

THE OFFICE OF RAIL AND ROAD
228th BOARD MEETING
Tuesday 18 March 2025, 09:00 – 12:30
At ORR, 25 Cabot Square, London, E14 4QZ

Non-executive members: Declan Collier (Chair), Xavier Brice, Ian Dobbs, Anne Heal, Justin McCracken, Daniel Ruiz, Catherine Waller (via MS Teams).

Executive members: John Larkinson (Chief Executive), Richard Hines (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), Graham Richards (Director, TfL Analysis and Interim Director, Corporate Operations), Elizabeth Thornhill (General Counsel), Stephanie Tbyn (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. Apologies for absence were received on behalf of Madeleine Hallward, with apologies for lateness from Catherine Waller.

Item 2 DECLARATIONS OF INTEREST

2. There were no declarations of interest.

Item 3 APPROVAL OF PREVIOUS MINUTES AND MATTERS ARISING

3. The minutes of the meeting held on 25 February 2025 were approved.
4. A brief update was provided on actions arising and completed from previous meetings.

Item 4 CHIEF INSPECTOR'S QUARTERLY REPORT

The following paragraph is partially redacted (text in square brackets) as information relating to proposed or ongoing enforcement actions; followed by information the disclosure of which is thought likely to prejudice the effective conduct of ORR's affairs because it relates to uncompleted policy development.

5. Richard Hines (RH) introduced the report, referring to discussions at the meeting of the Health and Safety Regulation Committee (HSRC) the day prior, namely: further enhancements to the report and in particular, a new annex to support the Board's interpretation of data provided in the regulatory

deliverables section; [...]; [...]; and the publication of ORR's report, 'Assessing the costs and benefits of health and safety interventions in rail: An industry-wide review'.

6. Further update related to the report headlines, including: the recent sentencing of Network Rail following the death of a track worker at Surbiton in February 2021 (with the Board having received the Victim Personal Statement of the deceased's bereaved wife and expressed their condolences); the response from Network Rail in relation to the intervention on structures and operational property assets; the assessment of the South Western Railway applications for Safety Certificates and Authorisations associated with public ownership; and engagement with trade unions.
7. Following questions from the Board, further discussion focussed on:
 - Reports of debris falling from structures, in the context of the aforementioned intervention where it was suggested that the Chief Inspector also consider writing to heritage railways; and
 - Initial assessment in relation to an injury on an escalator of a London Underground station.

The following paragraph is redacted from the published version for reasons of sensitivity, namely to maintain procedural confidentiality:

8. [...] **[Action 03/00]**

Item 5 CHIEF EXECUTIVE'S REPORT

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

Item 6 NATIONAL HIGHWAYS PERFORMANCE

12. Feras Alshaker (FA) introduced the report, and provided an oral update referring to: publication and media coverage of the 'Annual assessment of safety performance on the strategic road network'; the anticipated announcement of the 'Interim Settlement' for 2025-26 on 24 March 2025; National Highways' expectation that the NEAR programme would now be delivered by the end of the month (with traffic management remaining in place due to works associated with stopped vehicle detection); and updates to the timeline of development of the third Road Investment Strategy (RIS3).
13. Further discussion reflected on National Highways' handling of strategic communications and stakeholder engagement, noting issues raised in the media around RHS Wisley as an example. It was suggested that communications and engagement may form a topic of discussion at any future joint meeting.
14. The Board noted the contents of the performance update.

Item 7 **ANNUAL REVIEW OF STRATEGIC RISKS**

15. Liz Thornhill (LT) briefly introduced the report, which had last been considered by the Audit and Risk Committee at its meeting of October 2024.
16. In particular, the Board discussed the strategic risk that 'rail accident brings our reputation and organisational competence into question'. It was agreed that types of potential stakeholder engagement be considered regarding risks of uncertainty and change during the rail reform programme. **[Action 03/01]**
17. Consideration was also given to the strategic risk that 'the way we regulate is increasingly undermined by digital technology and Artificial Intelligence', with the suggestion that it be reworded more positively to embrace technology. **[Action 03/01B]**
18. In addition, the strategic risk that 'Core ORR functions and responsibilities are questioned or removed due to the organisation losing the confidence of government and/or its regulated sectors' was discussed in the context of the emerging landscape.
19. LT explained that the next iteration of the strategic risk register would be presented to the Audit and Risk Committee meeting in April 2025. The Chair of the Committee would be engaged accordingly in advance.

Item 8 **2025/26 BUDGET APPROVAL AND BUSINESS PLAN**

Lucy Doubleday (Associate Director, Finance and Governance) joined the meeting for item 8.

20. Graham Richards (GR) briefly introduced the report which summarised organisational priorities for 2025-26 and set out the conclusions from the business planning and budgeting process. The Board would be required to formally approve the 2025/26 budget allocations set out at Appendix A of the report.
21. Lucy Doubleday (LD) explained that the business plan is set in the context of rail reform, with the plan also emphasising a commitment to the government's growth agenda, and to increasing efficiency through technology, including AI. A table of draft deliverables for 2025/26 was referred to alongside minimal changes to service standards.
22. John Larkinson (JL) referred to the Chancellor's announcement the day prior which had announced a 'radical action plan' to reduce regulatory red tape by 25%, streamline legal duties, and consolidate regulators to boost business growth and infrastructure development. The Board discussed the KPIs in the document and whether these would require re-examination in light of the announcement.
23. Following questions from the Board, further discussion focussed on:
 - Adjusting the narrative to include a focus on the benefits of cross-office working as well as reference to a smooth *and safe* transition (during rail reform);
 - Reconsideration of business plan priorities regarding RSD;

- The accounting treatment of leases; and
 - The financial impact of mandated use of the Government Property Agency which Board Members requested be included in the narrative of the Spending Review submission. **[Action 03/02]**
24. **The Board approved the budget allocations for 2025/26 and priorities for the forthcoming annual plans, subject to integration of comments made.**

Item 9 SPENDING REVIEW [ORAL UPDATE]

Lucy Doubleday (Associate Director, Finance and Governance) remained in the meeting for item 9.

25. Graham Richards (GR) briefly introduced the oral update, referring to further analysis undertaken since the Board strategy day regarding accommodation costs and potential savings.
- The following paragraph is partially redacted (text in square brackets) due to legal advice:*
26. Lucy Doubleday (LD) explained that a reduction in accommodation costs would not be significant due to the accounting treatment of leases (as a discounted cash flow calculation depreciated over the lifetime of lease; where depreciation was excluded from scope). [...]
27. Following questions from the Board, further discussion focussed on:
- Further opportunities to sublet at Cabot Square;
 - Potential impact on headcount; and
 - Areas of training, travel, and consultancy.
28. The Board would have further opportunity to discuss at an additional meeting called for 1 April 2025. Clarification was provided on the anticipated scenarios of flat cash, and flat cash minus 2%.
- Catherine Waller joined the meeting.*

Item 10 RAIL REFORM UPDATE [ORAL UPDATE]

29. Stephanie Tobyn (ST) introduced the report, referring to ORR's duties, access functions, and the future design of the sector.
- Paragraphs 30-31 and 33-34 are redacted from the published version as their disclosure is thought likely to prejudice the effective conduct of ORR's affairs as it relates to uncompleted policy development.*
30. [...]
31. [...]
32. It was suggested that Richard Goodman (Director General - Rail Reform and Strategy, DfT) be invited to the additional board meeting on 1 April by way of introduction.

33. [...]
34. [...]
35. The Board welcomed the work undertaken to date.

Item 11 REPORTS FROM COMMITTEES

36. Anne Heal reported on the meeting of the Expert Advisory Group (Revenue Protection) held on 26 February. The Group had discussed, among other matters:
 - A significant amount of data provided to support initial findings, which included over a 1000 responses to a call for evidence and mystery shopping; and
 - Emerging themes around retail; policy and processes; and prosecution.
37. Declan Collier reported on the joint meeting of the National Highways and ORR Boards held on 28 February. The Boards had discussed, among other matters, maximising impact, growth agendas, and sustainability. It had been a productive meeting, building upon a growing positive relationship. Were there to be a further meeting of the boards, it was suggested that there should be a focus on stakeholder communication.
38. Justin McCracken reported on the Health and Safety Regulation Committee meeting held on 17 March. The Committee had discussed, among other matters:
 - A presentation from Steve Montgomery of First Group discussing strategic and practical railway health and safety issues from the perspective of a TOC-owning group;
 - The Annual Report of Health and Safety on Great Britain's Railways 2025, in terms of themes, key priorities and next steps, as well as feedback on a different approach;
 - The Railway Safety quarterly report, as discussed under Item 4;
 - The draft report on the Talerddig incident and Prior Role Review, providing assurance to the Board of a thorough and wide-ranging review. Nonetheless, some concerns had been raised around the follow-up of actions and associated governance (for which Committee had requested an action plan);
 - A report on trains passing the end of their authority which sought to respond to a committee action requesting further analysis to understand root causes of signals passed at danger (SPADs);
 - An update on health and safety matters affecting the Channel Tunnel, which was also shared with the Board below the line.

Item 12 ANY OTHER BUSINESS

39. The Board noted the dates of the next meetings and items below the line, namely: the Board forward programme; and the update on health and safety matters affecting the Channel Tunnel (report to HSRC, March 2025).
40. The Chair provided an update regarding NED recruitment, with a timeline for appointment in September 2025. Furthermore, it had been confirmed that Justin McCracken's reappointment would be extended to 30 September. In light of that confirmation, the date of the next HSRC meeting would be amended to 30 June. The Chair reminded the Board that whilst a schedule of board and committee meeting dates was agreed in advance, with efforts to avoid irregular meetings, this was not always possible given the wider circumstances. Were Board Members unable to make any additional meeting, they were invited to submit their apologies.
41. Finally, it was confirmed that the next regional meeting of the Board was expected to take place in Cardiff in May.

Item 13 CONFIDENTIAL AND LEGALLY-PRIVILEGED [NEDS-ONLY ITEM]

The following item was for Non-Executive Board Members only.

This report is redacted from the published version as information which is otherwise thought to be potentially sensitive in relation to employment matters.

42. [See restricted minutes – NEDs only]
[...]
54. [...]

Meeting end: 12.59pm
Approved: 29 April 2025