The chairman advised that Mark Carne was unable to attend the meeting due to an impending Transport Select Committee report on level crossings. This would have been his first meeting as a Network Rail nominated director. Gareth Llewellyn (GL) advised that he would have to leave the board meeting at 16.00hrs.

The chairman also acknowledged that this would be Len Porter’s (LP) last board meeting as chief executive of RSSB.

**RSSB.14/12 ANNUAL RISK REVIEW**

The paper showed how the board had considered the modelled safety risk for the industry, considered the process relating to the review of the safety risks and discussed the strategic agenda from April 2014.

CD updated the directors on the key safety risk management initiatives considered in 2013/14 the most significant being the establishment of SSRG. Other key initiatives included the establishment of the Platform Train Interface (PTI) strategy group and SMIS data quality health checks.
In terms of progress on risk during 2013/14, CD advised that the HLOS safety metrics for CP4 targeting a 3% reduction in the risk to passengers and the workforce were likely to be met as were the Strategic Safety Plan trajectories established for the same period.

CD further briefed that the attention paid to each area of modelled risk through the year was considered appropriate by the board who had also looked forward strategically at the system risk profile and identified strategic risk areas for the industry. Associated risk issues identified were being passed to SSRG for deeper consideration.

CD concluded by asking for guidance on discussion topics for the strategic section of the board agenda now that SSRG would be responsible for the workforce, public and passenger risk papers. In future the RSSB board would annually consider a consolidated report from SSRG which once approved would be published in the Annual Safety Performance Report.

GL drew attention to Network Rails proposed 50% reduction in train accident risk for CP5 and Chris Fenton (CF) confirmed that RSSB looked forward to supporting the Network Rail agenda.

Paul Kirk (PK) speculated as to whether there was any linkages between the deterioration the PIM was showing in the overall risk profile for train accidents and work currently underway on behaviours, skills and competencies in the National Skills Academy.

In conclusion the directors confirmed that during the year they had reviewed and considered the significant items of system safety risk that impact on the industry and were satisfied with the risk review arrangements. They also agreed to suggest topics for consideration for the strategic section of July, September and November board meetings.

The directors agreed that the risk papers received by SSRG for consideration, would also be copied to the directors.

RSSB.14/13 SIGNALS PASSED AT DANGER (SPADs)

Mike Carr (MC) of Network Rail and Paul Rushton (PR) of East Midlands Trains joined the meeting for this paper.

A presentation was given on SPADS which addressed the following:

- The definition of a SPAD
- Where they occur
- The historical perspective
- The immediate causes
- The conflict point
- The outcomes of a SPAD event
- The key dimensions/scope of the issue
- The changing risk profile from 2003 to today
- How the UK compares with other European countries
• The primary controls
• Other factors

The conclusion of the presentation was that
• SPADS were low frequency, high consequence events
• SPADS were a system interface risk
• Past and current activities have mitigated the risk but
• A risk control strategy for the next 10 years was required. This, could be developed by the SSRG with appropriate input from other relevant sponsorship bodies so that it was genuinely system based.

The directors discussed the UK SPAD performance in contrast to Europe. France for example was performing marginally better which was probably due to the continental configuration where very significant train miles are accumulated by TGVs under the French ATP system.

The directors also discussed the ‘anomaly’ of 2012 performance where the UK had an exceptional year on the infrastructure.

Steve Murphy (SM) praised the paper and presentation and suggested that understanding better use of technology in the mitigation of SPADs would be key. He asked if the 10 year plan would consider whether SPADs were increasing as ERTMS was introduced. MC confirmed that with the early introduction of ERTMS, this was the case as drivers found themselves running over ERTMS fitted infrastructure and non ERTMS fitted infrastructure on the same route. This introduced risk. Ian Prosser advised that the ORR would be challenging the plans for the introduction of ERTMS/ECTS to see if they take account of potentially increased risk of SPADS at transitions.

Neil McDonald (NMcD) noted that 80% of the current SPAD risk was around driver behaviour. He suggested that with the current shortage of drivers, the exercise to recruit new drivers could provide an opportunity to take on drivers with a different mind-set and train them differently. Charles Horton (CH) advised the directors that Southern, Network Rail and RSSB were currently working on a new approach to driver training that could be beneficial. Anson Jack (AJ) confirmed that there was a prospect for a complete overhaul of driver training with 3 different associated pieces of work already underway. CF asked whether there was sufficient exposure of this work within the industry.

RG advised that ERTMS would be introduced in parts of the network quite soon and quicker than some expected and that the DfT would be content if the transition/interface issues were discussed in the industry as a ‘burning issue’ concerning people, behaviours, business risk etc. RSSB was well placed at the centre of the industry to deal with this.

**With the interest in ERTMS apparent, it was suggested that a paper on ERTMS should come to board in due course.** CF/AJ

The directors acknowledged that although the SPAD risk was low they recognised the potential for a high consequence train accident at any time.
In conclusion the directors noted all the work done over the last 10 years to improve SPAD risk and confirmed support for SSRG to develop an appropriate risk control strategy for the next 10 years but with a focus on the highest frequency causes.

RSSB.14/14 WORKFORCE HEALTH AND WELLBEING PROJECT

Shamit Gaiger (SG) joined the meeting for this paper.

John Abbott (JA) introduced the paper which sought to secure board approval for a cross-industry group to help employers improve workforce health and wellbeing. The subject was last discussed by the board in July 2013 when they directors asked that RSSB look at what should be done in the area of health and wellbeing to support the industry. Engagement in this area had improved significantly across the industry with employers understanding that the workforce is a critical resource to the future success of the railway.

Over 100 people from across the industry had participated in the development of a health and wellbeing vision and supporting roadmap. The roadmap set out the priorities to achieve the vision over CP5 and into CP6.

The directors felt that the vision and charter should be developed faster, should demonstrate business benefits, should be fit for purpose and should learn from existing practices rather than creating something new.

On this understanding they agreed to commit to the establishment of a cross industry group to support all employers and systematically improve their health and wellbeing via the roadmap.

RSSB.14/15 CHIEF EXECUTIVE'S REPORT

The chief executive drew the directors' attention to a number of key issues and highlights including:

- The reappointment of Malcolm Brown as the rolling stock owners non-executive industry director on the RSSB board for 3 years from 1 April 2014, the reappointment of Alan Emery as an non-industry non-executive director of RSSB for a three year term from 31 April 2014 and the extension by 1 year of Paul Thomas appointment as a non-industry non-executive director of RSSB from 1 April 2014.
- The approval of the ORR to the proposed changes in the constitution agreement approved by the members in general meeting in February.
- The importance of VTISM as a core business tool for the industry and the directors resolved to endorse the development of a strategy for subsequent approval by board for RSSB to take on the management of VTISM as a business-as-usual activity – with the strategy including a business case and the identification of the options for funding.
- The directors resolved to admit Rail Operations (UK) Ltd as a member in the supplier category with immediate effect. They further resolved to admit South Yorkshire Supertram Ltd in the
TOC category of RSSB membership as a non-franchised TOC with immediate effect and Rail for London (RfL) as a member in the Infrastructure Manager category of membership following approval by the ORR on a date to be determined by the executive.

- With respect to the establishment of the proposed Transport Safety Commission, the directors resolved to approve RSSB nominating one of its executive to take up the role for an initial period before reporting back about the effectiveness of the commission and longer term rail industry participation.
- To note that there will be a paper on CIRAS including the output from the RACI activity undertaken on its governance and amendments to its terms of reference, to the next board meeting in May.
- To note RSSB participation in an independent committee who will advise and challenge SNCF on their change programme for the management of safety.
- To note the scope of RSSBs support for the DfT and bidders with respect to franchising.
- To note the documented history of how ‘single manning’ of trains became the norm in the UK and that there is no evidence to suggest a need to revisit this approach.
- To consider the budget for RDDS for 2014/15 which the directors resolved to approve along with the proposed charges for 2014/15.

The chief executive asked the directors to note the current status of core funding of R&D which confirmed what had been reported previously. The annual R&D plan for 2014/15 was being developed. He also asked the directors to note the two R&D contracts that had been authorised by the executive since the last meeting.

With respect to innovation, he advised that the newly formed Railway Supply Group was looking for support from the Future Railway team.

On key safety issues, the chief executive drew attention to the single passenger and workforce fatalities, the 7 accidental public fatalities during December 2013 and January 2014 and the three 20+ SPADs over the same period. He noted that despite the poor weather conditions there had been no passenger train derailments during the year.

The financial overview, he said showed the 2013/14 outturn being close to but not exceeding the budget.

The chief executive concluded his report by drawing attention to the numerous international accidents including a derailment resulting from a collision with cattle in Greece in December 2013.

The directors noted the report
RSSB.14/16  R&D BUDGET AUTHORIZATION

CD introduced the circulated paper seeking a budget increase for a further phase of work on T972 *Piloting a geo-referenced safety risk model for the rail network in Great Britain*. The increase was to allow for the development of additional functionality and software development.

The directors resolved to authorise the budget increase as requested.

RSSB.14/17  SYSTEM INTERFACE COMMITTEE(SIC) UPDATE AND APPOINTMENT OF NEW CHAIRMAN

AJ introduced the circulated paper. It sought board approval for the appointment of a new chairman for the Vehicle/Train Energy (V/TE) SIC and asked the board to note the achievements of the outgoing chairman. It asked the directors to note the role of three of the SICs in championing chapters of the Rail Technical Strategy (RTS).

The directors noted the key achievements of Tony Mercado as outgoing V/TE SIC chairman and wished to record their appreciation of this work and the positive benefits of it to the industry.

Jeremy Candfield noted that with the departure of Tony Mercado, the supplier community were no longer represented amongst the SIC chairmen and asked that they be considered when appointing future chairmen.

The directors resolved to approve the appointment of Mr Edgar Goddard as the new Chairman of the V/TE SIC for a period of three years and noted the good news story of the enhanced role of SICs in championing chapters of the RTS. Directors agreed that when a relevant future vacancy comes up for a SIC chair that efforts should be made to fill it with a suitable candidate from the supply community.

RSSB.14/18  BUDGET ALLOCATION FOR 2014-15

CF introduced the paper which set out at a high level, the anticipated income and expenditure by activity type for the coming financial year. Objectives for 2014-2019 were set out in the Strategic Business Plan.

Although the Strategic Business Plan 2014-19 did not outline in detail priorities and related actions of the incoming chief executive, the overarching theme was ‘Strategy into Action’. There were a number of activities that RSSB now needed to expedite following the various industry generated reviews including the RVfM review and its subsequent initiatives and a need to set priorities for implementation of the initiatives identified by the internal elements of the strategic review.

The two areas of priority were:

a) customer: improvement of communication and engagement and
b) People: with people being RSSBs main asset it was important that the best was being made of the competencies and talents available through development and resource management.

A number of related key projects would be implemented immediately with others to follow later in the year.

MB asked CF if there had been any surprises when out talking to the industry. CF confirmed that nothing has arisen that had not already been identified by staff in their comments in the last staff survey which ran to over 60 pages.

The directors were very supportive of the link between the Industry’s Strategic Business Plan (ISBP) and the RSSB strategic Business Plan. CF advised that the ISBP was part of RSSBs guiding principles going forward.

The directors noted the starting position for 2014/15, endorsed the high level priorities as set out and welcomed further discussion on detailed priorities, related actions and specific resource allocation in future.

**RSSB.14/19 RSSB GOVERNANCE**

a) Draft minutes 09 January 2014 meeting.

The circulated draft minutes of the board meeting held on 9 January 2014 were approved for signature by the chairman.

b) Matters arising

All other outstanding actions were reviewed and it was noted that all were either done or in hand.

c) Feedback from Audit Committee

Paul Kirk (PK) chairman of the Audit Committee acknowledged the increased intellectual horse power of having MB and CH on the Committee.

The committee had reviewed the plan for the year end audit with UHY Hacker Young the company’s Auditors and there were a couple of items he wished to flag:

- In light of the ongoing issues with Oracle and licences the committee had recommended a strategic review of IT
- The committee wanted assurance that EIT activity and innovation funding had appropriate governance and accounting.

The committee had also discussed the company’s treasury policy and recommended that RSSB take professional advice to establish a revised policy that would obtain better returns on investments with no increase in risk.

Finally the committee had reviewed the forward agenda for the coming
year noting that topics would be added as required.

The board directors supported the Audit Committee’s recommendations.

d) Transfer of Chief Executive Authority

The directors noted that Len Porter was retiring as both an executive director and chief executive of RSSB with effect from 31 March 2014 and that he would no longer be in the office in a formal capacity after 7 March 2014.

The directors resolved to approve the transfer of title, role and responsibilities of the chief executive to the chief executive designate, with effect from 0001hrs 08 March 2014.

The chairman wished to formally recognise and record on behalf of the RSSB board directors the incredibly significant and exemplary contribution from Len Porter as chief executive of RSSB over the last 11 years, since its inception in 2003.

e) Feedback from Remuneration Committee meeting

The chairman determined that this would be taken after the next item.

RSSB.14/20 LEN PORTER – EXIT PRESENTATION

Len Porter made a presentation to the directors which he said constituted his comments on his 11 years at the helm of RSSB. He had given this presentation (or a version of it) to the Network Rail and ATOC boards and the SRA in his first 6 months in the role. He hoped it would provide food for thought and generate discussion after the meeting.

Following the presentation, the Chairman asked everyone except the RSSB non-executive directors and the company secretary, to leave the meeting.

RSSB.14/19e RSSB GOVERNANCE – FEEDBACK FROM THE REMUNERATION COMMITTEE

The chairman of the Remuneration Committee, Alan Emery (AE) advised that following earlier discussion, the committee put forward the following recommendations:

- that the proposal for a 2.5% increase in executive, non-executive directors and staff earning above £120k salaries for 2014/15 is supported
- that an increase of £500 to the London Allowance (Currently £3000 per annum) is supported but that CF would consider whether the London Allowance should be consolidate into salary going forward and would bring back a proposal to remuneration committee in this respect in due course.
- that the definition of those whose salary should be considered by the remuneration committee be amended to: either
RSSB staff whose salary is above £120k
or
members of the executive management team and usually associated with the title of ‘Director’.

Additionally as Len Porter was retiring from the company in this financial year the committee felt it was appropriate that they consider his bonus and proposed that in light of his outstanding, excellent committed overall performance as chief executive of RSSB over the previous 11 years that LP receive the maximum bonus entitlement available under his contract as opposed to in line with the results of the formal company objective review process. The bonus to be paid in the next financial year (2014/15).

This would then be excluded from discussions at the May remuneration committee meeting on bonus for the remainder of the executive team.

He concluded by advising the directors that CF had indicated that he would be reviewing the bonus assessment process by the introduction of KPIs.

The directors resolved to support all recommendations from the remuneration committee.

RSSB.14/21 AOB

There being no further business the chairman concluded the meeting.

Date of next meeting: Thursday 08 May 2014 at 15:00hrs, to be held at Block 2, Angel Square. This will be preceded by a Remuneration Committee meeting and followed by a board dinner.

Signed………………………………….. Date……………

Chairman