HOUSE OF COMMONS

Transport Committee

Oral evidence: Pre-appointment hearing of Chair of the Office of Rail and Road (ORR), HC 1510

Monday 5 November 2018

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Watch the meeting

Members present: Lilian Greenwood (Chair); Jack Brereton; Graham Stringer; Daniel Zeichner.

Questions 1 - 73

Witness

I: Declan Collier, the Secretary of State's preferred candidate for Chair of the Office of Rail and Road.

Examination of witness

Witness: Declan Collier.

Q1 **Chair:** Welcome and thank you very much for coming along today. For the record of our proceedings, would you like to introduce yourself?

Declan Collier: My name is Declan Collier.

Q2 **Chair:** We are pleased to have this opportunity to ask you a few questions ahead of your appointment to the role of chair of the Office of Rail and Road. First, as you might expect, I have an easy question. Why did you apply for the job, and how well suited to it do you think you are?

Declan Collier: I applied for the job because it is an incredibly interesting opportunity to make a contribution to the future of what I see as two very key sectors in the transport area. Road and rail are fundamentally important to the future prosperity of the UK economy. Both sectors have a significant impact on the quality of life of the citizens of the UK, and there are very significant challenges facing both rail and road in the coming years in the growth of passengers and user demands, whether freight or passenger. Those demands are often competing over a very highly congested network with significant investment needs. It is a really interesting sector and I wanted to make a contribution towards that.

Q3 **Chair:** What do you think made you stand out as the candidate, and why did the Secretary of State choose you?

Declan Collier: I do not know precisely why the Secretary of State chose me, but I am very pleased and honoured to be put forward as the preferred candidate. If I look at my skills, I will bring to the role more than 30 years' experience as both an executive and a non-executive working in large-scale, complex, safety-critical, capital-intensive and regulated industries. I have almost a decade and a half of experience as a non-executive in industries ranging from transport to energy, financial services, membership organisations and the arts. I have had experience at domestic level and international, or pan-national, level as both a non-executive director and a chair of organisations.

I have a successful track record particularly in promoting the interests of the customer, with a focus on the passenger experience and the customer experience, whether the train operating company in this case or the individual passenger. I have been successful in building the capabilities of organisations at both board and organisational level over the years. Finally, I have a particular passion for the development of the strategic outlook of organisations and a track record in building the strategic view and ongoing strategic outlook for organisations. I hope they are the attributes that the Secretary of State and the interview panel saw as I went through the process.

Q4 **Chair:** You identified some of the challenges faced by rail and road.

Some of them are similar and some are very different. Obviously, both of them require a lot of capital. For the most part, it is public sector capital, certainly until fairly recently, that has been predominant in providing investment in the two sectors. You described some of your skills and experience. How do you think your skills and experience help you to address those particular challenges in the rail and road sector?

Declan Collier: In the industries where I have worked in the past there has been a common type of problem. It is great that the problem you are trying to solve is one that is driven by growth. In the rail sector, there has been a doubling of the number of passengers using the network and a 50% increase in the number of trains operated on it. My background has been working in industries that face similar issues, particularly in attracting the type of investment you need to overcome some of them. A lot of the money that will be spent on the rail and road networks in future will be on renewals and improvements to the existing network. There will be a very significant amount of money spent in new improvements to the sectors, and I have had experience in both of those areas in the energy and aviation sectors.

Q5 **Chair:** Network Rail has an important part in attracting third-party investment. How do you see the role of the ORR as regulator in relation to that?

Declan Collier: The regulator has very specific roles and duties laid down in law, but in general what you are looking at in terms of the economic side of the role of the regulator is that the ORR will in future concentrate more on driving improvements to the system, changing behaviours and trying to identify and initiate change in the areas that will add most value to the particular sector.

Q6 **Chair:** Do you want to say a little more about behaviours? You have already referred to having worked in very customer-focused environments, and you were talking about behaviour change. Are you making a link between the two? Do you think that the rail and road industries are not very customer focused? What sort of behaviours would you want to change?

Declan Collier: In any heavily capital-intensive industry, the professional focus of the industry tends over time to come down almost specifically to operational excellence and then budgetary excellence. What happens is that it squeezes out the needs of the users, whether they be freight companies in this case or passengers. What I would be hoping to do in the work of the ORR, if I was confirmed, would be to get the organisation to think more about the end-users and the customers—the passengers who are travelling and the companies using the sector—and drive incentives around that for Network Rail and the train operating companies to respond.

Chair: We might want to discuss that a little further in a moment, but first we would like some sense of your view of the ORR.

Q7 **Graham Stringer:** In answer to our written questions, you seem to have formed a positive view of the ORR. Can you tell us why? What has impressed you?

Declan Collier: I think I said it was very early days for me to have definitive views, so these are early views. Certainly my early view of the ORR, having been an observer on the board—I have attended three board meetings and a number of ad hoc meetings of the board and executive, as well as the organisation's rail safety conference—is that I have been struck by the fact that it is a very committed one, working very co-operatively; it is a knowledgeable board working in a very positive way with the executive to drive positive behaviours with the executive. There is very strong interaction between the board and the executive.

When I looked at the executive and the organisation itself, particularly in terms of interaction I had with the rail safety inspectors, as you might expect, I found a committed professional group of people who were interested in the work they were doing. They were interested to innovate in that work and make sure that they drove positive behaviours in the industry in terms of safety. I found a very professional and committed group of people. From much briefer contact with the economic side of the business, once again I found a very professional and committed group of people in the work currently being done around the PR18.

Q8 **Graham Stringer:** No organisation is perfect. What are the negatives you see in your recent experience of the ORR?

Declan Collier: Once again, it is early days to be coming up with definitive statements on strengths and weaknesses. I think the ORR itself, particularly in the recent Glaister review, has indicated there are areas where it believes there are weaknesses in the organisation and it has missed things. From what I have seen, it is encouraging that there has been a willingness by the board to acknowledge where it is weak and has made mistakes, and to publicise those areas of weakness and commit to doing something about them.

Q9 **Graham Stringer:** You have read the intermediate report on the timetable changes. The report itself is self-critical as well as being critical of Network Rail and some of the train operators. What do you think of that report, and what do you think of the self-criticism in it?

Declan Collier: From what I see, I think the report has been a good one. I am not an expert in the rail sector, but from what I can see it has done a thorough job to identify where the ORR believes there were issues with regard to the timetabling fiasco, as it has been called. It has been very good at calling out the particular problems and gaps that exist within the sector. As I understand it, the second piece will come up with recommendations to address those issues.

Q10 **Graham Stringer:** In our last but one meeting we had Professor Glaister before us. He is a very knowledgeable man in the sector. Generally, I think the Committee has had the feeling that sometimes the ORR is a bit hesitant, and that may have led to some of the flaws it has seen in itself in that report. Do you think it has been hesitant, and, if you agree with that, how would you remedy that hesitancy?

Declan Collier: To clarify, hesitant in what respect?

Q11 **Graham Stringer:** In terms of dealing with problems quickly and effectively, coming to very clear decisions quickly, and sometimes being reflective when it might have needed outcome. The core of the report on the timetabling issue was who knew what when. There is a certain amount of fog about whether the ORR might have got involved earlier and might have known more when it saw reports of some train operating companies not wanting to go ahead with the timetable changes. That is just one example, but we have been left with a general impression of hesitancy. You may or may not agree with that, but, if you do, how would you respond?

Declan Collier: As I said, in my limited exposure to it I am not sure I would characterise the behaviour as hesitant. There were clearly gaps and issues in terms of reacting, or seeing the problem when it existed, but I am not sure I could characterise that as being hesitant in wanting to act. Once the issue was discovered, as it has been in the Glaister report, the next stage would be to look at the recommendations as to what happens there, but I would not characterise the initial behaviour as being hesitant.

Q12 **Graham Stringer:** To put a completely different question, you said in answer to the first question that you wanted to respond to customers—train operating companies and passengers. Who are the customers on the roads?

Declan Collier: There is a vast number of customers on the roads. Vehicular traffic can be broken down into business traffic, light commercial traffic and heavy goods vehicle traffic. Private vehicles use the roads; bus companies and intercity coach services use the roads, and cyclists and pedestrians use the roads. The road structure covers all of society.

Q13 **Graham Stringer:** It does. How do you respond to everybody?

Declan Collier: I do not know whether you can respond to everybody. I think the role of the regulator will be to listen to various interest groups, whether it is the rail or road sector, and take an evidence-based decision on what it is hearing from those interests in the context of overall Government policy and the strategic plan that Highways England will be putting forward in the case of roads, or Network Rail in the case of the rail sector. I am not sure it is possible ever to meet all the needs of those people, but it will be important to listen to the stakeholders involved and then respond to what they say, and be honest and up front about what you can and cannot do.

Q14 **Graham Stringer:** What do you think has been the record of the ORR so far in responding to road customers? Has it responded well? How would you improve it?

Declan Collier: The oversight of the road investment programme is a relatively new area for the ORR. It is now heading into the second round of the infrastructure strategy. In the early stages, there were some issues between the two organisations—ORR and Highways England—between those being regulated and those who were regulating. There were the traditional issues in trying to understand, "What are you doing to me, and what do we need from you?" My sense now is that that has been overcome. The interaction between Highways England and the ORR has improved markedly in the last few years. There are regular meetings between the roads group in the ORR and Highways England, and between the board of ORR and the board of Highways England, and I think that bodes well for the future.

Q15 **Chair:** We would like to hear a little about your priorities if you are successfully appointed to the role. What would you like to achieve in your time as chair? We know that the Secretary of State is minded to appoint for the full five-year term.

Declan Collier: Once again, we are at a very early stage. At the end of the five-year term, if I was confirmed, I would like to be judged at two levels: external and internal. On an external level, I would like passengers and other users of both the rail and road system to see improvement in how those systems are working and how they are meeting their needs.

I would like Network Rail and the TOCs to believe that the regulator understands their business and is acting in a fair way to drive improvements or change to introduce positive behaviours. For funders, at both Government level and private level—funders are involved at a private level in terms of rolling stock companies and so on—I would like them to remain confident in both sectors and continue to invest in both sectors. Finally, I would like people to consider that the Office of Rail and Road is an independent, trusted, credible and expert voice for the sectors.

At an internal level—this is important for any organisation—I would like the board and staff of the ORR to believe they have made a very positive difference over the five-year period, and have helped the organisation to evolve and become better, and that they get a sense of satisfaction from what they are doing.

Q16 **Chair:** Thinking particularly about rail, the Department for Transport is providing a significant amount of money for investment in the railway by way of grant funding to Network Rail, but we know that when it comes to rail enhancements a really important part of the next control period is the development of private sector investment. What do you think is the role of the ORR in overseeing that private sector investment? What will you say to Network Rail to ensure that, as you say, funders remain confident, and that the network is enhanced as well as renewed and maintained?

Declan Collier: Private sector investors would probably look at two things. On the performance of Network Rail, they would want to see that it is capable of delivering on its own targets for efficiency, the investment it makes and so on, so they can see an organisation that is well organised and capable of delivering. From a regulatory point of view, I think private investors would want to see that the sector is properly regulated in a positive, assured and predictable manner, and there is no bouncing around of priorities or changes that are unpredictable.

Q17 **Chair:** One of the big changes in Network Rail is the move towards a more devolved structure. Do you think that it will be easy for the ORR to continue to regulate? Are there changes that need to be made within the ORR to cope with that new devolved structure?

Declan Collier: Nothing is easy in how a regulator tries to regulate a business; it is always done at a degree of arm's length. Nobody knows the business better than the business itself. I could not pretend that the ORR would have the same level of deep expertise that Network Rail has. You would not expect it to have that.

The drive to devolve decision making, targets and score cards down to route level is a positive development in the relationship between the regulator and Network Rail. I have met Andrew Haines. I think he clearly understands what he wants to do with the organisation and sees the devolvement of accountability down to route level as very positive. As to the engagement of the regulator, it allows the regulator better to understand how the routes will perform, because there is a set of targets that the routes themselves are agreeing to, against which the regulator can monitor performance. That is a good development and it is to be welcomed.

Q18 **Chair:** Some of the train operators nicely mirror the routes, but some, like the cross-country franchises, do not mirror the routes, and freight operators do not mirror the routes. Do you think the ORR has a particular role in ensuring that they are not disadvantaged in the new devolved process?

Declan Collier: As I understand it, it has a statutory role in terms of controlling access to the routes, so it has a very important role for companies, particularly freight operators, that are looking to gain access to the network. It is an important role for the ORR.

Q19 **Chair:** When I asked you what you wanted to achieve, you said that we would know you had been successful if rail passengers could see an improvement. It is quite hard for you personally to deliver on that outcome because it is also perhaps a measure of the train operators and Network Rail itself. How will we know that you in your role as chair have personally been successful, rather than as a measure of the success of the industry? What are the things we would be able to look at and say that, as chair, you have made a difference?

Declan Collier: I think you would take a look at the board of the ORR and how it is operating. Is the board dynamic? Is it one that has a proper mix of the skills required to address the issues and challenges that will face the sectors in the years to come? Is the organisation open and transparent? Does it engage with you as a parliamentary Select Committee in a way that leaves you with the confidence that we are doing what we should be doing as a regulator?

Q20 **Chair:** Which of the ORR's responsibilities do you think will be most important over the coming five years? Where are the hotspots when you look at the work of the ORR?

Declan Collier: I do not have preconceived ideas; I do not have particular priorities. The role of the regulator can be split roughly between safety and economic regulation. The safety role of the organisation is clearly a significant priority. Everybody wants the rail network in the UK operating at the safest possible level as it evolves and changes. The level of safety and the risk matrix will change with investment going into the sector. With new train sets coming on, and electrification and investment in the infrastructure itself, there will be a change in the safety issues that arise. That is a significant challenge for the inspectorate in the ORR.

On the economic side, in the next 12 months we will need to focus on our contribution to the strategic rail review. A very important aspect of what the ORR does will be how we feed into the process and what we understand as the evolving role of the regulator as a result of the process. That will be important work for the regulator in the coming year.

Q21 **Chair:** You emphasised the importance of customers, and in response to Graham you talked a little about road customers. Thinking about rail customers, what would that increased focus on customers look like in terms of the ORR trying to drive cultural change in the railway? What specific actions do you think you would need to take, or what specific changes would you like to see?

Declan Collier: Once again, I have not spent enough time in the organisation to understand exactly what it is doing, but when it comes to customers—the passengers—it is important for the regulator to have a very clear idea of the key issues that drive customer satisfaction with the rail system. Is it punctuality? Is it the environment? Is it reliance on the schedule? What is it that the customer really wants? I would like us to spend some time looking at what we think are the key drivers of customer satisfaction for the passenger.

I would then take the opportunity to talk to the key stakeholder—the train operating companies, Network Rail itself and indeed the Government—to see whether they have a similar understanding of what drives customer satisfaction overall, and then take a look at what we can do to focus on those levels. You can take it at a very organic level; you can make a set of objectives in the regulator itself around customer satisfaction. You can make it one of the objectives of the organisation. It is about making a cultural change.

To go back to what I said before, the difficulty with capital-intensive industries is that they tend to focus on operational excellence and then budgetary excellence. That tends to be where they focus most. It is a change in behaviour and a slight change in culture to move that across and look at the end product. What is the outcome you want from the improvement in operations and the investment you are making in the network? Those are the areas where I would like the ORR to focus. How I or the board will do that if I am confirmed, I do not know; it is work for the future.

Q22 **Chair:** At the moment, you regulate Network Rail; you do not really regulate the train operators. Given what you want to achieve in your tenure in both rail and road, do you think you need structural changes at the ORR? Are there any areas where you think you should go back to Government and say, "We need to be able to do this," or, "We need to make this change"?

Declan Collier: That will become more apparent as work on the strategic rail review proceeds. In the Glaister report, there were clearly areas of concern about gaps in the co-ordination of work, who has control and so on. There may well be something that comes out of that part of the review, or from the strategic rail review, which helps us to look at whether we have all the tools in the box that we need. If it becomes apparent that we do not have the right tools in the box, I would not hesitate to come back to Government, and to you, to seek your support to get those tools.

Q23 **Chair:** What about organisational structure? Do you think the ORR is correctly structured? Are there any structural changes that you think are necessary at this stage? I know it is early days.

Declan Collier: It is too early. The organisation is structured roughly 50:50 between safety and economic evaluation, driving economic control or regulation. How it is structured inside those areas, I do not know. I need to sit down with the executive and the board to get their views on what that looks like. Inevitably, for a regulator to be effective it has to evolve over time and respond to the changes happening in the industry. The awful prospect is that you end up with the regulator chasing the changes that are happening. We have an opportunity with the strategic rail review perhaps to see where those changes might be in future, and change ahead of the curve. That is something I would like to see happen.

Q24 **Chair:** What is your experience of helping an organisation to restructure? What are the opportunities and threats from that process?

Declan Collier: I have very broad experience of helping organisations change and evolve over time, both in the energy and aviation sectors. It is like any major change that takes place in an organisation: there are always significant risks attached to making change. However, it can be a very positive driver of satisfaction, change and performance within organisations if people can be made to embrace the whole challenge of change. I see it as a very positive driver from that point of view.

Chair: We want to look a little further at knowledge, skills and experience.

Q25 **Graham Stringer:** The Department advertised this job as being that no detailed experience of rail and road was necessary. Do you feel that it will be a challenge, given that you do not have experience in those areas?

Declan Collier: I do. I feel it will be a challenge but I do not feel it will be an insuperable challenge. I have the opportunity to draw on the experience of the organisation itself and of the existing board to bring me up to speed with the issues, priorities and key elements of both sectors. Over the course of my career, I have faced similar challenges of coming into areas where I did not have expertise and indeed learned the expertise after that.

Q26 **Graham Stringer:** Apart from listening and talking to your colleagues on the board, how else will you increase your knowledge?

Declan Collier: As I understand it, there will be a very detailed induction process and programme given to me if I am confirmed in the role, and I would start on that as soon as I was confirmed.

Q27 **Graham Stringer:** Rail is a very technical area. I sometimes feel in this Committee that when we have rail people here I know less at the end of the meeting than I did at the beginning because it is so complicated. That worries me, because, when the railways were privatised and Railtrack was there, it effectively became a property company and lost a lot of its engineering rail expertise. People died in rail crashes because of that.

Do you think there is anything special about rail that needs expertise? People did not spot what was happening when Railtrack was there, and people have not spotted other things. In your position as the regulator, how would you manage to spot that without the background expertise?

Declan Collier: The role is to chair the board of the regulator. In doing that, I am relying on the expertise that already exists in the organisation, which is quite deep with regard to how the rail sector operates. I would draw on that to avoid, hopefully, some of the pitfalls that you have just outlined.

Q28 **Graham Stringer:** Sometimes when you chair an organisation and when you are the chief executive, you do not know everything, but you have to have a feel for the organisation when the advice is often group-think, particularly when you have people who have been in the industry all their lives and are very loyal to the industry. Do you think you would be able to deal with group-think? You need a balance, don't you, between common sense and some knowledge of the industry? Don't you feel you would be at a disadvantage having come from outside the industry in that situation?

Declan Collier: Not necessarily. There is a lot to be said for someone coming in with a different view, giving an outside-in type of view and asking the silly questions. Very often, not assuming that you know what the answer is and asking the silly questions helps you and the organisation to unearth the issues. I can see it being a positive that I am coming in and having to learn about the industry itself.

Q29 **Graham Stringer:** Can you give examples from your experience in the energy and aviation sectors of how you have dealt with particular problems, how you have turned things round, and if and when you have spotted problems and not taken advice directly but asked further questions, so that you have got closer to the heart of the problem?

Declan Collier: When I left ExxonMobil and moved across to the aviation sector, I was moving from ExxonMobil, oil and gas, energy, into aviation and taking over as chief executive of the Irish airports authority—it was called the Dublin Airport Authority at the time—with no background in aviation at all. I had to spend time engaging with the individuals in the organisation and with the shareholder of the organisation, who was the Irish Government, because it was a single shareholder organisation, to gain knowledge and to try to understand.

Through the first six to nine months of my time in the organisation, there were many times when advice was offered to me that I felt required further thinking. Slowly, I managed to change the view of the organisation, to turn its view from being a very operationally engineer-based organisation to a more customer-based, both airline and passenger-based organisation.

Q30 **Graham Stringer:** Can you give specific examples? That was fine, and it was an answer to the question, but it was very general. Can you give specific examples?

Declan Collier: I would have to give some thought to particular examples that I would give you. I can always come back to you with that if that is acceptable.

Chair: We were hoping to deal with this today.

Q31 **Graham Stringer:** We have a decision to make.

Declan Collier: All right. At the time, the structure of the Irish airports authority had a very broad structure. It was responsible for the management of the three main airports in Ireland, international airport holdings and an international retail business. It also had subsidiary businesses that were associated with the organisation. At the time, I did not feel that those subsidiary businesses were adding the value that they would need to take. The shareholder, who was the Irish Government, believed that that was not the case, and I had to engage in quite a long process to persuade them that it would be better to shed the subsidiary businesses and move on to a different track with regard to aviation policy for the future in Ireland.

Q32 **Chair:** Can you tell us what you did to persuade them that they had got it wrong—specially coming in new to a new sector—and you had the right answer?

Declan Collier: It involved quite a heavy degree of engagement at various levels in the shareholder organisation: first, with the civil servants, who were the subject-matter experts, and then with the Ministers involved, the Minister for Finance and the Minister for Transport in this case, and, finally, the Irish Taoiseach. It required a high degree of evidence-based analysis that allowed people to see what the benefits would be by changing the direction the organisation had previously been in, and the benefits that they believed they were taking from those subsidiary operations.

A very high degree of evidence-based analysis was done. Then it was around persuasion, and it was not an easy job; it was a very difficult job to do. In particular, there were issues around employment and what would happen to the individuals who were working in those subsidiary organisations, and what we could do with regard to managing the future of those individuals. It was quite a complex issue.

Q33 **Graham Stringer:** You will have to represent the ORR at bodies like this, with Ministers, with politicians and with other stakeholders. What experience do you have of doing that? You have talked a bit about the Irish Government, but what experience do you have more generally with politicians and with other stakeholders that will help you in the job of representing the ORR?

Declan Collier: I have very broad experience of engaging with stakeholders at all levels, from politicians to shareholders and from individual stakeholders to the general public. In my time with ExxonMobil in the energy sector, on numerous occasions I had to deal with, for instance, things around the environment, and engage with local communities, the internal organisation of ExxonMobil and Governments in various places, in the UK, Europe and in Ireland.

In the aviation sector, I continued do that. I was president of the airports organisation in Europe, and subsequently became president of the world organisation of airports. In that context, I dealt with multinational, pan-national and national organisations at very high levels, including ICAO, the UN body that administers aviation, and the European Commission, with regard to aviation matters. I had very detailed, and often quite difficult, discussions, about the issues and priorities that people wanted or did not want to see happening. That ranged from safety to environmental and operational issues and security issues.

Q34 **Graham Stringer:** What has been your least successful engagement with stakeholders? It cannot be easy representing oil or energy companies with environmental groups. There must have been some disasters.

Declan Collier: It is very difficult. You probably understand even more than I do how difficult it is to deal with the public when it comes to very emotive issues. I do not even have to go back to the energy industry. In the aviation industry, one of the big issues for aviation at the moment is noise. My last executive role, which I stopped at the beginning of this year, was as chief executive of London City airport. Some of our community live within 150 metres of our boundary, and a lot of the issues I had to deal with there were to do with noise and the impact of aviation on those communities.

It was not always successful, depending on the particular problems that were happening at the time. Sometimes I was not successful in persuading people of what we were trying to do or what we wanted to do. In the main, that engagement was very positive because, in the long term, it gave us the opportunity to do more positive things with the community, and to learn from the community what we could about noise or employment and other initiatives that we had in place.

Q35 **Chair:** You touched on trying to deal with the competing interests of different stakeholders, and particularly in aviation there are different interests between airlines and people living close to the airport, as in the example you gave. Can you demonstrate to us how you fairly balanced competing interests? Is there more that you can say about that issue?

Declan Collier: A good example of how I tried to balance competing interests was probably around the planning process for the expansion of London City airport. It was a very long-drawn-out process. It involved engagement at local level with the borough council in Newham, with London itself with the Mayor of London, and with national Government on planning. The permission that we were eventually successful in getting was after a process that lasted more than two years. It was a very difficult and drawn-out process that involved conceding a lot of things on behalf of the airport to the various interests, the various stakeholders, whether they were the local community, the local borough or indeed London itself.

It was a successful process because it was open. There was open and transparent engagement on behalf of the airport to explain what they were trying to do, why they were trying do it, and the benefits that would accrue from that. It acknowledged that there were disbenefits, particularly in the case of the community, and what those disbenefits were, and tried to come up with initiatives that might reduce or mitigate the impacts on the community. One of the biggest initiatives was around employment. We brought a significant employment scheme into being at the airport called Take off Into Work. It had resulted, by the time I left, in 650 local individuals getting employment at the airport. That went a long way to connecting what the local community needed from the airport with what the airport was doing and some of the issues that having an airport in your locality can bring.

Q36 **Chair:** Do you think that experience is helpful, or are the lessons you learned from that experience helpful, in your role as a regulator as opposed to someone operating a business?

Declan Collier: Yes, I think it is. Over the past 30 years, there have been lots of times when I have been negotiating contracts or I have been negotiating investments in places where people have pushed back and said, "No, you can't do what you want to do; you have to do something else." I have learned, I think, over my career that there are many times when you will not get what you want to get, and you have to make concessions; there has to be a balance in what you are trying to do. In the role of regulator, holding that balance, being equitable to all the parties involved, is one of the things you try to do. I have had plenty of experience of trying to get that balance.

Chair: We would like to look a little further at the role of the chair.

Q37 **Daniel Zeichner:** What do you see as the key elements of chairing the ORR, because there are a number of different ways you could do it, potentially? You have two days a week. What are the key things for you?

Declan Collier: There are a number of different things that I see as important in acting as chair. Clearly, you need to make sure that the way the board operates, the mechanics of how the board operates are efficient, and that they are productive, open, co-operative and generated in an environment of positive challenge. The areas I will be looking at are the make-up of the board: do we have the skillsets that we require to help us do our job better, to look at the priorities that the board set? Looking at the strategic direction of the board, it will be the role of the chair to help in setting that strategic direction, persuading the board that it is the right way to go and that it is consistent with the obligations that the board has under law.

There is also a significant short-term challenge in that we have to recruit a new chief executive for the Office of Rail and Road, and the chair will have a very significant role in that recruitment.

Q38 **Daniel Zeichner:** Can I follow up on that immediately? You quite honestly admitted that you are not an expert in particular areas, and you do not have a chief executive at the moment. Doesn't that create a real challenge for the organisation? How are you going to cope with that?

Declan Collier: No. To correct you, we have a very talented and good interim chief executive, who is currently doing a very good job for the organisation. He is very well respected and very talented. He has indicated that he is not interested in taking the role on a full-time basis, but he is doing an excellent job at the moment to keep the organisation focused, productive and heading in the right direction. I am not concerned about the interim phase, but the recruitment process for the chief executive has just started, and that will clearly be a focus for whoever comes in as chair of the organisation.

Q39 **Daniel Zeichner:** What key attributes will you be looking for in that new chief executive?

Declan Collier: The key attributes are that there will need to be some technical expertise in the role of a regulator from an economic point of view. They will need a strategic mindset. They will need to be able to operate not strictly within the lines; they will have to be able to paint outside the lines sometimes and understand the consequences of doing that.

They will need to be a leader. They will have an organisation of just over 300 people they have to lead and bring on, and it will happen at a time of challenge and evolution, if not revolution, for the industry and for what the regulator does. They have to be a good leader, they have to be strategic in their thinking and they have to have technical expertise. Most of all, they have to be prepared to engage with the board—to allow themselves to engage with the board—so that there is interaction between the board and the executive.

Q40 **Daniel Zeichner:** Who do you think will be the public face of the organisation in future?

Declan Collier: That depends on the circumstances, but in general the public face of the organisation is the chief executive. There are times when the chair of the organisation has to become the public face, or indeed someone else from the board. When it comes to safety, Her Majesty's inspector for rail safety may be the face of the organisation. It is better within a regulator to have a pack of people who can be brought out to engage in probably a more worthwhile way with the public or others when it is necessary, but, in general, I would say it is the chief executive.

Q41 **Daniel Zeichner:** What have you done to prepare for taking up the role of chair, and what have you learned during that process?

Declan Collier: I have started to attend board meetings as an observer. As I said earlier, I have observed three board meetings at this stage. I attended the rail safety conference, where all the rail inspectors were brought together for their annual conference. I found that very useful indeed. I have attended a number of ad hoc meetings on various things, from the timetable inquiry through to the latest economic determination. Indeed, I have attended meetings, as an observer, around structuring the search for the chief executive and the appointment of the interim chief executive. I found that very useful, and I found the organisation very helpful in that process.

If I am confirmed in the role, that will ramp up very significantly; there is a detailed induction programme in place, which ranges from classroom teach-ins on the various elements of what the role takes up, to going out and visiting people working on the network, seeing what they do and why they do it, and some of the challenges they face.

Q42 **Daniel Zeichner:** How do you think you will differ from the current chair, if at all? What would you expect the public—the wider world—to think? Do you think they would notice a difference, a change?

Declan Collier: They might notice that I am Irish. That would be a difference. Stephen Glaister has done an incredible job as chair of the organisation, and I am very glad that he is remaining part of the board. Stephen comes from a background very different from mine. He comes from an academic background and I come from a private sector background. We have different sides, and, hopefully, we will be complementary in what we do.

Q43 **Daniel Zeichner:** This is not a criticism of the current regime, but I doubt whether many people in the country are aware of the ORR. Is that a problem? Would it be an aspiration for you that, at the end of your five-year term, people would know that the ORR exists? You mentioned earlier that your customers could include virtually everyone who uses the roads.

Declan Collier: Yes. I do not think you can address everyone who uses the roads. It is a very good point; in general, across the regulatory industry, one of the biggest challenges it faces is whether people know what a regulator does or is supposed to do. The answer to that, generally, apart from the people who are being regulated, is, no, they do not. If you want to change the focus from operational and financial to operational, financial and customer, you have to do a little bit more to educate people about what the regulator does, why the regulator does it and get that out to the general public. One of the areas I will be looking at with the executive, with the board, is whether we need to do more to educate the public about what the regulator does, its role, and what it can do for you, and encourage that type of engagement.

Q44 **Chair:** I want to pick up on a question that Daniel asked about the role. Would you agree that in recent years Stephen Glaister, as chair, has been the public face of the ORR, and, if so, why do you think that role should fall to the chief executive in future?

Declan Collier: I am not sure—once again, this is from a very high mountain of ignorance—that Stephen has been the only face of the ORR. I think Joanna Whittington was a very significant public face for the ORR, particularly in the industry itself. On a public basis, you might say that Stephen was, but, drawing on my own experience of running businesses and complex organisations, I think it is really important that the chief executive is seen not just to be a functionary but someone who engages with the broader public and with the broader industry. I would like to see the new chief executive having that opportunity and excelling in that opportunity. If I was confirmed, I would not shy away from the opportunity to be the voice of the ORR where that was appropriate.

Q45 **Chair:** When might that be? Give us an example of when it might be more appropriate for the chair to be the person who goes on the "Today" programme, rather than the chief executive, or Ian Prosser as the chief inspector of railways.

Declan Collier: These things generally tend to happen when there is a big problem; you get the chair of the organisation having to go on the "Today" programme or go out and explain to people why we have got it wrong or what has gone wrong. There will be, I hope, very few of those occasions, but when they arise, yes, it will be necessary for the chair to go out and do that. The chair is not the only one who should go out and speak at times like that; it will depend on what the issue is.

Chair: We have some further questions about the role of chairing the ORR.

Q46 **Jack Brereton:** We touched a minute ago on having a pack of different skills and expertise that you can roll out. Focusing on the board that you will chair, what do you think needs to be strengthened about the pack of people on your board?

Declan Collier: I am in a position to answer that definitively at this stage. I have not been confirmed in the role, so I have not presumed to engage as I would if I was confirmed in the role. Certainly if I was confirmed in the role, I would sit down with each one of the board members to talk to them about how they believe the board is operating, where it needs to get better at what it does and to hear their views on how the organisation is operating, where they see the weaknesses, and, finally, where they see the opportunities for the regulator to be better at what it does in the industries it regulates. That is an important element.

It strikes me from what I have seen that it is a group of very dedicated and very committed board members who have been extremely engaged in the processes that have been going on, particularly with regard to PR18. They have been very engaged with that process and they have brought a range of skills to that process.

As to whether or not we have the right mix of skills, we need to look at that in the context of the discussion I would have with the board. We will have that opportunity because, from next year I think, four of the board will be coming up either for re-election or to leave the board because they have been on it for a prolonged period of time. There will be an opportunity to strengthen the board in the coming year.

Q47 **Jack Brereton:** Would you be prepared to take the action necessary, if needed, to bring different types of people on to the board if you needed to?

Declan Collier: Yes, I would. At the moment, two of the areas I would be thinking of looking at are digital and technology; an understanding of technology and how it fits in is becoming such an important part of our life on a daily basis. We talk about digital this, digital that and digital railways, and so on, so it would only be appropriate to have that level of skill on the board, and I would look at that. I would also look at the customer piece very closely on the board: how we engage with the customer, how we analyse customer satisfaction and try to understand what drives customer satisfaction, which I was speaking about earlier.

Q48 **Jack Brereton:** You think that is a specific area, and you mentioned digital. Are there any other areas where you think the board needs to be stronger?

Declan Collier: Not at this stage. They are two areas that occur to me at this stage.

Q49 **Jack Brereton:** Obviously, it is very important that the ORR remains independent in many respects and has that independence. Do you feel you have a significant amount of experience at challenging organisations such as the DFT, where it is important that the ORR has that challenging role?

Q50 ***Declan Collier:*** It is very important for the regulator to have that challenging role and it will become even more important as we go through the strategic rail review. If we are to get the right level of outcome from the rail review, there have to be significant challenges from all the constituent parts of the rail and road sectors—in this case the rail sector. Yes, I would be quite happy in the role of challenging the DFT, the shareholders and whatever with regard to how the regulator might see the industry tackling challenges in the future.

Q51 **Jack Brereton:** What specific examples do you have where you have been previously fulfilling a role where you have been in a challenging role?

Declan Collier: I outlined one earlier on in terms of the challenge with the Irish Government, who had a particular view about the constituent parts of the Irish airports system. Subsequently, I was appointed to the board of Allied Irish Banks, who were the largest systemic bank at the beginning of the financial crisis. I was put in there as a public interest director by the Irish Government. The definition changed somewhat later on.

I chaired the remuneration committee as part of that board. I also sat on the risk committee. I came in from the energy and aviation sector, with no background in financial services. I took on those roles, and there were occasions during the nine years I served on both the group board and subsidiary boards where there had to be significant challenges made to the shareholder with regard, in particular, to remuneration, bonus and recruitment of appropriate staff for the banks.

Q52 **Jack Brereton:** Do you think the need to be challenging in that way could ever bring you into confrontation with the Department?

Declan Collier: By nature, I would not court confrontation with the shareholder or with very important stakeholders, but I am prepared to do that if necessary. My style would be more to go and persuade: "There is an issue here. You have one view and we have another view." I would try to persuade people as to why the view that we hold is the one that should prevail.

There is one exception to that. If there was a challenge or a position that was contrary to the statutory duties of the regulator, absolutely we would have to make a decision not to go along with that. We could not countenance that.

Q53 **Jack Brereton:** As to the role, it is obviously advertised as a part-time role. Do you think the two days that are suggested will be sufficient for this role?

Declan Collier: At this stage I do not know. I will have to see when I get in. If I need to flex my time, I am happy to flex my time.

Q54 **Jack Brereton:** So you would have the ability, you suggest, to be more flexible. I notice that you have quite a number of other roles on your CV. Do you think that you have the time to be able to be flexible, as you have suggested?

Declan Collier: Yes; I believe I have.

Q55 **Chair:** I have a couple of extra questions before we move on to the next section. First of all, you talked about the potential need to reconfigure the board or change the membership of it. Obviously, I appreciate that you will not have thoroughly decided what those changes might be. Do you think, in the role of chair, that you have the necessary powers to reconfigure the board? Can you get rid of some people and reappoint others?

Declan Collier: The directors are appointed to the regulator through the Secretary of State for Transport. I would have to go and have a conversation with the Secretary of State if I felt that changes were required.

Q56 **Chair:** You would have to use your powers of persuasion. You told us that you generally try to take a conciliatory, problem-solving type of approach. That is certainly what came over. But, of course, you acknowledge that sometimes you cannot do that, and you have to stand firm.

Do you have an example from your previous career of where you have had to do that and say to someone that, no, they have got it wrong and you are not going to do it like that?

Declan Collier: In my engagement with the shareholders of London City airport, there were occasions when they wanted to do something that I believed was the wrong thing to do, and I took a stand on that and said, "No, we will not do that." In particular, I could point out that, with regard to the development of the strategic plan for the business, on the business plan there was a view taken by the shareholders that elements of what we were proposing as an executive were not required. I believed that they were strongly required with regard to the engagement we took with our local communities, and I stood firm on that and was able to persuade them that we should go that way.

Q57 **Chair:** What were the lessons you learned from that experience?

Declan Collier: The lessons you learn from an experience like that are that you can take a lot of lumps and bumps, but at the end of the day there is a great deal of satisfaction in being able to prevail with the logic of what you are trying to persuade people is the right course.

Q58 **Chair:** I want to touch on the ORR as an organisation. This may be more of an issue for the chief executive, but, as chair, you have oversight of it. Do you think that the ORR is a sufficiently diverse organisation? I do not know, if I am honest, but I know when I look at the road and rail industries more broadly that they do not have a reputation for being terribly diverse, and that usually means that we are missing out on the talent of whole sections of the population.

Do you think that the ORR is sufficiently diverse, and is there anything that you plan to do in the role of chair to address that issue?

Declan Collier: This is an area that I have had a particular interest in trying to drive for many years in different spheres, particularly in the financial services sector where, when you get to senior and executive levels, and indeed board levels, the diversity within those parts of the organisation have been poor, to say the least.

In traditional industries such as the rail sector, you have particular challenges with regard to diversity. I think the regulator is prone to that type of issue as well because it tends to feed out of the main industry itself. I do not think you can ever say that you have the right level of diversity in an organisation. You have to constantly strive to drive that. That would be something I would be very keen to do if I was confirmed in the role.

We do not have a very diverse board, for instance, at the moment. We were in the position where about 25% of the board was female. Joanna Whittington has left and now we have to bear that in mind. If we look further down the organisation, as far as I can see—and once again I am seeing this at a very superficial level—we are much better in terms of the representation between male and female. By the way, I do not think diversity is purely male or female, but just in the context of this I think we are much better within the organisation.

As chair of the board, I would encourage the board to challenge the executive all of the time and to have it as a standard part of our board review process to look at how we encourage diversity within the organisation. I think the culture of the organisation is stronger, and organisations tend to be more successful, when you have a better level of diversity within an organisation.

This is a business-driven as well as a rights-driven process, as far as I am concerned.

Q59 **Chair:** You obviously have thought about this. Do you have any examples from your previous roles of actions that you have taken to improve diversity in an organisation?

Declan Collier: As chief executive of the DAA, when I took a look at the executive team within the DAA, I believe that there was a very poor level of diversity within the organisation. I established a team within HR to take a look at the issue of diversity. We put in place a programme to positively promote women through the organisation, to support them and to develop them. We had a career development programme put in place for every one of the people that we saw within our overall staff development programme. It was a very specific programme to try to encourage women to go for the roles that sometimes they decide not to go for.

I took exactly the same course of action in the subsidiary board of AIB in the UK. In fact, I encouraged the organisation to become very involved with the financial services sector in developing its programme to improve diversity within the board. As chairman of the remuneration committee, that was a standing part of our agenda that we reviewed at every remuneration committee. We drove our HR department to focus on that particularly, so it is an area in which I am particularly interested.

Chair: That is very welcome. You will be glad to know that we are moving towards the final questions. We have talked already about some of the key issues for road and rail, but there may be a few areas we have not yet touched on.

Q60 **Daniel Zeichner:** This is quite a big question, but what do you think are the main challenges facing the road and rail sectors in the next 10 years? How would you expect the ORR to respond to them? It could be a very lengthy answer.

Declan Collier: The key challenges facing the road and rail sectors in the next 10 years are those of growth and congestion—how you expand and change the system while you allow people to use it. It is a bit like conducting open heart surgery when you are trying to change the rail system or the road network when you let people use it.

There is a very significant challenge to implement the investment plans while you do not degrade the levels of service. Now, that is sometimes possible. Within the airport sector, we spend a lot of time in our investment plans and our delivery of infrastructure plans looking at how you do not degrade the levels of service. It is not always possible, and where you do degrade those levels of service you then have to educate people as to what will happen. There is nothing worse for the users of a network to be told that we are spending billions of pounds to improve the network and then for them to patently see that the network is not delivering even the basic level of service that they had yesterday. A lot of it is around communication.

There is a challenge around the physical delivery of the investment plans and programmes that are required. There is a challenge around communicating what that means to people, what those changes will mean and the disruptions that will be caused during that time.

I also think there is a challenge in co-ordination around how the system works and who takes primacy in terms of making decisions. That was referenced earlier on with regard to the timetable inquiry—who takes primacy of decision. They are the three big challenges that I see at this stage.

What role can the regulator play in those? First of all, I think by stating that they are the concerns that we have, feeding them into the strategic rail review and talking about how we might play our part in addressing each one of those. Certainly, with regard to Network Rail and indeed Highways England, we would have a role in how we would monitor and incentivise the delivery of projects, and assess whether those projects can be delivered. There is calling out the need to communicate the issues that surround not just the delivery of the individual projects but the disruption that is inevitably caused, and the whole communication process around that. They would be key issues for me and key areas for focus.

Q61 **Daniel Zeichner:** Where does safety fit in terms of the priorities of the ORR within that big challenge?

Declan Collier: I would not say that safety has primacy, but safety is absolutely fundamental to the operation of the rail sector, as it is indeed to the operation of the aviation sector. It is absolutely vital that we focus on the delivery of a safe network for passengers and other users, and indeed for the staff who work on the networks.

That requires a very positive safety culture to exist, both within the regulator and within the users and operators of the system. I think that safety culture exists, but, like everything else, that will have to evolve over time. I know that from the aviation sector a lot of people have criticised the focus on safety as saying this is gilding it. Very often when people talk about how they deliver safety, they say, "Are we going a little bit too far on what you are trying to do here? We are starting to impinge on the efficiency of the system." That is something that needs to be asked, and asked more often within the rail and road sector. I know it is a conversation that is happening within the ORR and certainly within the section of the ORR that is run by Ian Prosser very well. That type of engagement is taking place, but we need to take it outside the regulator and engage with Network Rail, and with the train operating companies, and finally with the Department for Transport, around the focus and levels, what safety means, what good safety looks like and how far you pursue safety.

Q62 **Jack Brereton:** You have mentioned rail and aviation, but what about roads? It is not good enough that 1,793 people were killed on our roads last year. That just would not be tolerated in the rail or aviation sectors. What is it that we need to do to address the issue of road safety?

Declan Collier: I am not sure whether the ORR can bring a solution to the issues of road safety or the number of deaths on the road. What the ORR can do, by ensuring that Highways England is focusing properly on the delivery of its investment plans and the upgrading of the strategic network, is to get a network inherently safer to use. That is where we would focus.

Q63 **Daniel Zeichner:** How controversial are you prepared for the ORR to be to tackle things like the point that Jack has just raised? For instance, it could be said that you could say to the Government, "You should be setting clear targets," or in the rail industry you could take a position on guards on trains. On the road, you could say that every journey starts with a local road, so why do we have a £12 billion backlog of potholes, which are not safe in a lot of places?

You could say that all of those are straying into the areas of politics and choice, but is there not a role for the regulator to have a view on all of those, if safety is important, and where do you stand on that?

Declan Collier: Safety is important on rail and on road. If confirmed, I would spend time with the board to talk about how we prioritise that discussion, how we develop the dialogue and how that dialogue would be developed over time. There is not a simple solution to that. It will take a number of years to engage in the process, but I would be very happy to take that up with the board.

Q64 **Daniel Zeichner:** Earlier you mentioned the importance of the rail review, which is obviously going to be significant. I rather agree with my colleague Graham that I often come out of rail discussions more puzzled, particularly the lengthy accounts of the control process periods and the role that the ORR has in that. Also, I think some of us are slightly surprised that the ORR is a part of it as well as a regulator sometimes.

Are you comfortable with that, or do you think that the ORR needs to have a slightly different role? What role will it play in the rail review?

Declan Collier: There are two questions there. From a personal point of view, I tend to agree with the point that very often complex industries spend a lot of time examining their own navel, talking in acronyms and making things very complicated. Personally, I do not like complication like that. I like to try to simplify how things operate. That would be a personal style from my point of view. That is not always possible because they are complex industries.

Sorry, what was the second point that you raised?

Q65 **Daniel Zeichner:** The second point was that I was quite surprised to find that the ORR was actually represented on some of the industry preparedness boards when we had the timetable. In other words, they are not just the regulator but a player. That seems slightly curious to me.

Declan Collier: Certainly when it comes to safety, a very operational engagement happens there, but once again I would need time to investigate just how deeply we are engaged and where we are engaged in terms of other industry bodies and connections.

Q66 **Daniel Zeichner:** But as the chair of the organisation you would be prepared to lead it in a direction that may be different from where it is now.

Declan Collier: Yes, I would be, if that was consistent with meeting an overall strategy to drive improvements within the rail or road sector.

Q67 **Daniel Zeichner:** Briefly going back to Highways, you said it is in its fairly early stages of the relationship. How do you see that developing over the next few years?

Declan Collier: I think that will mature and develop very well. My personal engagement with individuals who are involved with Highways England is very positive. From an aviation point of view, we spent a lot of time talking to people in other sectors who were involved in large-scale infrastructure improvements, et cetera, to get learnings from those. Highways England has a very talented group of people. The relationship is developing very positively. We need to more clearly define the expectations from both sides of the equation. That is happening on a much better scale, I understand, at the moment in the setting of targets, the score sheets, what needs to be looked at and where we are benchmarking performance.

Q68 **Chair:** I have a couple of final questions. Obviously, we are talking about the ORR and it is very distinct. It is rail and it is road. Yet, as you have identified, there are some commonality problems, not least the fact that you have increasing demand on a constrained network.

I get the impression that even within the organisation they are in silos and that there are rail people and road people. Do you think there is an opportunity for organisational learning between rail and road? Is that something you would consider as necessary?

Declan Collier: I am not sure whether it will be necessary. It might be desirable. If I was confirmed, a task I would set for the new chief executive would be to look at the resources and how they are used. There are different levels of requirement around what the regulator is required to do with the rail sector as opposed to what it is required to do with the road sector. That certainly informs how it is currently structured.

Q69 **Chair:** Last week I happened to meet a group of SMEs in the rail engineering sector. I am based in the east midlands where we have a large number of those. They expressed the view that Network Rail is too slow to adopt innovations, particularly those that could lead to savings in the long term rather than the short term. Is that something on which you have formed a view?

Declan Collier: No; it is not something on which I have formed a view. However, I would say that from my experience in the aviation sector I believe that embracing technology and innovation, and what they can bring to the industry, is a vital part of where we take industries in the future. I would certainly encourage Andrew Haines and Network Rail to get involved in that.

Having said that, my understanding with regard to PR18 is that we have in fact made available or sanctioned funds or agreed funding—I am not sure what the terminology is—around research and development. I hope that those funds will be used to engage with SMEs and the innovation and technology sector to really seek out improvements. This is where you will find these small changes that can make a huge difference.

Chair: Do colleagues have any further questions?

Q70 **Graham Stringer:** I have three very brief questions—I think they are brief, anyway. I have always been uneasy both with the Civil Aviation Authority and with Road and Rail that the economic regulator is mixed in with the safety regulator. There are bound to be conflicts, I think. What would be your comment about that?

Declan Collier: I am not aware of those conflicts at this stage. Certainly, if confirmed, I will take a look at that, but I am not aware of that at the moment, or indeed within the aviation sector, making a substantial difference to the operation, development or strategic growth of that sector. In fact, my engagement with the CAA in aviation has been very positive. They have been very flexible and adaptable in how they have looked at safety and economic regulation to the betterment of the aviation sector.

Q71 **Graham Stringer:** If Network Rail breach whatever requirements they have, one of the things you can do is fine them. That money goes round in a circle. It is all public money. Is it a sensible way to deal with a breach of regulations—just to send public money round in a circle? Is that a proper control on Network Rail?

Declan Collier: They are different questions. Is it sensible? On the face of it, it does not seem sensible to have money going round in a circle. The second question is how effective that is as a sanction. It may not be an effective sanction. Fining an organisation, particularly in those circumstances, may not be the most effective sanction.

The direction for regulation in the energy and aviation sectors—and for rail and road in the future—will not simply be around a financial sanction. It will be around a reputational sanction. That works very effectively in the aviation sector. I think it may work more effectively in the rail and road sector. From what I have heard from people in the Office of Rail and Road, they have started to use that as a more effective sanction over the last couple of years.

Q72 **Graham Stringer:** My final question is this. If you are doing a radio phone-in programme—I am not sure you will, but if you are—and you get an angry motorist on about the time it has taken to deliver smart motorways, because most of these projects overrun, and the caller says to you, "What can you do about that as the road regulator?", what is your answer?

Declan Collier: The answer would be that in the short term I do not believe that I can do anything specifically as a regulator. In the long term, we can focus on how the investment is delivered by Highways England and make them better at delivery.

Q73 **Graham Stringer:** How would you do that?

Declan Collier: That may be a combination of reputational sanction and perhaps economic, but it is more likely to be reputational sanction.

Chair: Thank you very much for giving evidence in front of us today. That concludes our public session and the Committee will now go into private session.