

Rail Delivery Group

Summary of Proceedings 16 July 2012

Present

Tim O'Toole (Chairman)
David Higgins
Dominic Booth
David Brown
Andrew Chivers
Bob Holland
Peter Maybury
Paul Plummer
Doug Sutherland
Alain Thauvette
Graham Smith (Secretary)
Michael Roberts

Cost of Contingency Projects

Feedback was sought from Members on progress with reviewing the schedule of the cost of contingency projects that had been distributed at the May meeting. The Transpennine Electrification scheme was identified as an opportunity to eliminate excessive cost of contingency.

Members confirmed that active discussions were underway on the projects.

During discussions on cost of contingency and the other workstreams within asset, programme and supply-chain management RDG Members made further points:

- It was essential to have a process to identify, report and review savings that emerged from the dialogue on individual projects;
- These savings should be reflected in the Strategic Business Plan;
- At the initial stage the dialogue should not be concerned about double-counting of savings – these could be resolved subsequently;
- Although a number of savings overlapped between different workstreams the temptation to agglomerate the savings should be resisted; and
- The review process should learn and publish lessons from projects that had already taken place and identify and record savings from projects that were in progress or yet to start.

RDG Members agreed to communicate these points to the teams undertaking the cost of contingency projects.

The APSCM working group would agree a mechanism for capturing the savings and inputting them to the Strategic Business Plan process.

Cross-Industry Groups

The Members of RDG that had agreed to lead the review of families of cross-industry groups confirmed that work was underway and would report progress to subsequent meetings

Asset, Programme and Supply-Chain Management Working Group Update

RDG noted the progress report

The work undertaken by the access planning workstream was highlighted. It had identified opportunities to reduce the variable element of maintenance costs, Schedule 4 compensation and weekend possession hours. RDG recognised that the benefits may vary depending on the characteristics of the route and the impact on freight and other overnight services needed to be taken into account.

RDG agreed that the workstream should be asked to produce an implementation programme and that workstream members should form an advisory group for wider application of the principles.

Technology, Innovation and Working Practices Working Group Update

The Group noted that RDG would be meeting the TUC and the railway Trade Unions on 15 August.

The Group noted that a review of security in the industry and BTP's role would be undertaken in the autumn.

Contractual and Regulatory Reform Working Group Update

The Group noted the disconnection between the alliancing concept and the ORR's desire to incentivise train operators to engage in the periodic review. RDG Members expressed support for the alliancing approach whilst reinforcing the importance of Network Rail pursuing cost reductions

RDG agreed that its view on this issue should be communicated at the next formal RDG / ORR meeting and that the ORR should be invited to attend a future RDG meeting.

Industry Planning Working Group Update

RDG noted that the HLOS and SoFA had been published earlier in the day with a headline of an additional £4.2bn investment in the railways in CP5 beyond existing commitments. RDG had issued a press release that had supported the announcement and highlighted RDG's leadership role in identifying cross-industry efficiencies.

RDG was keen to understand how TOCs and other industry parties would contribute to the production of the Strategic Business Plan and to better understand the process for sign-off and publication. The Group thought it particularly important that RDG's working groups had visibility of the SBP timetable and fed in the efficiencies that they were identifying for CP5

Formalisation of RDG Update

The ORR Consultation was expected to be published shortly. Work on the legal documentation was progressing well. RDG agreed to commence the process of recruiting the Director General.

Rolling Stock Update

The Group was updated on progress with developing a long-term plan for rolling stock and the differences between the potential savings identified by the Rail Value for Money Study and the work undertaken by the industry. Amongst the reasons were the pre-existing commitments on new rolling stock that reduced the opportunities for change and the limited amount of new build beyond those commitments.

Among the points made during discussions were:

- The need for greater emphasis on the wheel/rail interface; and
- The need to consider other business models for procuring and financing rolling stock.

There would be the independent chairman of the group producing the rolling stock strategy, which would include ATOC, TOCs, ROSCOs and Network Rail.

RDG agreed that

- TOCs were best placed to specify rolling stock and negotiate terms with ROSCOs;
- The ATOC / ROSCO / Network Group should lead the production of the rolling stock strategy
- RDG's nominated Member should continue to be involved in the work;
- Regular reports on progress should be made to RDG; and
- RDG should endorse the final strategy.

Technical Strategy Leadership Group Update

The Group was briefed on the membership of TSLG and reminded that TSLG would be guided by RDG and serviced by RSSB.

The plans to set up an Enabling Innovation Team comprising four or five individuals were explained and endorsed. The HLOS announcement had included £160m for innovation and CP6 development funding although this was less than had been requested.

National Task Force Update

A reporting process would be put in place for the next RDG meeting. NTF was engaged in a number of policy issues that would be of interest to RDG. Discussions in July had included right-time data, the Rail Technical Strategy and CP5 performance planning. Amongst the issues for consideration in August were the freight recovery plan, JPIPs and adhesion. RDG Members were encouraged to contribute to the Biennial Review of NTF.

RSSB Update

The first meeting of the strategic review group would take place shortly

