

THE OFFICE OF RAIL AND ROAD
174TH BOARD MEETING
22 SEPTEMBER 2020, 09:00 – 13:00
By MS Teams

Non-executive members: Declan Collier (Chair), Stephen Glaister, Madeleine Hallward, Anne Heal, Bob Holland, Michael Luger, Justin McCracken

Executive members: John Larkinson (Chief Executive), Graham Richards (Director, Planning and Performance); Ian Prosser (Director, Railway Safety).

In attendance: Dan Brown (Director, Economics, Markets and Strategy), Russell Grossman (Director of Communications), Freya Guinness (Director, Corporate Operations), Juliet Lazarus (General Counsel), Tess Sanford (Board Secretary)

Other ORR staff in attendance are shown in the text.

Item 1 WELCOME AND APOLOGIES FOR ABSENCE

1. The chair welcomed everyone to this sixth video-conference meeting of the ORR Board.
2. Graham Mather had sent apologies due to a diary clash.

Item 2 DECLARATIONS OF INTEREST

3. No new interests were declared.

Item 3 APPROVAL OF PREVIOUS MINUTES AND MATTERS ARISING

4. The board discussed the minutes of the July meeting in relation to the discussion on the Quarterly Business Review and added a point of clarification in para 31. The minutes were agreed.
5. The board noted the updated action list.

Item 4 COVID-19 UPDATE

6. John Larkinson updated the board on recent uplifts in the timetable and the announcement of new management agreements with TOCs. Government attention was beginning to turn to the risks of a medium to long term reduction in passenger numbers. The need for pragmatic policy responses to the changing conditions of the pandemic made it increasingly important that all parties remained agile and reacted quickly to the changing environment. ORR's role of protecting the interests of passengers and freight users and countering the monopoly power of NR was likely to be increasingly important.
7. John reported that most local ORR offices had now opened for staff who wished to use them: Glasgow was under local restrictions and Manchester would reopen as soon as a scheduled refit could be completed. He noted that government advice on returning to the office was expected to change today. The board discussed the importance of continuing to follow government guidance and supporting staff wellbeing.

8. The board discussed the uncertainty challenge everyone was facing in responding to the pandemic and the importance of continuing to develop improved agility in our response.
9. John reported that staff would be reflecting in the autumn on the System Operator function (which had been well funded throughout CP6) and would seek evidence on what progress had been made and how any remaining capability gap would be addressed. It was important that ORR continued to hold the SO to account in the current framework.

Item 5 CHIEF INSPECTOR'S QUARTERLY REPORT

10. Ian Prosser gave a confidential briefing on the serious incident at Carmont. The paper circulated to the HSRC for its meeting the previous day should be circulated to board members [Action 09/01]. The combined investigation approach directed by the Crown Office and Procurator Fiscal Service was working well and the RSD internal team was drawing on colleagues from the engineering team in different disciplines in RPP for expert knowledge.
11. The board discussed the report including issues around the inspection and maintenance of waybeam bridges, the derailment of a freight train carrying diesel, and progress on the risk assessment of the Eleclink project. A project was under way on level crossing guidance to make clearer the importance of proportionality and risk assessment in decisions on equipment.
12. Ian also responded to questions on the report content including future resources at the CTSA, and the RAIB's draft report on the Margam fatalities.

Item 6 CHIEF EXECUTIVE'S REPORT AND BOARD INFORMATION PACK

13. John Larkinson noted that business as usual continued. He reported on the recurrence of ill-founded comments about safety 'gold plating', particularly around level crossings. He had commissioned new examples and a shift in language to make clearer ORR's expectations around proportionate solutions.
14. John reported on constructive discussions with DfT and NR on the rail reform and PR23 agendas. All were agreed on the importance of distinguishing between the PR23 process, which ORR owned and had chosen to run as an industry wide process, and the government's rail reform programme. This would enable ORR to plan and manage its own work and to respond appropriately as the government's reform agenda was developed.
15. On rail reform, John briefed the board on discussions around the recently announced white paper and areas where ORR anticipated being involved in discussions.

Paragraphs 16-17 have been redacted as relating to policy development

Item 7 HIGHWAYS

18. Graham Richards reported on a discussion at Highways Committee around how, given the time remaining, HE could plan how it would manage disruption around ports and any inland border points when the Brexit Transition Period ended. GR would raise this with the DfT to ensure that HE were involved in conversations as early as possible. [Action 09/02]

Item 8 CONSUMERS – MOU WITH DVSA

Stephanie Tobyn and David Kimball joined for this item

19. David Kimball introduced the item which followed July's board discussion of the guidance on accessible travel policies. This MOU clarified the boundaries between the two organisations' responsibilities on monitoring and enforcement of PSVAR. The language reflected that used in the guidance.
20. The board noted the greater challenge for operators of responding to unplanned disruption and noted that PSVAR applied to all replacement services. Staff had written to DfT about the current temporary exemptions, proposing a pragmatic way forward.
21. The board delegated to John Larkinson the final agreement and signature of the MOU. [Action 09/03]

Item 9 COMPREHENSIVE SPENDING REVIEW

Lucy Doubleday joined for this item.

22. Freya Guinness introduced the paper. ORR had not come under any pressure to reduce its budget and had been advised to align any bids for additional funding with government priorities and initiatives. John Larkinson explained how the current bid increased resources to meet expected demand on consumer issues and PR23. An additional bid had been worked up to address the potential need of rail reform. The overall bid was a significant increase which reflected the likely demands on the organisation in a changing and challenging environment.
23. The board discussed the projected changes against this year's budget and the importance of using all resources wisely. It was clear that there would be important policy work to be done and the board agreed that the bid should reflect that this would be additional to the current workload. The executive explained how they would plan differently if the bid was not successful.
24. The board approved the submission.

Item 10 NR – PR18/CP6 – ROLE OF SCORECARDS

Sneha Patel and Richard Coates joined the meeting for this item.

25. Sneha Patel presented a report on the use of NR's Scorecards as a source of information that supported monitoring and reporting activity on NR regional performance. Individual scorecards reflected local stakeholders' concerns, and they all contained consistent measures which had been set by ORR. This had enabled reporting on differences between regions for passenger and freight performance, and asset sustainability. ORR's first annual report on NR's performance in CP6, drawing on regional scorecard data, had been well received and the exercise would be repeated. Alongside the scorecards, the team monitored performance against regional trajectories and floors. Comparisons across regions had, for example, triggered the review of NW&C earlier in 2020. Overall the framework was performing well and staff were continuing to develop

their use and understanding of the tools. Other stakeholders were reported as finding the scorecards very useful.

26. The board welcomed this encouraging report which was helpful clarification of a complex picture. The board discussed railway supervisory boards and how NR was held to account for any scorecard commitments it made to stakeholders. It noted that there was still scope for NR to give railway supervisory boards views more weight and ORR could increase its engagement with them and consider how to raise their profile.
27. The team is working to understand better how NR is producing its performance trajectories so that they can assess the degree of challenge offered.
28. The board noted the report.

Item 11 STRATEGY – ENHANCEMENTS

Matt Wikeley joined the meeting for this item.

29. Matt Wikeley presented the report. ORR's role in enhancements had reduced after CP5 although we had continued to monitor their impact on the business and timetable changes. It had become apparent that there was a loss of transparency around NR's plans and progress reporting after ORR's role changed.
30. There were a number of areas where ORR's expertise in understanding and assuring projects had been useful to stakeholders and was now being actively sought. The team were looking to build on this by finding ways of offering independent challenge on industry groups. PR23 would also require ORR to consider the funding framework and the place of enhancements in it.
31. The board discussed the importance of continuing to build credibility through demonstrating the value of ORR's contribution on assurance and challenge. There was scope to build on successful work with NIC, CAA and Heathrow. It would be important to continue to demonstrate a pragmatic, risk based approach that delivered the best solution and to counter any unfounded anecdotal examples that suggested ORR added unreasonable costs. The board asked for a fact sheet that would enable them to address the areas of frequent misinformation [eg, third rail, parapet heights, bridge clearances] and some assertive counter examples of where ORR's intervention had reduced unwarranted costs. **[Action 09/04]**

Item 12 PR23

Catherine Williams, Steve Fletcher, Siobhan Carty and Rob Cook joined the meeting for this item.

This Item has been redacted as policy under development

36. The board noted the paper.

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

37. Stephen Glaister reported on discussions at Highways Committee including around work to ensure appropriate access to information from HE, the likely challenge of

managing traffic flows around ports and borders, and improvements to the regulatory escalator. A paper on the roads expert panel had been circulated to the board below the line. This was a very good resource which would be continued.

38. Michael Luger said that the Renco business was a separate agenda item later in the meeting.
39. Justin McCracken reported on discussions at HSRC including a confidential report on the Carmont investigation, an encouraging presentation from the Heritage Railway Association, and a draft report on progress in rail safety 20 years on from Cullen.
40. Anne Heal reported on a meeting of the consumer panel which had received a presentation from Transport Focus on the National Rail Passenger Survey, HE's five year performance, consultations on compensation, TPIs and passenger views and the complaints handling process.

Item 14 ANY OTHER BUSINESS

41. The board noted the two items below the line.

All executive attendees except the Board Secretary left the meeting

Item 15 SCS PAY SETTLEMENT

Victoria Rosolia joined the meeting for this item

42. Victoria Rosolia outlined the discussions at Renco the day before and set out the proposals around consolidated and non-consolidated awards for SCS members which met Cabinet Office guidance. The board agreed the proposals from Renco for the implementation of the pay settlement.

Item 15 NON EXECUTIVE DISCUSSION

43. The non-executive members met privately to review the meeting.

25 September 2020