GUIDANCE NOTE

Ensuring continuous improvement in safety and performance: the duties and roles of the Board of Directors and Chairmen

Following a number of safety incidents on heritage railways, the HRA and the safety regulator, the Office of Rail Regulation (ORR), jointly organised two seminars in 2012 to which the chairmen and general managers of all railways and tramways regulated by ORR were invited. Following those seminars, the HRA has updated its guidance on the duties and roles of directors and chairmen.

This document summarises the key points made at the seminars and in the revised guidance (HGR-M0101).

The root causes of poor safety performance

Ian Prosser, Chief Inspector of Railways at ORR, identified three main root causes for the poor safety performance of some heritage railways:

- Lack of or poor governance
- Lack of clear accountability
- Lack of competence management.

While ORR will provide advice to help railways and tramways improve their governance and Safety Management Systems, it will take enforcement action - including if necessary closing down operations - if this is the only way of achieving improvements. If the safety record of the heritage sector is not improved, there is a risk of tougher regulation for all heritage railways and tramways. The reputation of the sector, as well as individual railways, is therefore at stake.

Leadership: the role of the Board of Directors

Heritage railways and tramways are in essence small or medium sized enterprises, with responsibilities to their employees and volunteers and to their visitors. It is the job of the Board to provide direction and leadership to the organisation. To do this, the Board needs to be clear about its role, and to operate effectively.

A particular responsibility is to provide leadership on health and safety, both by ensuring that there is an effective Safety Management System (SMS) which underpins the day to day operation of the railway or tramway and by demonstrating the highest standards itself as an example to all employees and volunteers. For example, a review of safety incidents should normally be the first substantive item on every Board agenda.

Every railway and tramway is different, so an SMS cannot simply be taken ‘off the shelf’: the key is to keep it simple, identifying the key risks and making it clear who has responsibility for each and every part of the operation.
Promoting excellence in health and safety

The Health and Safety Executive and the Institute of Directors have published guidance on health and safety leadership. This contains a four point agenda for boards, involving planning the direction for health and safety, delivering through effective management systems, monitoring and reporting, and formally reviewing health and safety performance at least once a year.

An effective board will provide good governance and leadership by:

1. Understanding its role;
2. Ensuring delivery of organisational purpose;
3. Working effectively both as individuals and as a team;
4. Exercising effective control;
5. Behaving with integrity; and

Good Governance: A Code for the Voluntary and Community Sector, 2010

Responsibilities of Directors

Each Director needs to take responsibility for good governance of the organisation. This includes ensuring that appropriate induction is given on appointment, and that there is ongoing training and development. Without this, Directors will not have a full and up-to-date understanding of the legal and regulatory requirements of the business, and will not continue to be effective in fulfilling their role on the Board.

Health and safety is integral to success. Board members who do not show leadership in this area are failing in their duty as directors and their moral duty, and are damaging their organisation.

An organisation will never be able to achieve the highest standards of health and safety management without the active involvement of directors. External stakeholders viewing the organisation will observe the lack of direction.

Quotations from health and safety leaders in the public and private sectors in ‘Leading health and safety at work’, HSE/IoD.

The role of the Board Chairman

The Chairman’s role is central to the effectiveness of the Board. He has a particular responsibility for ensuring that the business adopts good practice in its governance. He needs to guide the Board by helping it focus on the key issues; to do this; he will need to display personal integrity and authority, without being domineering.

The essential tasks of a chairman are as follows:

- providing leadership to the board
- taking responsibility for the board’s composition and development
- ensuring proper information for the board
- planning and conducting board meetings effectively
- getting all directors involved in the board’s work
- ensuring the board focuses on its key tasks
- engaging the board in assessing and improving its performance
- overseeing the induction and development of directors
- supporting the chief executive/MD

IoD factsheet ‘The role of the Chairman’