

THE OFFICE OF RAIL AND ROAD
211th BOARD MEETING
Tuesday 23 January 2024, 09:00 – 14:45
At ORR, 25 Cabot Square, London, E14 4QZ

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

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

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

Other ORR staff who attended are shown in the minutes.

Item 1 WELCOME AND APOLOGIES FOR ABSENCE

1. The Chair welcomed everyone to the meeting. There were no apologies for absence.
2. The Board reflected on a meeting held the day prior with the Board of National Highways (NH).

Item 2 DECLARATIONS OF INTEREST

3. No new interests were declared.

Item 3 APPROVAL OF PREVIOUS MINUTES AND MATTERS ARISING

4. The minutes of the meetings held on 28 November and 12 December were approved. A brief update was provided on actions arising and completed from previous meetings.

Item 4 CHIEF INSPECTOR'S QUARTERLY REPORT

5. Ian Prosser (IP) introduced the report, highlighting aspects discussed at the Health and Safety Regulation Committee (HSRC) in December 2023 and subsequent updates. Elizabeth Thornhill (ET) contributed an update on the West Coast Railway (WCR) judicial review, including exchanges regarding the revocation of their exemption and the agreement of costs between parties. The Chair recognised the work of the teams involved.
6. The Chair referred to a spate of recent disruptions, including incidents of flooding, dewiring, and passenger strandings, which had initially been raised at the December board meeting. John Larkinson (JL) confirmed that detailed reports had been received and that the incidents were being explored. However, they did not constitute urgent safety matters for individual

investigation as published guidelines already existed regarding stranded trains.

7. The Board was particularly concerned with passenger communication during such incidents, and sought assurance that the whole industry would apply any lessons learned. Connections were also drawn to serious weather events and asset maintenance, including secondary responsibilities. The Board requested a future update on progress of work related to the disruption incidents cited **[Action 01/01]**, highlighting the importance of demonstrating regulatory effectiveness.
8. Further discussion and actions related to:
 - Issues with the installation of tactile surfaces on station platforms, where the Board requested that their interest in the matter be communicated by JL to Network Rail **[Action 01/02]**;
The following bullet point is redacted from the published version as time-sensitive and covering confidential issues:
 - [...] **[Action 01/03]**;
 - Monitoring of tram data, where IP agreed to provide further detail, namely that regarding road vehicle collisions **[Action 01/04]**;
 - Drainage resource, where it was requested that a further update – including the use of contractor/temporary resource – be included in the next Chief Inspector’s report **[Action 01/05]**; and
 - Engagement with Avanti West Coast, where it was requested that an update be provided on the proposed introduction of Hitachi class 805 non-tilting trains **[Action 01/06]**.
9. The Board also considered the additional detail provided in Annex B (following feedback at committee) regarding reasons for delay on open prosecutions, including evidence management and control measures.

Item 5 CHIEF EXECUTIVE’S REPORT

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

10. [...]

Item 6 NATIONAL HIGHWAYS

13. Feras Alshaker (FA) introduced the report, referring to a correction in paragraph 5 which should reference the 19 January (not 10 January). Were a license investigation to be pursued, FA explained the importance of prioritising resource and a likely need to temporarily reduce discretionary activity. FA agreed to provide information on the scope and timings of any potential investigation into National Highways **[Action 01/07]**.
14. The Board reflected on the approach of NH to technology and its importance to efficiency in the RIS3 (third Road Investment Strategy).

Item 7 COMMITTEE TERMS OF REFERENCE – ANNUAL REVIEW

15. The Board received recommendations from the Audit and Risk; Health and Safety Regulation; Highways; and Remuneration and Nomination Committees regarding amendments to their terms of reference, and were invited to consider and agree the frequency of review of committee terms of reference and effectiveness.
16. Clarification was sought regarding the proposed inclusion of access to the Audit and Risk Committee Chair for internal whistleblowing purposes in the terms and reference. It was confirmed that this access already existed under the relevant policy and inclusion was at the recommendation of the committee.
17. The Board agreed the recommended changes to terms of reference and subsequent amendment to board procedure rule 67. Terms of reference would be reviewed every other year, with an annual review of effectiveness by the Board, and committees conducting effectiveness reviews as appropriate.

Item 8A HS1 INTRODUCTION – PR24

Howard Taylor (Head of Asset Management) and Debbie Daniels (Delivery Manager, Capital Investments) joined the meeting for the entirety of item 8.

18. Feras Alshaker (FA) introduced the briefing, outlining the context of the periodic review (PR) and experience of PR19.
19. Board members raised questions of clarification regarding the use of Ebbsfleet station; system factors; the effect of new operations on the network; asset management; costs; and the concession agreement.

Item 8B HS1 – EXTERNAL GUESTS

20. The Chair welcomed Keith Ludeman (Chair of HS1) and Kathryn Hardy (Senior Regulatory Manager, HS1) to the meeting and invited them to present HS1's priorities for PR24 to the Board.
21. The presentation covered: HS1 strategy and key facts; regulation of HS1 and the regulatory journey; HS1's PR24 assurance approach; a programme of engagement; CP3 performance; indicative CP4 cost stack; indicative CP4 operating, maintenance and renewals charges (OMRCs); stations indicative long term charge (LTC) cost; new international operators; and indicative conclusions on the Network Rail High Speed Five Year Asset Management Statement.
22. The Board discussed the NRHS management fee benchmarked under CP3, as well as the asset stewardship obligation in the context of maintenance, performance, and intergenerational equity. Questions of clarification related to the indicative charges, as well as the reprofiling of renewals in connection with forecast train volumes and in relation to freight. The Board also examined the stations indicative LTC cost, noting the increases from CP3.
23. The Chair thanked the guests for their contributions.

Item 8C HS1 – REFLECTIONS

24. The Board reflected on the guests' presentation and contributions with particular regard to asset management considerations.

Item 9 ANNUAL REVIEW OF STRATEGIC RISKS

Patrick Johnson (Head of Strategy & Policy Projects) joined the meeting for the item via MSTeams.

25. Elizabeth Thornhill (ET) introduced the report, referring to its consideration at the Audit and Risk Committee the day prior. This related to the order of strategic risks, the elimination of overlap, and examination of technological risk. In terms of future reporting, the item would be presented to the October meeting of the Audit and Risk Committee, to allow time before the Board's consideration at its January meeting. ET confirmed that the Executive Committee would consider strategic risks on a quarterly basis.
26. The Board welcomed the report. Regarding artificial intelligence (AI), the Board commented on the increased likelihood of materialisation in comparison to other strategic risks, and that this ought to be reflected in the mitigations, but also noted the opportunities it may present. Vinita Hill (VH) confirmed that AI would be considered under the ORR's technology strategy.
27. Further feedback related to a broader term for the pandemic risk (such as 'national emergency') and the opportunity to integrate a discussion on risk appetite into the work. It was suggested that strategic risks may form the basis for deep dives by the Audit and Risk Committee, with AI a potential topic.

Item 10 COMMUNICATIONS STRATEGY

Lisa O'Brien (Head of Media Relations, Campaigns and Digital Comms), Adele Potter (Head of Internal Communications and Engagement) and Jennifer Webber (Head of External Engagement) joined the meeting for the item.

28. Russell Grossman (RG) introduced the strategy, highlighting parliamentary engagement, media coverage, proactive work, social media, and internal communications. Board Members were reminded of the upcoming staff conference and their invitation to join.
29. The Board received assurance that the strategy was aligned with an upcoming general election, and an appropriate parliamentary programme in place. Further explanation was given as to activity rules during a pre-election period. The Board also referred to the relevance of upcoming mayoral elections in May. It was requested that key messages be circulated as well as a list of parliamentary candidates targeted in upcoming engagement [**Action 01/08**]. RG referred to the refreshed ORR story which could be circulated after end-January.
30. Further discussion related to constituency engagement; introductory activity associated with the new Director of Railway Safety, roads-related activity; and

strategic risks. The Board welcomed regular communications updates via the daily brief and engagement bulletin, suggesting coverage of wider regulatory activity may be useful.

The meeting adjourned from 12.35pm to 1.10pm.

Item 11A TRANSPORT FOCUS - INTRODUCTION

31. Stephanie Tobyn (ST) introduced the briefing, outlining the relationship with Transport Focus and areas of common interest.

Item 11B TRANSPORT FOCUS – EXTERNAL GUESTS

32. The Chair welcomed Nigel Stevens (NS, Chair of Transport Focus) and Alex Robertson (AR, Chief Executive, Transport Focus) to the meeting and invited them to present Transport Focus' work and priorities to the Board.
33. The guests provided a brief history of Transport Focus and referred to the importance of the relationship with the ORR. The organisation regarded itself as being in a transition phase, having appointed a new chief executive and in redefining its strategic direction for a focus on impact. Relationships with key stakeholders were under consideration, with NS suggesting that a Memorandum of Understanding (MoU) may support ways of working between Transport Focus and the ORR.
34. Anne Heal (AH), as chair of the Consumer Expert Panel, referred to the helpful representation of Transport Focus on that body.
35. ST enquired as to the availability of a current business plan, which AR confirmed would be published in April or May. Discussion then focussed on how business plan objectives would champion the user cause and end-to-end experience; the availability of data reflecting the user experience; and how to best measure impact.
36. The Board and guests further reflected on the relationship between the two organisations and what could be improved or done differently. This considered the organisational spheres of influence, as well as mutual interest in consumer work and disruption management for example. The benefits to more structured conversations of future areas of focus was recognised and a follow-up meeting suggested.

Item 11C TRANSPORT FOCUS – REFLECTIONS

37. The Board reflected on the guests' contributions with particular regard to areas of common interest between Transport Focus and the ORR.

Item 12 ORR PERFORMANCE: Q3 2023-24 BUSINESS REVIEW

Lucy Doubleday (Associate Director, Finance & Governance) joined the meeting for this item.

38. Vinita Hill (VH) introduced the report, providing a summary of ORR's financial position and progress against the business plan, including service level

standards performance. Board Members were informed that the National Audit Office's financial audit had commenced the day prior. It was also confirmed that any update pertaining to civil service headcount would be factored into business planning.

39. The Board considered the impact of costs awarded in relation to the WCR judicial review which were explained to reduce the railway industry levy. An enquiry was made regarding progress of the environment strategy, which VH offered to circulate once finalised. Assurance was received that there was no backlog associated with the Train Driver Licence (TDL) portal, whilst the Board welcomed that the new case management system was now live.

Item 13 REPORTS FROM COMMITTEES

40. Anne Heal (AH) reported on the meeting of the Remuneration and Nominations Committee on 22 January. The Committee had considered, among other items:
- The Quarter 3 People Report including apprenticeship targets, excessive hours recorded, and long-serving agency staff;
 - The People Survey results 2023, showing increased engagement scores and belief in action taken as a result, and for which verbatim comments would be circulated to the committee;
 - The diversity and inclusion strategy refresh, with a renewed focus on accessibility, disability and social mobility;
 - A review of committee effectiveness focussed on the work programme and performance against the terms of reference; and
 - Mid-year moderation of SCS Performance.
41. AH also reported on the meeting of the Consumer Expert Panel on 20 December, noting a new member from Scotland. The Panel had considered, among other items:
- A look back at work undertaken and a look forward at work to come;
 - An update and discussion around performance in the NR Wales and Western region;
 - A wide-ranging debate on the market study on railway catering; and
 - A debrief from the consumer team regarding timetable and station closure issues.
42. Bob Holland (BH) reported on the meeting of the Audit and Risk Committee on 22 January. The Committee had considered, among other items:
- The annual review of strategic risks (as discussed at item 9) and quarterly update on risk reporting;
 - The internal audit progress report;
 - A deep dive on railway freight, considering the commercial position of the sector; and

- The results of internal phishing exercises.

Item 14 ANY OTHER BUSINESS

43. Catherine Waller referred to a narrative DfT was working up around transport and growth. NEDs who had attended DfT's engagement event last year had been invited to contribute their perspective further. Further information would be shared by the Board Secretariat **[Action 01/09]**.
44. In response to a question, a brief update was provided by the Board Secretary on the recruitment of Non-Executive Directors in 2024.
45. The Chair referred to a recent meeting with the Director General (Rail Strategy and Services Group) to discuss internal changes at DfT. Another meeting would take place shortly regarding priorities and areas of focus in the coming year.
46. The Board noted the items below the line, namely: minutes approved by committees since the last meeting; the corporate risks 2023-24 Q3 update; and the board forward programme.

Meeting end: 2.39pm
Approved: 27 February 2024