

**THE OFFICE OF RAIL AND ROAD**

**132nd BOARD MEETING**

**09:00 -14:45 TUESDAY 24<sup>th</sup> JANUARY 2017**

**ONE KEMBLE STREET, LONDON, WC2B 4AN**

**Non-executive members:** Stephen Glaister (Chair), Tracey Barlow, David Franks, Anne Heal, Bob Holland, Michael Luger, Justin McCracken, Graham Mather

**Executive members:** Joanna Whittington (Chief Executive), Ian Prosser (Director Railway Safety), Graham Richards (Director Railway Planning and Performance),

**Executive Directors:** John Larkinson (Director Railway Markets and Economics);

**In attendance:** Dan Brown (Director Strategy and Policy), Russell Grossman (Director Communications), Juliet Lazarus (Director Legal Services and Competition), Tess Sanford (Board Secretary)

**Other ORR staff in attendance are shown in the text.**

**Item 1 WELCOME AND APOLOGIES FOR ABSENCE**

1. There were no apologies for absence.

**Item 2 DECLARATIONS OF INTEREST**

2. Bob Holland reminded the Board of his historical interest in Arriva in relation to item 10. Justin McCracken reminded the board of his position with Ombudsman Services Ltd.

**Item 3 APPROVAL OF PREVIOUS MINUTES**

3. The Board agreed the December minutes.

**Item 4: MONTHLY HEADLINES**

4. Ian Prosser reported on:
  - The investigations by BTP and RAIB underway in relation to Sandilands Tram incident
  - ORR's report on driver controlled doors and work to develop guiding principles, which would be brought to the Board in February [*forward programme*]
  - NR's work to re-start the PDSW<sup>1</sup> initiative with a new pilot in the Anglia region
  - A slight decrease in the overall PIM measure
  - A decrease in the number of repeat track twist faults which followed increased focus on inspection and enforcement by ORR

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<sup>1</sup> Planning and delivery of safe working

5. Graham Richards reported on:
  - Recent statistical releases in relation to a slower rate of growth in passenger journeys, declining freight usage, Q2 industry complaints data. The latter showed that punctuality was the most common cause of complaint followed by method of ticket purchase
  - Improvements in the efficiency of our authorisations work through better planning and closer working with DfT
  - Some of the issues that contributed to poor P9<sup>2</sup> performance
  - NR's operational readiness to deal with engineering overruns at Christmas
  - Management focus to address long standing items on the regulatory escalator
6. John Larkinson reported on:
  - Progress on PR18: from February 2017 the board would receive a regular monthly report
  - Headlines from our consumer research on ticket vending machines and work in hand to address identified issues
  - Progress on open access direct London/Blackpool services;
7. Juliet Lazarus gave the board an update on the HAL judicial review.
8. Joanna Whittington updated the board on:
  - Discussions with DfT on HS2
  - UKRN and BEIS' ongoing work on regulators – and making markets work
  - Meetings with DfT and others on the passenger experience and how the industry might deal differently with complaints
  - Internal engagement

## **Item 5        REGULAR REPORTS**

9. The Board noted the monthly and six monthly reports on rail safety, the NR CP5 Tracker and the Q3 report against the ORR business plan.
10. Ian Prosser noted that the overall risk had flattened and the major injury trend was decreasing. The highest single contributor to risk to the workforce was now driving on the roads.
11. Graham Richards explained that the board would discuss its regulatory response to the poor performance on the rail network at its meeting in February.
12. Tom Taylor reported on the financial position and noted that the section of the report which set out work which had not been included in the original business plan continued to reflect high levels of additional activity by the Office.

*The chair noted that this would be Tom Taylor's final board meeting before he took up a new position at BEIS. The board congratulated Tom on his move and thanked him for his work for the ORR. Tom Taylor and Peter Antolik left the meeting.*

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<sup>2</sup> Period 9 reporting period of 2016-17

## **ITEM 6 PR18 – ADVICE TO DFT ON THE HLOS/SoFA**

*Chris Hemsley, Mark Morris, Carl Hetherington joined the meeting for this item.*

13. John Larkinson updated the board on progress in developing this advice since their briefing call the previous week. Transport Scotland were likely to seek similar advice.

*Paragraphs 14-20 have been redacted as Policy development.*

21. The board asked for a briefing session or future report item on what 'efficiency' means in the context of the periodic review process [*forward programme*].

## **ITEM 7 RAIL PERFORMANCE – CHRIS GIBB REVIEW**

22. Graham Richard updated the board on progress in developing the recommendations from this review. There had been some delays but the report was expected to be published before the spring. There were no matters requiring the board's attention at this time.

## **ITEM 8 VISITORS: HIGHWAYS ENGLAND**

*Peter Antolik joined the meeting*

23. The board prepared for its visitors.

*Colin Matthews, Chair and Jim O'Sullivan, Chief Executive of Highways England joined the meeting*

24. Stephen Glaister welcomed the visitors.
25. Highways England set out their priorities and updated the ORR board on progress and current issues. The meeting discussed HE's work:
  - Steps taken towards improving safety (particularly worker safety);
  - A cultural shift towards treating the road user as a customer;
  - Operational and political challenges in delivering RIS1.
26. The meeting reflected on how far the aims of the roads reforms of 2015, particularly around facilitating efficient planning and delivery of the capital programme, were being met.
27. The meeting discussed the importance of clarity between ORR's role and that of DfT, so that overlapping activity can be minimised. HE offered to share an internal report on the subject. [action – Secretariat to arrange]
28. HE highlighted two major national infrastructure projects (HS2 and Heathrow extension) which offered major challenges over several years.
29. The chair thanked the visitors for a useful discussion.

## **ITEM 9      ORR COMMUNICATIONS – MID YEAR PROGRESS REPORT**

30. Russell Grossman introduced the report and explained the research in hand to inform the annual report in July [*forward programme*].
31. Board members commented on coverage in recent months, noting that it was usually accurate and balanced. They highlighted the safety report on driver only operation and media use of the statistical release on the age of rolling stock.
32. The board discussed the importance of a website that was easy to access and navigate around and noted the investment of additional resource to improve our existing web presence.
33. The board noted that our rail statistical work gave regular material for comment, but we are not a provider of roads statistics.

## **ITEM 10      OPEN ACCESS APPLICATION**

*Rob Plaskitt joined the meeting for this item*

34. John Larkinson introduced the item. He explained how access rights are dealt with when changes in franchisee occur. Any services in the new franchise that require additional access rights are considered on their merits.
35. The board discussed the applicant's request that the application be considered in advance of DfT's decision on the new franchisee. To do so without a better understanding of the service offer by the new franchisee would risk cutting across several of our duties including acting in the best interests of current and future customers of the network. The board asked staff to process the application as usual, do appropriate preparatory work and when more was known about the new franchise ORR would be able to move to decide this application.

## **ITEM 11      CHANNEL TUNNEL UPDATE**

*Brian Kogan joined the meeting for this item*

36. Dan Brown introduced the item. The revised cooperation agreement with ARAFER had been signed in January. Broadly ORR's aspirations for the relationship had been met and the work was progressing smoothly. Risks to future aspirations are mitigated by investment of time and senior resources in establishing and maintaining good working relationships. There was also work under way to improve our understanding of potential issues, for example cost causation.

## **ITEM 12      REGIONAL VISIT: CARDIFF IN FEBRUARY**

37. Tess Sanford gave an oral update on emerging plans for the February regional visit.

## **ITEM 11      FEEDBACK FROM COMMITTEES**

38. Bob Holland reported on the Audit and Risk Committee which had discussed
  - the strategic risk register;

- the programme to update our IT provision;
  - progress on internal audit recommendations.
39. Stephen Glaister reported on the previous day's Highways Committee. He highlighted:
- The interim review of HE's performance
  - HE's financial management
  - Potential enforcement issues on data and pavement condition.
40. Michael Luger reported on the Remuneration committee which had considered senior succession planning and reviewed its own terms of reference as part of the board procedures review. It had asked for SCS recruitment processes to be codified.

**ITEM 12 ANY OTHER BUSINESS**

41. There was no other business.

*Meeting closed at 14.45*

