

## **For publication on ORR website**

### **Office of Rail Regulation**

#### **Approved Minutes of the 38<sup>th</sup> ORR Board meeting held on 16 October 2007 (09:00 – 12:05) at the Hilton Hotel, 303 Deansgate, Manchester, M3 4LQ**

##### **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
Juliet Lazarus	Director Legal Services
Sam McClelland-Hodgson	Assistant Board Secretary
Steve Lee	Manager Domestic Legislative Development (item 7)
Calum Webster	Senior Executive, Legislative Development (item 7)
Paul McMahon	Deputy Director Competition & Regulatory Economics (item 9)
Lee Collins	Head of Safety Secretariat (item 10)

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

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

##### **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 18 September 2007 for publication**

3. Subject to some suggested amendments, the Board approved the minutes of its 37<sup>th</sup> meeting on 18 September 2007 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 the previous meeting.

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

5. The Board noted the Chairman's activities since the last Board meeting, which included:

- attendance at a risk and regulation conference, a KPMG reception with the European Investment Bank (EIB), a Royal Academy of Engineering lecture, a Politeia discussion lunch and the joint ORR and ATOC Boards dinner;
- meetings with Nigel Harris (journalist), Geoffrey Norris (No.10), Ian McAllister (Chairman, Network Rail), and Robert Devereux (DfT Permanent Secretary); and
- attendance at Periodic Review and Safety Regulation Committee meetings.

6. The Board noted the Chairman's planned activities for the following month and forthcoming Board meetings and events.

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

7. 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.

8. The Board noted progress on Grayrigg investigation matters, including the publication of RAIB's second progress report. It also noted that though RMT and ASLEF had stated safety concerns as the reason for a strike on 27 September 2007 that resulted in suspension of services on the Hammersmith and City and Circle Lines, the concerns had not been raised with ORR's inspectors. ORR had monitored London Underground's response to the problem, which was satisfactory. The Board was due to receive a presentation from the General Secretaries of RMT, ASLEF, TASS and Unite – Amicus Section unions on 20 November 2007.

9. The Board was updated on performance issues on the Great Western Main Line. The PPM forecast for the end of the year was now 84.3%, well below the Joint Performance Improvement Plan target of 86.2%, though a number of First Great Western's initiatives were expected to aid performance improvements in 2008. ORR's further investigations would seek to identify any timetabling issues so that they were addressed in the 2008 planning round. Directors would assess performance with Network Rail and First Great Western once period 7 results were available and then decide if further regulatory action was required.

10. The Board noted feedback from a joint ORR and DfT Rail directors' away day on 4 October 2007.

## **Item 7: Tramways and heritage railways – safety verification under the Railways and Other Guided Transport System (Safety) Regulations 2006 (ROGS)**

11. ROGS replaced the Railways and Other Transport Systems (Approval of Works, Plant and Equipment) Regulations 1994 (ROTS) in April 2006. This changed the way infrastructure managers and train operating companies ensured the initial integrity of new and or altered vehicles and infrastructure, requiring the appointment of an independent competent person to agree and oversee a programme of verification.

12. The tramway and heritage railway industries had successfully lobbied to have an extended lead-in time for the introducing of the safety verification requirements of ROGS to their sectors until October 2008. ORR had committed to work with both industries to find a workable way of applying safety verification to the sectors.

13. The Board noted details of the concerns of the tramway and heritage sectors, both of which wanted to either retain a ROTS-type approvals regime or for ORR to act as the independent competent person under the ROGS regime. It noted the work undertaken by ORR with the industry, insurers and other interested parties to address and resolve the concerns. It agreed that ROGS brought greater clarity to the responsibility that operators had for safe operation of their railways than the ROTS regime, and its full introduction would help to improve safety levels in all sectors of the railway industry.

14. The Board agreed that it would write to the Minister for Transport to say:

- it supported the principle of applying safety verification to both tramway and heritage railway sectors as the best method of ensuring the initial integrity of new and / or altered vehicles and infrastructure in both sectors;
- the application of safety verification would not impose unreasonable or unexpected costs upon the industry, especially as the need for formal safety verification is likely to be low; and
- ORR would continue to actively work with the industry to help it understand the ROGS requirements, what was currently provided, and to address any practical difficulties.

## **Item 8: Business plan process and priorities for 2008-09**

15. The Board noted the progress being made in the second year of ORR's 2006-09 corporate strategy. No major changes were proposed to the strategy as it remained fit for purpose. The Board supported the proposed business plan priorities for 2008-09, which built upon the progress made so far in 2007-08 and took account of the other wider issues and developments that had emerged since the strategy had been published. A key priority for 2009-09 would be the delivery of the periodic review 2008.

16. The Board also supported the process for developing and consulting on the business plan. Stakeholders would be consulted in November 2007 and

invited to attend workshops in early January 2008 to finalise the priorities. The plan and budget would be submitted to the Board in February 2008.

17. Work would start shortly on the development of the 2009-14 corporate strategy.

### **Item 9: Periodic review 2008 (PR08) update**

18. The Board was updated on progress on the PR08 programme, which was broadly on target against its main milestones. It had an initial discussion on establishing a balanced package of determinations on all of the decisions stemming from the review, in particular incentives, efficiency and the treatment of risk and uncertainty. It also discussed the principles and process for the “early start” funding and proposals for the treatment of other single till income.

### **Item 10: Approach to integrated regulation**

19. The Board received an update on the work of the Integrated Regulation Programme on how ORR could secure the best advantage from the merger of railway economic, health and safety regulation. The output from the Board’s discussion would feed in to the Board’s away day in November 2007.

### **Item 11: Board committee minutes**

20. The Board noted the activities and draft minutes of its committees that had met since the last Board meeting: Safety Regulation Committee on 13 September 2007, Periodic Review Committee on 25 September 2007, and Audit Committee on 2 October 2007.

### **Item 12: Any other business**

21. None.

### **Item 13: Date of next meeting**

22. The next ordinary meeting of the Board would be held on 20 November 2007 in London. The Board would also have an away day on 12-13 November to discuss the development of the 2009-14 corporate strategy.

**Chris Bolt**  
**Chairman**

**Minutes approved by the Board on 20 November 2007**