



passengers to London Bridge. It was noted that British Transport Police had reported that the people who were photographed jumping over or crawling under the barriers were doing so because they could see their trains on the platform, not because there was a life-threatening crush at the barriers, as stated in the media. Nevertheless the Company was treating the situation at London Bridge as a priority and a review of contingency plans with London Underground when multiple stations were disrupted was now commencing. Scenario planning was being revised and six full time Land Sheriffs had been employed at London Bridge to assist with passenger movements. A further examination of the plans for passenger safety beyond the barriers would also be undertaken. The chain of command at stations would also be re-examined, especially at stations with multiple TOCs.

Communications during a crisis were discussed. The Board expressed a view that the Company needed to do more to get on the front foot more quickly and to bring more resource to bear. Mark Carne suggested that the Executive take a more considered view and would return to the Board with a response at the next meeting.

**MC (BW)**

Mark Carne then moved to discuss pay and the current issues with RMT. It was noted that the RMT had recommended rejection of the Company's pay offer and would now run a referendum with its members which could in turn lead to a strike ballot. There followed a general discussion on tactics and communication with employees and strike contingency planning. The Chair asked whether government had been briefed on the position. Paul Plummer confirmed that DfT officials had been briefed, but he would check that the Secretary of State and Minister had been briefed.

#### **15/41 UPDATE ON THE BUSINESS PLAN**

Mark Carne introduced the updated business plan. Progress had been made in bringing the business plan for 15/16 back to the original determination.

Patrick Butcher then proceeded with his presentation of the business plan. The current shape of the plan for the early years was felt achievable and he was in the process of locking down the 2015/16 Business Plan, with clear accountabilities for delivery, which would be brought back to the Board for approval later in the month. Validation of the plan for the rest of CP5 was still needed, with a decision point likely in June this year.

Patrick Butcher highlighted the following areas:

- train performance: specification and reactionary delays cause most lost performance. The South East was most affected by the increase in passenger numbers. Train performance for Southern had dropped from 88% to 70%. 90% of milestone improvements have been achieved but passenger growth had been reported at 6% in the last year. The assumption in the original business plan had been for 10% growth over the whole of CP5, or 3.1% per annum.
- LNE Route was the only Route out-performing its metrics, and also the only Route to have so far implemented Structured Continuous Improvement over any period of time. Structured Continuous Improvement plans elsewhere were not likely to have any effect on PPM figures during the course of this year, but would flow through in future years of CP5.
- Renewals, it being noted that in terms of volumes the Company had delivered more track renewals volumes than in any previous year however these volumes were still below plan.
- Signalling, it being noted that there were still significant challenges in the numbers which continued to be examined.

There then followed a discussion on numerous aspects of the draft plan including the impact of passenger growth on performance, the possibilities for influencing peak travel to reduce capacity pressure, the need for strong evidence and rationale for

extrapolating LNE performance across the network, and the need for ever clearer accountability for deliverability.

The Board also discussed the lessons learnt from the acceptance of the Final Determination bearing in mind the now proposed Business Plan. All agreed that the Executive team under the leadership of Mark Carne now needed time to deliver the current strategy and approach.

Mark Carne explained that to provide greater assurance of the proposed Business Plan an external audit of the numbers was being commissioned and that the final numbers would be included in individual performance plans and clear accountability would be driven through the business.

Lastly on this topic the Board discussed the engagement to date with the ORR and the DfT regarding the Business Plan and next steps regarding sign off of the Business Plan. It was agreed that the Business Plan Sub Committee of the Board scheduled for 12<sup>th</sup> March to approve the Business Plan would be cancelled as the Executive would not be ready. An additional main Board would be convened during the week commencing 16<sup>th</sup> March.

**SEW**

**15/42 EXTREME WEATHER AND ASSET RESILIENCE - UPDATE**

Kate Avery's paper 18/15 which gave an update on projects and processes supporting the development of long term weather resilience and climate change adaption strategies was taken as read.

**15/43 TELECOMS COMMERCIAL STRATEGY UPDATE**

*Jerry England joined the meeting*

Jerry England's paper 19/15 which gave an update of the status of the delivery of the Network Rail Telecoms commercial strategy was taken as read.

**15/44 TECHNOLOGY & INNOVATION UPDATE – DIGITAL RAILWAY**

Jerry England presented paper 20/15 which gave a progress update on the development of the Digital Railway.

There followed a discussion regarding the need to manage the strategic risks associated with large technology dependent projects although it was noted that this was at its heart a cultural change project not just a technology driven project. And the need to signpost the changes within the industry to ensure that key groups, such as train drivers, felt included and not threatened. These groups would also have valuable insights into the project roll-out.

Jerry England was encouraged to be more passenger-centric in communication material, prioritising the benefits to passengers, such as more seats and more reliable journey times.

He was then challenged on whether his communications team was strong enough. He had one person seconded from Barney Wyld's team and he felt that this was sufficient for the moment.

The Chair then asked whether there was any way of leveraging the work on the Digital Railway to help to improve current train performance. Mark Carne responded that Digital Railway would be a key enabler for both signalling and renewals, both of which were key issues affecting current performance.

The Board concluded with expressions of significant ongoing support for the project noting that whilst the potential benefits were substantial the delivery would be challenging. The preliminary business case for the Digital Railway would be circulated to the Board once available.

**JE**

*Jerry England left the meeting*

**15/45 ANY OTHER BUSINESS**

Suzanne Wise gave an update on the relationship with the public members and informed the Board of the Public Members' future expectations of their interactions with the Board and Executive. The view from the Board was that, at present, with the additional focus on performance improvement, they were reluctant to support the proposed extra NED attendance at engagement groups but that making the half-yearly meeting more formal, with all NEDs attending was a good idea. The Board asked that these decisions be communicated to the members.

**SEW**

**15/46 DATE OF NEXT MEETING**

The Board Strategy Day would be held on 11 March 2015 and the Board meeting would be held on the 23 April 2015.

**15/47 BOARD FORWARD AGENDA**

The forward agenda was noted.

There being no further business the Chairman closed the meeting.

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CHAIRMAN

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