

## Office of Rail Regulation

### Minutes of the first session of the 93rd Board meeting on 29 April 2013<sup>1</sup>

(14:00 – 18:30) in Room 1, ORR offices, One Kemble Street, London

#### Board present:

**Non-executive directors:** Anna Walker (Chair), Tracey Barlow, Peter Bucks, Mark Fairbairn, Mike Lloyd, Stephen Nelson, Ray O'Toole, and Steve Walker.

**Executive directors:** Richard Price (Chief Executive), Michael Beswick (Director, Rail Policy), Ian Prosser (Director, Railway Safety), Alan Price (Director, Railway Planning and Performance), and Cathryn Ross (Director of Railway Markets and Economics)

**In attendance, all items:** Dan Brown (Director, Strategy), Richard Emmott (Interim Director, External Affairs), Carl Hetherington (Deputy Director, RME), John Larkinson (PR13 programme Director), Juliet Lazarus (Director, Legal Services), Tess Sanford (Board Secretary), and Gary Taylor (Assistant. Board Secretary).

**In attendance, specific items:** Richard Gusanie (PR13 project manager), Andrew Wallace (Head of Planning and Operations), Sue Johnston (Deputy Director, RSD), Chris Fieldsend (Industry Planning manager), Jonathan Hulme (Financial analyst), Richard Fitter (Financial Analyst)

#### Item 1: Welcome and apologies for absence

1. The Chair welcomed everyone to the meeting. There were no apologies for absence.

#### Item 2: Declarations of interest

2. There were no declarations of interest.

#### Item 3: PR13 – decisions relating to the content of the draft determination

3. Richard Price introduced the item. The Board had spent a great deal of time discussing and debating elements of the CP5 package both in Board meetings and through the PR13 Committee (PRC). The executive had listened carefully to all of those discussions and held extensive debates internally. They believed that the package presented met the Board's intentions and struck a good balance between setting tough targets and allowing sufficient flexibility for Network Rail (NR) to manage its business and to deliver additional benefits through good management. The proposal still included a number of scoped options where the Board's judgement would be sought and applied. In particular the Board would be clearly shown areas where the evidence was not good enough to support a strong recommendation or where the executive had not reached consensus on a recommendation, and they would be asked to reach judgements. There was a day and a half of meetings scheduled and it was important that decisions were reached so that the timetable for publication could be met. Overall it was a robust, well developed package and he commended it to the Board.

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<sup>1</sup> item 8 from 30 April agenda was brought forward for discussion at the evening session on 29 April and the discussion is recorded here.

For publication

4. John Larkinson explained how he would take the Board through the agenda. He had confidence that the overall package would stand up well to scrutiny but it was important that the Board took this opportunity to test and challenge the proposals as this would be the last chance to do so before the final run of the financial model which would populate the draft determination document. To that end, all the project leads would be available to answer any questions from the Board on the detail of the proposal or the process that had led to a particular recommendation.

5. The Section 4 duties and the guidance from the Secretary of State and the Scottish Minister had been circulated with the Board papers as a refresher for Board members. At each significant point John would explain how the Executive had applied the duties and guidance in reaching their recommendations.

6. Cathryn Ross reminded the Board that they were required to consider the framework of ministerial guidance and S4 duties, but that they were constrained in some other areas - such as by the Access and Management Regulations.

*[The rest of this section has been redacted from the published minutes because it relates to the formulation of policy]*

## **EVENING SESSION**

### **Item 8 of the Board agenda from 30 April**

#### **Network Rail Performance and REMCO letter**

71. Alan Price explained that ORR wrote each year to NRs Remuneration committee with our initial assessment of NRs performance for the year so they could take this into account when considering management performance. A draft had been circulated with the Board papers.

*Paragraphs 72-75 to be redacted as they contain sensitive information*

*Redaction ends*

76. The Chair and Chief Executive should agree a revised draft and the Chair should sign the letter. It should be copied to the Board.

**Board 29.04.2013 Action ii:** Revised letter to NR Chair to be circulated to the Board after sending.

**Anna Walker**

**Chair**

Minutes approved by the Board on 21 May 2013