

THE OFFICE OF RAIL AND ROAD
230th BOARD MEETING
Tuesday 29 April 2025, 09:00 – 12:30
At ORR, 25 Cabot Square, London, E14 4QZ

Non-executive members: Declan Collier (Chair), Xavier Brice, Ian Dobbs, Madeleine Hallward, 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 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. No apologies for absence were received.

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 meetings held on 18 March and 1 April 2025 were approved.
4. A brief update was provided on actions arising and completed from previous meetings.

Item 4 CHIEF INSPECTOR'S MONTHLY REPORT

5. Richard Hines (RH) introduced the report, referring to: current and ongoing enforcement action; the upcoming RAIB report on Talerddig (with the final internal Prior Role Review report to be sent below the line to HSRC in June 2025); Fatal Accident Inquiries (FAIs: Saughton and Carmont); rail reform and the safety aspects of transferring Train Operating Companies (TOCs) into public ownership; and updates to directorate senior leadership, with reference to a recent directorate staff conference.
6. In respect of enforcement action, the Board were updated on the circumstances surrounding an Improvement Notice that was recently served

on Network Rail following the derailment of a freight train in Audenshaw, Manchester, in September 2024. Discussion ensued on the nature of strategic engagement with Network Rail and identification of potential systemic or cultural issues, proposing liaison with their Safety, Health, and Environmental Compliance Committee (SHECC – led by the Interim Chair) as appropriate. An Improvement Notice was also likely to be served upon Transport for London (TfL) regarding platform-end barriers at Stepney Green Station.

7. The Board explored the safety aspects of rail reform and requested that further assurance be provided (from a safety and procedural perspective) of bringing TOCs into public ownership, as well as providing a timetable of upcoming transfers and associated work **[Action 04/01]**.

8. Further update and discussion related to:

The following paragraph is redacted from the published version as it is information otherwise thought to be sensitive:

- [...]
- Work with TfL on their sub-surface Four-Lines Modernisation (4LM) signalling update project, which was nearing completion.
- The banning of all battery-powered non-folding e-bikes by TfL from most of their network.
- Meetings with senior representatives from Network Rail, South East Trains, and DfT Operator Limited in relation to plans to more closely integrate track and train on the mainline railway through Alliancing arrangements, where there had been a focus on accountability.

The following paragraph is redacted from the published version as it is information relating to proposed or ongoing enforcement actions:

- [...]

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

- [...]

Item 5 CHIEF EXECUTIVE'S REPORT

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

9. [...]

Item 6 HOLDING TO ACCOUNT – QUARTERLY REPORT

Richard Coates (Deputy Director, Planning and Performance) joined the meeting for item 6.

13. Will Godfrey (WG) introduced the quarterly report, referring to the headline findings and in particular: the position on train performance (with a paper regarding initial thinking on the CP7 performance reset due to the Board in

May), including variation on cancellations across the Network Rail regions; and the continued pressure on Network Rail's finances (with reference to Jeremy Westlake's recent attendance at the January Board meeting).

14. Richard Coates (RC) provided further detail on the report, referring to: the Network Rail Annual Assessment messages (due to be discussed by the Board at its May meeting); receipt of a performance plan for the Network Rail Eastern region; progress on the improvement plan for the Wales & Western region; and protecting asset renewals as far as possible in a constrained funding environment (a key aspect of the PR23 Final Determination). John Larkinson (JL) drew attention to the data provided on the Financial Performance Measure (FPM) and the variance forecast.
15. The Board further discussed in response to the report:
 - Priority areas for renewals, which included earthworks and structures (as per the PR23 Final Determination). The Board encouraged further consideration of safety and resilience implications.
 - Whether there was agreement on performance factors outside of Network Rail's control, for which there were mixed messages.
 - Additional financial pressure anticipated from the Spending Review.
 - Network Rail's contribution to freight growth.

Item 7 NATIONAL HIGHWAYS PERFORMANCE

16. Feras Alshaker (FA) introduced the report, and provided a correction to the report – that a figure in paragraph 12 should refer to 90% (not 75%). Oral update referred to DfT's submission to Treasury on RIS3 with regard to the Spending Review (with ORR subsequently commissioned to undertake a review, as referenced in paragraph 15 of the report).
17. The Board further discussed in response to the report:
 - Stakeholder engagement with National Highways, with the Chair requesting that he be kept appropriately informed.
 - The challenges for National Highways of the Spending Review and preparation of RIS3 operating in parallel.
 - Average time for a Traffic Officer to attend a stopped vehicle on all lane running smart motorways, which had not been included in statutory directions and guidance (SD&G) but would still be reported to ORR.
 - The explanations for on-time project delivery (following reporting in January 2025 that indicated otherwise) regarding the National Emergency Area Retrofit (NEAR) programme.
 - Efficiency in major project expenditure, particularly in the design and planning stages, and in the context of the wider growth agenda.
 - Investment in infrastructure, particularly given the confirmation of the Lower Thames Crossing project.
18. The Board noted the contents of the performance update.

Item 8 QUARTERLY BUSINESS REVIEW 2024/25 – QUARTER 4

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

19. Lucy Doubleday (LD) introduced the report, referring to the disappointment of missing the 2% underspend target by £300k. This was said to have been impacted by a mid-year decision from Treasury regarding consultancy spend, as well as pauses in recruitment, and additional budget requested for TfL work. Positively, no spending control breaches had been reported in the year and all service standards had been met, as well as business plan commitments (excepting those impacted by factors outside ORR's control). An internal audit was planned in 2025/26 to consider budget management.
20. The Board referred to lessons learned from previous years and whether budget management was approached with a suitable level of risk, as well as whether any spend could take place to counter staffing constraints. It noted a repeated pattern of forecasting overspend which then evolved into an excess underspend by year-end.
21. The Board noted ORR's financial performance for the year and performance against the business plan.

Item 9 REVIEW OF TRAIN COMPANY REVENUE PROTECTION PRACTICES

Scott Hamilton (Review Lead), Katherine Brownstein (Review Legal Adviser) and Richard Gusanie (Review Author) joined the meeting for item 9.

22. Stephanie Tobyn (ST) introduced the slides, laying out the background and context to the review as well as the legal, financial and reputational risks. A balanced approach to the review had been adopted, taking into account the interests of passengers, industry, and the taxpayer. Additional reference was made to ownership of the proposed recommendations (in the context of rail reform) and delayed publication of the review (at DfT's request) to early June. Consideration would need to be given to how best communicate the messages and recommendations, given the technical nature of the area.
23. The Board welcomed the thoroughness of the work undertaken to date and underlined that fare evasion represented a significant financial burden to the state, with industry inconsistency and complexity amplifying passenger confusion. The Board also noted the extensive stakeholder engagement and convening of legal expertise undertaken as part of the review.
24. Further discussion focused on the communications plan upon publication of the review, including opportunities for innovation. It was suggested that there needed to be a clear story told, perhaps focusing on the customer journey and compelling passenger experiences, for the key themes to be effectively understood. Recommendations which could lead to short-term success in their implementation were also encouraged, rather than outcomes potentially being linked to rail reform and the creation of Great British railways (GBR).

This could be built upon examples of existing best practice, noting current inconsistencies across operators.

25. Reference was made to the terms of reference of the review, to ensure that recommendations and messaging remained within scope. Noting the time constraints, the Board requested that final recommendations of the revenue protection review be circulated ahead of submission and publication [**Action 04/03**].
26. The Board noted that:
 - The final publication would be approved by the Director of Strategy, Policy and Reform prior to submission to DfT;
 - DfT had been briefed on draft findings and recommendations and supported the review's conclusions (accepting them as within the terms of reference); and
 - Industry, devolved government and other key stakeholders (namely Transport Focus and the Ministry of Justice) had also been briefed on draft findings and recommendations, expressing support.

Item 10 RAIL REFORM UPDATE [ORAL UPDATE]

27. As sufficient update had been provided under previous items, item 10 was withdrawn.

Item 11 REPORTS FROM COMMITTEES

28. Given discussions under Item 9, Anne Heal provided a brief report on the meeting of the Expert Advisory Group (Revenue Protection) held on 31 March 2025. The support of the Group to the draft findings and recommendations was confirmed. The Chair thanked Anne Heal for her contributions to the Group as a representative of the Board.
29. Daniel Ruiz reported on the meeting of the Audit and Risk Committee held on 28 April 2025. The Committee had discussed, among other matters:
 - The positive internal audit opinion, whilst noting a concentration of actions in IT. The Committee Chair recognised the sustained efforts of the Associate Director of IT & Digital Services and his team.
 - Corporate and strategic risks, including potential revisions to their presentation for improved communication and effectiveness.
 - Use of Non-Corporate Communications Channels and upcoming changes.
 - The draft governance statement of the annual reports and accounts, with relevant Non-Executive Directors to be contacted regarding verification of committee reports and attendance.
 - The draft framework agreement which would be presented to the Board in due course as a reserved matter.
 - Assurance received regarding internal whistleblowing processes, with a standing item to be added to the Audit and Risk Committee agenda.

Item 12 ANY OTHER BUSINESS

30. The Board noted the dates of the next meetings and items below the line, namely: the Board forward programme; committee minutes approved since the last meeting and the Quarter 4 Risk Report (presented to Audit and Risk Committee).
31. The Chair provided a brief update regarding ongoing NED recruitment. Following the departure of the Executive in attendance, the Board Members then evaluated the effectiveness of the meeting.

Meeting end: 12.38pm
Approved: 20 May 2025