



OFFICE OF RAIL AND ROAD

ORR's Independent Review of RSSB

Summary

November 2016





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Contents

Executive Summary	4
Recommendations	7
A new settlement with members	7
On RSSB's role	7
On RSSB's relationship with members and industry	8
On prioritisation	8
On efficiency and delivery	9
On Governance	10
Timescale for implementation	10

Executive Summary

1. In May 2016, RSSB's Chair requested we carry out an independent review of the organisation. Our review was carried out with the support of an advisory steering committee, comprising a small number of senior representatives from across the industry and draws heavily on the findings from our open consultation in July and industry workshops during August. In our full report we address:

a	The strategic context and direction for RSSB (Section 3);
b	RSSB's delivery against core areas of its activity (Section 4);
c	RSSB's processes for delivering its work (Section 5);
d	The wider enablers of RSSB's effectiveness (Section 6), including institutional arrangements, culture and organisational capability.

2. Established in 2003, following a series of serious rail accidents, RSSB continues to play an important role in the rail industry as an independent and impartial body, that is answerable to, and engaged with, its members and so responsive to industry needs. Responses to the consultation showed very strong consensus that RSSB adds value to the industry's health and safety performance and is effective at reducing future safety risks. Much of its work is regarded as high quality, and of significant benefit to the industry, in line with what was envisaged in the Cullen report¹ which led to RSSB being established. (Paragraphs 22-23, 29-30, 67)
3. The complex industry environment in which RSSB operates creates specific challenges for how it engages with its members and supports cross-industry collaboration. There are material and changing demands on the rail industry to which RSSB must help its members adjust, such as devolution, technological change, passenger growth and more recently the decision to exit the European Union. But the diverse range of parties in the industry (with stakeholders who have different investment horizons, risk appetites and incentives), means there is no single voice to represent RSSB's members' demands. Navigating this complex and

dynamic environment astutely and purposefully is critical to RSSB's future success.

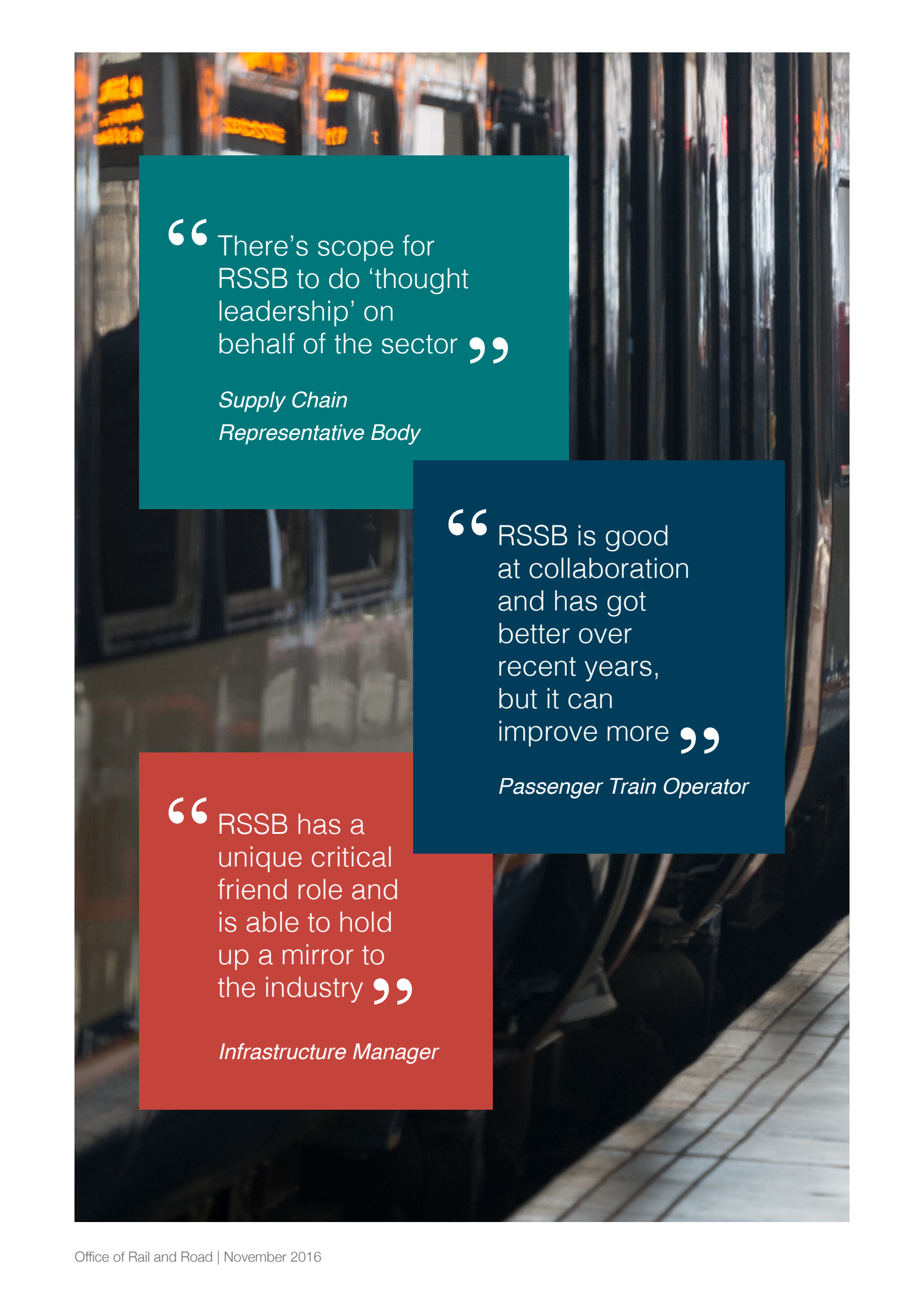
(Paragraphs 21, 24)

4. In conducting this review, we identified that RSSB has taken significant internal steps to review their effectiveness, including responding to the recommendations of our previous review and commissioning a further organisational review in 2014. It engaged openly and constructively with this review and has a culture that is open to self-criticism. (Annex 1)
5. Our consultation with RSSB members and other stakeholders showed confidence it is working on the right core issues. There is wide support for RSSB's overall mission and its core tasks around standards, system safety and associated monitoring and analysis, where it is highly regarded. RSSB's core research and development work is well known and respected for its quality, but questions were raised in consultation about the efficiency of its delivery and the effectiveness to the sector of its end-product. Its expertise and analytical skills are regarded as strong and underpin these areas. We also observed rigorous project and programme management disciplines to track progress through to completion. (Paragraphs 28-35, 51, 64, 78)
6. Beyond the core areas of activity, however, RSSB's priorities are less clear and transparent, requiring better communication, explanation and agreement with members. So far the arrangements between RSSB and its members have not always led to agreed priorities for its work being established. The clearest example is RSSB's innovation work (funded by grant, not member levies), where RSSB's effectiveness is unproven, with no clear success metrics or mechanisms in place to systematically track its impact. A number of stakeholders were concerned that the large volume of innovation funding may distort attention away from core business, although RSSB's view is that innovation is a discrete activity that is funded and managed separately. Some other stakeholders were concerned innovation is not necessarily a good fit with an organisation responsible for promoting safety and standards. (Paragraphs 26, 41-46, 51)
7. Industry leadership is important to a successful safety culture and in our view, RSSB's role and obligations in this area need greater clarity. As we noted in our 2010 review, RSSB is not a duty

holder under railway health and safety law, and is not in a position to lead the sector. However, RSSB needs to ensure effective and efficient facilitation of industry committees and working groups, including deciding when their work should be wound-up. At present, attendance can be sporadic, but sufficient to ensure committees are able to make decisions. However, they risk the perception of dominance by RSSB staff. Committees and working groups should enable duty holders to discharge their legal duty to cooperate, a process which can also deliver significant benefits and confidence in how the mainline network's integrated system operates; and in which it is essential that RSSB's members actively play their part. (Paragraphs 25-27, 55-57)

8. We found support that RSSB should provide a greater 'thought leadership' role to identify proactively emerging system safety issues to which industry needs to respond, developing options for industry to consider and challenging industry to take action. This facet of leadership fits well with its role and was welcomed by consultees. (Paragraph 32)
9. As health and safety regulator, our view is that occupational health and well-being receives insufficient attention across the rail sector. In 2014 RSSB estimated that 1.06 million working days are lost due to sick absence across the industry each year and the UK Labour Force Survey shows ill health rates that are around 15% higher than the average for all occupations. Occupational health and well-being was rarely mentioned in our review of RSSB's work and responses to our consultation, and we consider it merits the same concerted cross-industry effort that RSSB exists to facilitate on other health and safety issues. In a similar vein, there was little evidence of attention to environmental sustainability through RSSB's activities, and there is a case for promoting greater integration of sustainability into all of RSSB's health and safety work streams in future. (Paragraphs 47-48)
10. Whilst RSSB's internal project and programme management is generally good, it needs to strive to become a more results-focused, efficient and agile organisation. RSSB's agility and efficiency were the areas rated weakest in our consultation and RSSB does not currently use results metrics in its reporting or evaluation. A common theme across both research and innovation work was the need for RSSB to do more to monitor and encourage take-up of proposals. Across all of RSSB's portfolio, members wanted greater speed and the agility to respond to dynamic change. The timescales for





“ There’s scope for
RSSB to do ‘thought
leadership’ on
behalf of the sector ”

*Supply Chain
Representative Body*

“ RSSB is good
at collaboration
and has got
better over
recent years,
but it can
improve more ”

Passenger Train Operator

“ RSSB has a
unique critical
friend role and
is able to hold
up a mirror to
the industry ”

Infrastructure Manager

projects are usually set by RSSB in consultation with stakeholders. Around two thirds of standards projects are delivered within their original timescale, but three quarters of the research and development projects we reviewed took longer than originally envisaged. RSSB told us delays were caused by difficulties in executing trials with industry. Of the circa £88.6 million cash advanced to RSSB by Network Rail and the Department for Transport (DfT) for innovation work since 2013-14, £46.7 million remained cash in bank at October 2016. £56.8 million of the £88.6m is financially exposed (either spent or fully dedicated to projects agreed in principle and at feasibility and/or demonstrator stage). A commonly heard perception amongst respondents was that RSSB's processes are cumbersome, for example, we received a number of practical suggestions to improve its committees and the working groups RSSB facilitates (potentially helping improve attendance). RSSB operates through consensus, and while this is welcome, building consensus can add time and consequently cost. (Paragraphs 40, 42, 52, 54, 59-65, 73)

11. Although the facilitation of industry collaboration is one of RSSB's most potent and praised capabilities, there are mixed views on the extent to which RSSB is regarded as responsive by members. RSSB has improved its relations and communications with members, such as by bringing in new 'engagement managers', but its executive is right to prioritise better engagement, for continuous improvement. Given the diverse industry structure, there is a clear requirement on RSSB to engage much further to wider stakeholders than might normally seem justified by a member owned organisation. We heard concerns that RSSB tends to consult with the same small group of bodies, and rarely goes out to engage stakeholders where they are located. Greater clarity over the interfaces between RSSB and other industry supporting bodies is also needed as there are divergent views on whether RSSB's responsibilities in relation to other bodies are clear. (Paragraphs 53-58, 74-79)
12. We found limited awareness within industry of the funding and governance arrangements for RSSB, such as the composition and effectiveness of the board. Together with the lack of visible performance targets, and the need to improve engagement with industry and members, this suggests a requirement to enhance its external accountability. Where stakeholders were familiar with the board, there were mixed views on the extent to which it

is representative of the industry and effective as a decision making body. There should be greater clarity around the role of running the company, representation of different sectors of the industry and the desires of the members. Network Rail's engagement at RSSB Board level needs encouragement to optimise the added value their scrutiny will provide. (Paragraphs 52, 68-70, 74)

13. We conclude that there is potential for RSSB's work to add considerably more value to the industry if the settlement between RSSB and its members is now refreshed to give greater clarity to all parties on their mutual expectations and obligations. This new settlement requires that RSSB and all its members play their appropriate roles. We believe this is a critical enabler for RSSB to address the issues highlighted in this report and recommendations set out below.

Recommendations

A new settlement with members

14. The recommendations that follow support, and are complementary to, this overarching recommendation:
- a. **RSSB needs to put in place a new settlement with members that encompasses the mutual expectations and obligations of all parties involved** (so it is just as important for each RSSB member to honour it, as it is for RSSB to deliver it). It should include:
- The mechanisms by which RSSB's annual work programmes are agreed;
 - The processes used to ensure timely, efficient, and effective completion of agreed work;
 - The way in which members support that work programme; and
 - The crucial role of RSSB's Board as the forum in which these issues are discussed and agreed.

On RSSB's role

15. RSSB's role has necessarily evolved since it was established. To ensure sufficient clarity of role RSSB should:
- b. **Set out a clear statement of how safety leadership is now achieved in the industry**

This should be led by the RSSB Board, working closely with members and widely communicated to ensure that everyone is clear on their roles and responsibilities in providing the practical safety leadership identified as necessary by Lord Cullen.

- c. Invest further in its horizon scanning capability so that RSSB can provide stronger 'thought leadership', alerting industry to emerging threats and opportunities and proactively identifying options to take action, rather than rely on reacting to issues as they arise.** For example, RSSB's role in safety and risk could increasingly move to looking at leading, as well as lagging indicators of performance. Maintaining strong, long-term links with academia will be important to this capability.

On RSSB's relationship with members and industry

16. RSSB needs to put its relationship with its members, and the wider industry, at the centre of its work. Its efforts to support cross-industry collaboration are already highly valued, but RSSB needs to address the perception that it is sometimes a London-centric organisation of technical experts, and not always a body attuned to understanding and meeting the needs of its diverse members. Specifically, RSSB needs to:

- d. Put member needs explicitly at the heart of its objectives and every activity.** We welcome the executive's stated intention to do this. All RSSB activity needs to define: who will use the work; what are their needs and how can they be best met; this should facilitate the cultural shift that is needed. No work should go ahead without being clear on the answers to these questions. RSSB must proactively obtain regular feedback from members for all activities and this feedback must be visible to the executive and Board.
- e. Agree with members the specific standards of service they expect and similarly clarify RSSB's expectations of its members** (for example, through Service Level Agreements for response times to members and reciprocal expectations on members to participate actively in RSSB working groups).

- f. Identify new ways of reaching out to stakeholders who depend on or should contribute to RSSB's work, setting targets to improve engagement and visibility with particular groups:**

- Individuals on the front line, who require practical and accessible materials.
- Organisations representing stakeholders in all countries and regions of Great Britain.
- Transport for London, light rail organisations, High Speed 2 and any other parts of Britain's railway network, who are not full members of RSSB should be permitted and encouraged to join with an appropriate and proportionate membership fee, and thereby removing the anomaly that they are not currently represented.
- Organisations not represented or active on the RSSB Board, committees or working groups (committees should be balanced in their composition and rotated regularly to ensure fresh views).

As part of this, RSSB should also test the accessibility of and usability of its website of materials with different target audiences. Improving engagement with all the above groups is likely to require RSSB to review its mix and distribution of skills across all main areas of activity.

On prioritisation

17. The potential demands on RSSB will always exceed its resources. To be more effective and efficient, RSSB requires clarity on its role and to prioritise activities tightly. Specifically, RSSB needs to:
- g. Set clear criteria for prioritising all work.** This is relevant to RSSB's core functions but especially important for non-core work, which must be discretionary (e.g. all discretionary projects could be required to have an industry sponsor and co-funding). Criteria should be agreed with the membership, well publicised and applied transparently.
- h. For all non-core activities, agree its role and extent of activity in advance with members, based on the prioritisation criteria.** This should assist in confirming RSSB's role in relation to other industry bodies. Once it is agreed RSSB should undertake a non-core activity, this

'mandate' should remain fixed for a set period after which it should be reviewed. **Reconsider its role in respect of promoting innovation to reflect that it may in some cases be better done by other bodies depending on the intended aim.**

Our consultation identified a number of concerns that RSSB is not best-placed to promote innovation within the industry. However, any subsequent reduction in innovation work should be achieved through a phased transition over time, avoiding a sudden cessation of potentially valuable industry projects and confirming there is other suitable innovation funding in place.

- i. **Give greater prominence to occupational health and well-being** across all workstreams, putting in place an action plan and the necessary resourcing to ensure it is given due consideration.

On efficiency and delivery

18. RSSB needs to ensure it is sufficiently focused on who will use the results of its work and how it is accountable externally for these. Specifically, RSSB needs to:

- k. **Set an ambitious target to complete projects at far greater speed, from the point at which the business need is identified.** This needs to be achieved whilst maintaining appropriate quality and consensus and managing the resource burden on industry. This is likely to require:
 - Understanding member requirements for speed and their bandwidth to engage – it will vary by project and member.
 - Strong central programme management capability to prioritise and allocate resources across projects effectively and eradicate any duplication.
 - Review and redesign of some Committee / working group and other project processes to streamline them. RSSB may benefit from external expertise in process improvement (for example to establish whether it is possible to deliver the same volume of projects in quick succession, rather than as overlapping activities with longer timescales).

A realistic initial step would be for RSSB to identify, trial and evaluate a number of alternative fast-track processes within the next year.



l. Establish clear and transparent metrics (Key Performance Indicators) and targets for all main areas of activity, and those dimensions of performance that matter most to its members, to reflect their views on its effectiveness. These should be developed in full consultation with members, and reported on annually in the form of an annual balanced scorecard or similar.

m. Clarify the remit of chairs of all of RSSB's Committees and the Working Groups to act as facilitators rather than subject experts or advocates. Chairs may benefit from training to support this.

On Governance

19. Good governance underpins strong organisational performance and the RSSB Board should provide leadership and direction to ensure RSSB delivers on the above recommendations. We recommend that:

- n. The Board's objectives should to be updated swiftly to reflect these recommendations,** in particular we consider the Board will need to set priority objectives to:
- Secure clarity and agreement on RSSB's role, especially in respect of: discretionary functions, requiring RSSB to prioritise activity tightly and aligning core funding with core functions over time.
 - Drive a cultural shift so that RSSB becomes much more member and results-focused, putting members' needs at the heart of the business along with robust systems to measure and report publicly on performance.
 - Set high expectations for rapidly reducing the time taken to complete projects without compromising unnecessarily on quality.
 - Communicate widely RSSB's new role, responsibility and governance arrangements as part of its new settlement with its members and stakeholders.

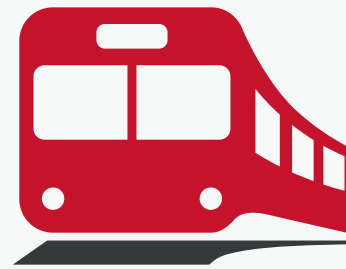
o. The RSSB Board carries out an annual self-assessment of its effectiveness and capability in delivering its objectives, running the company efficiently, representing members and setting strategic direction. As part of this assessment it should consult members and publish summary conclusions and recommendations.

Timescale for implementation

20. Although there are no specific timescales set for these recommendations, we would expect significant progress against all accepted recommendations within twelve months recognising that certain areas (those requiring significant cultural and organisational change) will realistically take two to three years to fully embed. In order for RSSB's members to build trust and confidence in the effectiveness and benefits of the new settlement it will be important for the RSSB board to establish mechanisms for assessing and demonstrating this.

p. The RSSB board, with the support of its members, should set out by May 2017 a plan and timetable to enact these recommendations, or give the reasons why they disagree or wish to adopt a different approach. RSSB members should have a specific plan to consider and against which the board can be held to account.

RSSB is the mainline railway industry's safety body

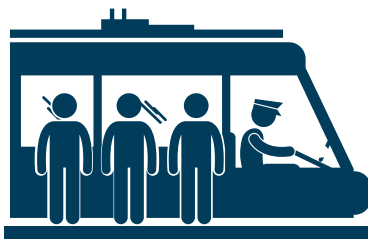


The mainline railway in **GREAT BRITAIN** covers*:



15,799 km

of route open for traffic in 2015-16



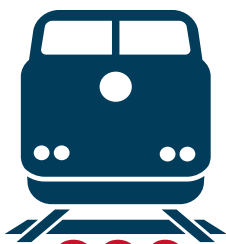
2,557

mainline stations



1.7bn

passenger journeys in 2015-16



236

thousand freight train movements in 2015-16

*Source: ORR.

RSSB was established on 2003, following an inquiry into the Ladbroke Grove railway accident in October 1999.

- RSSB is an independent not for-profit company limited by guarantee.
- RSSB supports the rail industry by:



Managing railway group standards



Providing technical expertise



Data gathering, analysis and risk modelling



Encouraging and facilitating industry cooperation on safety matters

