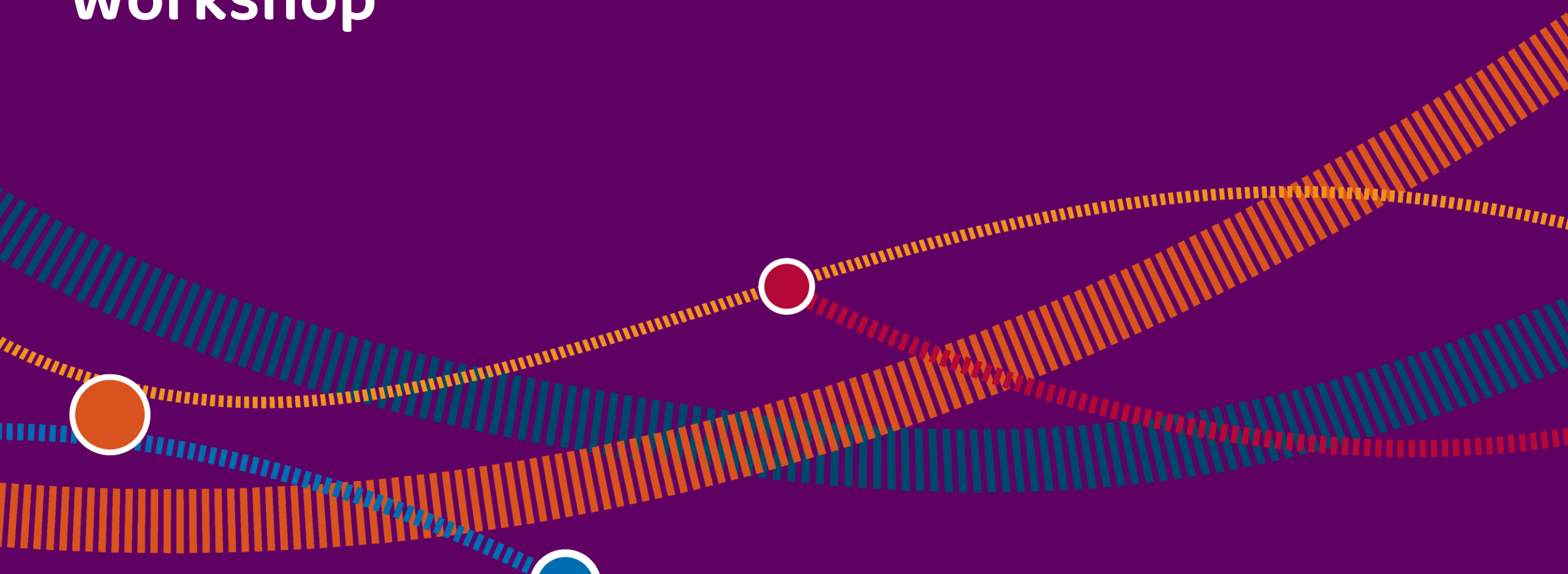# Risk Management Maturity Model (RM3-H) Workshop

# Welcome and Introductions

**Simon Barber**
**HM Principal Inspector of Railways (ORR)**

# Welcome

- Practicalities
  - Toilets
  - Fire Alarm/ Evacuation
  - Mobile Phones

- ORR Team

- Discussions– there are lots of opportunities to ask questions!

# Why are we here?

# Why are we here?

- Safety Management Systems – The cornerstone of effective risk management...

- Governance – essential

- But... we continue to see examples of safety management arrangements that are inadequate or lacking

- ORR Aim – Industry excellence
  - Health and Safety Management Maturity
  - Risk Control
  - Asset Management

- Risk Management Maturity Model

# Agenda

| Time | Subject | Speaker |
| --- | --- | --- |
| 1000-1015 | Welcome and Introductions | Simon Barber (ORR) |
| 1015-1030 | RM3 HRA | Steve Oates (HRA) |
| 1030-1100 | Operational Update | Simon Barber (ORR) |
| 1100-1115 | Break / Networking | |
| 1115-1215 | Safety Management Systems (SMS) Board Governance | Mark Griffiths (ORR) Steve Oates (HRA) |
| 1215-1300 | Lunch / Networking | |
| 1300-1340 | RM3-H | Mark Griffiths (ORR) |
| 1340-1400 | RM3-H Case Study | Steve Clews (W&LLR) |
| 1400-1500 | RM3-H Exercise | Simon Barber (ORR) |
| 1500-1530 | RM3-H Exercise Feedback and Discussion | All |
| 1530-1545 | Closing Remarks | Simon Barber (ORR) |

# RM3 and Heritage Railways

Steve Oates
Chief Executive Officer HRA
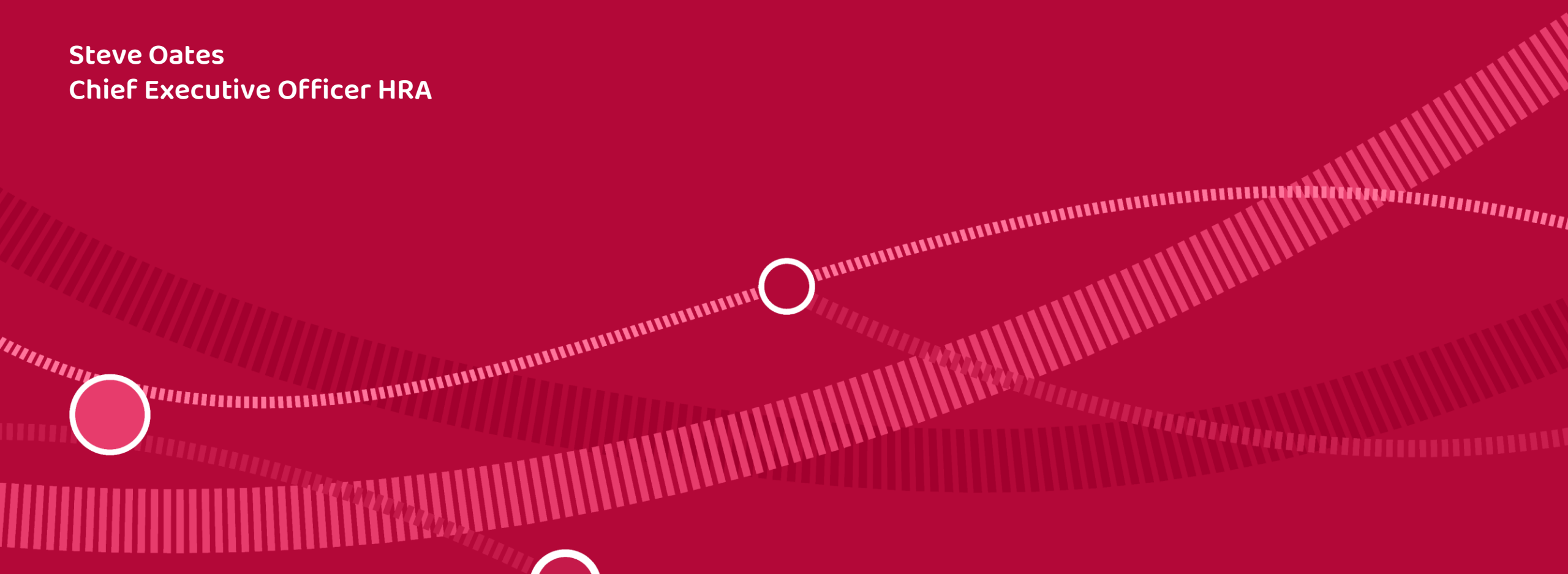
# Heritage Railway Association

RM3 Seminars – December 22 to March 23

Steve Oates, Chief Executive

# The Heritage Rail sector …



- ✓ £600m economic impact - An important component of the tourism industry, generating local, national and international value to the UK visitor economy
- ✓ Protects, conserves and brings to life part of the nation's cultural heritage bringing enjoyment and learning to many
- ✓ Operates passenger trains running through 'green corridors' in largely rural areas, enabling car-free access to the countryside
- ✓ Preserves and operates national icons used to promote the UK
- ✓ Covers substantial asset values
- ✓ Provides significant social, community and wellbeing benefits to employees, volunteers and visitors
- ✓ Creates jobs, apprenticeships and training opportunities, and greatly supports local and regional supply economies

HERITAGE
RAILWAY
ASSOCIATION

# The Heritage Railway Association represents

- 173 working railways
- 9 operational tramways
- 8 cliff railways
- 24 museums and steam centres many of which operate trains on selected days
- 25 commercial partners
- C. 65 societies, funding groups, and locomotive and carriage owning trusts
- 22,000 volunteers
- 4,000 paid employees

**Our members own or operate:**
- 600 miles of track
- 460 stations
- 800 steam locomotives
- 1,000 diesel locomotives
- 2,000 carriages
- 4,000 wagons

**Our impact on the UK economy**
- 4,000 employees
- £600m economic value
- 13 million visitors who take 18.6 million passenger journeys covering 130 million passenger miles
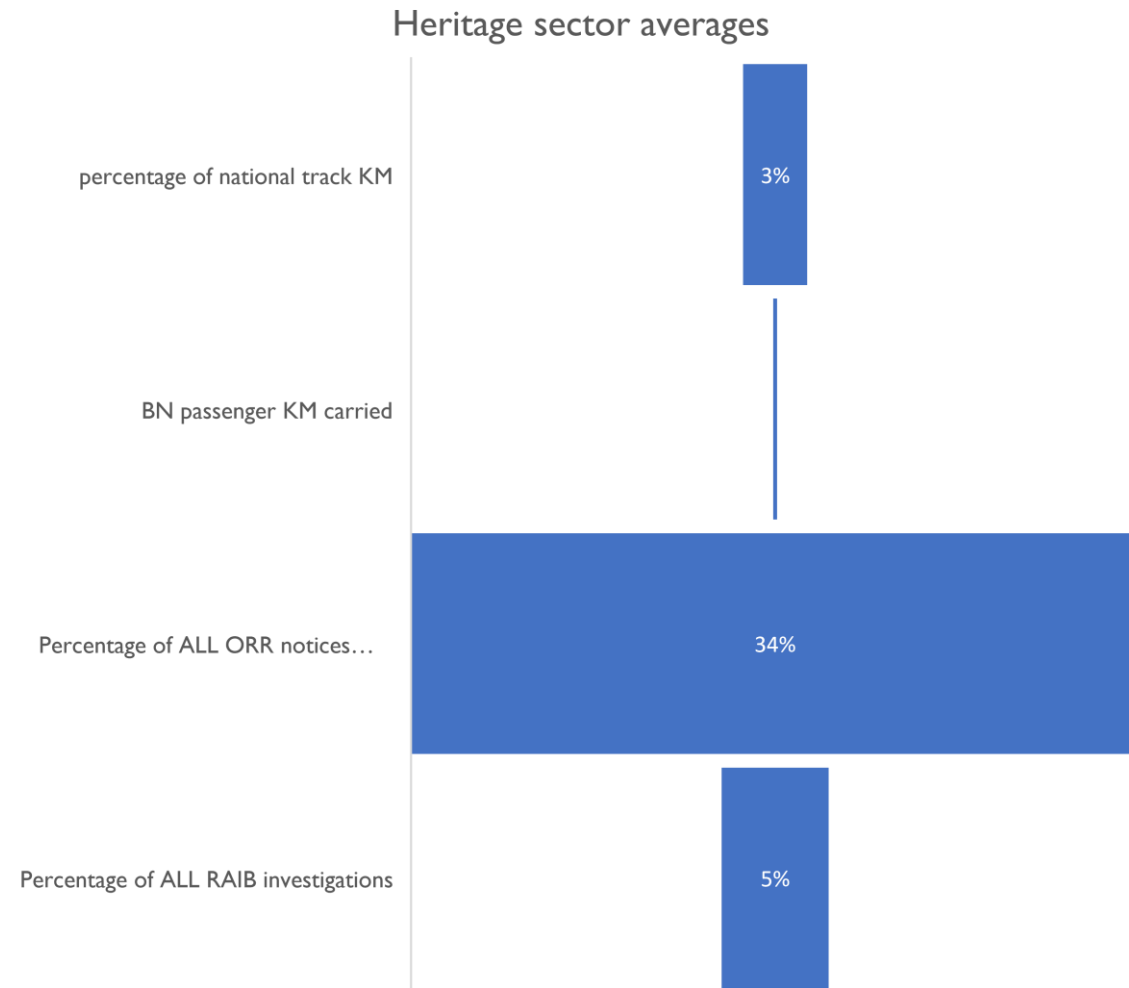
# Heritage Rail is important ... but how do we match-up to the bigger picture?

- How many billion passenger kms does the heritage sector run?

- What percentage of the UK track network does the heritage sector operate?

- What percentage of ORR enforcement action does the heritage sector receive on average?

- What percentage of ORR enforcement action has the heritage sector received in 2022?

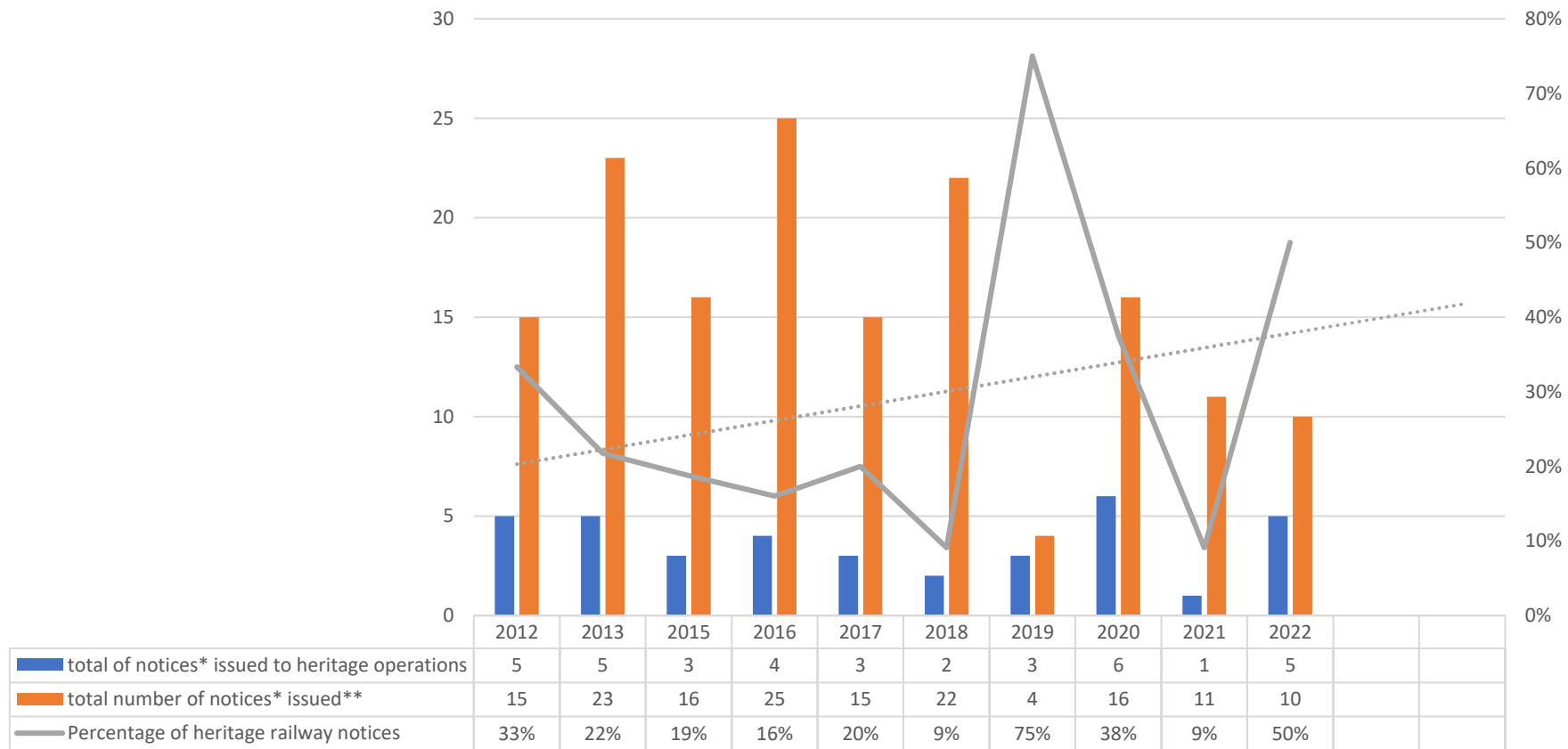HERITAGE RAILWAY ASSOCIATION

# The brutal truth … 10 year average

- 3% of all UK national track km

- 0.002bn passenger km carried versus 49.8bn on the national network

- 34% of ALL ORR enforcement action during last 10 years

- 5% of all RAIB reports

### Heritage sector averages

| | |
|---|---|
| percentage of national track KM | 3% |
| BN passenger KM carried | |
| Percentage of ALL ORR notices… | 34% |
| Percentage of ALL RAIB investigations | 5% |

HERITAGE RAILWAY ASSOCIATION

# Breaking this down (10 year average 2012-2022) All ORR action



Notices issued by ORR 2012 - 2022

| | 2012 | 2013 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| total of notices* issued to heritage operations | 5 | 5 | 3 | 4 | 3 | 2 | 3 | 6 | 1 | 5 |
| total number of notices* issued** | 15 | 23 | 16 | 25 | 15 | 22 | 4 | 16 | 11 | 10 |
| Percentage of heritage railway notices | 33% | 22% | 19% | 16% | 20% | 9% | 75% | 38% | 9% | 50% |

Legend: total of notices* issued to heritage operations; total number of notices* issued**; Percentage of heritage railway notices; Linear (Percentage of heritage railway notices)

# Breaking this down (2005 – 2022) RAIB report details

Count of RAIB report types on heritage railways 2005 - 2022
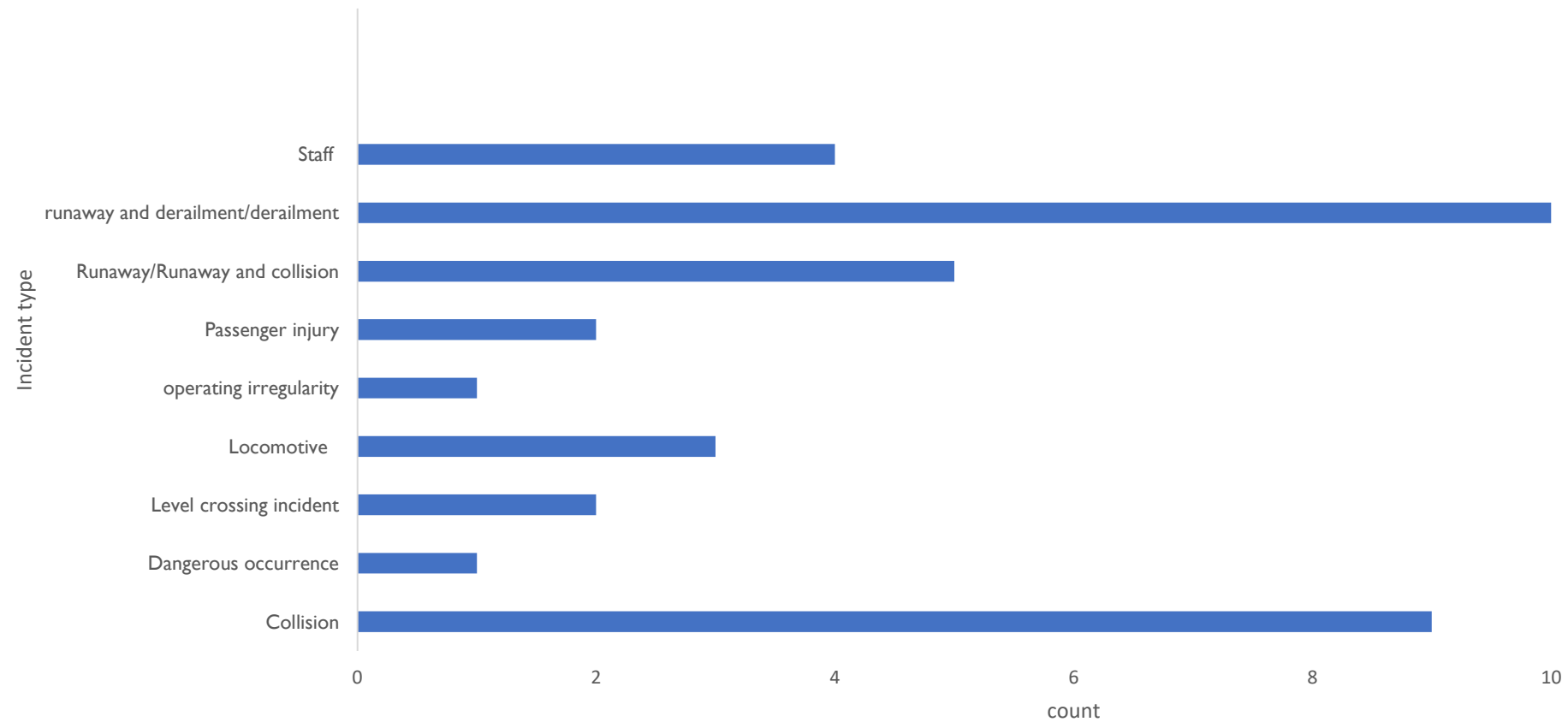
# Some questions …

- Why are these factors so prevalent?
- Do our systems, processes and competence management systems recognise the fallibility of people?
- Are our medical standards adequate?
- Are our assessments adequate?
- How many railways assess cognitive performance as it declines with age and therefore increases operational risk?
- Who thinks their railway needs to improve safety?
- Who believes their railway knows what it's top 10 operational risk areas are?
- Is the management of every heritage railway fit for purpose?
- Who thinks their railway has people who don't know they hold a 'go to jail' card?

# What is the sector doing?

- Recognition within the HRA that this cannot continue
- Recognition within the ORR that this cannot continue

- Reinvigoration of the HRA Operating & Safety group
- Formalisation of informal networks

- Information and training
- Developing standards and guidance



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# Developing and maintaining guidance …

Recent revised and new guidance documents include:

- Workshop Health & Safety Guidance
- Work at Height
- Level Crossing Sighting Distances
- Planning & Permitted Development
- Daily Fitness to Run Examinations
- Safety Management Systems
- PTS
- Special Events
- Grievance & Disciplinary Procedure
- Risk Assessment
- Road Vehicle Incursions
- Volunteers – How to Avoid Them Inadvertently Becoming Employees or Workers
- Working with Young Volunteers
- Third party compliance with HRA members' SMS and insurance requirements

Ref No: HGR-B9000
Issue No: 01
Issue Date: November 2014

HERITAGE RAILWAY ASSOCIATION

GUIDANCE NOTE

STEAM LOCOMOTIVE BOILERS - Introduction to Guidance Documentation & Glossary

**Purpose**
This document describes good practice in relation to its subject to be followed by Heritage Railways, Tramways and similar bodies to whom this document applies.

**Endorsement**
This document has been developed with and is fully endorsed by Her Majesty's Railway Inspectorate (HMRI), a directorate of the Office of Rail Regulation (ORR).

**Disclaimer**
The Heritage Railway Association has used its best endeavours to ensure that the content of this document is accurate, complete and suitable for its stated purpose. However it makes no warranties, express or implied, that compliance with the contents of this document shall be sufficient to ensure safe systems of work or operation. Accordingly the Heritage Railway Association will not be liable for its content or any subsequent use to which this document may be put.

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Copies are available electronically via our website www.heritagerailways.com

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# Developing and maintaining standards …

Including:

- Reviewing and updating RSP5
- Maintenance of RSP7
- Boiler Code of Practice
- Carriages
- Infrastructure

Heritage Rail Safety & Standards Board

- Planned and scoped
- Liaison with ORR
- Submission to government

# Challenges ahead for heritage railways …
in a post-Brexit, post COP26/27 and post-Covid world

- **Safety Performance** – Running a safe railway in a heritage environment

- **Maturity of the Heritage Railway sector** – Heritage railways reputation can be damaged by incidents on other railways

- **Business Model** – The fare box and secondary spend is not enough to provide cash for sustaining the railway <u>and</u> investing in improvements – must be supplemented by Giving and other commercial opportunities

- **Commercial development** – Exploiting the heritage brand! Marrying commercial realities of running a business with a hobby/passion for the volunteers

- **Fuels** – Coal, diesel, biofuels and sustaining our ability to run trains

- **Environmental** – Not just CO2 … It's more about pollutants

- **Strategic planning** – Offering more then 'just a train ride' … and the importance of having multiple organisations under the umbrella having a shared future and vision

- **Skills** – Heritage skills for the future and their preservation

- **Governance** – Protecting our heritage while preparing our railways for the future.  Boards have to provide a mix of skills with a strong Senior Management Team

- **People** – Encouraging diversity, promoting wellbeing and developing young people

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# Heritage Railway Association

Steve Oates. Chief Executive

# Operational Update

**Simon Barber**
**HM Principal Inspector of Railways (ORR)**
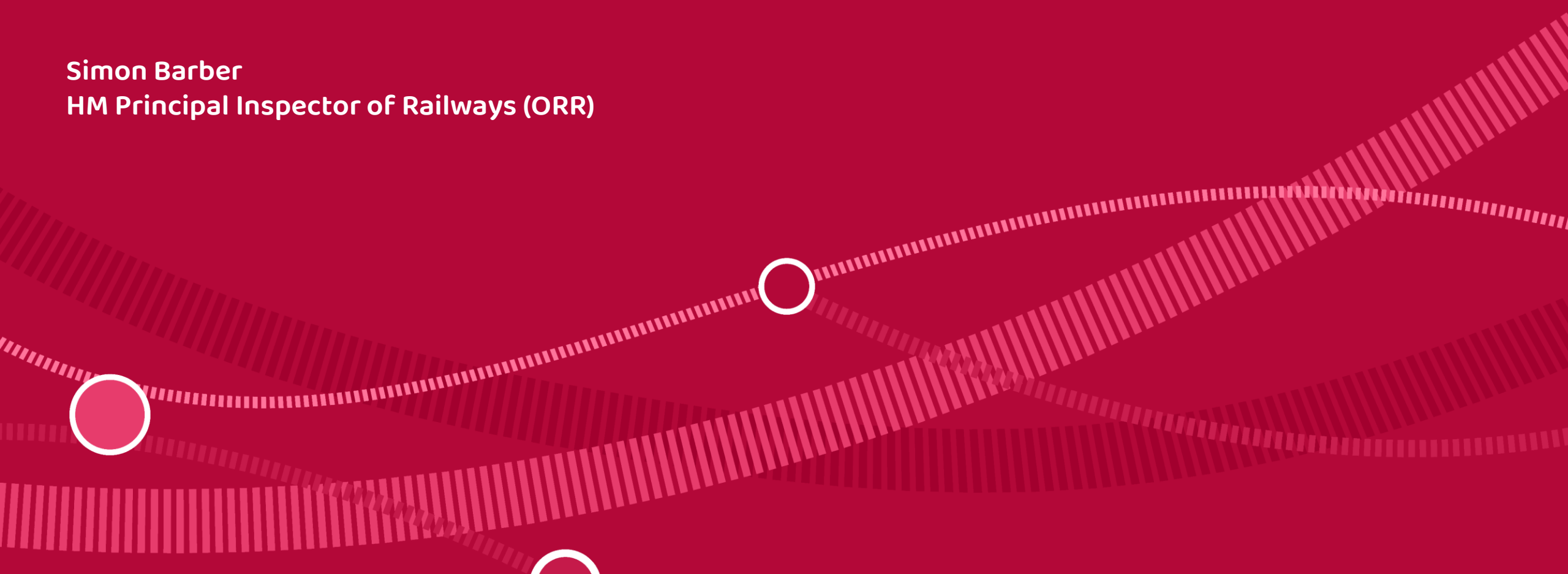
# Overview

- My First Impressions of Safety in the Heritage Sector

- Observations

- Key areas of Focus for ORR

- ORR Assessment of Heritage Railways using RM3

# My First Impressions of Safety in the Heritage Sector

o Passionate People – Both a blessing and a curse...

o Often Innovators – often positive but occasionally negative safety implications.

o Reliance on skills/knowledge of volunteers – some railways may have a blindspot topic.

o Opportunities for better sharing of information and learning e.g. incidents, internal RM3 assessments.

o There's not always an easy answer!

# Observations

o **Vehicle Runaways** – 7 reported events in 2022 – 2 led to enforcement action. Weaknesses in application of brake by driver and competence management are the most common factors.

o **Work at Height** – 6 reported falls from height since June 2022 resulting in a volunteer/worker requiring hospital treatment and resulting in a bone fracture.

o **Management of Civil Engineering Assets** – A lot of ageing assets – do railways have the competency and processes in place to manage this risk?

# ORR Focus

- **Investigation of appropriate incidents.**

- **General Inspections:**
  - Competence Management
  - Maintenance (P-Way, structures, traction & rolling stock)
  - Level Crossings
  - Workshops
  - Work at Height

- **Inspection of the Management of Civil Engineering Asset – inspecting a sample of railways with aim of identifying sector-wide maturity.**

# ORR Assessment of Heritage Railways using RM3

1. <u>Dutyholder</u> Inspection Reports include RM3 assessments for relevant criteria:
   - Helps demonstrate strengths and weaknesses of a safety management system and areas for continual improvement.
   - Only assess where there is sufficient evidence to make an assessment.

2. RM3 assessments made each year across the <u>Heritage Railway Sector</u> are used to produce an anonymised sector assessment.
   - Helps identify sector-wide issues and enable ORR to plan future work.

# Assessment of Heritage Railways using RM3

| Code | Description | April 2021 to March 2022 score | Minimum score | Maximum score |
|------|-------------|-------------------------------|---------------|---------------|
| SP1 | Leadership | 3 | 1 | 4 |
| SP3 | Board governance | 2 | 1 | 4 |
| SP4 | Written safety management system | 2 | 2 | 3 |
| OC7 | Record keeping | 2 | 1 | 4 |
| OP2 | Competence management system | 1 | 1 | 4 |
| PI1 | Risk assessment and management | 2 | 1 | 3 |
| RCS2 | Asset management (including safe design of plant) | 2 | 1 | 3 |
| MRA2 | Audit | 1 | 1 | 2 |
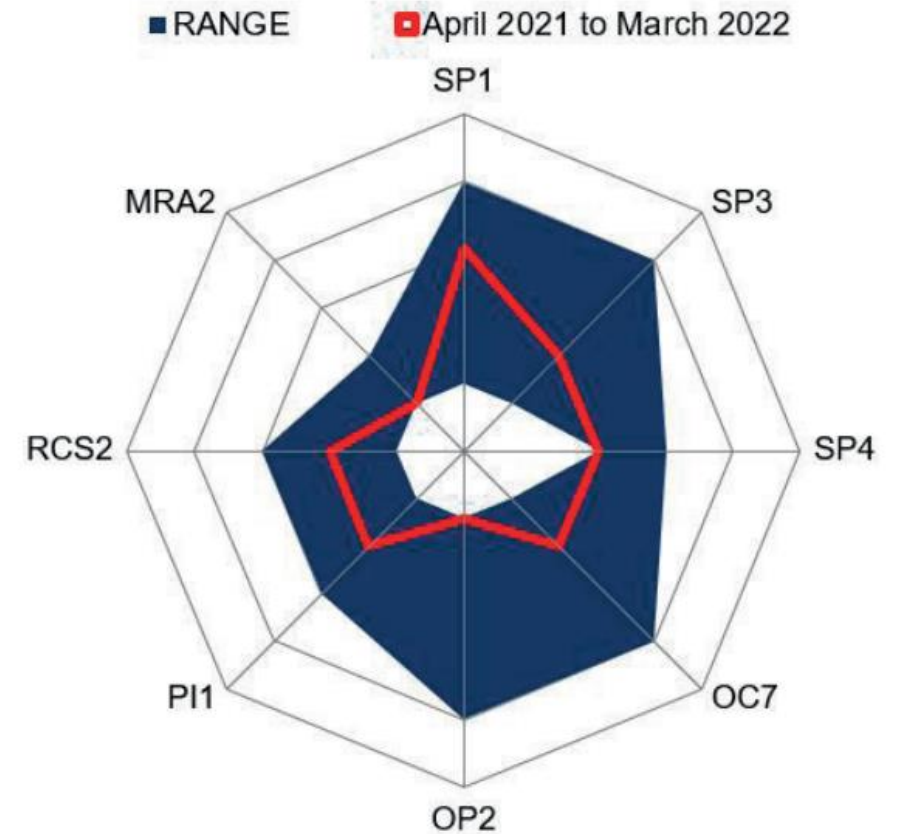
# Break
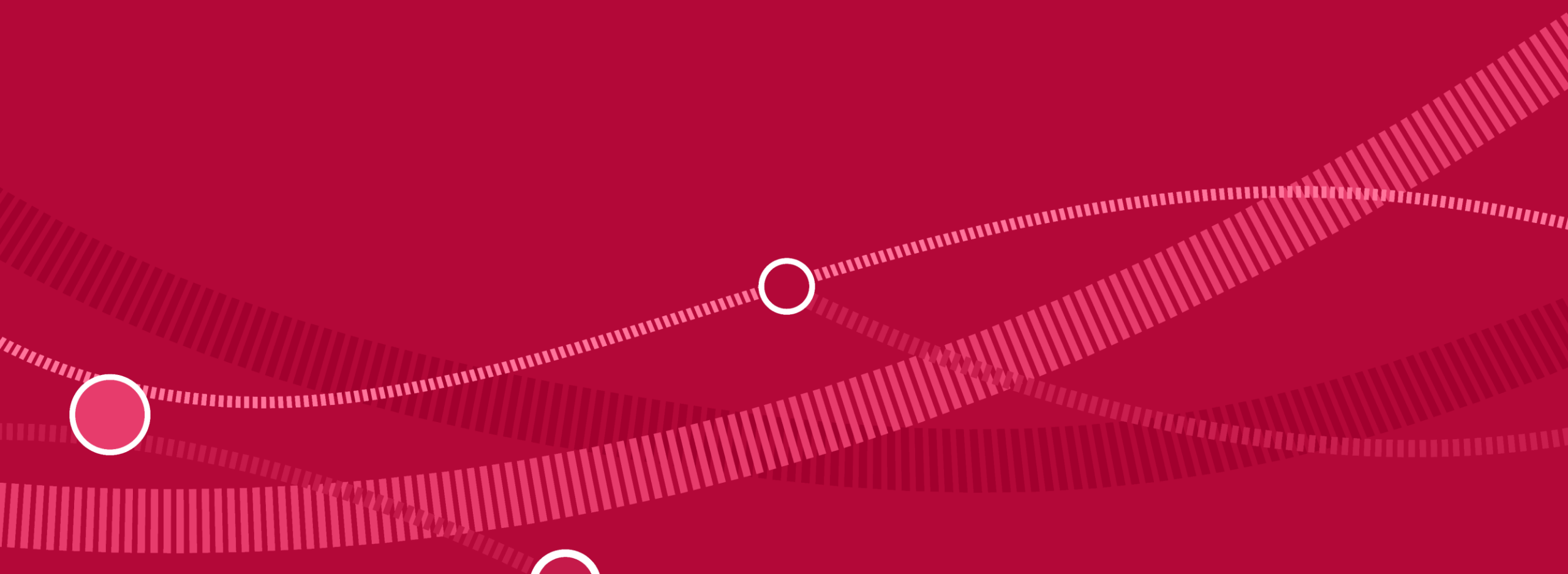
# Safety Management Systems

**Mark Griffiths**
**Manager SMS Policy & RM3 (ORR)**
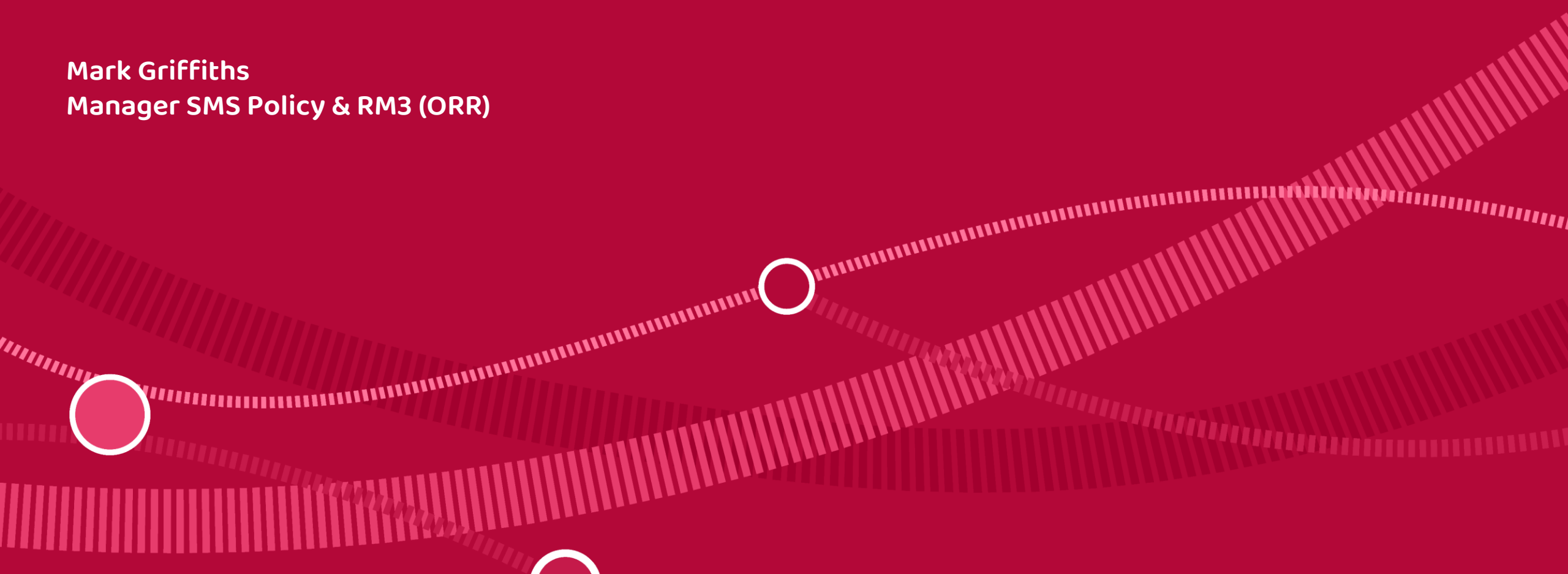
# Why Manage Health and Safety?

Criminal law establishes set of rules for acceptable behaviour. Main duties covered by Health and Safety at Work Act 1974 and Health and Safety at Work Regulations 1999.

In addition, Rail industry specific legislation:

- Railway Safety (Misc Provisions) Regulations 1997;
- Railway Safety Regulations 1999;
- Railways and Other Guided Transport Systems (Safety) Regulations 2006.

Moral

Legal

Financial
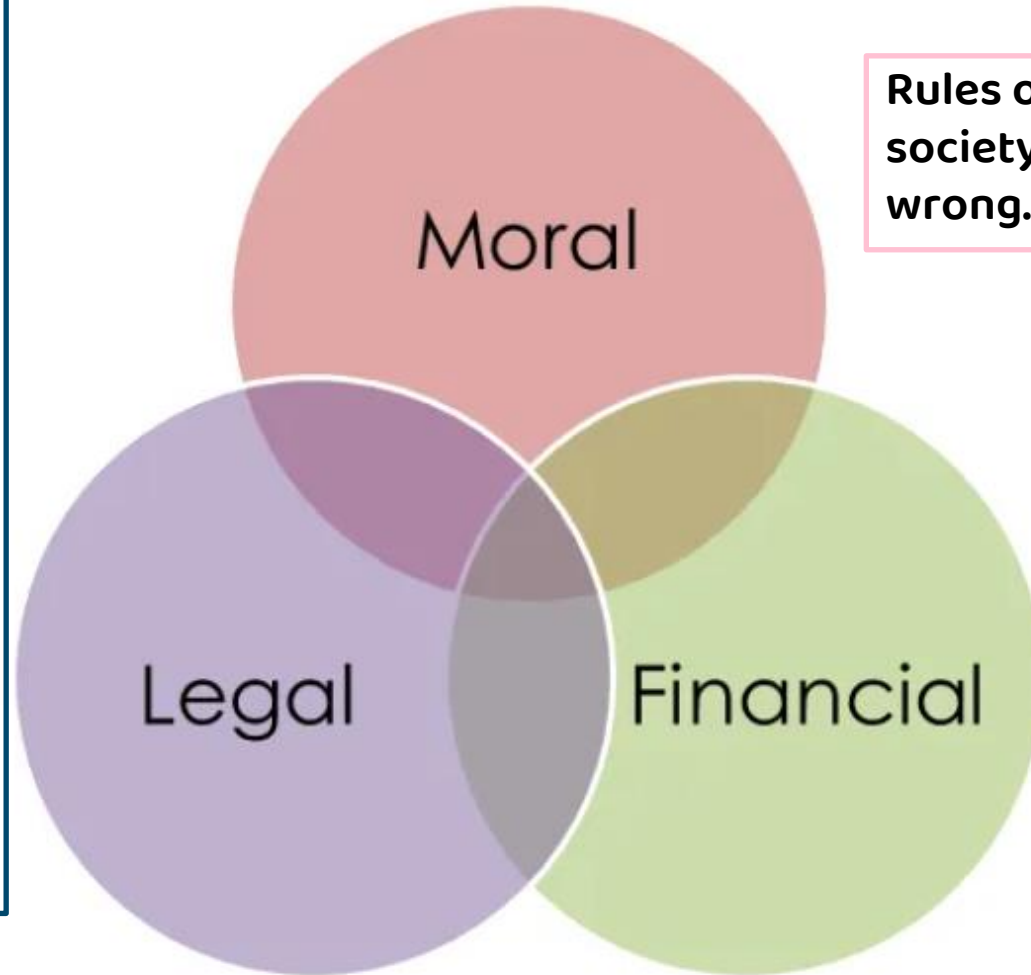
Rules of behaviour imposed by society regarding what is right or wrong.

Accidents cost money as a consequence of injured people, damaged equipment, machinery and wasted product.

# Why Manage Health and Safety?

The Legal requirements on Managing Health and Safety at the Workplace.

Firstly and simply it's the Law.

- Health and Safety at Work Act 1974
- Health and Safety at Work Regulations 1999.
- Railway Safety (Misc Provisions) Regulations 1997;
- Railway Safety Regulations 1999;
- Railways and Other Guided Transport Systems (Safety) Regulations 2006.

# Legal Responsibilities

Management of Health and Safety at Work Regulations 1999 requires employers to put in place arrangements to control health and Safety risks.

- A Written Health and Safety Policy (5 or more people);
- Assessments of risks to employees, contractors, partners and any people affected by your activities;
- Arrangements for effective planning, organisational control, monitoring and review of preventative measures and protective measures that come from risk assessments;
- Access to competent Health and Safety Advice;
- Information and guidance to employees about risks in the work place and how they are protected;
- Training and instructions for employees how to deal with the risks;
- Ensuring adequate and appropriate supervision in place;
- Consulting with employees about risks at the workplace with current preventative and protective measures.

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# What is risk?

Under the Management of Health and Safety at Work Regulations 1999, the minimum a duty holder must do is:
- Identify what could cause injury or illness in the business (hazards);
- Decide how likely it is that someone could be harmed and how seriously (the risk);
- Take action to eliminate the hazard or if this isn't possible, control the risk.

Risk in simple terms is how likely that someone could be harmed or injured and to what severity due to a hazard.

Risks can be managed by:
1. Identifying hazards
2. Assessing the risk
3. Controlling the risks
4. Recording your findings
5. Reviewing the controls

# Safety Management System (SMS)

Organisations have a legal and moral duty to put suitable arrangements in place for managing Health and Safety at the workplace, keeping everyone safe.

A Safety Management System (SMS) provides a systematic approach to managing safely, including the necessary organisational structures, accountabilities, policies and procedures. An SMS provides:

- A systematic way to identify and control risk;
- Assurance that risk controls remain effective;
- Document compliance to regulatory requirements / Law.



The PDCA methodology is integral to the SMS approach. Further information can be found in HSG65

# Framework of a Safety Management System

| | |
|---|---|
| **Safety Policy and Objectives** | **Safety Risk Management** |
| **Safety Promotion** | **Safety Assurance** |

# Framework of a Safety Management System

**Safety Policy and Objectives**

Management Commitment

Safety Accountability and Responsibilities

Appointment of key safety Personnel

Coordination of Emergency Response Planning

SMS Documentation

**Safety Risk Management**

Hazard Identification

Safety risk assessment and mitigation

# Framework of a Safety Management System

**Safety Assurance**

Safety Performance monitoring and measurement

The Management of Change

Continuous improvement of the SMS

**Safety Promotion**

Training and Education

Safety Communication

# Safety Management System

A SMS should detail the organisations approach to:

- Senior Management commitment to the management of safety
- Risk Management
- Effective Safety Reporting
- Continuous monitoring (Safety Assurance)
- Investigation of safety occurrences
- Sharing safety lessons learned and best practices
- Integration of safety training for operational personnel
- Effective implementation of Standard Operating Procedures (SOP's)
- Continuous improvement of the overall level of Safety – RM3-H



Safety Management System

Policy | Risk Management | Safety Assurance | Safety Promotion
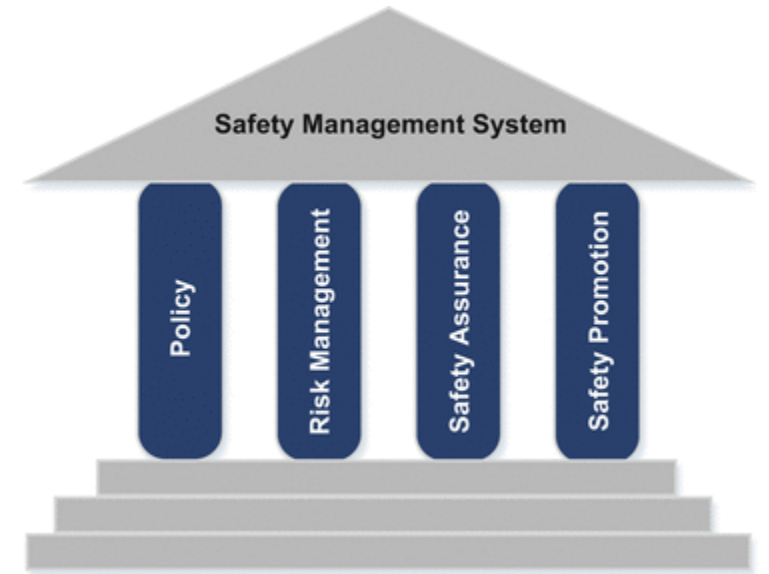
# Board Governance

**Steve Oates**
**Heritage Railway Association (HRA)**

The 12 'Tablets of Governance'

**Purpose**
The 12 'Tablets of Governance' describe what proportionate governance and leadership look and feel like.

**Preparedness**
Each Director shows up to meetings totally prepared for their role.

**Doing the right thing**
Directors individually and collectively will always strive to do the right thing in the right way for the right reasons and at the right time.

**Faith**
Directors will retain faith that they will prevail in the end regardless of difficulties, and at the same time confront the brutal facts of the current reality, whatever that might be.

**Alignment**
Directors must always have full alignment between the core purpose [that the Board should define/refer to here]. The Board makes sure that [...] decisions and railway's activities.
[...] it is they must excel at – [to be stated]; what is it they can [...] Directors think they are delivering – [to be stated]; and h[...] stated].

**Bottom line of [...]**
[...] is [B[...] here], the UK Corporate Gover[...] Charity [...] overnance Code ; or oth[...] [...]mation [...] RA Guidance note on the c[...]

[...] regulatory and recognised g[...]
[...] of all relevant documents
in[...] [...]ment and board wide[...]
- Estab[...] [...]sion, and values
- Dec[...]
- Del[...] [...]tor and evaluate
- C[...] [...]ternal and exter[...]

**Ro[...]**
[...]es and stand[...]

They will also recognise other roles need to be fulfilled to make an effective Board: someone who looks to the stars; a stickler for procedure and detail; someone grounded in practicality; the devil's advocate; the sensitive, touchy feely one; someone to give alternative views and a different perspective; the ice cold logical view; and someone to always provide the moral compass.

**Planning for the best and worst**
The rules / constitution / governance documents / policies and strategies will be regularly reviewed (e.g. annually). Their purpose should include setting targets and objectives for success and intervention, and describe and reference arrangements designed to guide the organisation through any foreseeable conflict, crisis, and disaster. Directors must never forget every organisation is vulnerable, no matter how big or small, strong or weak, and whatever stage of development. Directors must always prepare and plan for their succession.

**Leadership and teamwork**
Directors will strive to act as a team, respecting and utilising the abilities of others whilst realising they are working towards a common goal. [...] ds on the efforts of all. Directors must be disciplined to follow, as well as to [...] hat they must master themselves before they can master their task.

# Governance

RM³ *2019*
ORR OFFICE OF RAIL AND ROAD
The **Risk Management Maturity Model**
**Topic set 1**
**Heritage Railways**
Version 1.1 2021

# Setting the scene

**ORR RM3 2019 HERITAGE TOPIC SET**

SP Health and safety policy, leadership and board governance

Purpose:

To make sure that the organisation is effectively governed and led.

**HRA DRAFT CODE OF CONDUCT**

The Code's purpose is to;

Encourage good governance,

**Severn Valley Railway**

LinkedIn Post

Looking for someone to do a Governance Review

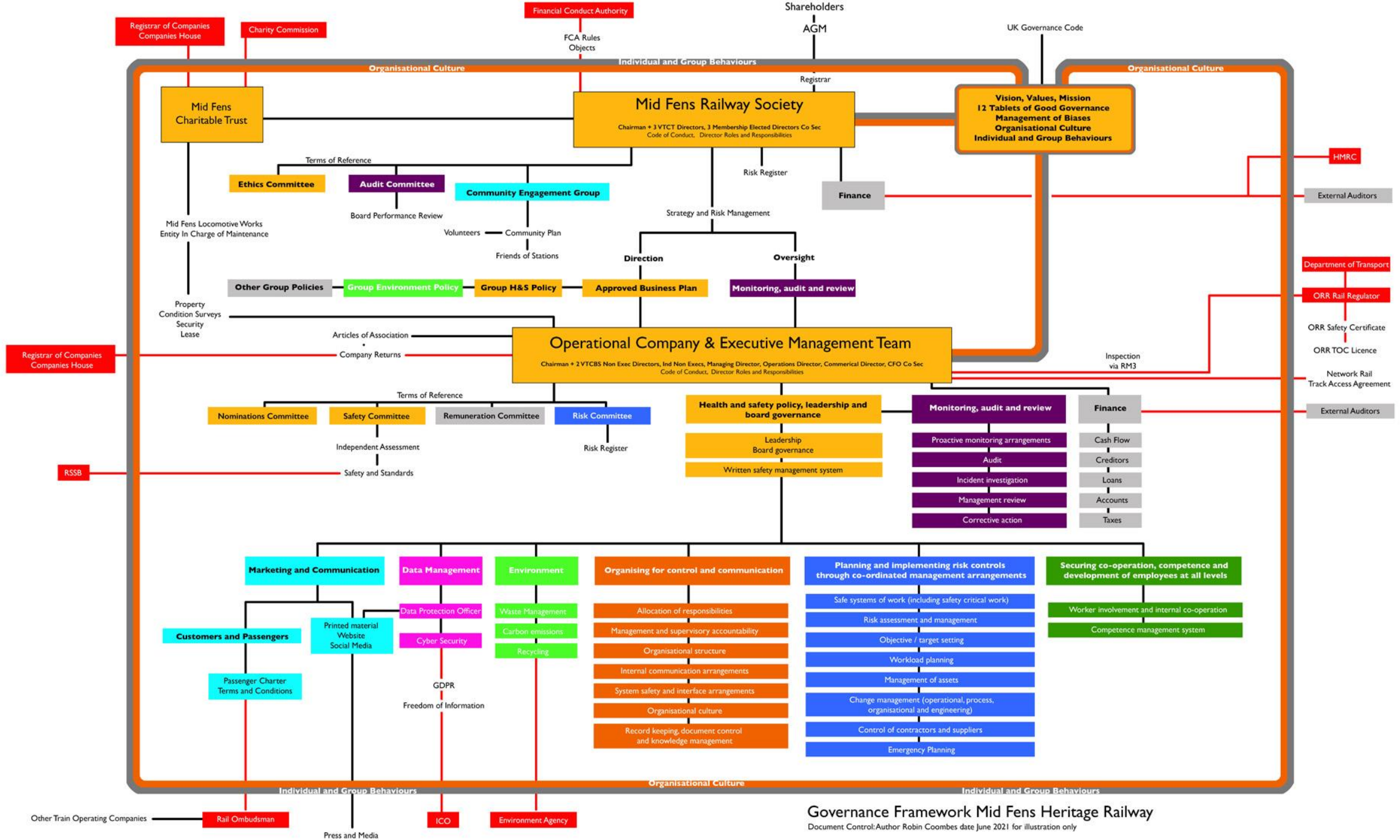**Kent and East Sussex Railway**

Governance Review in January 2023

# Questions

What is governance?

Why is it important?

What does it mean for us?

What is our takeaway?

**Governance Framework Mid Fens Heritage Railway**

Document Control: Author Robin Coombes date June 2021 for illustration only

# What is governance?

- Everything you do to lead, manage, administer the railway to keep it safe, legal and sustainable.

# Why is it important?

- It makes the difference between the road to surviving and success or the road to chaos and failure

- To survive organisations need to innovate and adapt. Cost of living is an opportunity. Learning and evolving only comes from good governance

# What does it mean for us?

- You can either recognise it, and take its principles on board, or ignore it and fly blind into the next cloud covered mountain

## What is our takeaway?

Ask yourselves these simple questions.

- Are we safe, are we legal, are we sustainable, how do we know if we are or we are not, how can we prove it, to ourselves, our staff and volunteers, our public, our members, the authorities?

Getting an idea of what good governance looks and feels like.

*As a GM what keeps me awake at night is appearing at an ORR or RAIB investigation*

# Some still don't get it

- Why is good governance so important now, when most of us have got away with it for so long. OK we have had a few close calls, but we are still here so what's the problem?

- If you try to drown us in paperwork, it just gets too difficult, and volunteers are going to walk away.

- No jumped up, wet behind the ears, jobs worth is going to preach to us about running our railway. We run it on common sense as we always have.

- The railway just gets on with things while the Directors stick their heads in a buck of sand with their fingers up their proverbial……

- I did not become a Director just to do all the fluffy paperwork stuff

- So according to your 'head in the clouds' views from big business or the big railway who all get whacking big salaries we are not doing a great job so what's the alternative, it is hard enough to get any director to take on a thankless task with enormous liabilities for no pay and become a scapegoat, who else are you going to get to do the job, there are not many queuing up, except those that want it for the wrong reasons?

- So instead of shining the spotlight on us all the time, why not hold a mirror up to yourselves, are you really holier than thou?

- No railway I know would be stupid enough to adopt your tablets of governance.

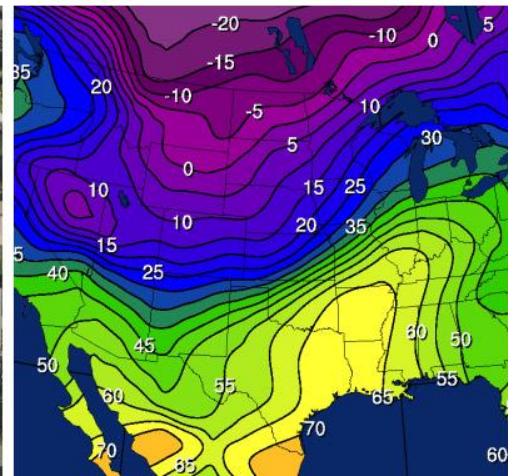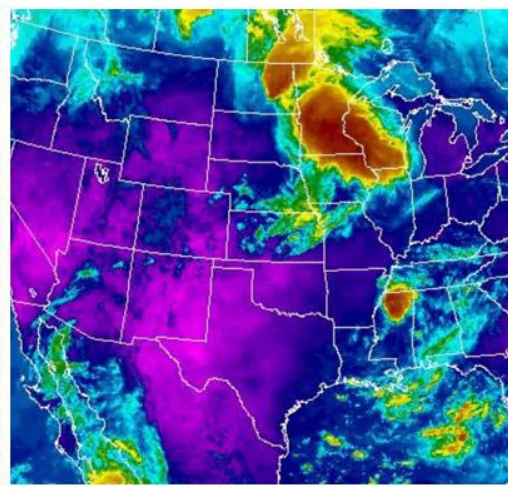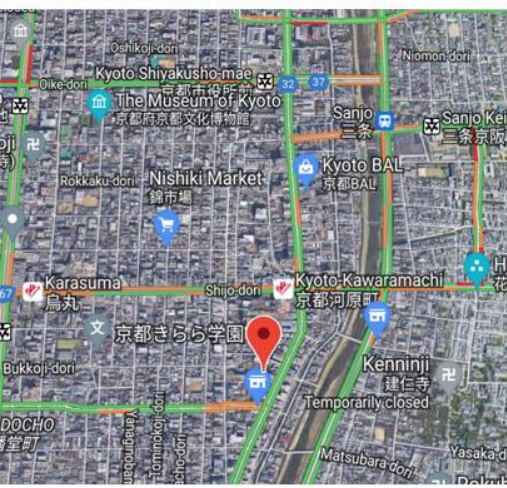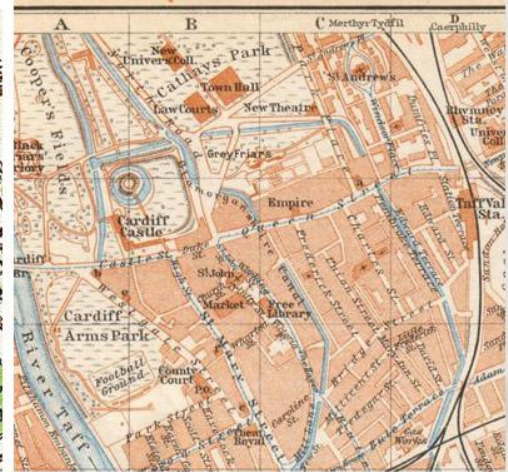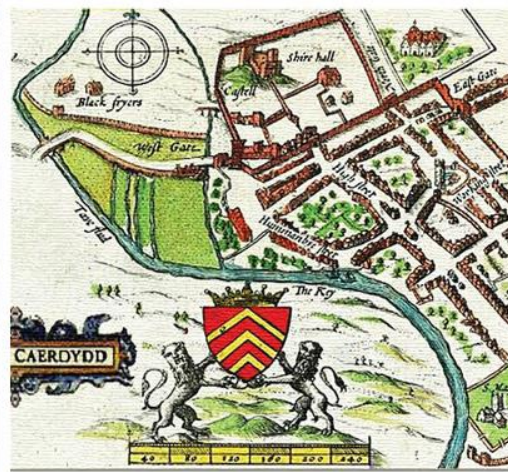- Don't thing the HRA is even serious about governance?

# Day-to Day examples

- Trustee is one of nine is upset that Charity Law may be broken if a soft interest free loan is given from the Railway Trust to the operating company.

- A chairman makes homophobic comments and insights violence towards a volunteer, but the railway is dependent on his financial support.

- A safety director with guilty knowledge allows services to continue as stopping services would badly hit revenue and reputation.

- A chairman who tries to bully the company secretary into changing documents and minutes.

- A railway charity that insists that it must sign off the safety case not the operating company

- A railway company that refuses to honour long standing contracts with locomotive owners

- Turning a blind eye to safety practices of a volunteer group restoring wagons on railway property

- Ignoring rumours from several sources of young volunteers being given a hard time by older members

- A clique of directors meeting outside formal board meetings and making decisions

- A railway company that inflated the values of its assets to secure a bank loan

- A railway that has not arranged for regular inspections of its bridges

- A railway that ignored several reports that a foot crossing was dangerous

- A railway where there was no induction for new directors

Governance Structures

## The 12 'Tablets of Governance'

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The 12 'Tablets of Governance' describe what proportionate governance and leadership look and feel like.

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Each Director shows up to meetings totally prepared for their role.

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**Ro**[...]

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Directors individually and collectively will always strive to do the right thing in the right way for the right reasons and at the right time.

# Faith

Directors will retain faith that they will prevail in the end regardless of difficulties and at the same time confront the brutal facts of the current reality, whatever that might be.

# Alignment

Directors must always have full alignment between the core purposes and values [which the Board should define/refer to here]. The Board makes sure that these values underpin all its decisions and railway's activities.

What it is they must excel at – [to be stated]; what is it they cannot fail at – [to be stated]; what makes Directors think they are delivering – [to be stated]; and how do they keep delivering – [to be stated].

# Bottom line of Governance

Our base line is [Board to state here], the UK Corporate Governance Code , and if a charity the Charity Commission Charity Governance Code ; or and other relevant codes. Further information is also available at the HRA Guidance note on the duties of Board Directors & Chairs .

Directors will comply with all legal, regulatory and recognised good practice requirements. All Directors will have read and understood all relevant documents and update themselves with individual continuous professional development and board wide training.

The four basic tasks of the Board are:

- Establishing and maintaining vision, mission, and values

- Deciding strategy and structure

- Delegating the authority to manage to monitor and evaluate performance

- Communicating with its members and all internal and external stakeholders
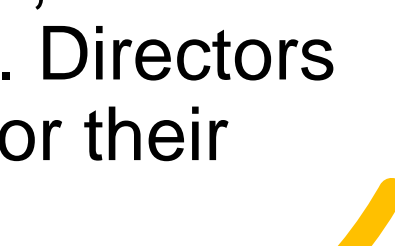
# Roles and responsibilities

Each Director will have specific roles, responsibilities and standards of ethics and behaviours; and these will be written down and available to all. Directors can never tolerate carelessness, incapacity, and neglect; they are forever accountable for what they do and what they fail to do. Both individually and collectively. Directors will never compromise their responsibilities. They will never take anything for granted. Directors will never be found short in their knowledge and in their skills.

They will also recognise other roles need to be fulfilled to make an effective Board: someone who looks to the stars; a stickler for procedure and detail; someone grounded in practicality; the devil's advocate; the sensitive, touchy feely one; someone to give alternative views and a different perspective; the ice-cold logical view; and someone to always provide the moral compass.

# Planning for the best and worst

The rules / constitution / governance documents / policies and strategies will be regularly reviewed (e.g. annually). Their purpose should include setting targets and objectives for success and intervention, and describe and reference arrangements designed to guide the organisation through any foreseeable conflict, crisis, and disaster. Directors must never forget every organisation is vulnerable, no matter how big or small, strong or weak, and whatever stage of development. Directors must always prepare and plan for their succession.

# Leadership and teamwork

Directors will strive to act as a team, respecting and utilising the abilities of others whilst realising they are working towards a common goal. Success depends on the efforts of all. Directors must be disciplined to follow, as well as to lead, knowing that they must master themselves before they can master their task.

# Making the best decisions

The Board working as one, not individuals, make the best decisions. Directors must have the courage and integrity to challenge how things are done: not settling for the status quo. The Board should confront and overcome complexity, incomplete information, the consequences of being wrong, and the human element. Decisions must be based on truth and reality – what is actually done versus what should be done in accordance with the standard. Where possible, Directors should seek alternative perspectives, question their objectivity, be paranoid to biases, and be open to new information. No decision can be absolutely right or wrong, but it must be the best they can make.

# **Vigilance**

Directors must be always attentive to the dangers and risks to the business, never accepting success as a substitute for the rigour in everything they do. Directors must share information willingly and openly even when it is challenging and discomforting for them. Directors will continually keep asking why, looking behind the incident reports for underlying factors. Why something happened? Why something didn't happen? And the How it happened. Acknowledge that small errors that aren't caught and corrected can lead to bigger failures.

# Communication

Directors must listen closely and carefully when colleagues, staff, members, volunteers, customers and stakeholders talk. What they say and what they don't say. What do Directors need to do, to find out more? Whenever possible record everything in writing to reduce risk of misinterpretation and confusion. It will be the only record on which future actions and learning can be based. Whenever possible double check what Directors think they have communicated has been understood, always use language that is simple, inclusive, and understandable. Be prepared that Directors themselves are the communication problem.

# Final Tablet

Constantly guard against a Board where good people are leaving, power is concentrated and exercised by the chair; and key appointments go to a select few. Be aware of the risk created by telling rather than consulting; key decisions being made by small select groups; and popular projects winning over essential projects.

# Lunch
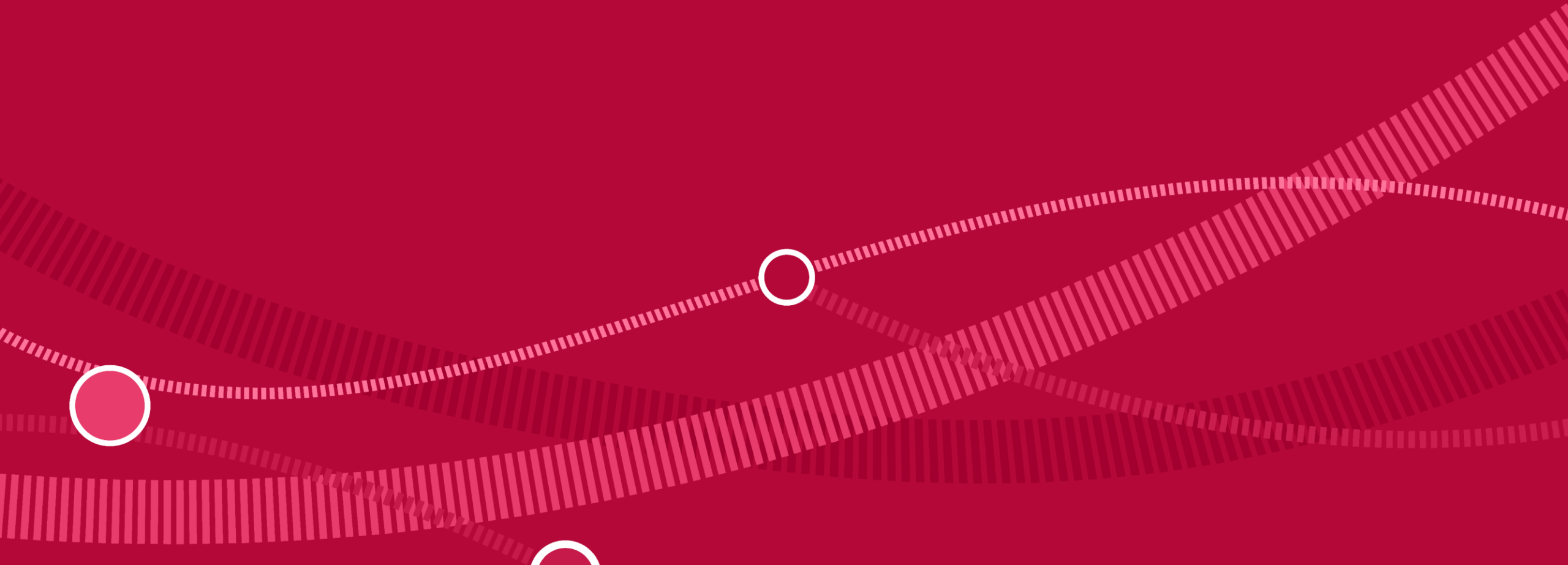
# RM3-H

**Mark Griffiths**
**Manager SMS Policy & RM3 (ORR)**
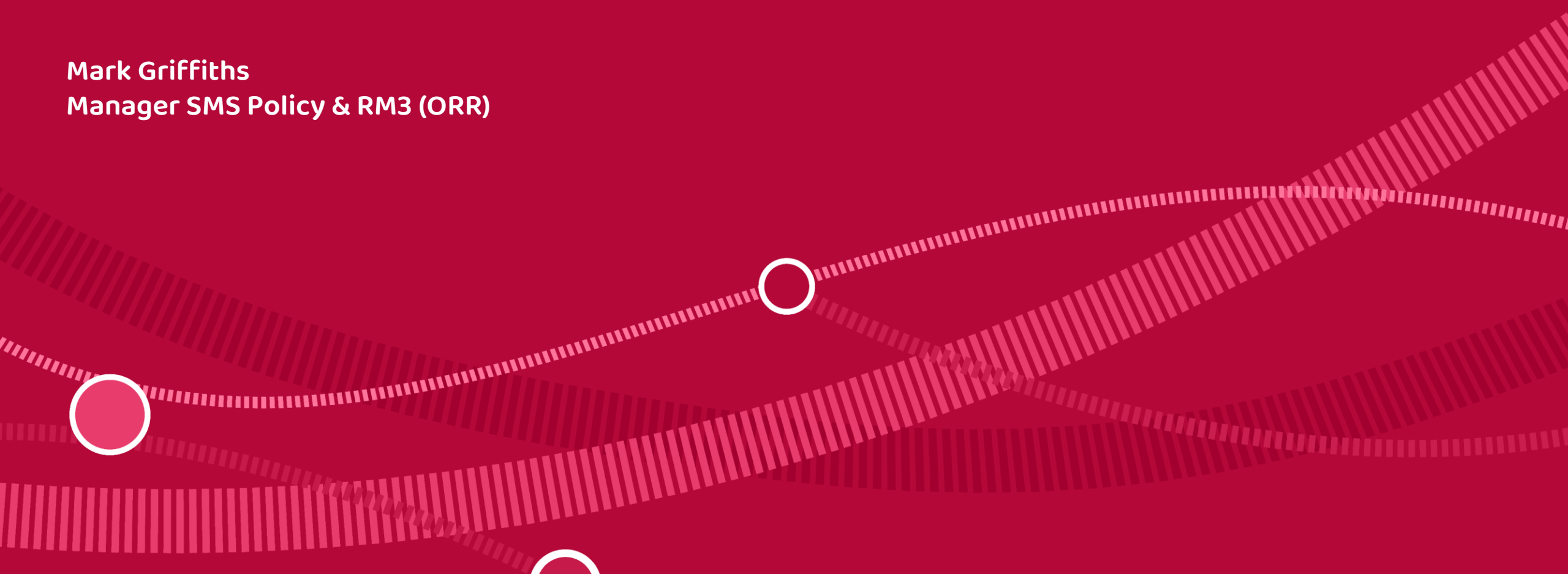
# RM3 – ORR Vision

Zero industry-caused fatalities and major injuries to passengers, the public and the workforce

- To be achieved through the industry achieving excellence in;
- Culture;
- Health, safety and asset management; and
- Risk Control

# What is RM3

What is RM3?

RM3 is designed to assist you in determining the maturity of your SMS, encouraging organisations to achieve **excellence** in Health and Safety Management..

Not a Safety Management System (SMS) but to form an integral part of your own SMS;

RM3 provides criteria for measuring management capability against:
- 5 Maturity levels across
- 26 Criteria which are essential areas of the SMS



RM³ *2019*

The
Risk Management
Maturity Model

Amended 2020

ORR
OFFICE OF
RAIL AND ROAD
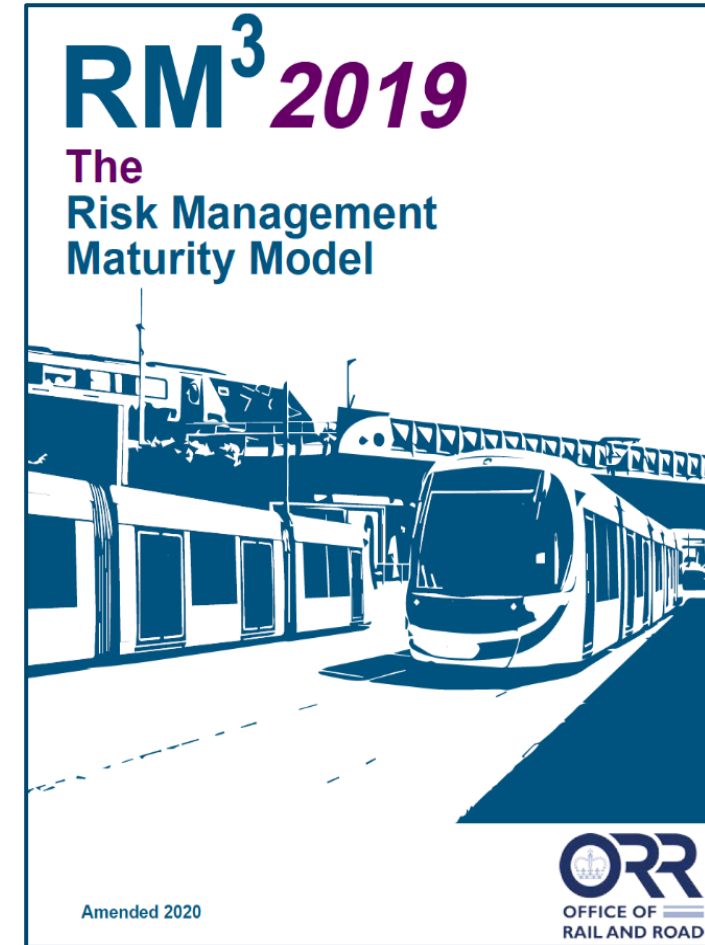
# Risk Management Maturity Model – RM3–H

ORR developed Risk Management Maturity Model (RM3-H) in collaboration with the Heritage rail industry – a tool for any organisation to successfully manage a Safety Management System to:

- Manage Health & Safety Risks;
- Help Identify areas improvement;
- Benchmark for year on year review, to evaluate an organisations SMS maturity progress through the 5 maturity levels.



RM³ 2019

ORR
OFFICE OF
RAIL AND ROAD

The
Risk Management
Maturity Model

Topic set 1

Heritage Railways

Version 1.1 2021

# RM3-H in Regulation

RM3 is <span style="color:red">not</span> an audit tool.
It is a model to structure discussions about evidence and where to go next, either internally in organisations or between inspectors and the organisations we regulate.

We do not do "RM3 Inspections".

We systematically collect evidence to inform our view of management maturity

We use the RM3 model to structure our thinking and conclusions.

Our conclusions aim to suggest improvement priorities to achieve greater management maturity.

# Why we developed the Risk Management Maturity Model (RM3-H)?

To help heritage railways we developed RM3-H, with input from key stakeholders.

RM3-H provides more focused descriptors over a much smaller and more readily applicable set of criteria than the 26 found in the full RM³ 2019.

RM3 will help you to consider safety management system capability, identify areas for development, and provide a benchmark for year-on-year comparisons.

# Safety Performance - Why Excellence?

Why Excellence?

To ensure high likelihood of sustained compliance.

Safety performance varies on a daily basis.

If an organisation is performing "ad hoc" then the likelihood is with normal performance and any dips in performance will be below legal minimum compliance and risks uncontrolled.

RM3 helps ORR evaluate the capability of the organisation and managers to sustain control of risks and to indicate if there is continuous improvement in the management of safety.

# The 5 maturity levels

Proactive/continual improvement

Delivery can be predicted by the management system
Variation and change is controlled

Good practice synthesised into standard processes

Local groups are organised to ensure repeatable performance BUT
each work group performs similar tasks differently

Ad hoc and uncoordinated

# Why Excellence?



Excellence

Predictable

Standardised

Managed

Ad-hoc

**Likelihood of compliance**

**Likelihood of Non-compliance**

**Time**
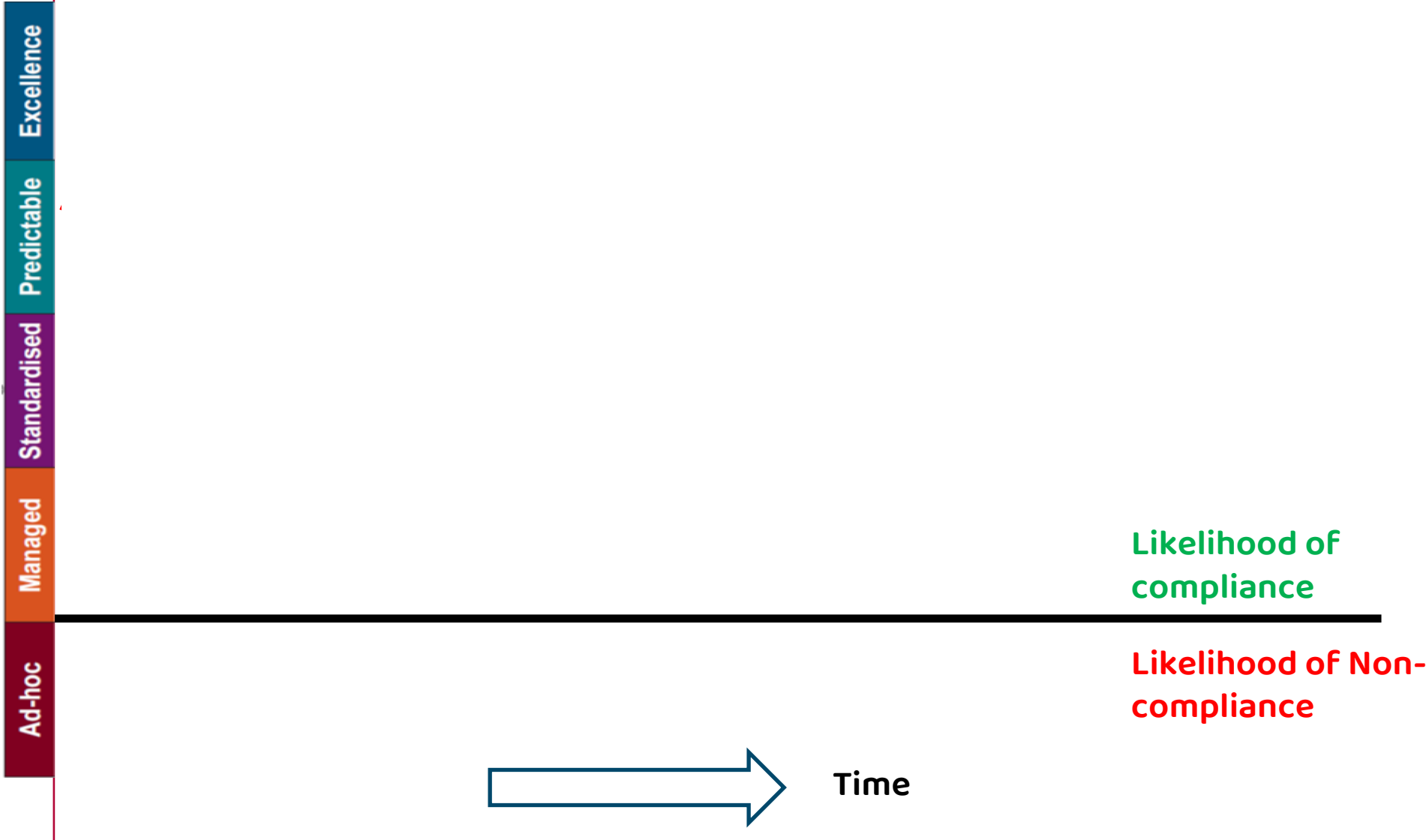
# The RM3-H Themes, Criteria & Maturity Levels

| Theme | | Criteria |
|---|---|---|
| **Health and safety policy, leadership and board governance** | | SP1 Leadership<br>SP3 Board governance<br>SP4 Written health and safety management system | SP |
| **Organising for control and communication** | | OC7 Record keeping, document control and knowledge management | OC |
| **Securing co-operation, competence and development of staff at all levels** | | OP2 Competence management system | OP |
| **Planning and implementing risk controls through co-ordinated management arrangements** | | PI1 Risk assessment and management<br>RCS2 Management of assets<br>RCS3 Change management (operational, process, organisational and engineering) | PI & RCS |
| **Monitoring, audit and review** | | MRA2 Audit<br>MRA3 Incident investigation | MRA |

Excellence

Predictable

Standardised

Managed

Ad-hoc

# RM3–H Maturity Model Criteria

| Category | Codes | | Axis |
|---|---|---|---|
| **Health and safety policy, leadership and board governance** | SP1 Leadership<br>SP3 Board governance<br>SP4 Written health and safety management system | | **SP** |
| **Organising for control and communication** | OC7 Record keeping, document control and knowledge management | | **OC** |
| **Securing co-operation, competence and development of staff at all levels** | OP2 Competence management system | | **OP** |
| **Planning and implementing risk controls through co-ordinated management arrangements** | PI1 Risk assessment and management<br>RCS2 Management of assets<br>RCS3 Change management (operational, process, organisational and engineering) | | **PI & RCS** |
| **Monitoring, audit and review** | MRA2 Audit<br>MRA3 Incident investigation | | **MRA** |

| Level | Description |
|---|---|
| **Excellence** | It is characteristic of processes at this level that the focus is on continually improving process performance through both incremental and innovative technological changes / improvements. |
| **Predictable** | It is characteristic of processes at this level that, using process metrics, management can effectively control the AS-IS process (An "as is" business process defines the current state of the business process in an organisation). In particular, management can identify ways to adjust and adapt the process to particular projects, without measurable losses of quality or deviations from specifications. Process capability is established from this level. |
| **Standardised** | It is a characteristic of processes at this level that there are sets of defined and documented standard processes established and subject to some degree of improvement over time. These standard processes are in place (i.e. they are the AS-IS processes) and used to establish consistency of process performance across the organisation. |
| **Managed** | It is characteristic of processes at this level that some processes are repeatable, possibly with consistent results. Process discipline is unlikely to be rigorous, but where it exists it may help to ensure that existing processes are maintained during times of stress. |
| **Ad-hoc** | It is characteristic of processes at this level that they are (typically) undocumented and in a state of dynamic change, tending to be driven in an ad-hoc, uncontrolled and reactive manner by users or events. This provides a chaotic or unstable environment for the processes. |

# General layout for criteria, maturity levels and evidence factors

# Using RM3-H Criteria

RM3-H supports the evaluation of an organisations Safety Management System (SMS) and can identify whether the SMS provides and maintains risk control systems, consistent way of evaluating the SMS required by the Management of Health & Safety at Work Regulations 1999 and ROGS.

**Reactive assessment** includes:
- Workplace violations and errors
- Incidents
- Failures to deliver performance objectives
- Complaints

**Proactive assessment** includes:
- Risk control system review
- Safety verification activity
- Safety certification/authorisation assessment

**Audit** includes:
- Top down SMS reviews
- Corrective action monitoring
- Internal and external
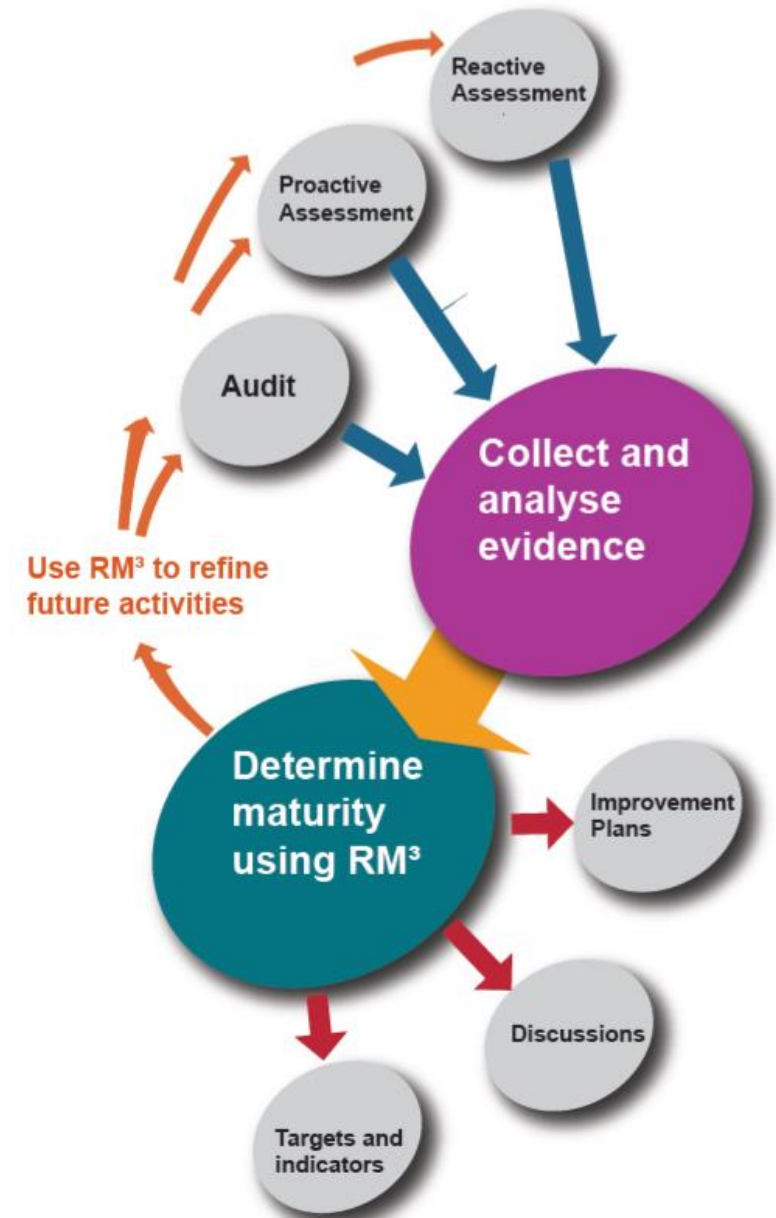
# Evidence Gathering

**Consistency of the evidence**
If evidence from a number of sources suggests a similar level of maturity, this would indicate that the findings of the assessment are accurate;

**Quantity of the evidence**
Whether there is enough evidence to provide an informed opinion on the organisation as a whole. For example, if evidence on document control for a small depot revealed an 'ad-hoc' level of achievement, is that sufficient to form an opinion on the document control system for thirty other, much larger depots?;

**Quality of the evidence**
Whether the evidence is based on a limited observation from one site or is consistent across a number of sites and;

**Currency of the information**
When the evidence was initially gathered and whether there are likely to have been any significant changes since then.

# RM3 Toolkit



| Name | | |
|---|---|---|
| Organisation | | |
| Date | | |

**ORR Risk Maturity Management Model (RM3-H 2019)**

| Theme | Criteria | Comments to Support Evidence | Assessed Level (and descriptor) | | | | | Assessed |
|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | Level |
| **Heallth and Safety policy, leadership and board governance** | Leadership - SP1 | criterion not assessed | | | | | | |
| | Board Governance - SP3 | criterion not assessed | | | | | | |
| | Written Safety Management Systems - SP4 | criterion not assessed | | | | | | |
| **Organising for control and communication** | Record keeping, document control and knowledge management - OC7 | criterion not assessed | | | | | | |
| **Securing cooperation, competence and development of employees at all levels** | Competence management system - OP2 | criterion not assessed | | | | | | |
| **Planning and implementing risk controls through coordinated management arrangements** | Risk assessment and management - PI1 | criterion not assessed | | | | | | |
| | Management of Assets - RCS2 | criterion not assessed | | | | | | |
| | Change management (Operational, processes, organisational and engineering) - RCS3 | criterion not assessed | | | | | | |
| **Monitoring Audit and Review** | Audit - MRA2 | criterion not assessed | | | | | | |
| | Incident investigation - MRA3 | criterion not assessed | | | | | | |

**Evidence**

# Further RM3 Learning Tools

**RM3 E-Learning Tool**   www.orr.gov.uk/rm3



**Introduction to RM3**



**What is RM3?**



**Using RM3**



**RM3 in practice**

# W&LLR
# RM3 Experience
# The Start of a
# Journey

# ORR RM3 Workshop 16th February 2023

Steve Clews

# Curriculum Vitae

- Started career as sea-going engineer with Shell
- Retired as V-P Engineering Standards with BP
- On the way Chief Engineer, Fleet Manager, Engineering Authority
- W&L Volunteer from 2004, Trustee 2007, Chairman 2015
- And - Driver, Mechanical Inspector, Blockman/Controller
- Also - HRA Director, BESST Director, HRA O&S Committee Vice Chair and HRA representative on RM3 Governance Board

# W&L Overview

- 5 full time employees, 1 part time, several seasonal
- 220 volunteers providing approximately 24 FTE
- Ended 2021 in good financial position but fewer volunteers
- GM changed at beginning of 2021
- Survived 2022 – financially good but services cut due to staff shortage
- 20 year legacy of deferred maintenance in every area
- Management structure in process of being better defined
- Last century culture still pervades some areas

# Our RM3 Journey -1

- We are at the start of the journey

- Decided that we needed help to get started.

- Considered soft start with single area self review

- Doubtful we had the resources

- A Covid recovery grant enabled us to fund a complete external safety audit

# Our RM3 Journey - 2

- Annual external safety audits had been area specific
- Different areas or themes each year
- Same auditor every year on basis of expenses only
- Board felt that these were getting less and less effective
- 2021 audit performed by contractor and covered every activity using RM3
- Did we learn anything. YES

# Our RM3 Journey - 3

The assessment, as a 'best fit" against the criteria,

SP1 Leadership - Managed

SP3 Board Governance - Managed

SP4 SMS – Ad Hoc

OC7 Records and Documents - Managed

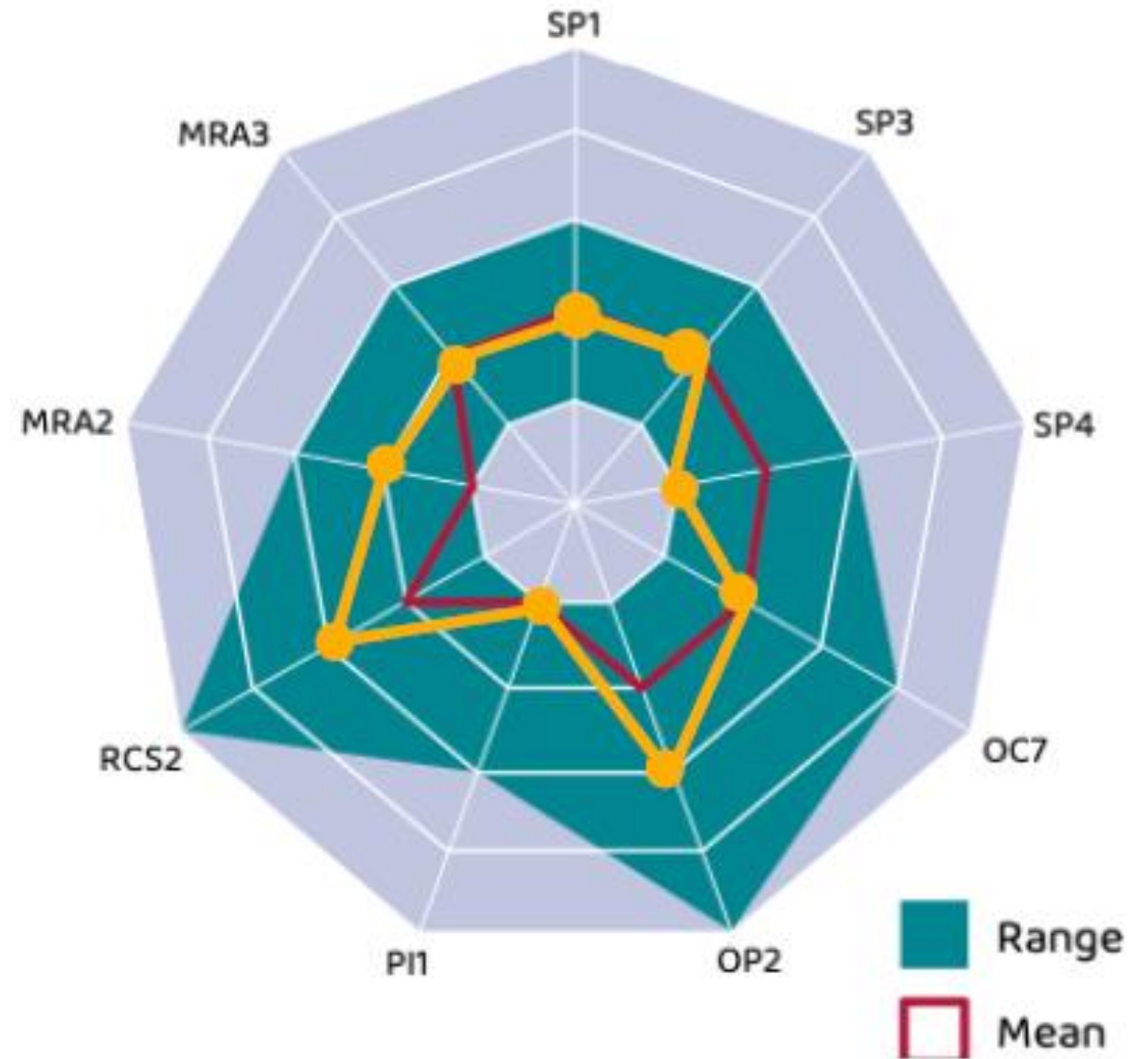OP2 Competence Management - Standardised

PI1 Risk Assessment and Management – Ad Hoc

RCS2 Asset Management - Standardised

RCS3 Management of Change - Managed

MRA2 Audit - Managed

MRA3 Incident Investigation & Management - Managed



ORR - Composite RM3 assessment of heritage sector 2020/2, with W&L 2021 overlaid in orange. Note that criterion RCS3 is not shown.

Range

Mean

The Queen's Award for Voluntary Service

# Our RM3 Journey - 4

- 7 recommendation in Criteria SP3,SP4,OC7,OP2,RCS2, MRA2
- Follow up audit on recommendations delayed until start of 2023
- Includes Annual Safety Audit to RM3
- This process has confirmed a good deal of what we knew
- It has also shown our areas of over confidence
- We have an excellent basis for prioritising corrective actions and progressing the Improvement Cycle

# Our RM3 Journey - Next

- Complete all recommendations from 2021 audit
- Progress all criteria to minimum level of managed
- Continue using RM3 for external audit to inform continuous improvement
- Board members and management encouraged to attend RM3 workshops
- Board members expected to complete RM3 e-learning
- RM3 e-learning to be added to competence matrix for departmental heads and officers
- Progress to more effective internal audit using RM3
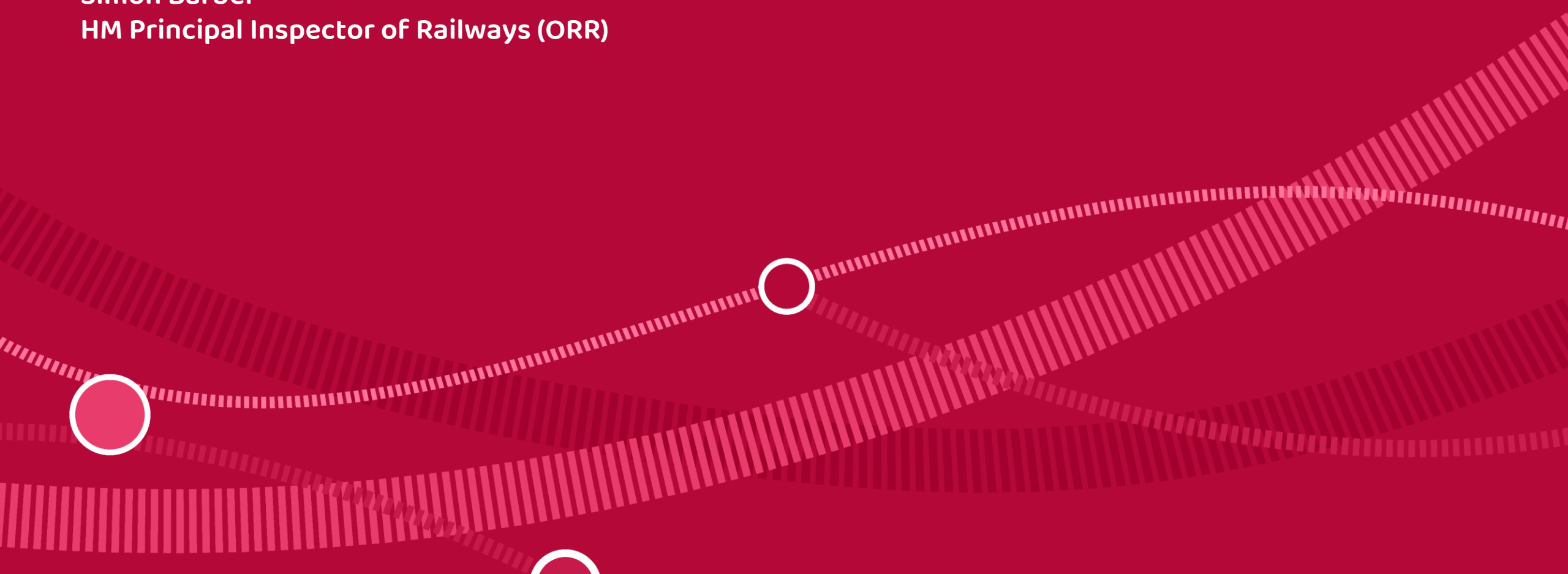
# Questions

# RM3-H Exercise

**Simon Barber**

**HM Principal Inspector of Railways (ORR)**

# RM3 Exercise

On your tables within the envelopes are the findings from the Canary Light Railway Inspection.

The Canary Light Railway (CLR) is a preserved standard gauge railway operating in the South-East of England. The railway operates heritage steam and diesel services over its six miles of track, and operates three days a week from March to October.

Within your teams, review the findings and assess against the RM3 model.

# RM3 Exercise Feedback

From your group's analysis of the findings, feedback and discussion.

# Any Questions?