

Rail Delivery Group

Summary of Proceedings 29 May 2013

Present

Tim O'Toole (Chairman) (First Group)
David Higgins (Deputy Chairman) (Network Rail)
Dominic Booth (Abellio)
Jonathan Brown (Serco)
Andrew Chivers (National Express)
Martin Griffiths (Stagecoach)
Michael Holden (Directly Operated Railways)
Bob Holland (Arriva)
Nigel Jones (DB Schenker)
Peter Maybury (Freightliner)
Paul Plummer (Network Rail)
Graham Smith (Director-General)
Michael Roberts (ATOC)

In attendance:

Chris Burchell and Robin Gisby for the National Task Force presentation

Anna Walker, Richard Price, Alan Price and Dan Brown for the discussion with the ORR

National Task Force (NTF)

The background and history of NTF was described and the results of the NTF 2012 review summarised. The NTF has no executive authority and detailed performance management is the responsibility of Train Operating Companies and Network Rail Routes. All RDG Members are represented on NTF.

The NTF was pursuing six strategic themes:

- Managing performance;
- Planning for performance;
- Asset reliability;
- Disruptive events;
- Passenger information; and
- Lessons learned.

In reporting on the achievements of 2012/13 and the activities being pursued in 2013/2014 the increasing need to resolve trade-offs, especially between performance and capacity, was emphasised.

Looking ahead to CP5 the key performance issues were expected to be:

- Network Rail led cross-industry delivered major projects;
- Linking the franchising proposition and programme with timetable reviews and trade-offs;
- Improving access planning;
- Better defining weather in customer communication and dialogue with funders;
- Development of the performance forecasting framework; and
- Putting the performance reform programme in place.

The performance reform programme was being undertaken within the context of achieving 92.5% PPM by March 2019 whilst accommodating 25% volume growth and major disruptive projects.

There were four steps in improving performance:

- Train service specification;
- Operational plan
- Amended operational plan; and
- Operational delivery.

Among the initiatives being pursued were managing performance at hotspots, right-time departures and using the early afternoon to recover from morning delays. Focused leadership, programme resource and investment in systems were critical and Joint Performance Improvement Plans (JPIPs) should concentrate on continuous improvement.

On ETCS RDG was briefed on where expenditure had taken place and was planned in CP5. A specific issue with ETCS was resource and skills development.

A number of recommendations for the ETCS project were under consideration:

- A clear overall objective and strategy;
- Robust programme control;
- A simple governance structure;
- A validated campaign plan;
- All delivery organisations to demonstrate their outputs;
- Establish a risk baseline; and
- Be clear on outputs from testing phases.

Among the points made during discussions on the NTF presentation were:

- The ETCS project would be better appreciated if there was an understanding of the capacity, performance and maintenance benefits;
- The importance of ETCS may point to it being sponsored by RDG;
- Other performance trade-offs to be taken into account were journey time and revenue generation;;
- JPIPs should not be regulated but should be encouraged through commercial incentives; and
- The breadth and depth of NTF's agenda was considerable and NTF should not

be reluctant to ask RDG to consider providing appropriate resources for resolving certain issues.

RDG / DfT Awayday

During discussions on the Awayday it was recognised that RDG needed to tackle major strategic issues; and at the same time focus on the detail of its current initiatives so that specific deadlines for resolution can be achieved.

RDG confirmed that working group chairmen should decide their key priorities, the work needed to deliver those priorities and obtain RDG support for those priorities.

RDG agreed that working group chairmen should revisit and refresh the three, six and twelve month project plans for their working groups, which would form the basis of future discussions with the Secretary of State.

The Group confirmed that a narrative that demonstrated the benefits of the current business model was still essential.

Rolling Stock

RDG was seeking to identify opportunities to achieve value for money in rolling stock in CP5 and RDG Members were asked to suggest ideas. RDG noted that the franchise extension process was unlikely to create flexibility in rolling stock costs and provision

Commercial

RDG noted the papers on station retail, fares and ticketing and TIWP.

Technology and Operations

RDG noted the paper on the creation of the technology and operations working group and agreed that the next meeting should consider this and smart ticketing in more detail.

Freight

The creation of the freight group had led to engagement with the ORR on freight charging. Discussions were taking place about a freight alliance that would enable the group to extend its purpose and activities into other areas of freight interest.

Asset, Programme and Supply-Chain Management (APSCM)

The importance of timely and accurate communication between the APSCM working group and Network Rail (Routes and centre) was noted.

Industry Structure and Strategy

Issues around industry funding and financing were fundamental and should be considered at the next meeting alongside the ORR's draft determinations.

Associate Membership

The Rail Delivery Group approved the granting of associate membership to

- Ashfield Consulting Ltd
- Babcock
- British Transport Police Authority
- Derby and Derbyshire Rail Forum
- Gutteridge, Haskins and Davey Ltd (GHD)
- Optimum Consulting Limited
- Rail Freight Group
- Railnews Limited (trade newspaper)
- Young Railway Professionals

Discussion with the Office of Rail Regulation

The ORR restated its strong support for the Rail Delivery Group.

The Periodic Review draft determination would be published on 12 June and would be challenging, stretching and achievable.

The ORR said that it had been listening on freight.

The long-term regulatory statement would be published in early July, which would seek to put the PR13 decisions into context. It would look at the wider issues of regulation of the industry and would explore options for industry financing.

During discussions the following points were made:

- The need to understand how PR13 and the Spending Review were linked;
- The importance of debating the future of regulation and how it would impact on all parts of the industry;
- The imperative of a stable regulatory environment;
- The need to recognise that transparency was not an end in itself but should have a purpose;
- The risk of information overload;
- Tinkering creates instability;
- The critical importance of the nature and effect of the ORR's communication and information provision; and
- The need for the industry narrative to focus on perfecting, not replacing, the industry business model.