

## THE OFFICE OF RAIL AND ROAD

### 199<sup>TH</sup> BOARD MEETING

Tuesday 28 February 2023, 09:00 – 13:20

At Stoke Place Hotel, Stoke Green, Buckinghamshire SL2 4HT and by MS Teams

**Non-executive members:** Declan Collier (Chair), Xavier Brice, Anne Heal, Bob Holland, Justin McCracken, Daniel Ruiz and Catherine Waller

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

**In attendance:** Feras Alshaker (interim Director of Planning and Performance), Will Godfrey (Director of Economics, Finance and Markets), Russell Grossman (Director of Communications), Vinita Hill (Director, Corporate Operations), Graham Richards (Director), Tess Sanford (Board Secretary) Elizabeth Thornhill (General Counsel), Stephanie Tobyn (Director, Strategy, Policy and Reform),

*Other ORR staff who attended remotely are shown in the minutes.*

#### Item 1 WELCOME AND APOLOGIES FOR ABSENCE

1. The Chair welcomed everyone to the meeting.
2. Madeleine Hallward had sent apologies as she was on leave.

#### Item 2 DECLARATIONS OF INTEREST

3. Catherine Waller had previously declared directorships with ITSO and YOTRA on the register of interests. This had been considered by staff and discussed with herself and General Counsel before the relevant paper (10b) had been released to her. Catherine Waller declared to the meeting that she had no financial interest in the issue and (in line with the board procedures) the board invited her to remain in the meeting and participate in the discussion.
4. There were no other interests declared.

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

5. The minutes of the January 2023 meeting were approved, with one clarifying amendment (in para 46).
6. The board noted the closed actions.
7. Three actions were scheduled for future reporting.

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

8. Ian Prosser (IP) reported on Network Rail's SHE committee which he had attended. There was increasingly sharp focus there and at NR's board on the weather resilience taskforce programme. Some regions were

under pressure to speed up the implementation of their plans – most of which aimed to be complete in March 2024.

9. The modernising maintenance programme was moving from national plan to regional implementation and ORR's safety teams would be observing the process of local implementation closely to ensure that it was effective. There was an existing training backlog which would make implementation challenging for NR.
10. The board discussed the history of challenges for NR when implementing centrally driven initiatives at a regional and local level.
11. IP reported on: NR compliance with an enforcement notice on electrical isolations, work on safety adaptations to GWR's Class 800 fleet, correspondence with West Coast Railways, and successful action to reduce trap and drag incidents on London Overground.
12. The board discussed the long periods allowed for completion of some improvement notices. It noted that the legal test for enforcement was reasonable practicability and asked that close attention was paid to the length of time allowed for compliance to be achieved. They asked that this should tend to be as short as reasonable. Where reasonable deadlines were not met by dutyholders each case should be carefully considered for escalation - there should not be a presumption that an extension would be granted.
13. The board heard an update on TfGM's appeal against an enforcement notice on trams.

#### Item 5 CHIEF EXECUTIVE'S REPORT

*This report is redacted from the published version as time-sensitive and covering confidential issues.*

#### Item 6 HIGHWAYS MONITOR

22. Feras Alshaker reported on discussions with HMT on RIS3 and how decisions in RIS2 were being affected by the delay in final figures being available.
23. DfT had asked ORR to continue to monitor and report on performance against the 10 minute response time (although ORR had no powers to enforce on the issue). The board asked to see the range of response times as these varied considerably [**Action 02/04 – Feras Alshaker**]. It was understood that the 10 minute target was being met by a significant weighting of resources to the south east.
24. The board queried whether National Highways had any leading indicators of safety performance given the KSI KPI was lagging. Feras Alshaker reminded the Board that one of ORR recommendations for improving risk management on smart motorways was to investigate leading indicators. Feras would provide the board with an update on progress with this. [**Action 02/05 – Feras Alshaker**]
25. The board asked about planning of roadworks and whether the impact on users was sufficiently considered – particularly where works were carried out on all major routes serving the same area. NH were working on

plans for RIS3 and the team were working to better understand the planning process.

26. Anne Heal asked that the Highways Committee had the opportunity to discuss the DfT/ORR relationship review [**Action 02/06 – Secretariat**].

#### Item 7      **DECISION: AGENCY AGREEMENT**

*Richard Hines joined remotely for this item*

27. Richard Hines explained the background to the agency agreement. He noted that it would bring important clarity to the various safety regulatory relationships around the channel tunnel, and particularly the Eleclink structures.

28. The board approved the agency agreement for signature.

#### Item 8      **DISCUSSION: PR23 ORAL UPDATE**

*Jennifer Genevieve and Carl Hetherington joined the meeting for this item.*

29. Will Godfrey (WG) reported that the Strategic Business Plan (SBP) for CP7 had been received as promised. There was a great deal of work planned to scrutinise and analyse the report before the board could be asked to make a draft determination. It was clear that there would be spending pressures (need to prioritise) and that difficult choices would have to be made.

30. ORR's priorities for the plan remained: safety, [train] performance, asset performance and efficiency.

*The next part of this item is redacted as policy development pending publication in June.*

37. WG sketched the PR23 plan for board engagement and decision making over the next few months including that NR's CEO, Andrew Haines had been invited to the March board to discuss the SBP.

#### Item 9      **DISCUSSION: PASSENGER AND FREIGHT TRAIN PERFORMANCE**

*Richard Coates and Steve Helfet joined the meeting for this item*

38. Feras Alshaker introduced the paper which set out the current poor level of train performance for both passenger and freight traffic and described work in hand in the industry to understand how to improve. The team described the evidence that NR understood the importance and urgency of improving from the current poor levels of performance. The main cause of poor performance appeared to be the ongoing industrial action but it was compounded by management being deployed as contingent staff and the long term distraction of rail reform.

39. The board discussed the scale of cancellations and disruption caused by strikes, its impact on customers and the risk of further erosion of confidence in both passenger and freight users.

40. The team described good responses from some regions and evidence that the issue was receiving close attention.

41. The board noted that it would be important to see rapid improvement in performance once the industrial action ended.
42. JL said that it was important that ORR board took regular reports on progress and issues and there would continue to be strong focus on this area. A whole industry approach was needed, working closely with government and train operators, as well as NR.

#### Item 10      DISCUSSION: PASSENGERS

*Jacqui Russell joined the meeting for this item*

43. Stephanie Tobyn introduced the papers which set out some of the issues around 1) the digital retail passenger experience for the purchase of rail tickets and 2) how data and insight is used to drive improvements by the industry and what ORR could do more of/differently.
44. The board discussion focused on the data paper, particularly around the importance of spotlighting poor practice and sharing good practice and in finding other ways to use our existing data to support better information for passengers. It was important that we used our powers actively to drive improvement and one way was to bring transparency and clarity to complex areas.
45. The board heard about work in hand in the industry to prepare for the possible closure of ticket offices and noted the importance of good planning and appropriate training for station staff to support different customer needs. Current plans included a long transition period and staff training. It noted that simpler ticketing would help passengers understand their options but heard that work on ticketing reform was moving slowly.
46. The team anticipated getting some notice before any public announcement on the implementation of ticket office closures. ORR's view would be sought and it needs to be able to show how it was making sure that the industry was mitigating customer impact and delivering a better, more cost effective service after the closures. It was noted that the quality and ease of use of ticket machines and websites would be an important factor in passengers' ability to navigate ticket purchase without a staffed office. ORR could consider what tests station operators should consider in developing their new approaches.
47. The team noted that they would continue to look for ways to use ORR's existing data sets and powers to drive improvements for customers and particularly to consider whether it could support the development of future plans and approaches through additional transparency or public reporting.

#### Item 11      DISCUSSION: RAIL REVENUES

*Gordon Cole and Nahul Bhimjiyani joined the meeting for this item.*

48. Will Godfrey introduced the paper which set out the challenges for the industry around reduced rail revenues, largely as a result of the pandemic and changes in travel patterns around commuters.
49. The board discussed issues set out in the paper including likely speed and scale of economic recovery, the savings possible as a result of

operational changes, the potential impact of changes in ticketing and fares.

50. It was clear that there was a great deal of focus on this area across the industry and government. As a regulator ORR should use its available information and analytical skills to support improved understanding of the challenges and choices that needed to be made by government and the operators to manage revenue. The PR23 SBP analysis would also look at revenue implications for the plan.
51. The board noted that ORR should continue to use its information, holding to account and other regulatory activities to help the system perform better.

#### Item 13 BOARD EFFECTIVENESS REVIEW

52. The board had received the board effectiveness review report and discussed it with the consultant as part of the previous day's strategy discussions. Some minor alterations to the text had been requested to help distinguish between what the reporter had been told and what they observed.
53. Overall the board welcomed the report and accepted the recommendations. Responses to the actions would be reported to the board at the March meeting [**Action 02/08 - Secretariat**].

#### Item 14 ANY OTHER BUSINESS

54. The board noted the items below the line.
55. Board members agreed that the strategy day had been a good use of time, but also looked forward to the resumption of regional visits and stakeholder dinners starting in April.

Approved by the board 28/3/23