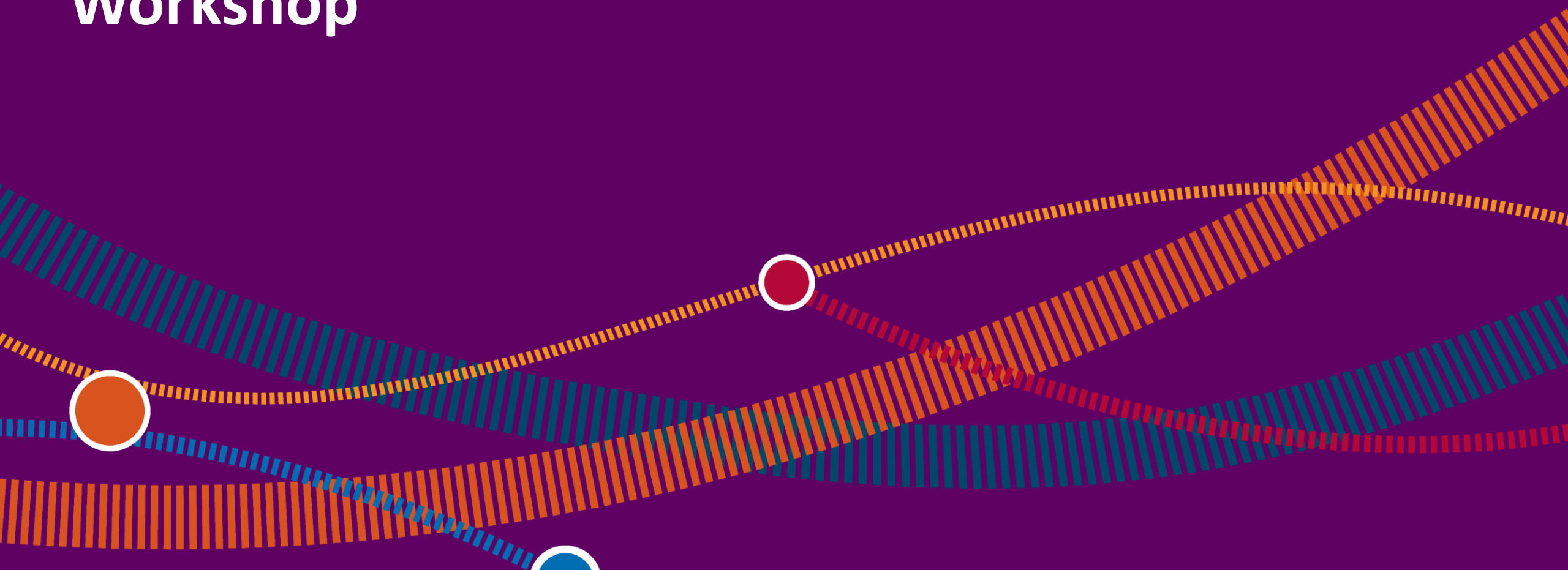# Risk Management Maturity Model (RM3-H) Workshop

Welcome and Introductions

Ian Skinner

Head of Non Mainline (ORR)

Welcome

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

- ORR Team

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

Where we are going today

Before lunch

- Introduction
- RM3 – an HRA perspective
- ORR's view on heritage matters
- SMS
  - What, Why, When?
  - Board Governance – why critical to success

Lunch

After lunch

- RM3 Topic Set 1 – Heritage
  - What is it & why it is useful
  - How to we use it?
  - Practice
  - Feedback + discussions
- Reflecting and next steps

ORR's vision for GB's Railways

Zero workforce and industry-caused passenger fatalities, with an ever decreasing overall safety risk

My perception on passenger's expectations:
- '1953 experience' with 21st century levels of safety and service

A management system will help achieve this.
- Stop and think
- Improve
- Record

Agenda

Time	Subject	Speaker
1000-1015	Welcome and Introductions	Ian Skinner (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	Ian Skinner (ORR) Steve Oates (HRA)
1215-1300	Lunch / Networking	
1300-1340	RM3-H	Simon Barber (ORR)
1340-1400	RM3-H Case Study	Michael Proctor & Mark Hayton (Aln Valley Railway)
1400-1500	RM3-H Exercise	Simon Barber (ORR)
1500-1530	RM3-H Exercise Feedback and Discussion	All
1530-1545	Closing Remarks	Ian Skinner (ORR)

RM3 and Heritage Railways

Steve Oates
Chief Executive Officer HRA
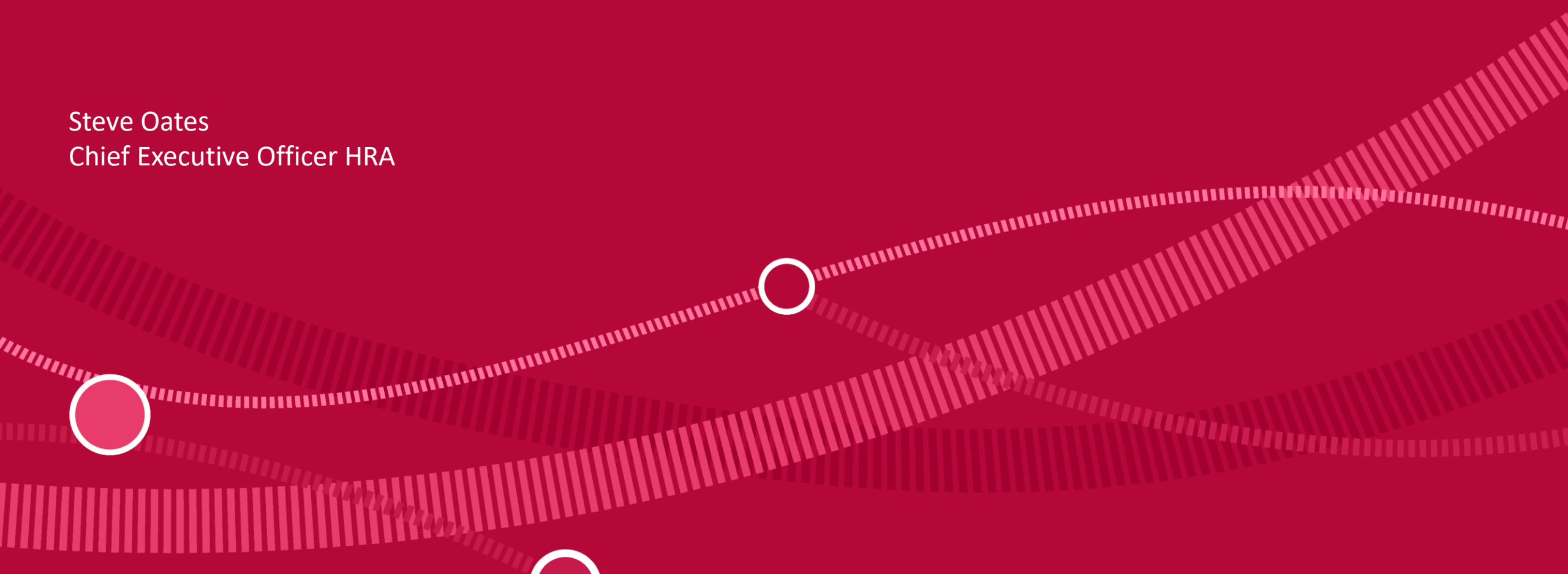
Heritage Railway Association

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?
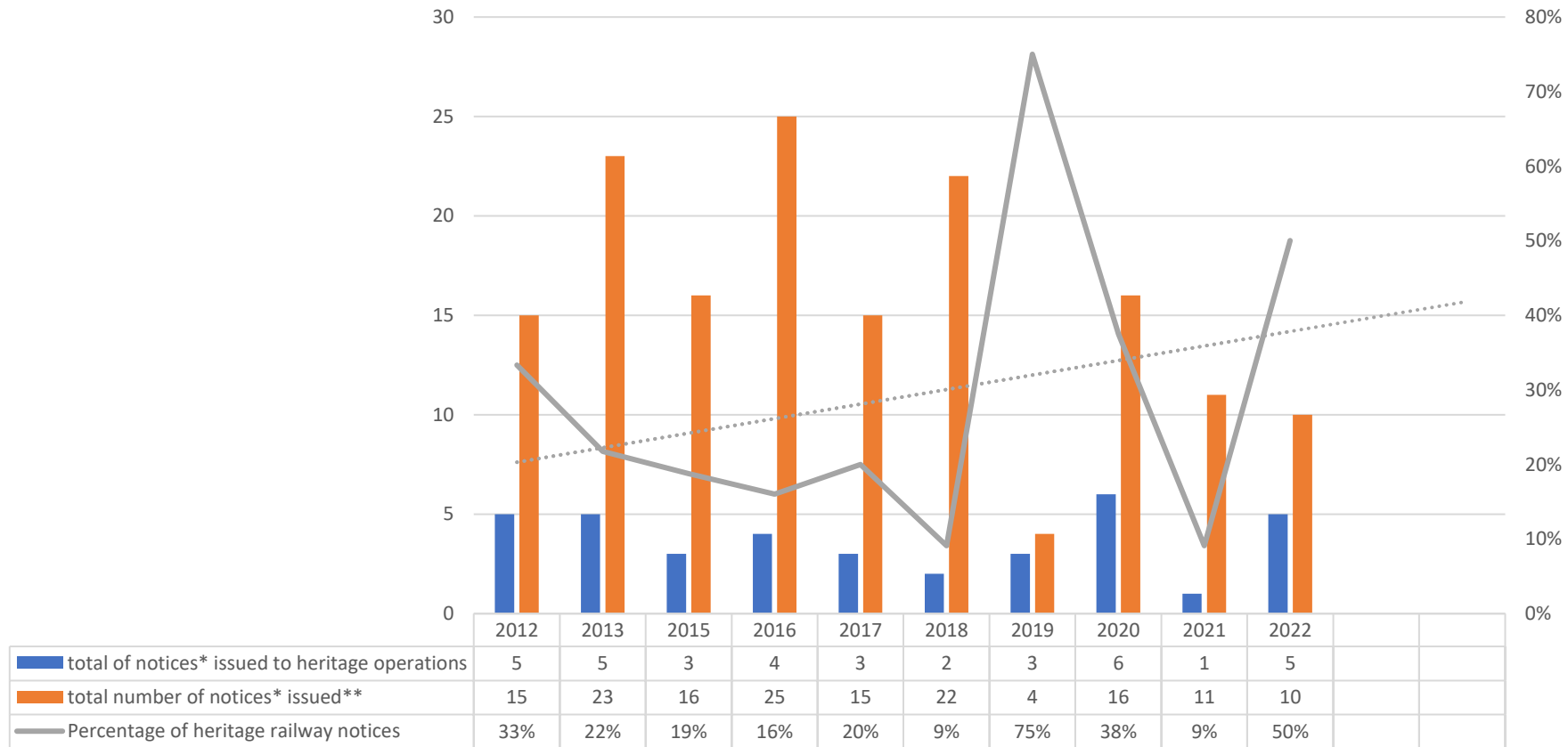
The brutal truth … 10 year average

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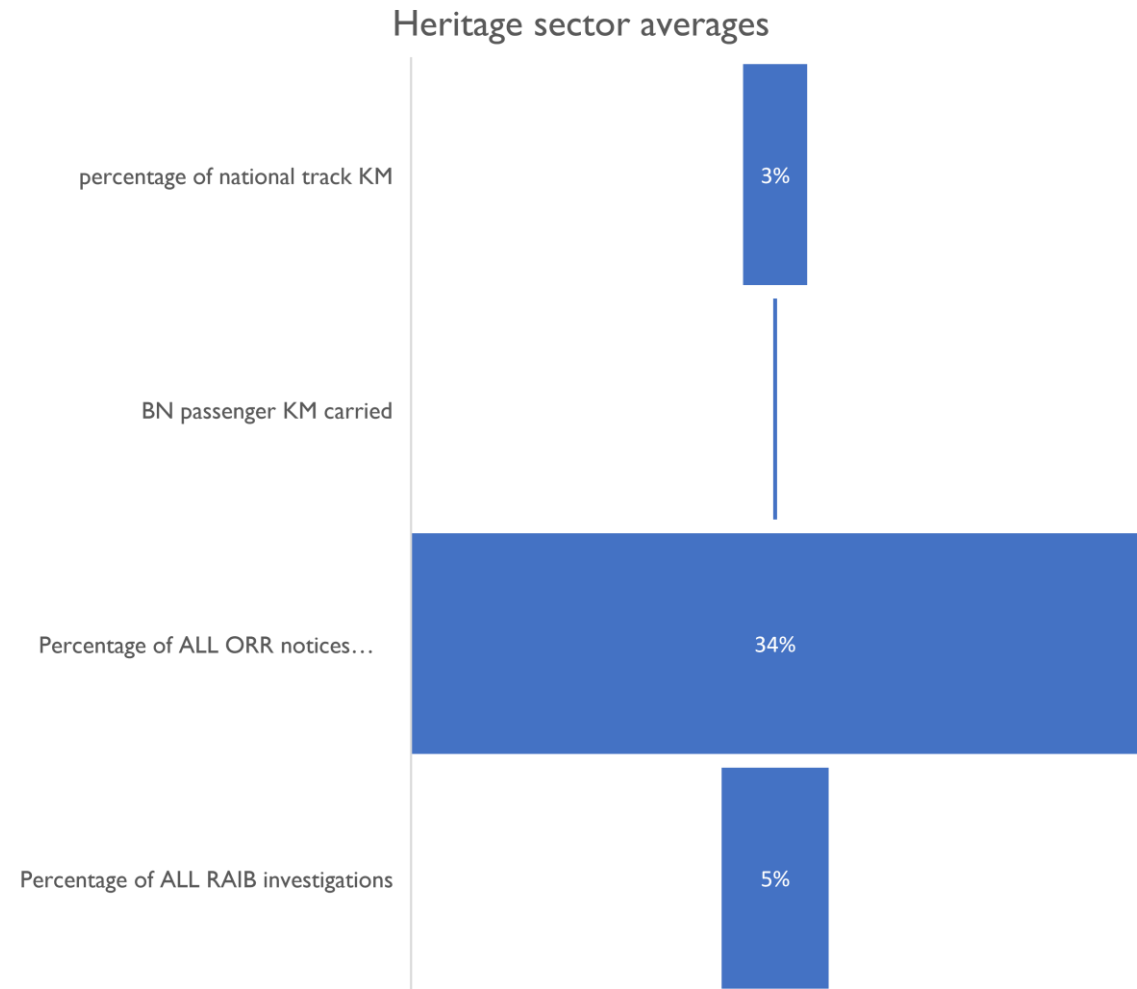
Breaking this down (10 year average 2012-2022) All ORR action

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%

- total of notices* issued to heritage operations
- total number of notices* issued**
- Percentage of heritage railway notices
- Linear (Percentage of heritage railway notices)

HERITAGE RAILWAY ASSOCIATION

Breaking this down (2005 – 2022) RAIB report details

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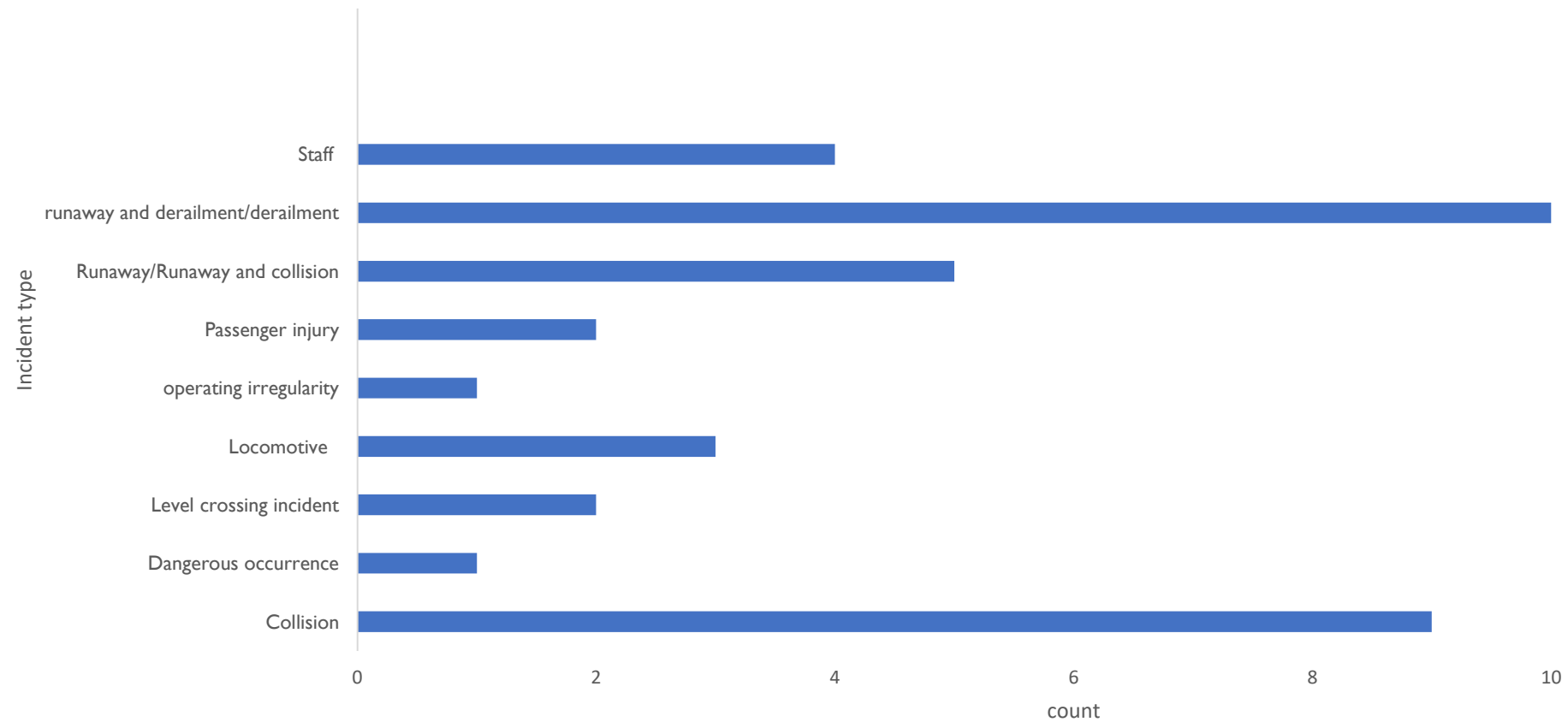
Some questions …

- 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

HERITAGE
RAILWAY
ASSOCIATION

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
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Supply
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HERITAGE RAILWAY ASSOCIATION

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 CO_2 … 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

HERITAGE RAILWAY ASSOCIATION

Heritage Railway Association

Steve Oates. Chief Executive

Operational Update

Simon Barber
HM Principal Inspector of Railways (ORR)
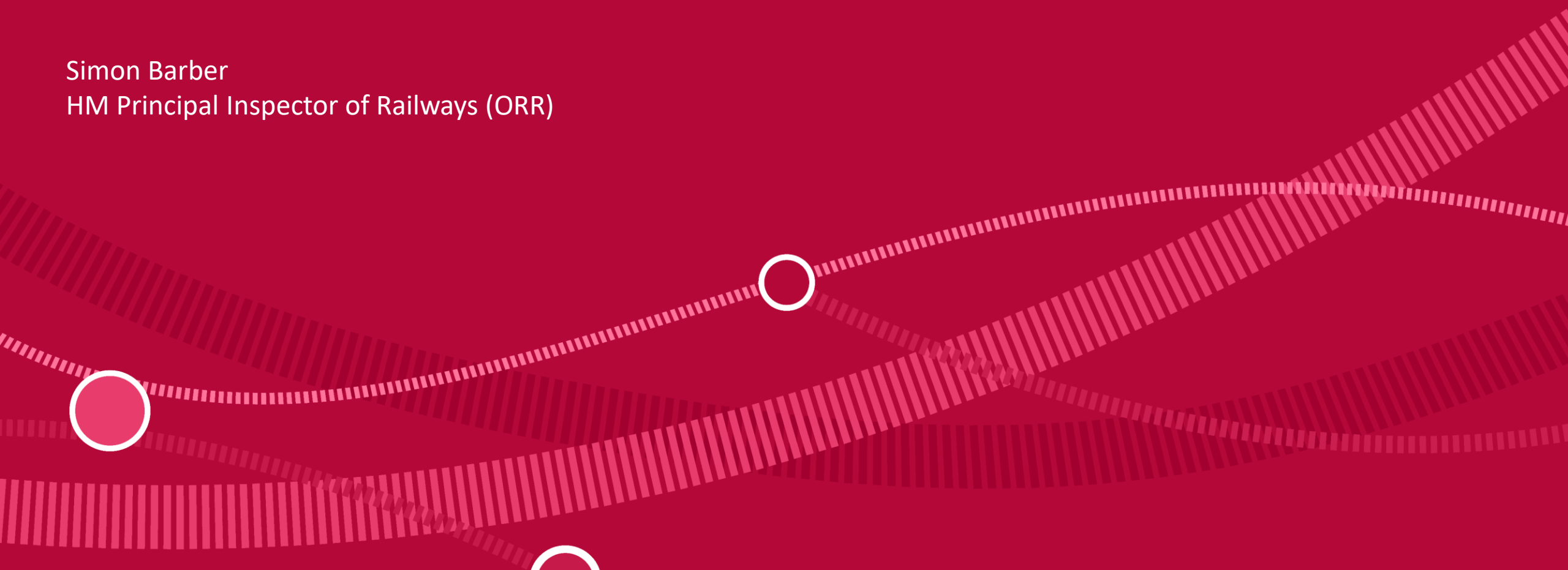
Overview

- 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** – 9 reported falls from height since in last 15 months resulting in a volunteer/worker requiring hospital treatment.

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

- 2022/23 - Inspection of the Management of Civil Engineering Asset – inspecting a sample of railways with aim of identifying sector-wide maturity.

- 2023/24 - Work at Height – Planning inspections of a sample of railways.

ORR Assessment of Heritage Railways using RM3

1. **Dutyholder** 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 **Heritage Railway Sector** 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 – 2022/23

Break
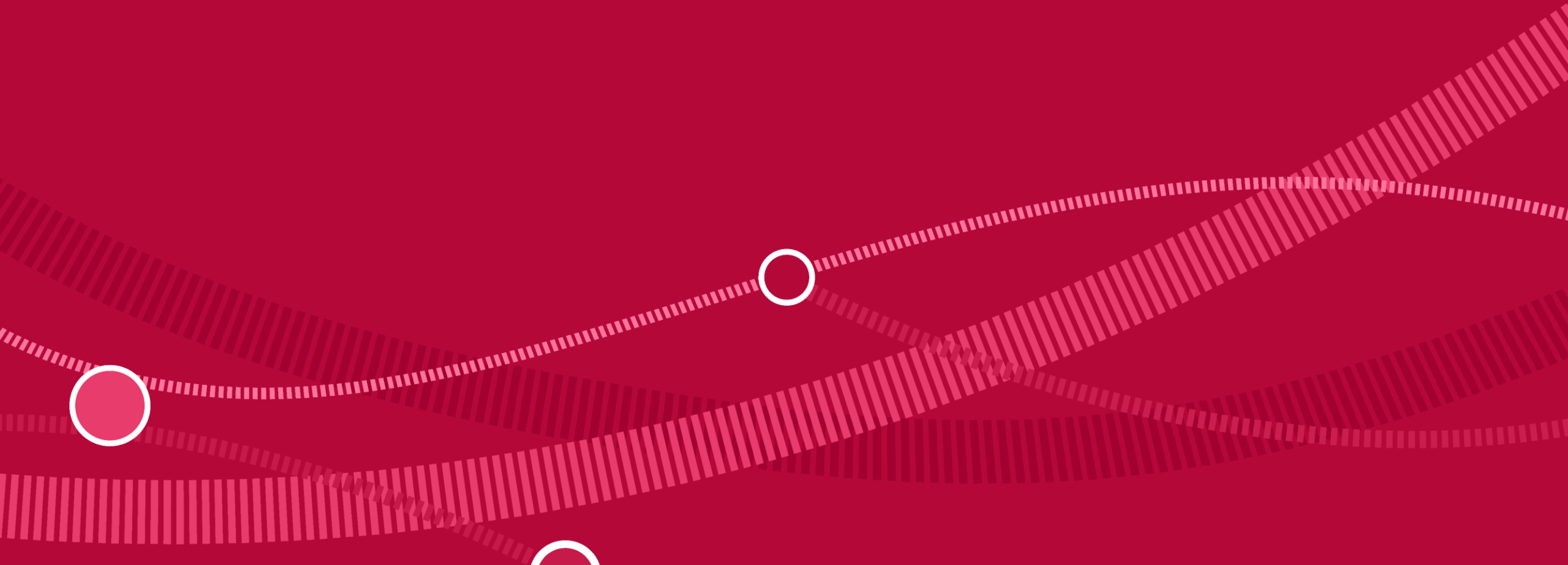
Safety Management Systems

Ian Skinner
Head of Non Mainline (ORR)
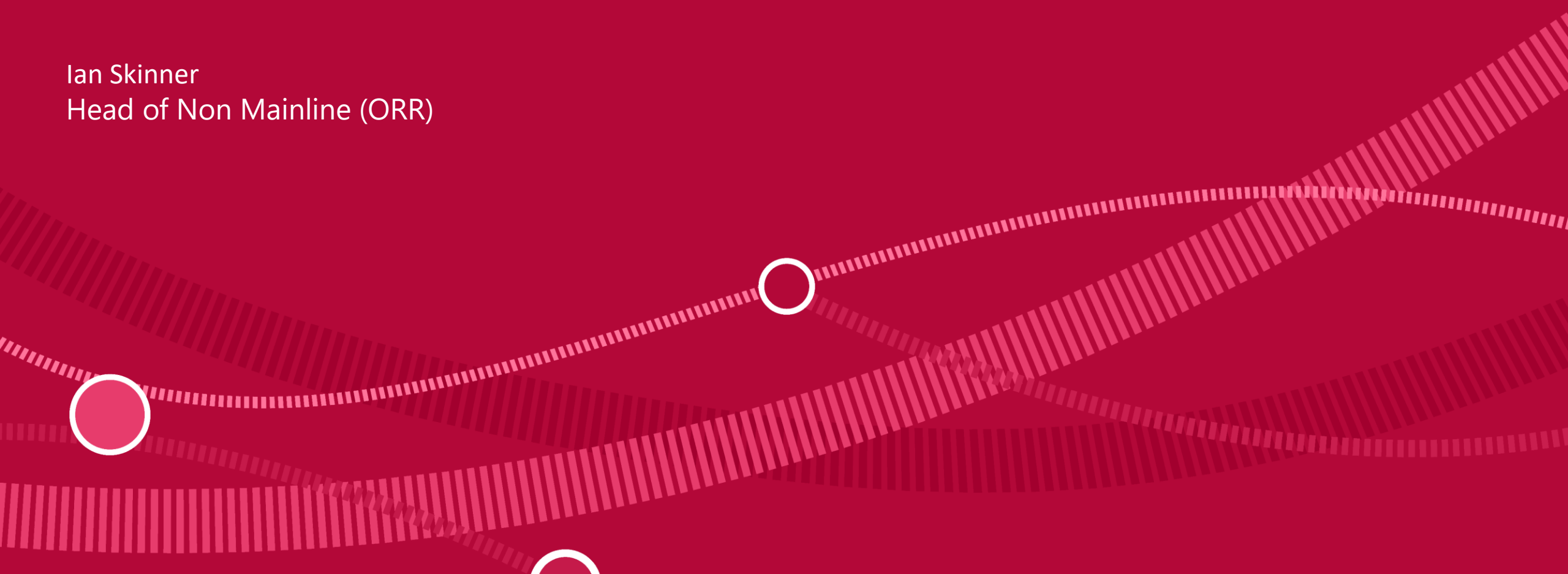
Why Manage Health and Safety?

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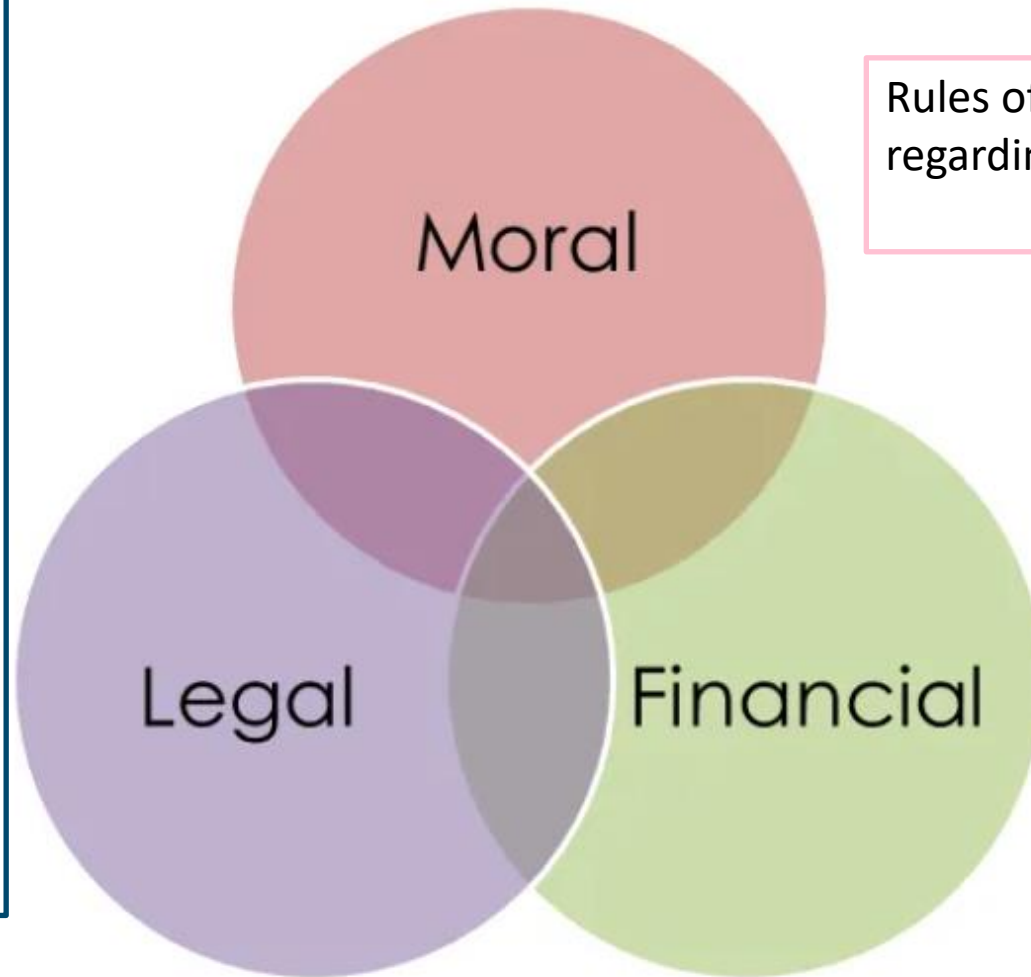
Rules of behaviour imposed by society regarding what is right or wrong.

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.

Remember, ROGS requires railways (and tramways) to have in place a safety management system

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

Why do 'heritage' need to think about risk?

Low speed ≠ little risk

Think of the energy:

      moving vehicles – kinetic energy

      gravity – potential energy

      steam boiler, braking systems – stored energy

Think of the controls:

      the hardware

      role of the paid workers & unpaid volunteers

      and passengers

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 HSG6

The Management System Principles

- Know your operation / asset

- Know your risks

- Know your controls

  - *And gaps*

- Put in place:

  - Planning

  - Organisation

  - Monitoring

  - Review

- And demonstrate it

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

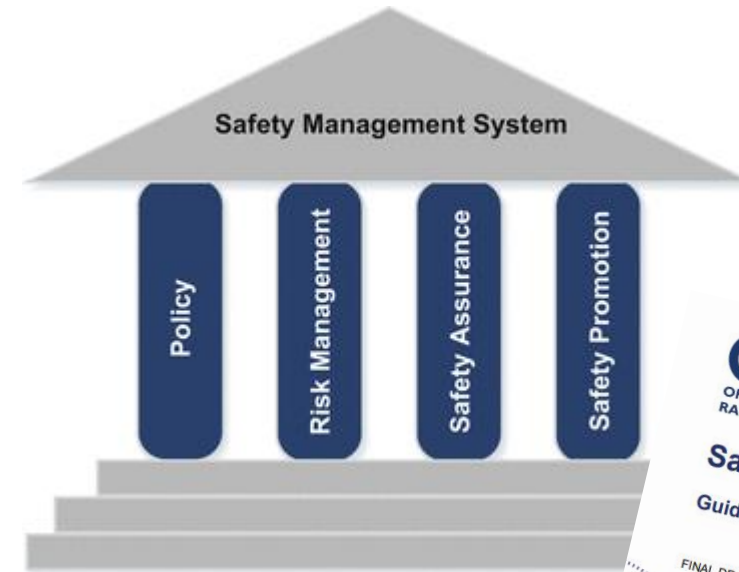Continuous improvement of the SMS

Safety Promotion

Training and Education

Safety Communication
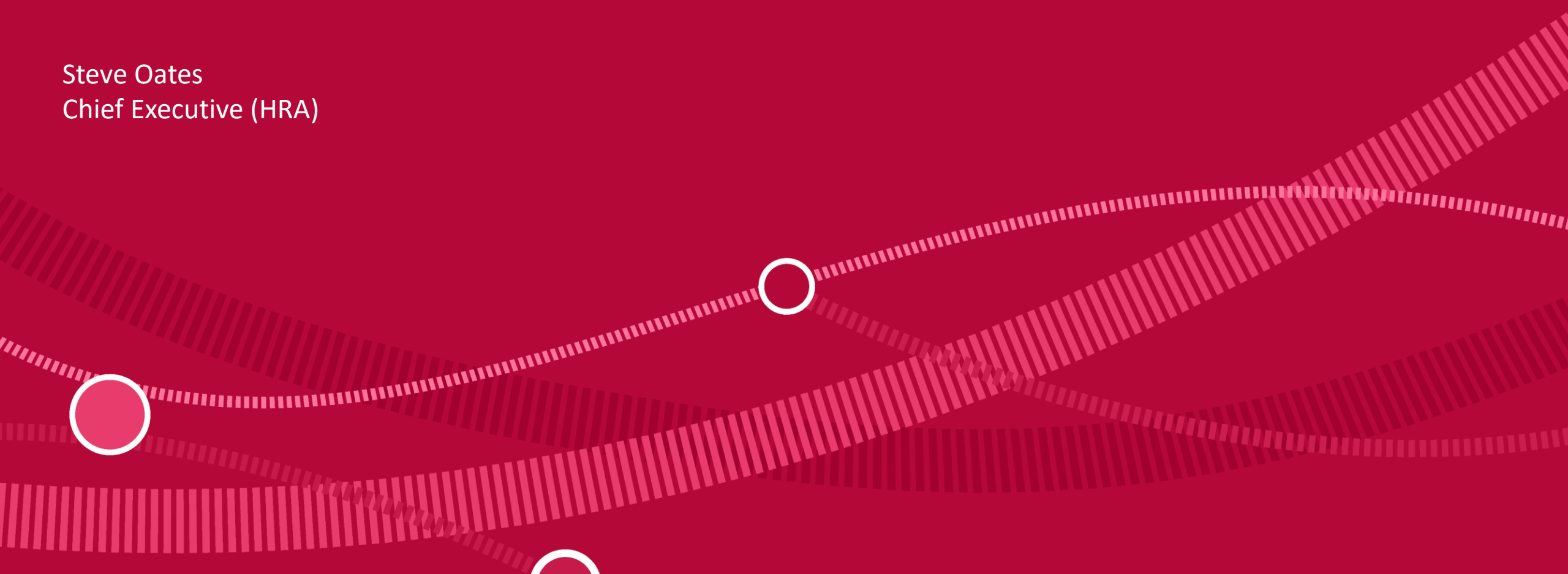
Safety Management System

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

Board Governance

Steve Oates
Chief Executive (HRA)

Governance

RM³ 2019
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

External regulatory bodies (shown in red):
- Registrar of Companies Companies House
- Charity Commission
- Financial Conduct Authority
- Shareholders / AGM
- UK Governance Code
- HMRC
- External Auditors
- Department of Transport
- ORR Rail Regulator
- Network Rail Track Access Agreement
- Registrar of Companies Companies House
- RSSB
- Other Train Operating Companies
- Rail Ombudsman
- ICO
- Environment Agency

Organisational Culture — Individual and Group Behaviours

Mid Fens Railway Society
Chairman + 3 VTCT Directors, 3 Membership Elected Directors Co Sec
Code of Conduct, Director Roles and Responsibilities
- FCA Rules / Objects
- Registrar
- Risk Register

Vision, Values, Mission
12 Tablets of Good Governance
Management of Biases
Organisational Culture
Individual and Group Behaviours

Mid Fens Charitable Trust
- Mid Fens Locomotive Works Entity In Charge of Maintenance
- Property / Condition Surveys / Security / Lease

Terms of Reference:
- Ethics Committee
- Audit Committee
- Community Engagement Group
  - Board Performance Review
  - Volunteers — Community Plan
  - Friends of Stations

Strategy and Risk Management
- **Direction** — Oversight

Finance

Other Group Policies | Group Environment Policy | Group H&S Policy | Approved Business Plan
Monitoring, audit and review

Operational Company & Executive Management Team
Chairman + 2 VTCBS Non Exec Directors, Ind Non Execs, Managing Director, Operations Director, Commerical Director, CFO Co Sec
Code of Conduct, Director Roles and Responsibilities
- Articles of Association
- Company Returns
- Inspection via RM3
- ORR Safety Certificate
- ORR TOC Licence

Terms of Reference:
- Nominations Committee
- Safety Committee
- Remuneration Committee
- Risk Committee
  - Independent Assessment
  - Safety and Standards
  - Risk Register

Health and safety policy, leadership and board governance
- Leadership / Board governance
- Written safety management system

Monitoring, audit and review
- Proactive monitoring arrangements
- Audit
- Incident investigation
- Management review
- Corrective action

Finance
- Cash Flow
- Creditors
- Loans
- Accounts
- Taxes

Marketing and Communication
- Customers and Passengers
- Printed material / Website / Social Media
- Passenger Charter Terms and Conditions

Data Management
- Data Protection Officer
- Cyber Security
- GDPR
- Freedom of Information

Environment
- Waste Management
- Carbon emissions
- Recycling

Organising for control and communication
- Allocation of responsibilities
- Management and supervisory accountability
- Organisational structure
- Internal communication arrangements
- System safety and interface arrangements
- Organisational culture
- Record keeping, document control and knowledge management

Planning and implementing risk controls through co-ordinated management arrangements
- Safe systems of work (including safety critical work)
- Risk assessment and management
- Objective / target setting
- Workload planning
- Management of assets
- Change management (operational, process, organisational and engineering)
- Control of contractors and suppliers
- Emergency Planning

Securing co-operation, competence and development of employees at all levels
- Worker involvement and internal co-operation
- Competence management system

- Press and Media

Organisational Culture — Individual and Group Behaviours

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
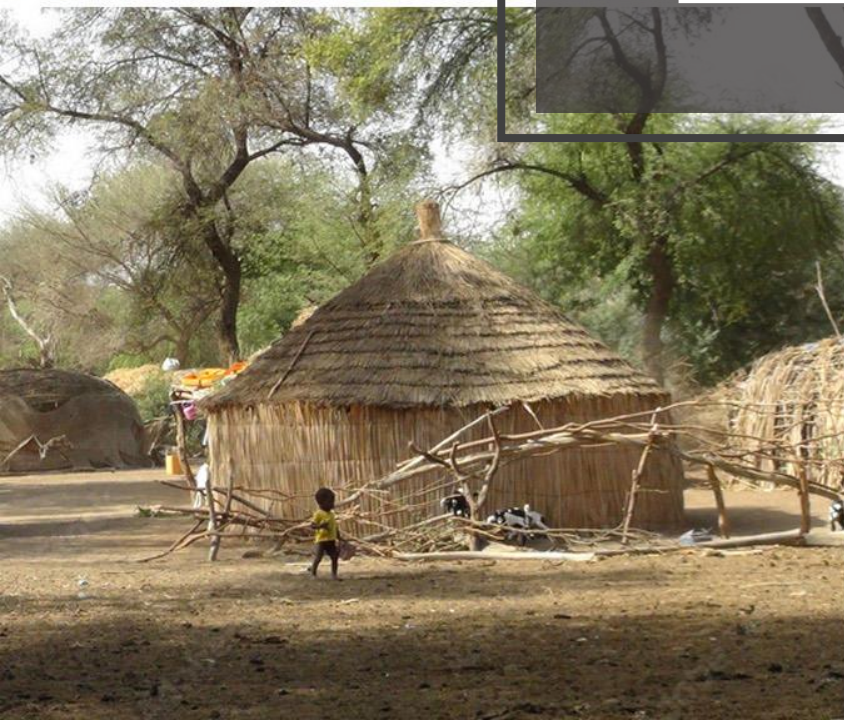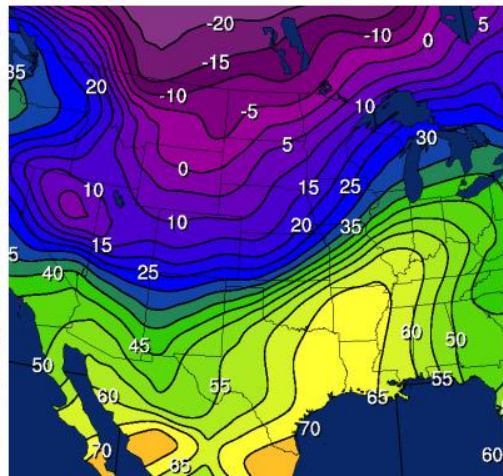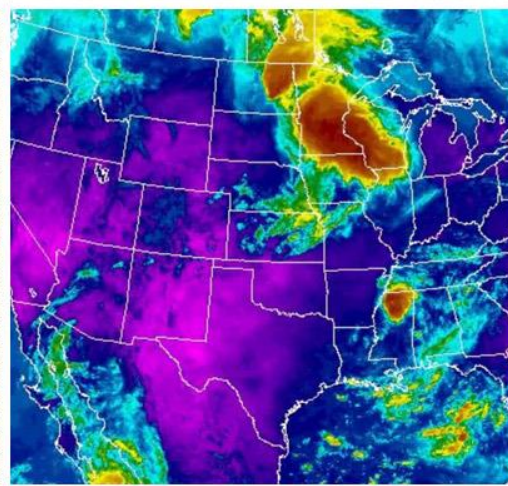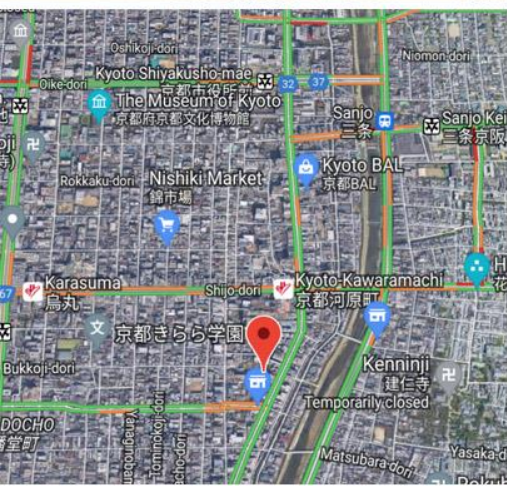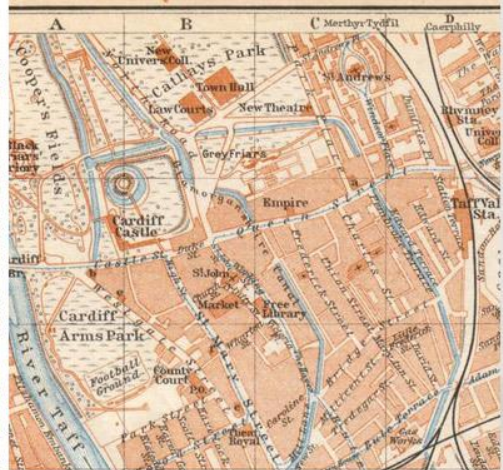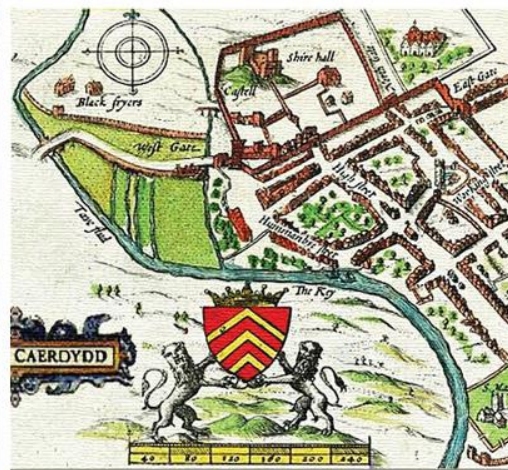
The 12 'Tablets of Governance'

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 but 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 pur[...] 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[...] [...]tated].

- **[Bot]tom line of [...]**

  [...] is [B[...] here], the UK Corporate Gover[...] [...] Charity [...] overnance Code ; or and oth[...] [...]nation [...] RA Guidance note on the [...]

  [...] [...]gulatory and recognised g[...] [...] all relevant documents [...] [...] [...]pment and board wide [...]

  - E[...] [...]ion, and values
  - Dec[...]
  - De[...] [...]or and evaluate [...]
  - [...] [...]ternal and exter[...]

- **Ro[...]**

  [...] [...]ies 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 [...] [...] that they must master themselves before they can master their task.

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 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.
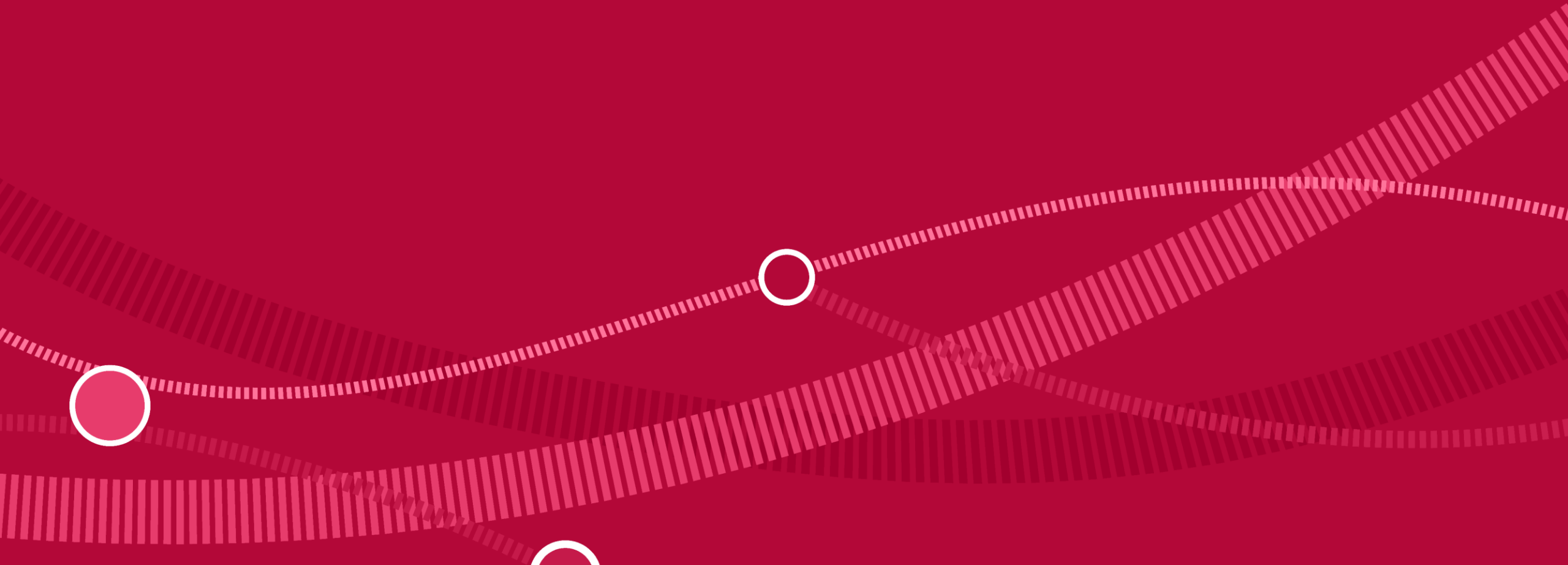
Final Tablet

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.
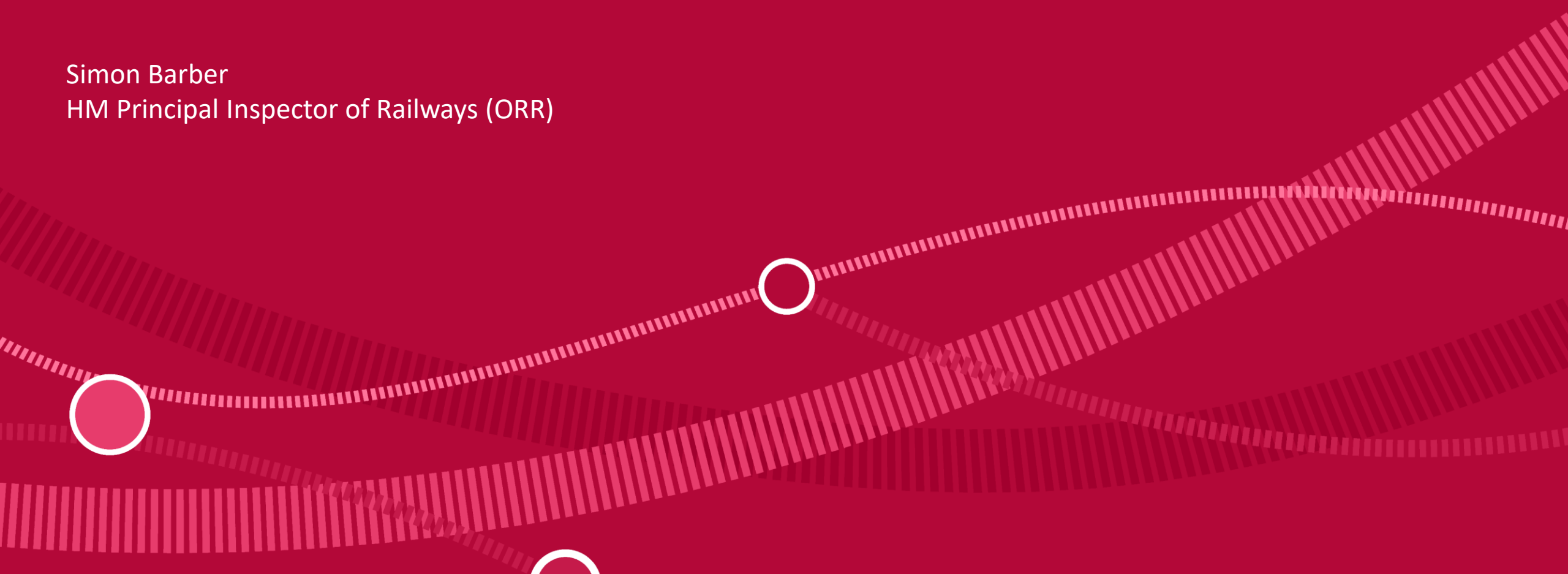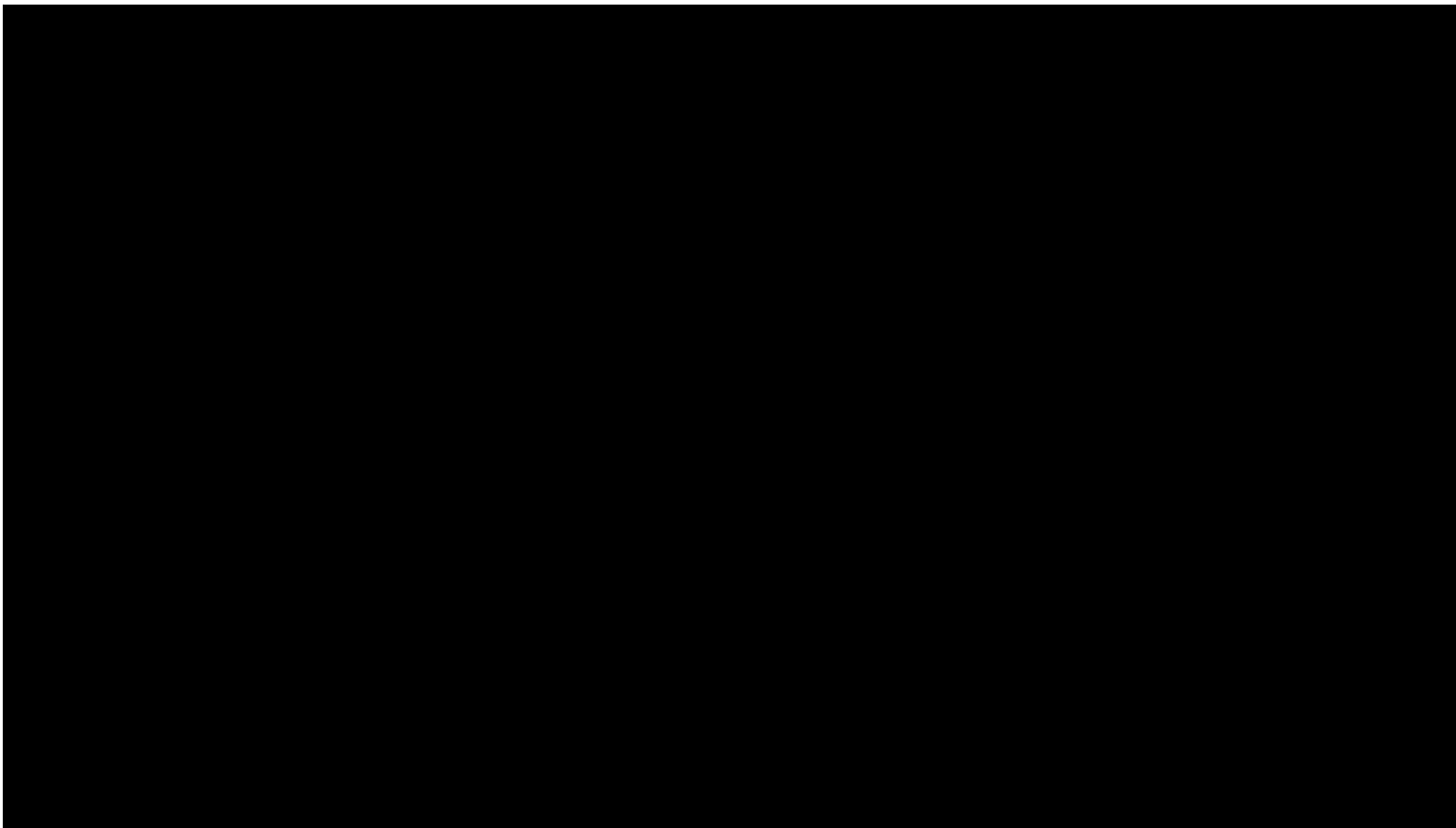
Lunch

RM3-H

Simon Barber
HM Principal Inspector of Railways (ORR)

RM3 Case Study – Non Railway

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
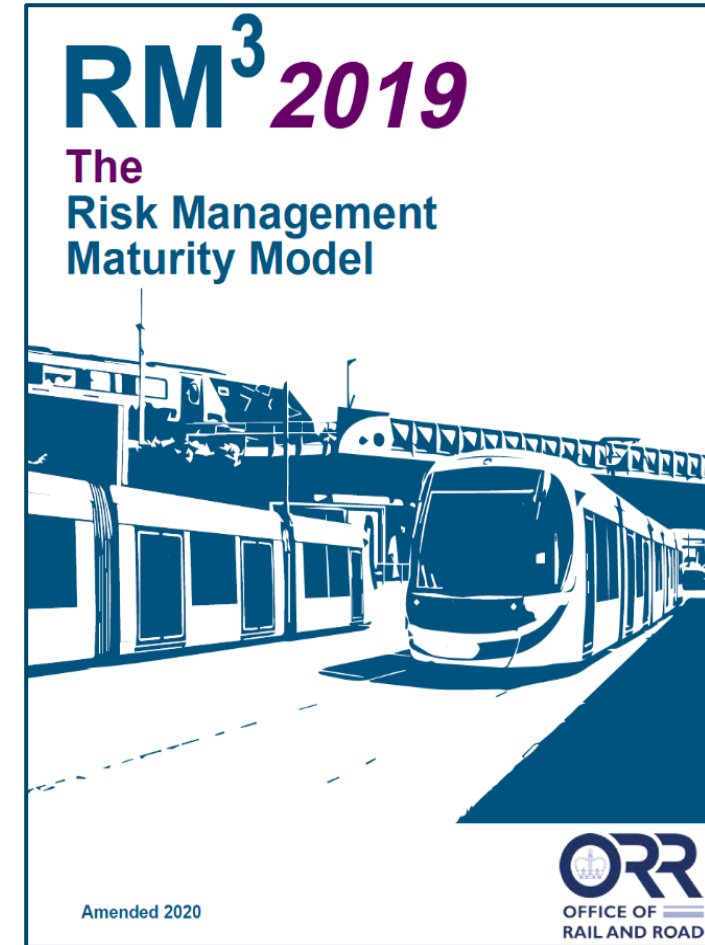
Risk Management Maturity Model – RM3–H

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 **not** 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.

Excellence

Predictable

Standardised

Managed

Ad-hoc

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?
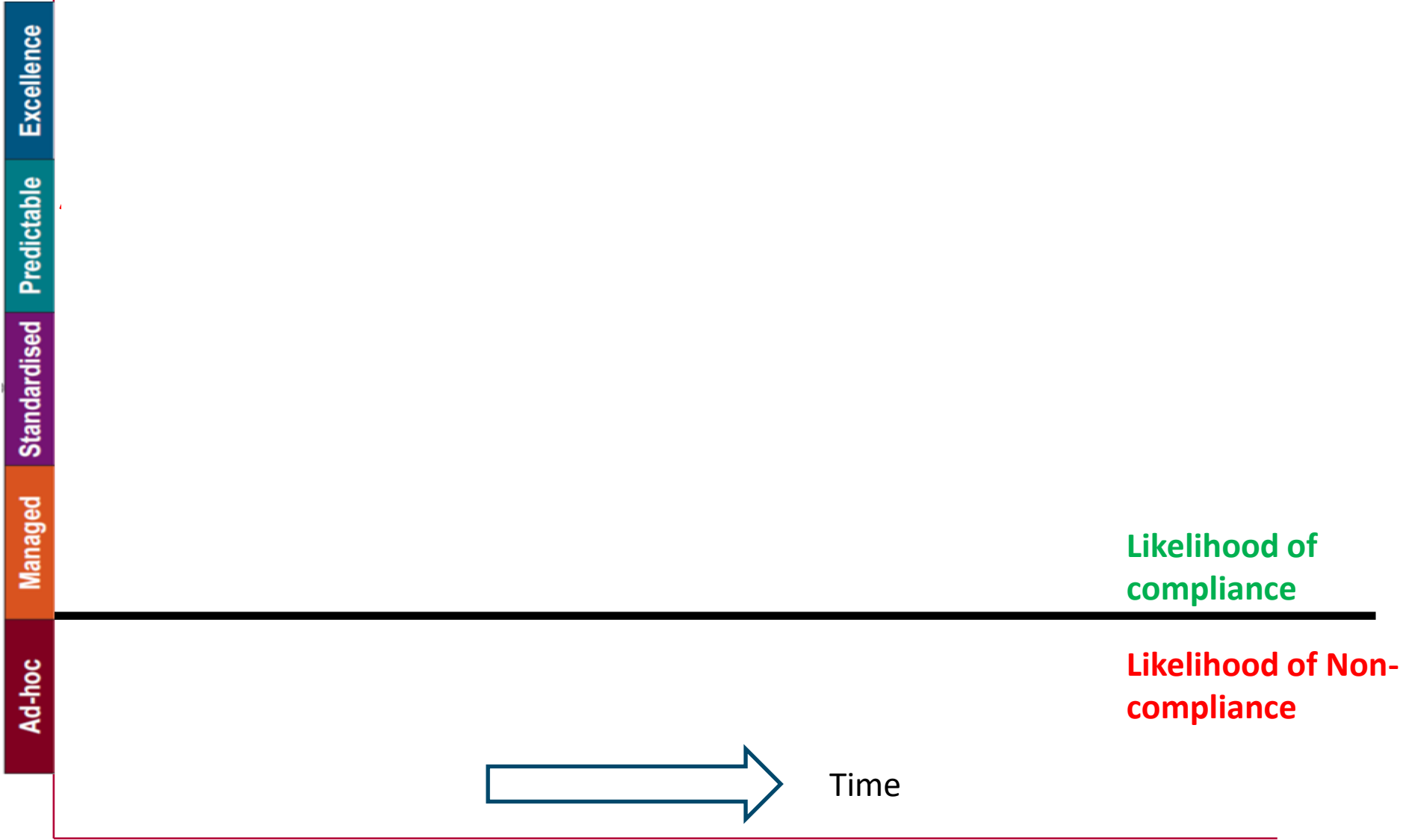
The RM3-H Themes, Criteria & Maturity Levels

RM3–H Maturity Model Criteria

Category	Code	Description	
Health and safety policy, leadership and board governance	SP1 SP3 SP4	Leadership Board governance 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 RCS2 RCS3	Risk assessment and management Management of assets Change management (operational, process, organisational and engineering)	**PI & RCS**
Monitoring, audit and review	MRA2 MRA3	Audit 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
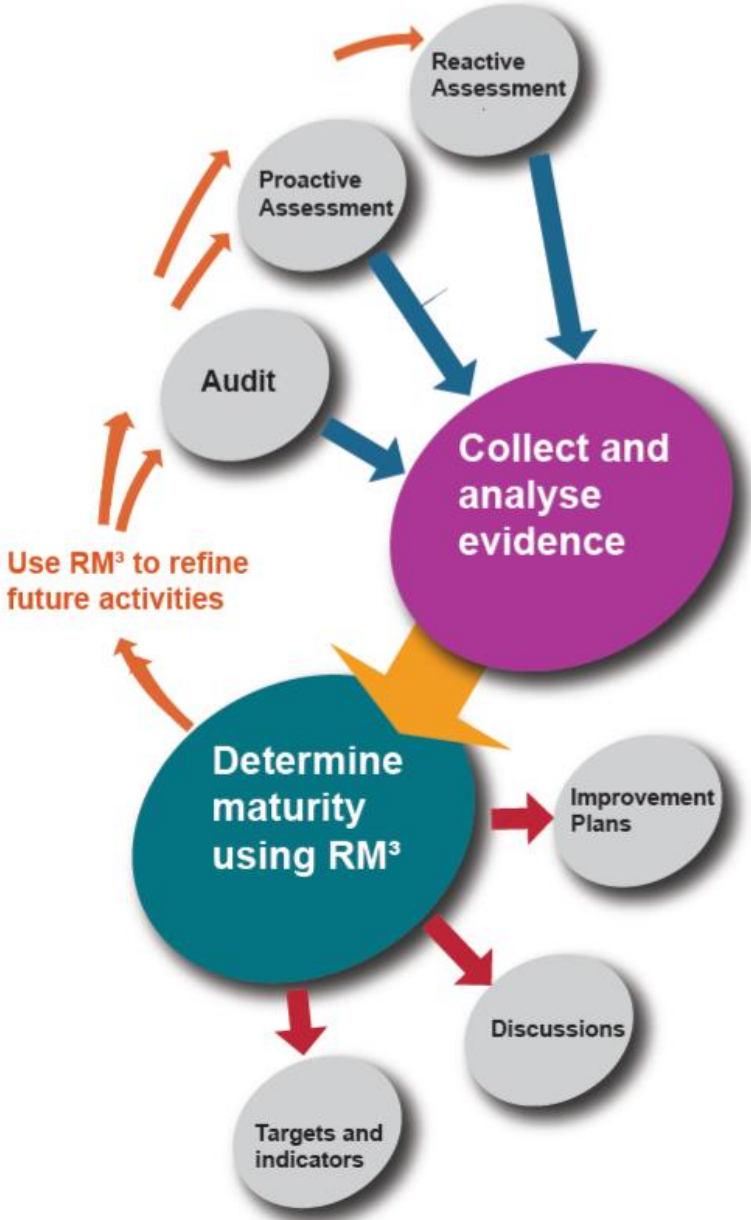
Evidence Gathering

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
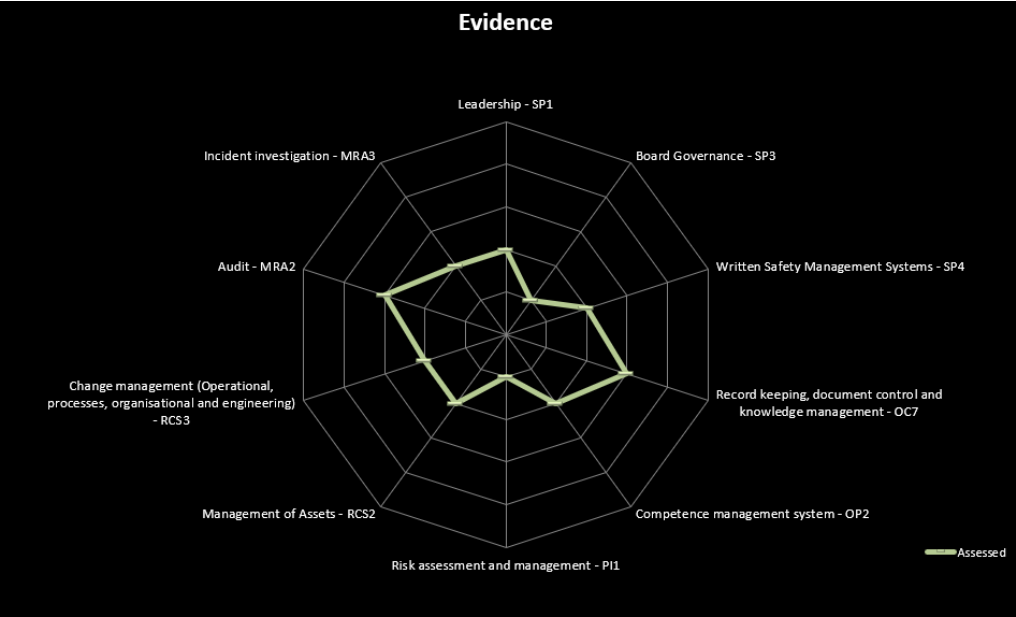
Further RM3 Learning Tools

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

Introduction to RM3

What is RM3?

Using RM3

RM3 in practice

RM3-H Case Study

Michael Proctor & Mark Hayton
Aln Valley Railway
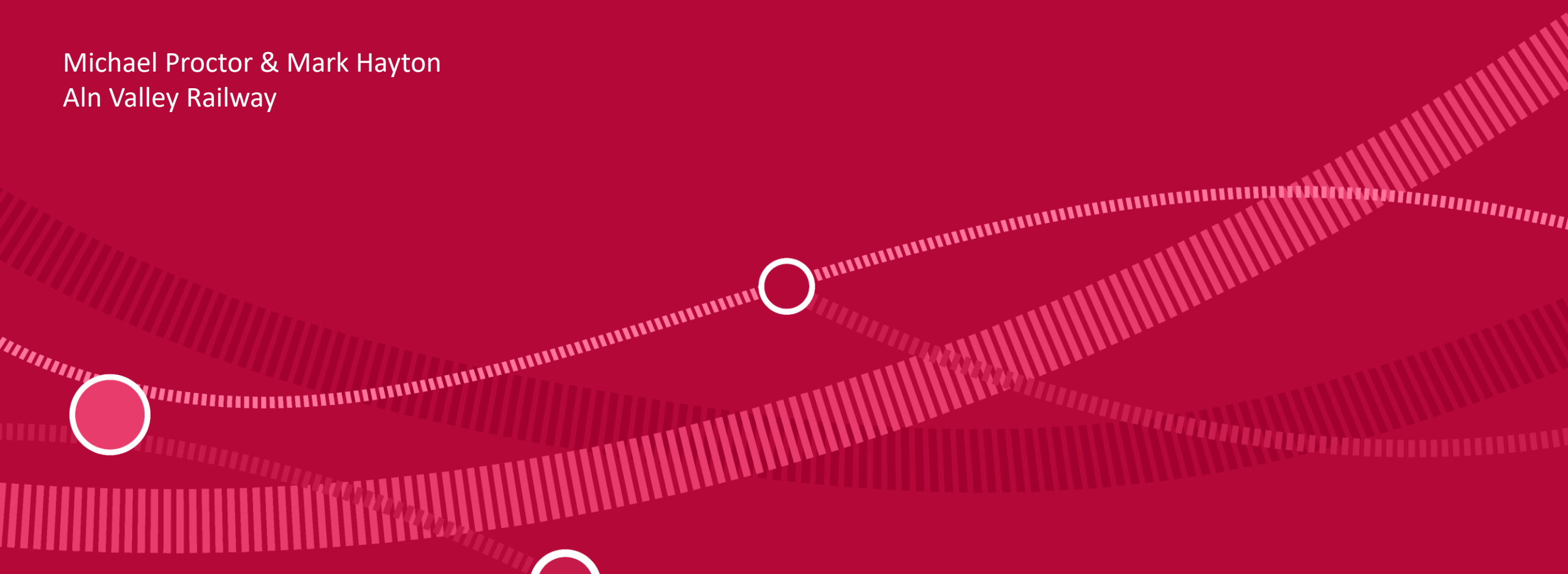
RM3 – How it's worked out for us

Presentation for the ORR RM3
Workshop, Glasgow

16 June 2023

ALN VALLEY RAILWAY

Part I

Mark Hayton, General Manager

Problems and Attitudes

- Railway broke ground in 2012
- Pent up demand to build and expand quickly
- Little interest in developing rules and procedures
- Red tape was for work, not volunteers
- Never had to do this when I worked on the railways
- Left to a minority
- SMS and policies left on the shelf
- Loss of Trustees and volunteers

ALN VALLEY RAILWAY

First Attempt - 2017

- The Board of Trustees needed to understand where things were going wrong

- Survey in tabular format with all 26 criteria and their maturity descriptors

- Select what you think is most appropriate and add comments

- 12 Board members – 9 responses

- Simple? Maybe not…

First Attempt – responses (1)

RCS3: Change management (process, organisational and engineering)
Level 2 (managed)
• The importance of change management is understood and there is some degree of control over all types of change. • Changes are planned but are not always adequate. • There is no system for making changes, which leads to risks not being identified or controlled following a change. • There is little consideration of the effects a change has on the organisation's culture.

"I'm not sure what 'change management' means as management is continually adapting and changing"

First Attempt – responses (2)

OP1: Worker involvement and internal co-operation
Level 3 (standardised)
• The organisation has a way of making sure that employees are consulted on health and safety matters.   • Employees understand how they contribute to their safety and the safety of the railway.   • People in similar roles apply standards in the same way.

"The AVR is not yet an employment organisation!"

ALN VALLEY RAILWAY

First Attempt – responses (3)

OC1: Allocation of responsibilities
Level 3 (standardised)
• Responsibilities are identified and given in writing to teams or individuals who accept them in order to meet health and safety objectives.

"I do not know whether any job descriptions exist but as we are all volunteers we often jump between jobs."

ALN VALLEY RAILWAY

First Attempt - Conclusions

- Too much in one go?
- Clueless?
- Went for a higher level even if only one descriptor applied
- Little interest at Board meeting
- Kept as a baseline for the future

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Second Attempt - 2019

- Still the 26 criteria

- Still tabular format but including Culture comments

- Scoring different – 2 for the most applicable descriptor, and 1 for the next likely

- 20 individuals this time, 16 responses

- Some left to complete themselves, some I went through it with them

Second Attempt - Conclusion

- More balanced results
- Those left to complete survey themselves
  - Wider range of scoring
  - Interpretation differs
  - Poorer understanding
- Those discussed with
  - Narrower range of scoring
  - Able to understand better

2019 RM3 Range - Aln Valley Railway
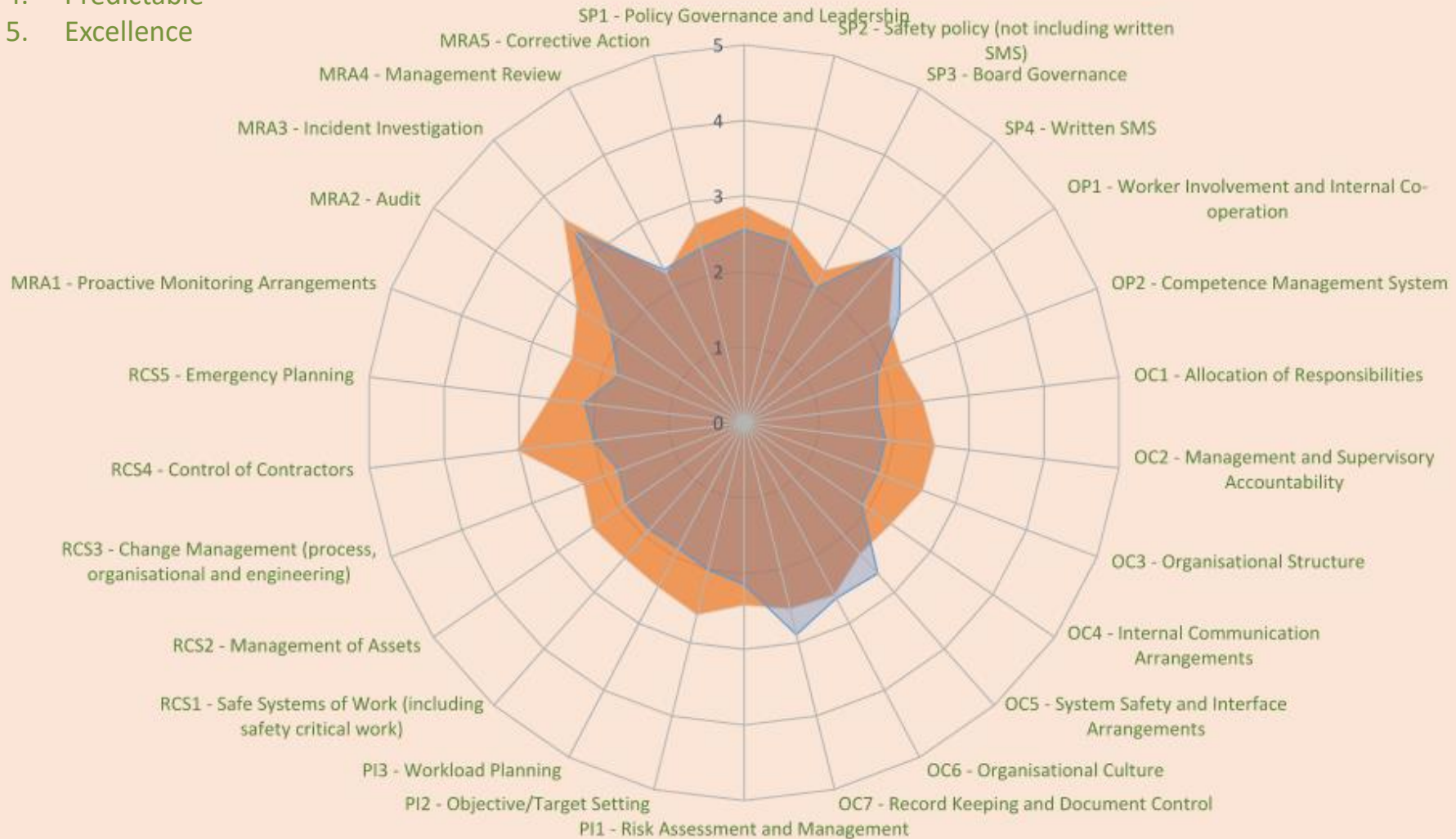
1. Ad-hoc
2. Managed
3. Standardised
4. Predictable
5. Excellence
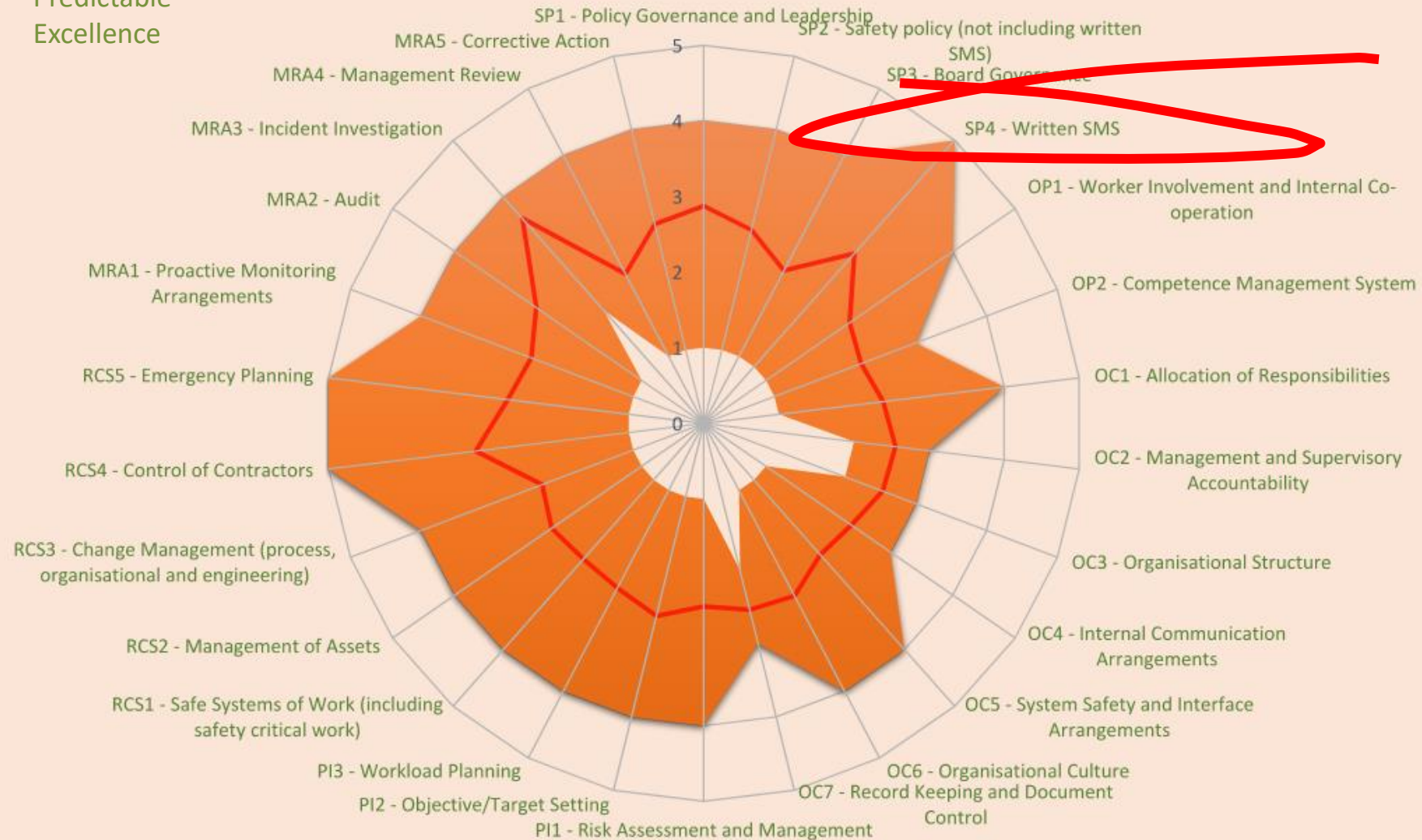
1. Ad-hoc
2. Managed
3. Standardised
4. Predictable
5. Excellence

RM3 Results - Aln Valley Railway

May-19   Nov-17

Second Attempt – What came of it

- Full report written
  - Scores on the doors
  - What people thought
  - What was needed to be done
  - Presented to the Board

3. SP3: Board governance

Result Score: 2.28

Maturity: Managed.

Direction: Improving.

Culture: Some but not all parts of the organisation believe that the board are interested in H&S.

Respondee Comments: Although some Trustees are very proactive with regards to H&S, others feel it is forced upon them or does not apply, and do not pay attention. Some members are reluctant to raise issues for the fear of being put down or branded as causing trouble. As a number of Trustees are also Managers, there is no pressure from the Board on the Managers to improve H&S. As a result, significant safety issues are having to be pushed from below.

Moving Forward: Trustees and Managers must accept that what was acceptable in the 1950's is no longer the case in the 21st Century. Again, they must actively demonstrate and preach good practice. The fear of challenging senior members has to be dispelled amongst the volunteers. Trustees and Management must listen and act upon what their volunteers are telling them, rather than ignoring them or dismissing their concerns in an off-hand matter.

Second Attempt – What came of it

- Full report written
  - Scores on the doors
  - What people thought
  - What was needed to be done
  - Presented to the Board
- Impressed Steve Turner!!
- Ignored by the Board

Part II

Michael Proctor, Chairman

2020 – A Turning Point

- Rapid development – systems, processes and training didn't keep pace
- Ineffective board and all decision making concentrated in a small cohort of individuals
- Drive for change coming from volunteers
- Covid
- Critical ORR inspection
- Nine out of 12 trustees replaced at AGM
- Recovery plan

RM3 as a tool for improvement

- Massive progress since 2020, but…
- How to focus effort on next steps
- Using RM3 as a basis for Board discussions
  - One topic at a time
  - Part of each Board meeting
  - Compiling assessment gradually
- Producing a realistic assessment of where we are
- Identifying what we need to do to move upwards

ALN VALLEY RAILWAY

Where are we?

- Reviewed six out of 10 topics
- Firmly in Managed category
- Some aspects of Standardised and even Predictable
- Developing consensus within Board on strengths and weaknesses
- Next steps
  - Complete first run through
  - Identify priorities for future
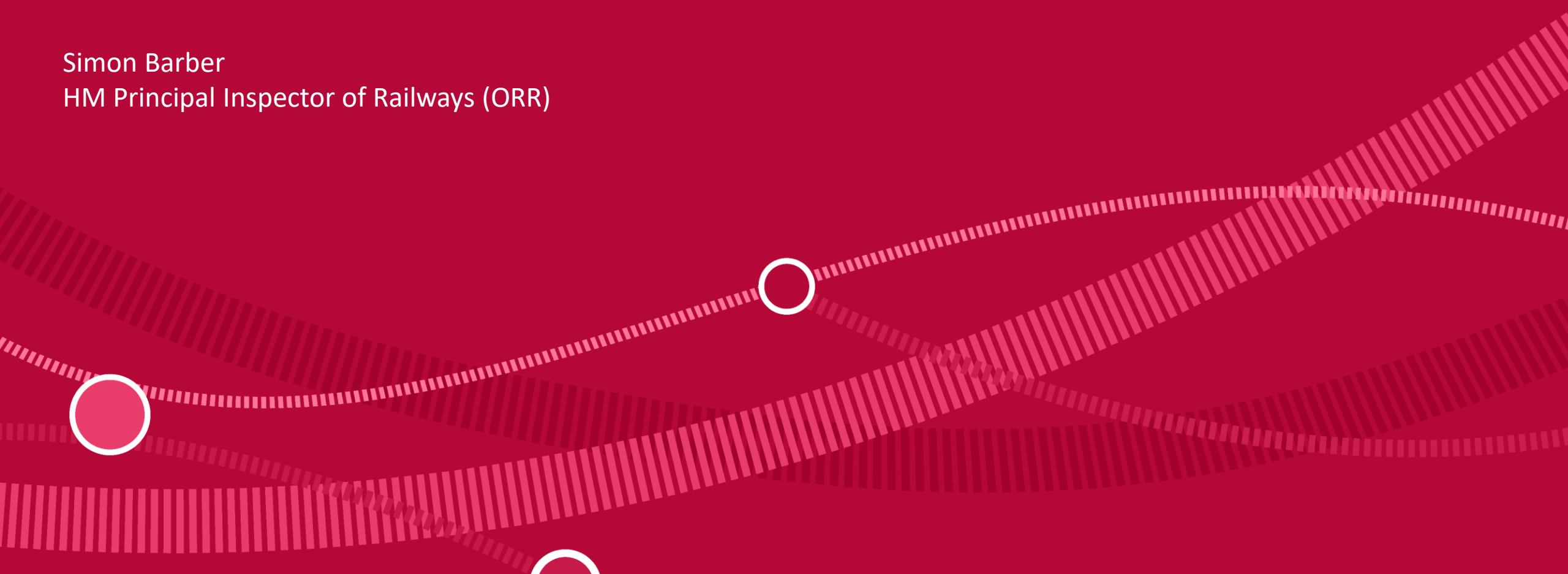 - Recognise need to focus efforts on what's achievable

ALN VALLEY RAILWAY

Thankyou

Any 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?