

**MINUTES OF A MEETING OF THE BOARD  
OF  
NETWORK RAIL LIMITED  
held by way of conference call and at  
1 Eversholt Street, London NW1 2DN  
on  
Thursday 8 January 2015 at 2.00pm**

**Present:** Richard Parry-Jones (Chairman)                      Robin Gisby  
Patrick Butcher    Janis Kong  
Mark Carne    Michael O'Higgins  
Sharon Flood     Paul Plummer  
Chris Gibb    Bridget Rosewell

**In attendance:** Suzanne Wise – Secretary  
Francis Paonessa  
Barney Wyld

**Apologies:** Malcolm Brinded

<b>MINUTE NO.</b>		<b>ACTION</b>
15/01	<b>REPORT INTO THE OVERRUNS ON 27<sup>th</sup> DECEMBER 2014</b>	

***Purpose of the Meeting***

The Chairman and Mark Carne explained that the purpose of this additional Board meeting was to review the overruns and consequent passenger disruption affecting King's Cross and Paddington Station services on 27<sup>th</sup> December 2014. In particular, bearing in mind the Board's immediate concern about the impact on passengers combined with the reputational damage done to the Company, it was crucially important that the Board understood what had happened and were assured that lessons were being learnt and also considered Francis Paonessa's draft Report into the causes of the overruns and the attendant stakeholder communication plan.

The broader industry investigation being conducted by the ORR would look in greater detail at passenger safety issues at Finsbury Park station, which is part of the operating responsibility of GTR, and therefore did not form a major part of this report.

***What Happened and What Caused the OVERRUNS***

Mark Carne referred the Board to the draft of the Report that had been circulated the previous day. It was explained that this was still a work in progress. The Chairman had already provided some comments and these had been reflected in the current draft. A verbal summary of the facts and causes of both overruns was then provided.

Detailed discussions took place in particular around the following :

- the role of the Alliance between Network Rail and Amey Rail, responsible for delivery at Holloway Junction/Kings Cross, and in particular how the Alliance worked, the staffing and accountability within it
- the role of Signalling Solutions Ltd at Old Oak Common/Paddington
- the failure of the operational contingency plans at Finsbury Park station
- the increasing public expectation that when things do go wrong there should be excellence in service recovery, noting the dilemma that at this point Network Rail, whilst often held accountable for any failures, finds itself operating through others with the consequent need for excellence in cross industry communication
- whether the volume of works undertaken over the Christmas period had

- reached an unsustainable tipping point bearing in mind limitations on certain key resources. The Executive were asked whether there was more that could and should be done to take a more strategic review of resources as a whole
- whether the 95% hurdle rate set for major projects was sufficient – could there be a handful that should have a higher hurdle rate for probability of successful hand back at say 98%

The Non-Executive Directors provided insight and comment on the draft Report, making several suggestions regarding presentation of the material bearing in mind its public audience, focus on safety and customers (passengers), the need for greater clarity of timeline, the need to make a clearer distinction between the different types of contingency (project contingency, operational contingency/service recovery plans).

***Lessons Learnt***

These had been highlighted in the Report and were discussed by the Board. It was noted that one of the major lessons was around the need for better operational contingency planning, and indeed better planning for when contingencies go wrong, but that even with better planning it would never be possible to provide 100% certainty that all possessions would be handed back on time. The dilemma that building in greater contingency would lead to increasing levels of disruption for potentially even more passengers was noted.

***Summary***

The Chairman noted that whilst very disappointing and obviously responsible for significant passenger disruption and highly reputationally damaging; the two overruns had not been symptomatic of a strategic failure on the part of Network Rail. The Company had planned on an economic basis for 95% of all possessions to be successfully handed back on time, the process adopted in the planning of such major possessions would not appear to be fundamentally flawed. Indeed, it was reported that 99% of all Christmas/New Year possessions had been handed back on time. However what went wrong on these two possessions had been eminently preventable and would form the basis for further improvement.

**15/02 DATE OF NEXT MEETING**

The next Board Meeting would be held on 22 January 2015.

There being no further business the Chairman closed the meeting.

.....  
CHAIRMAN

© Copyright Network Rail 2015