

THE OFFICE OF RAIL AND ROAD
152nd BOARD MEETING
09:00-15:30 TUESDAY 25 SEPTEMBER 2018
ONE KEMBLE STREET, LONDON WC2B 4AN

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

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

In attendance: Dan Brown (Director Strategy and Policy), Freya Guinness (Director Corporate Operations and Organisational Development) – to item 4, Juliet Lazarus (Director Legal Services and Competition), Tess Sanford (Board Secretary)

Observer: Declan Collier (chair designate)

Other ORR staff in attendance are shown in the text.

Item 1 WELCOME AND APOLOGIES FOR ABSENCE

1. The chair welcomed everyone to the meeting. Russell Grossman had sent apologies.
- 2.

Item 2 DECLARATIONS OF INTEREST

3. No new external interests were declared.
4. The board agreed that following the publication of the timetable inquiry interim report, Graham Richards no longer had a perceived conflict of interest on that item.

Item 3 APPROVAL OF PREVIOUS MINUTES AND MATTERS ARISING

5. A correction to the circulated minutes was noted. The chair would sign updated minutes.

Item 4: HEADLINES AND REGULAR REPORTS

6. **Ian Prosser** updated the Board on: the Sandilands investigations and funding for the light rail standards body; safety interventions on GTR at St Albans and Harpenden; the level of TOC engagement on cross-industry safety issues; issues with the control of vegetation on the network, and with new rolling stock; update on driver licencing.
7. The board welcomed the update on crowding research and discussed the quality of SMIS+ data from RSSB.

Paragraph 8 has been redacted as relating to potential enforcement action.

9. **Graham Richards** reported on assurance on HE's programme of work to inspect big structures following the Genoa bridge collapse; DfT's scheduled review of ORR's effectiveness as Highways Monitor (after 3 years of operation); publication of the Holden report; performance problems on LNER and TPE; and an unexpected drop in the CRI which was being investigated. The board

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- discussed the regulatory escalator with reference to the Timetabling Inquiry findings.
10. **John Larkinson** reported on preparations for timetable changes in May 2019 and TOC concerns around the potential disruption risk of planned increases to some passenger services: ORR had a function in this if access rights were contested. He also gave an update on 3rd party investment where a report was expected from DfT.
 11. **Joanna Whittington** noted the measured and broadly accurate coverage of the Inquiry report and thanked Dan Brown and the inquiry team for their hard work against a short timetable. This had been a significant effort across the organisation – and some business plan reprogramming had resulted. She also gave an update on London accommodation, performance management changes, implementation of the 2018 pay settlement; publication of the market study and progress on Siemens Alstom
 12. **Stephen Glaister** noted that Joanna Whittington would be leaving ORR to take up a DG role in BEIS; after an internal competition, John Larkinson would be appointed as interim chief executive. Staff and others would be told as soon as the necessary agreements had been secured (DfT and HMT).

Item 5 ROADS INVESTMENT STRATEGY

Richard Coates and David Hunt joined the meeting for this item.

13. The paper set out key messages and supporting evidence for ORR's assessment of the challenge and deliverability of the draft Road Investment Strategy (RIS2) for the second road period. While the package looked challenging it was not yet clear that it was deliverable and more analysis was in hand. The board discussed the work which still needed to be done, the importance of HE developing and owning a high quality SBP, the likely level of efficiency to be included, ORR's role as advisor to the DfT (different to its rail role), risks around the level of available funds. The board noted that ORR's analysis and advice would be made public once the funding envelope was public.
14. The board noted the report and agreed that Joanna Whittington and Graham Richards should sign off the final submission in the next few days.

Item 6 TIMETABLING INQUIRY

15. Dan Brown updated the board on the government's announced Rail Review and its likely timetable (reporting in mid 2019). ORR's report with recommendations following the timetabling inquiry would therefore need to work with existing structures. While it could also reflect on possible future structures – this would need to be clearly flagged as not evidence based.
16. The board noted the importance of making recommendations to address immediate problems and the risk that a new review could distract from a good start to CP6 because of the pressure on senior resource that the new rail review would bring across the sector. It noted that thinking about CP7 would depend on the effectiveness of NR's new structure during the first two years of CP6. The November Monitor report would focus on preparedness for CP6.
17. The approach to and structure of Phase 2 of the timetabling inquiry was discussed: passenger interests should be considered in each workstream. Publication should be before the timetable change on 8 December. The board

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welcomed the stress on engagement and consultation with the industry and considered other sources of scrutiny of the sector including recent NAO reports. It noted the work in hand to investigate potential licence breaches on passenger information during disruption (PIDD) by TOCs as a result of the timetable problems.

Item 7 NETWORK RAIL: UPDATE ON T-12 LICENCE BREACH

Catherine Williams and Stephanie Tobyn joined the meeting for the next two items.

18. Network Rail had responded positively to the licence breach decision, but their response had only addressed the immediate issues and not the structural ones. Implementation of the December and May 2019 timetable changes still carried significant risks. The board discussed the continuing delay to passenger benefits which had already been paid for and the balance of risk between realising those benefits and further deterioration of performance: it would not always be right to take the lowest risk options. Public commentary on the gap between plans and delivery might be helpful – although it was recognised that contractual penalties between franchisees and DfT were not transparent. The board discussed the importance of NR's PMO having and using sufficient authority to make go/no-go decisions on the implementation of system wide change: a statement from DfT giving that authority would be helpful.
19. The board also received an update on the improved accuracy of train availability information being supplied through the websites operated by Trainline and work continuing to improve other web suppliers information.
20. The board would receive a further update in October on recommendations for next steps on this. [forward programme]

Item 8 DISABLED PEOPLE'S PROTECTION POLICY (DPPP)

David Kimball and Scott Hamilton joined the meeting for this item

21. Stephanie Tobyn explained the work in hand to develop our approach in advance of a consultation on renaming and updating the Disabled Peoples' Protection Policy (DPPP) which had last been issued by DfT in 2009.
22. The board discussed the various changes which might be considered including improvements to journey planning (notice periods), booking, staff training, effective processes and what happens when things go wrong for passengers (stranding). The board discussed the particular challenges for unmanned stations and the importance of local ownership and flexibility of response. Public expectations had risen considerably since 2009 and proposals that required significant improvements from TOCs could generate resistance and were still likely not to meet all travellers' expectations. The draft consultation would be shared with the board in October [forward programme]
23. The board supported a significant raising of minimum standards and argued that as much flexibility as possible should be allowed for how those standards were met – space for innovation and a tailored response was vital. Cost implications for operators would need to be considered by DfT, but reputational benefits for operators who respond well could be considerable.
24. The board saw a short video illustrating an app which helped passengers who needed assistance to travel more easily on rail.

Item 9PR18

Chris Hemsley and Siobhan Carty joined the meeting for this item

25. Chris Hemsley reported on successful meetings with NR's route managing directors to discuss their final strategic business plans. He also discussed the Transport Scotland response to the draft determination, public discussion of a possible Schedule 8 reopener and the degree to which anything in CP6 would drive change. He set out plans for the final determination session on 1 October.
26. The board noted the plans and the importance of understanding how the whole package fitted together – and how it worked alongside other spending by NR.
27. NR had considered all the concerns set out in the draft determination and had addressed all of them in some way. There was no time now to analyse further options: the choice on 1 October would be whether to accept NR's worked up plans, to revert to the draft determination or to agree changes that were unsupported by full evidence. The risk of disengaging NR's management through such a choice was very high. The board noted the ongoing issues reported on Scotland.

lunch

Item 10 JOINT REPORTING

28. The board received a briefing on work to consider how pooling information from ORR on network performance, some from RDG and some from DfT on franchise performance might result in better and more transparent reporting for passengers. ORR published all its data, but other bodies were more selective. The board discussed the benefits of better public understanding and the restoration of public trust, possible confidentiality issues around contract performance of TOCs, other bodies (route supervisory boards) who might have an interest in more transparency. Overall it was agreed that this was clearly part of protecting the interests of passengers and should be pursued. A round table with DfT was scheduled. Dan Brown would report back to the board on next steps. [action]

ITEM 11 FEEDBACK FROM COMMITTEES

29. Justin McCracken reported on HSRC which had heard from Andy Thomas of NR about the industry work on occupational health; progress on level crossing orders, lessons learned from the Grenfell Tower tragedy and work to revise our RM3 tool.

All directors left the meeting: David Chapman joined the meeting for this item

30. Michael Luger reported on proposals to implement the SCS pay award for 2018-19 and the recommended distribution of the bonus pot – including a sum for in-year awards.

Item 17 ANY OTHER BUSINESS

31. The board noted the board forward programme for the rest of 2018.