

## **For publication on ORR website**

### **Office of Rail Regulation**

#### **Approved Minutes of the 42<sup>nd</sup> ORR Board meeting held on 18 March 2008 (09:00 – 12:15) at ORR's Glasgow Office, Pegasus House, 374 West George Street, Glasgow**

##### **Board Present:**

Chris Bolt	Chairman
Michael Beswick	Director Rail Policy
Peter Bucks	Non-Executive Director
Chris Elliott	Non-Executive Director
Bill Emery	Chief Executive
Richard Goldson	Non-Executive Director
Michael Lee	Director Access, Planning & Performance
Jane May	Non-Executive Director
Jim O'Sullivan	Non-Executive Director
John Thomas	Director Competition & Regulatory Economics
Linda Williams	Chief Inspector of Railways

##### **In attendance:**

Shamus Kenny	Board Secretary
Sam M Hodgson	Assistant Board Secretary
Paul McMahon	Deputy Director Competition & Regulatory Economics (item 8)

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

1. The Chairman welcomed everyone to the meeting. An apology for absence had been received from Juliet Lazarus, the Board's legal advisor.

##### **Item 2: Declarations of interest**

2. There were no interests for Board members to declare relevant to the agenda.

##### **Item 3: Approval of minutes of Board meeting of 19 February and additional meeting on 25 February 2008 for publication**

3. The Board approved the minutes of its 41<sup>st</sup> meeting on 19 February and its additional meeting on 25 February 2008 and authorised the Chairman to sign them. The approved minutes would be published on ORR's website.

#### **Item 4: Matters arising (not taken elsewhere on the agenda)**

4. The Board noted progress on actions agreed at previous meetings.

#### **Item 5: Chairman's Report**

5. The Board noted and discussed the Chairman's activities since the 19 February 2008 Board meeting and his planned activities for the following month.

6. The Board commented on draft objectives for itself and its Chairman for 2008-09. It would consider revised objectives in April, and review these following discussions on the review of Board effectiveness in July 2008.

7. The Board noted that "The Governance of Britain Green Paper" included a specific proposal to increase parliamentary scrutiny of certain senior public appointments by way of pre-appointment hearings with the relevant select committee. The Government was progressing this ahead of legislation by a pilot scheme and this would affect the appointment of the next Chairperson of ORR, who would take up post in July 2009.

#### **Item 6: Chief Executive's overview and office report**

8. The Board discussed the Chief Executive's overview and office report. This provided an update on industry and ORR activity over the previous month and highlighted forthcoming issues. ORR continued to deliver in accordance with its business plan and budget.

9. ORR announced on 28 February the outcome of its investigation into the New Year possessions overruns, which found Network Rail in breach of its licence, and that it had issued a provisional and a draft enforcement order and proposed a £14m penalty. The Board delegated authority to its Chief Executive to sign off the final enforcement order, subject to the Chairman being content that no material representations on the draft order had been received. The order would require Network Rail to produce a robust plan by 31 May 2008, with clear milestones, which demonstrated how it would remedy the weaknesses identified in relation to the management and implementation of major engineering projects. The Board also discussed the issues it would have to consider in relation to its proposed penalty and agreed that the final decision on the penalty would be taken at its 29 April 2008 meeting.

10. ORR was reviewing a joint performance improvement plan (JPIP), submitted by Network Rail and First Great Western on 10 March 2008, aimed at improving performance on the Western main line. ORR had decided not to investigate the current poor performance as a potential licence breach but this option remained open if targets in the JPIP were not met in the near future. A press release would be issued shortly.

11. The Board was briefly updated on accommodation issues and would receive a fuller report in April 2008.

### **Item 7: Revised Board Rules of Procedure and review of committee memberships**

12. The Board agreed changes to its rules of procedure. The document would be amended and published on ORR's website.

13. The Board also agreed to appoint Chris Bolt to its Remuneration Committee and appointed Richard Goldson as the chairman of that committee. The vacancies on the Periodic Review and Safety Regulation Committee left by the departure of Sarah Straight would not be filled at present.

### **Item 8: Periodic review 2008 (PR08) update and development of the overall package of determinations**

14. The Board was updated on progress with the PR08 programme, which remained on target against key milestones. On 14 February ORR had published its 'update on the framework for setting outputs and access charges and strategic business plan assessment' document. The Board noted and commented on the current issues being considered and would sign off the policy considerations for the draft determinations on 29 April 2008.

### **Item 9: Update on development of 2009-14 Corporate Strategy**

15. The Board noted the progress made in the development of the corporate strategy. It commented on the emerging thinking on the strategic themes, cross cutting issues and expected outcomes, that would drive the way ORR used its flexibility to exercise its functions and priorities its work.

16. The Board agreed that the strategy should tie ORR's credibility and success to the success and credibility of the industry, and acknowledged the challenges that this raised. It would consider the strategic choices for ORR in the development of the strategy at its May meeting. The stakeholder consultation in the summer would explain the thinking behind the strategy and the key issues that it wanted stakeholders to address.

### **Item 10: Board committee minutes**

17. The Board was updated on the activities of its Periodic Review Committee on 4 March, Audit Committee on 10 March and Safety Regulation Committee on 11 March 2008.

### **Item 11: Any other business**

18. None.

**Item 12: Date of next meeting**

19. The next ordinary meeting of the Board would be held on 29 April 2008.

**Chris Bolt**  
**Chairman**

**Minutes approved by the Board on 29 April 2008**