Introduction to Industry Structure and Strategy (ISS) Discussion

The meeting recapped the purpose of the RDG and endorsed the organisational principles adopted by the working group looking at industry structure and strategy. The importance of eliminating overlaps and duplications, which created confusion for external observers of the industry, was emphasised. Cross-industry groups should have a reporting line that culminated at RDG.

Discussion

RDG members contributed to a lengthy discussion. Among the points made were:

- The relationship with Network Rail was critical; the organisation had a wide range of roles and responsibilities that required a relationship structure for effective engagement;
- A leadership group needs a common goal and to be able to show the benefit it provides to passengers and the savings it has found for the taxpayer. It must remove duplication;
- Pressure to reduce costs and find Value for Money will increase;
• RDG works best when it is providing a united front and establishing principles; and
• RDG’s relationship with DfT and ORR is critical.

Among the Group’s achievements since its creation were

• Unpacking the Rail Value for Money report and identifying those areas that merited further work;
• Identifying a range of efficiency opportunities in asset management;
• Presenting an industry view on franchising; and
• Bringing together long-term industry planning.

The Group continued its discussion and the following points were made:

• The RDG must maintain its efforts on influencing decisions on franchising because many important decisions are still to be made and the progress we have made could be lost. We are still fighting for the business model;
• RDG should consider whether it should express views on key strategic issues;
• RDG possesses, or has access to, the industry knowledge. It needs to create a framework for strategy, tactics and delivery;
• RDG should face outwards and argue the case for rail and the role of the industry structure in delivering success;
• It is not possible for RDG Members to control all the countless interactions in the industry – they should focus on the key relationships;
• RDG can draw on three types of resource: volunteers from RDG Members; RDG employees; and bought-in subject-specific resources; and
• RDG should be talking to the leaders of each industry organisation and each cross-industry group to explain the RDG’s direction.

After further discussion RDG agreed the following actions:

Action

• The Chairmen of the six working groups should decide their key priorities, the work needed to deliver those priorities and obtain RDG support for those priorities. At least as far as those areas are concerned working group Chairmen should feel free to give direction in organising the industry’s approach;
• The ISS working group should make recommendations on how RDG should review overlaps, duplications industry bodies and Cross-Industry Groups