to the paper and explained how the context of performance continued to change: passenger numbers, shifts in timetables, staff shortages and seasonal variations all clouded the data. Since it was not possible yet to identify exactly what Network Rail were contributing to the reduction in performance it was important to look at qualitative issues. In particular ORR wanted to see evidence that Network Rail had learned from the experience of running an empty network and were applying it to future performance planning. Network Rail needed to be able to advise DfT and funders on the choices between capacity and performance on the basis of their experience.
- 38. The board discussed whether to include any safety message at this point, but it was agreed that it was not necessary for this channel at this time.
- 39. The board offered some other comments on the content and agreed the overall approach and headline messages. They delegated sign off of the final documents to John Larkinson [Action – implement]

**Item 12 DISCUSSION – NETWORK RAIL SCOTLAND FINANCE AND TRANSPORT SCOTLAND’S REQUEST FOR A REBATE**

*Carl Hetherington and Liz McLeod joined the meeting for this item.*

- 40. John Larkinson introduced the paper. There was no decision required today, the team wanted to make the board aware of the issue and to ask what further information would be needed to enable the Board to determine whether to consent to a rebate payment, if Network Rail proposed one, in November.  
*Redact the rest of this item as relating to a future regulatory decision.*

**Item 13 ORAL UPDATES FROM ADVISORY PANELS, AND FEEDBACK FROM BOARD COMMITTEES**

- 43. Bob Holland reported on the Audit and Risk Committee noting two green audit reports, a good conversation on the risk register and horizon scanning and a deep dive on the technology strategy. He also reported that ARC had received a paper on the appointment of internal auditors which would be circulated to seek Board delegation of the appointment to the ARC. [Action]
- 44. Justin McCracken reported that RIHSAC had received presentations on rail reform from Dan Brown and Dan Moore of DfT and on fatigue in the industry from Jerry Mawhood.

45. Michael Luger reported the Renco had taken reports on progress on implementation of the pay and Diversity and Inclusion strategies, succession planning and recognition for senior staff. While D&I remained a whole-board responsibility, the committee intended to take regular reports to scrutinise progress on the strategy.

**Item 15 ANY OTHER BUSINESS**

46. Declan Collier updated the board on NED recruitment and described his recent meetings. He was increasingly seeing stakeholders face to face and had presented to a freight conference in person.
47. Dates for next year and arrangements for the rest of this year were discussed.

*The chair held a short discussion with the NEDs.*

*The NEDs asked for the meetings to be scheduled for a longer period – up to 2pm if business required and reiterated comments made in correspondence that the board packs were too long and need to be much more focused and shorter.*