



As the readers of Railnews know better than most, this is an exciting time to be working in the rail industry in the UK.

Britain's railways are quite rightly regarded as among the most successful in the world.

Looking to the future we face twin challenges.

The first is to increase capacity so the network doesn't grind to a halt.

Today the railway carries more passengers and freight than it has for decades. And demand is increasing year-on-year.

That's why over the next five years Network Rail will be delivering a £38 billion programme to help transform the busiest parts of Britain's rail network.

And by the end of Control Period 5, we will have commenced construction of High Speed 2.

The first north-south railway line for a century, this will provide the valuable capacity needed to support long term economic growth.

The second is to demonstrate that investment is in an efficient and cost effective railway.

The challenge we collectively face is to show that we are on track to deliver better value-for-money for taxpayers, fare payers and freight customers.

The best – in fact the only – way to respond to these challenges is to re-invent the way that we work together.

That requires strong leadership from the industry.

A sense of purpose and direction founded on an effective partnership between the train operators, freight operators and Network Rail.

That's why the Rail Delivery Group is essential.

The formation of the RDG means that over the coming years, working together, we will ensure that Britain's railways can continue to be an engine for growth.

**Patrick McLoughlin**  
Secretary of State for Transport

We are only as good as our staff › ii  
Who's who - meet the RDG › ii  
Europe's fastest growing, top-rated railway › iii  
£2.7m daily savings from rail freight › iv



## Michael Roberts introduces the first RDG supplement in Railnews

Welcome to the first of what will be regular updates in Railnews on the work of the Rail Delivery Group.

The RDG brings together the leaders of the companies which run the railway to find ways of making the services that you work so hard to deliver even better and more efficient.

We already have a railway that

we should all be proud of. You have helped to build a network that is the fastest growing major railway in Europe, with the most satisfied passengers and which is winning an ever increasing share of the freight market. But we must continue to improve.

Our goal is to make Europe's best railway even better and to ensure that it offers passengers,

freight customers and the taxpayers who help fund it greater value for money. To achieve this, we will need to work differently – to bring together the different parts of the industry to find solutions to the challenges we face, from cost to capacity and to improving the service we offer to our customers.

You will be crucial to helping

the industry meet these challenges which is why I want to tell you what the RDG is doing. I hope you enjoy reading this supplement and please share any feedback you may have with us at [info@raildeliverygroup.com](mailto:info@raildeliverygroup.com)

**Michael Roberts**  
Director general – Rail Delivery Group

# Progress through partnership

Working together is the way forward for a vital and growing industry

Britain's booming railway benefits from a diverse range of commercial passenger and freight operators running services on a single national network.

By coordinating solutions to cross-industry challenges in partnership with government, regulators and industry suppliers, the railway can deliver further benefits to its customers.

That's the core message from the members of the RDG, which includes senior representatives from franchise-owning transport groups, freight operators and Network Rail.

The RDG was set up following the publication of the McNulty report in 2011, which identified cost savings and more efficient ways of working.

Recently RDG chairman Martin Griffiths focussed on this when he told the Derby & Derbyshire Rail Forum's annual conference that a new approach is needed across the industry.

Warning that Network Rail is being required to cut its costs by 20 per cent while also keeping punctuality above 90 per cent, he said: "These are challenges for the whole rail industry, not just Network Rail.

"We cannot afford to stand still and we need to have a vision of how we can take our railway to the next level. The only way we will deliver a better railway – and a better value railway – is if we challenge ourselves, switch our mindset and work more closely."

His words have been echoed by RDG director general Michael Roberts, who says: "An industry focused on attracting more passengers and freight, combined with a commitment by successive governments to invest over the long term, is generating phenomenal growth.

This winning formula is helping to reduce unit costs while improving and



expanding a vital public service."

But he agrees that there is no room for complacency. "Passenger journeys are now approaching an all-time record. With more and more people using trains new rolling stock is being built.

"Freight operators are reporting increased cargoes, and Network Rail is investing billions in the infrastructure to enable more trains to run, while in

the longer term we will have HS2.

"At the same time, the industry is receiving significant amounts of public money. This is a sound investment in UK plc, and the Rail Delivery Group is determined to ensure that the industry makes the very best use of it.

"It's an exciting time to be in rail. The next stage will need effective, consistent teamwork, if we are to meet the challenges which lie ahead."

# "We are only as good as our staff"



Martin Griffiths

"My message to frontline staff is that members of the RDG recognise the input that they give every single day."

Martin Griffiths, who has been the chief executive of Stagecoach Group for a year and chairman of the Rail Delivery Group since January, is under no illusions about what the railway industry needs to do to address the challenges it faces.

"The industry needs to further improve the service it offers to customers while becoming more efficient. For the first time we now have the industry leaders coming together, plus an executive team that takes forward the day to day implementation of the RDG's strategies and policies to achieve this," he says.

"After being born out of the 2011 McNulty report, the RDG had to find its way and put the building blocks in place to get its structure right.

"Now that's been done effectively, as an organisation with a leadership role, we must ensure that those leaders have a voice. Perhaps we have not been as forthright and as public as we might have been but that is the next step in the organisation's evolution.

"For example, HS2 is probably the most topical and important thing in the rail industry at the moment, so plainly the RDG should have a position on it. In March, we set out how, as the

companies responsible for today's railway, we can contribute our expertise to make the project an even bigger success. The RDG is bringing together the industry's key players, including where it makes sense to do so suppliers, the government and the regulator, to tackle big issues such as this."

But what difference does the RDG make to a member of railway staff? Martin is in no doubt.

"We are, as an industry, only as good as our frontline staff. Their strength has never been demonstrated better than during last winter's extreme weather.

"My message to frontline staff is that members of the RDG recognise the input that they give every single day.

"Our objective is to make working in the railway the best that it can possibly be by ensuring people have the right conditions and the right structures in place to do their job and that the right investment is being made in the industry. To do this we have to have the right relationship with Government and our other stakeholders.

"There are challenges ahead, but this is an industry which has progressed strongly over the past 20 years. And our staff are the reason for that."

## Meet the RDG

The Rail Delivery Group is headed by a team of experienced leaders from the rail industry

### Chairman

**Martin Griffiths – chief executive, Stagecoach Group**

Previously the Group's finance director, Martin was appointed chief executive of Stagecoach Group plc in May 2013 and is also co-chairman of Virgin Rail Group Holdings Limited. He is responsible for the Group's overall strategy and management of all its operations.



**Alistair Gordon – chief executive, Keolis UK**

Alistair Gordon joined Keolis as project director in 2004, leading the company's bids for Southeastern, London Rail (Overground) and Southern, before he was promoted to chief executive in 2011. RDG work stream: Technology & operations



**Michael Roberts – director general, Rail Delivery Group & chief executive, ATOC**

Michael joined ATOC as chief executive in April 2008 and was appointed director general of the Rail Delivery Group in 2013. He had previously worked at the CBI, where he was director of business environment from 2000.



**Deputy chairman  
Mark Carne – chief executive, Network Rail**

Mark took over as chief executive of Network Rail in late February this year. He was formerly executive vice president for Royal Dutch Shell plc in the Middle East and North Africa, responsible for the company's business in a vital but volatile region at a time of significant political change.



**David Martin – chief executive, Arriva**

David joined Arriva in 1996, becoming a member of the Board in February 1998 with specific responsibility for the group's international operations and development. From March 2005 he was group managing director, operations and then deputy chief executive. He became chief executive in April 2006.



**David Stretch – managing director of transport services, Serco**

David was appointed managing director of Serco's Transport Services Business Unit in January this year. His main responsibilities are for the leadership, strategic development and growth of the transport business in the UK and continental Europe. He has executive director responsibilities for Serco's two UK joint venture train companies, Merseyrail and Northern Rail.



**Dominic Booth – managing director, Abellio UK**

Dominic joined Abellio Group as a main board member in January 2007. In 2012 he was appointed to the newly created post of managing director in the UK, after Abellio had won the Greater Anglia franchise. Dominic is responsible for all Abellio's business in the UK. RDG work stream: Stations



**Peter Maybury – chairman, Freightliner Group Ltd**

Peter joined Freightliner in 1997. After a spell as commercial director he became managing director for the intermodal business in 2005 before being appointed to the position of Group chief executive in 2009. He retired in September 2013 but continues to serve as chairman of Freightliner Group. RDG work stream: Freight



**Doug Sutherland – chairman, Directly Operated Railways**

Previously, he served as chairman of South Eastern Trains (Holdings) during its period of public ownership, and from 2006-2010 was a non-executive director of the OPD Group. He was also chairman of BRB (Residuary) Ltd until it was wound up last year.



**David Brown – chief executive, The Go-Ahead Group**

David is chief executive of Go-Ahead. It carries 30 per cent of all National Rail passengers through its franchises. RDG work streams: Information & ticketing, and Transparency.



**Tim O'Toole – chief executive, FirstGroup**

Tim became FirstGroup's chief executive in November 2010. Before that he was managing director of London Underground between 2003 and 2009. He is a non-executive director of CSX Corporation, a rail freight transportation company in North America. He served as the RDG's first chairman. RDG work stream: Asset programme supply chain management group.



**Alain Thauvette – head of region west, DB Schenker Rail**

Alain has been a member of the management board of DB Schenker Rail since February 2010. He promotes the creation of a European railway network through his responsibilities for DB SR in the UK, ECR in France and Transfesa in Spain. RDG work stream: People



**Dean Finch – group chief executive, National Express**

Dean was formerly Group chief executive of Tube Lines from June 2009 until he joined National Express. Previously he had worked for over 10 years in senior roles within FirstGroup. RDG work stream: Franchising



**Paul Plummer – group strategy director, Network Rail**

Paul joined Network Rail in October 2002. He is responsible for planning the development of the network, business planning, the interface with government and economic regulation. RDG work stream: Contractual & regulatory reform

[www.raildeliverygroup.com](http://www.raildeliverygroup.com)

email: [info@raildeliverygroup.com](mailto:info@raildeliverygroup.com)

Tel: 020 7841 8000

## Improvement work efficiency

This RDG initiative is aimed at ensuring planning and decisions about improvement work on the network delivers best value, maximum benefits and minimal disruption to passenger and freight services.

The group – led by Tim O’Toole, chief executive of FirstGroup, and supported by Walter Roux from RDG and Gary Cooper from ATOC – currently has a number of sub-groups focusing on different aspects of cross-industry planning and working.

A key piece of work is the Industry Access Programme, which aims to change how industry partners work together to plan and carry out vital improvement work, while reducing costs and improving services.

Work is also underway to improve efficiency during possessions by increasing productivity while minimising disruption. Doing more work during non-disruptive midweek night possessions will potentially allow more weekend services to run.

Another area of focus is rethinking how major enhancement projects are scoped, planned and delivered, and how to realise greater value for money in the procurement and use of rolling stock over the next five years.

## Contractual and regulatory reform

This area of work will seek to create the right regulatory and contractual architecture which will enable the industry to work effectively as a whole, delivering the best outcomes for rail users and tax payers.

The group’s key areas of focus include: Long-term regulation; the Review of Charges study; track access rights and framework agreements; alliancing and strategic partnerships; devolution and localism; EU policy and engagement.

On the last of those, RDG says Britain’s rail industry supports opportunities for more liberalised European policy enabling rail to grow its market share, deliver value and improve services for passenger and freight customers alike.

Experience of liberalisation in the 1990s and the subsequent increases in rail freight and passenger journeys in Britain can inform the European debate, RDG believes.

But it also warns of European regulatory and policy initiatives which RDG will closely monitor to ensure the best outcomes.

## Communications

One of the Rail Delivery Group’s key roles is developing a unified voice for passenger and freight operators, together with Network Rail, to show how Britain’s railway is ‘a force for good.’

This work is being overseen by Martin Griffiths – Stagecoach Group chief executive and RDG’s current chairman – supported by Edward

# What the RDG does

RDG’s strategy is to strengthen the benefits of the railway to its customers by coordinating solutions to cross-industry challenges, in partnership with government, regulators and industry suppliers. Here we explain the RDG’s current priority areas of work.

Welsh, RDG’s director of communications.

Their priority is to highlight the successful partnership between the private and public sectors in rail; spell out improvements in rail services; and show how, by working together, the industry is delivering more and better services for passengers and businesses.

## New approaches to franchising

RDG’s Franchise Strategy Group, works with the Department for Transport, the devolved administrations in Scotland and Wales and other franchising authorities. It is looking at opportunities to improve Britain’s railway through new approaches to existing and future franchising, and other commercial initiatives.

The group will engage with funders to progress and support the letting and management of franchises so that benefits to passengers, taxpayers and the economy are maximised, recognising that service delivery is central to the current and future success of the industry.

Andrew Chivers, managing director of National Express Rail, is leading this work, supported by Nick Ellins and Jonathan Pugh from RDG.

## Freight

The RDG’s freight work stream brings together stakeholders from across the industry to deliver cost savings and ensure that the network is used in the smartest and most efficient way for growing freight traffic.

The group has made the case for more goods to be transported by rail through a report on rail freight’s contribution to the UK economy (see page iv).

Peter Maybury, chairman of Freightliner, is leading this work stream, supported by Nick Ellins from RDG and Chris Wilson from Freightliner.

## Health and safety

RDG recently sponsored a senior-level industry safety workshop, organised by the Rail Safety and Standards Board, including reviewing the indus-

try’s Safety Risk Model and considering the challenge of fatigue across all rail businesses.

The outputs from the workshop will be used to develop the future direction of this work stream.

Mark Carne, chief executive of Network Rail, leads this work stream, supported by ATOC’s Gary Cooper.

## Information and ticketing

Work is underway to develop an industry vision for improving customer experience, including new forms of ticketing that might be introduced to help passengers and attract more people to travel by train.

David Brown, group chief executive of Go-Ahead Group, is leading this work, supported by David Mapp from ATOC and Richard Evans from Go-Ahead.

## Attracting and retaining staff

An RDG group is working to forecast future demand and identify the skills needed in areas specific to rail, and then to ‘sell’ the industry to job seekers as an interesting, rewarding and challenging career.

Alain Thauvette, head of region west at DB Schenker Rail, is leading the work, supported by Gary Cooper from ATOC.

## Performance and punctuality

Improving punctuality is focused on the long established cross industry National Task Force (NTF), which includes Network Rail, passenger and freight operators, RDG, the Department for Transport and the Office of Rail Regulation.

The NTF has recently analysed performance during the past five years to see what needs to be done to return to consistent delivery of planned performance, as achieved between 2004 and 2011. This analysis has led to work being developed around three key themes:

- 1- Ensure timetables are realistic, resilient to disruption and help performance to recover when things go wrong.
- 2- Improve information on the position of trains

so that during disruption, passengers get better information, and services get back to normal more quickly.

3- Improve the reliability of railway assets that are crucial to the delivery of services, for example tracks, signals and trains.

## Planning

The planning work stream leads strategic planning across the industry and promotes the effective development of the railway in the long-term.

Through the Planning Oversight Group, which is chaired by RDG member and Network Rail group strategy director Paul Plummer, it has already helped to shape the last periodic review, in particular through the Initial Industry Plan.

This work stream will coordinate the industry’s inputs into discussions with funders and other decision makers on the long-term strategy for the rail network including periodic reviews and franchise specifications.

## Attractive stations

The RDG Station Strategy Group is chaired by managing director of Abellio UK, Dominic Booth. It is looking at improving passengers’ experience of rail travel by bringing together a cross section of the industry to produce even more examples of attractive, well-maintained stations that meet the needs of both customers and local communities.

The DfT and the ORR are expected to be involved in this work.

## Technical strategy leads Europe

Britain’s railway is leading Europe by having a technical strategy that looks ahead 30 years – including reducing carbon emissions, improving capacity, reducing cost and improving customer satisfaction.

RDG’s technology and operations steering group – with Alistair Gordon as its chair and Richard Parry-Jones (Network Rail’s chairman) as deputy chair – aims to deliver the strategy through collaboration between train and freight operators, Network Rail and suppliers. This work stream is supported by Guy Woodroffe from RSSB.

Current priorities are mobile connectivity on passenger trains and enabling innovation in franchises.

## Information openness

RDG is carrying out research among passengers so that it can devise and implement initiatives to provide information that passengers say they want to know about their journeys.

David Brown, chief executive of Go-Ahead Group, is in the lead, supported by Richard Evans at Go-Ahead Group and Edward Welsh at RDG.



## Europe’s fastest growing and top-rated railway

An integral element of the industry’s communications strategy is a campaign aimed at promoting industry achievements. It is designed to enhance the reputation of rail and create a better understanding of the railway’s role in society and the economy.

Richard Flindell, of RDG’s communications team, said: “Over the last 12 months there have been some very interesting reports from Europe that illustrate how well Britain’s railway is doing compared to other major networks in Europe.

“The aim of the campaign is to promote these and other successes and achievements to passengers.

“The campaign is being displayed in a variety of ways, including station posters and information

screens at around 200 larger stations,” Richard explained.

“We are working with industry partners on messaging for future phases and over the next few months will be developing content to reach a wider audience using train operator websites, social media and other PR outlets.

“The latest visuals tell passengers they have voted Britain’s railway ‘top’ for overall satisfaction and for punctuality among the other major European networks. Previously, we have shown how ours is the fastest growing, most improved and safest major railway in Europe. We have also highlighted rail’s environmental, capacity and investment achievements.”



# HS2 – backbone of a growing railway

The Rail Delivery Group says HS2 is a “generational opportunity to increase capacity and improve connectivity”

Michael Roberts, RDG director general, explained: “Alongside sustained investment to expand and modernise the existing railway, HS2 provides a long-term solution to delivering a significant increase in passenger and freight services to help meet the phenomenal growth in demand for rail across the country.

“HS2 must become the backbone of a growing railway if we are to meet the challenge of booming demand for extra passenger and freight services that Britain faces now and in the future.

“With the second reading of the Hybrid Bill for stage one passed by a majority of 411 MPs, the time has come to focus on planning how services will be run on HS2, drawing on the expertise of a country with the safest and fastest growing major railway in Europe.

“The rail industry will work with government, HS2 Ltd, passenger groups and suppliers to help ensure the new line is a big success.”

RDG says the key priorities associated with HS2

are: plugging HS2 into the existing network; improving services on the existing railway; designing how new HS2 services will be run; buying the right trains; and setting fares at the right level.

Led by Network Rail’s group strategy director Paul Plummer this work will be overseen by RDG’s Planning Oversight Group, which will work with HS2 Ltd, government departments, passenger groups and suppliers to ensure success of the high speed rail project.

Track access review aims at best value and to cut red tape

RDG is leading an initiative to take a fresh look at how rail operators are billed to run trains on Network Rail’s track infrastructure – with the aim of reducing red tape and aligning industry efforts to improve value for money and performance.

Track access charges are paid by train operators for running train services on the network. The level at which they are set allows Network Rail to recover its costs – but not to charge more than its revenue requirement, as determined by the Office of Rail Regulation.

The new review is being supported by a consortium led by global economic and finance advisor FTI Consulting, and includes Amey, global law firm Dentons and engineering advisors TRL. The consortium will provide a wide range of economic, regulatory, legal and operational know-how.

Their work follows the study of the rail franchising programme, published last year and led by former Eurostar chairman Richard Brown. This found there were misaligned commercial incentives in the current charging framework, and recommended that a full review of the track access charging regime should be undertaken ahead of the next control period (CP6), which will run from 2019 – 2024.

Track access charges are set by the Office of Rail Regulation (ORR). They are intended to encourage the industry to use, and develop, the rail network efficiently and to deliver best value for money – but the Brown review concluded the current incentives need revisiting.

Michael Roberts, RDG’s director general, explained:

“The review is a good example of how the industry is coming together to work on key issues. It will take a fresh look at the complex structure of access charges to establish how far it can be improved to incentivise better value.”

And Paul Plummer, RDG member and Network Rail’s group strategy director, added: “Network Rail sees the structure of charges as an important question in the context of how we make best use of available capacity and continue to fund further growth in capacity across the network. We are therefore keen to engage with the rest of the industry through the RDG to help inform a debate about this issue.”

Rail freight saves the equivalent of 7,000 lorries being driven from London to Edinburgh every day



## Report hails £2.7m daily savings from rail freight

British businesses are saving £1 billion a year – equal to £2.7 million a day – by transporting goods by rail, according to a new report published by the Rail Delivery Group.

And another £500 million of annual economic, environmental and social benefits results from rail freight reducing the number of lorries on roads.

Last year, more than 7.6 million road journeys were saved by transporting goods by rail – the equivalent of around 7,000 HGVs being driven from London to Edinburgh every day, says the report – based on analysis carried out by accountants KPMG.

And each tonne of freight moved by rail reduces carbon emissions by 76 per cent compared with the journey by road.

Since rail freight was opened up to

private competition and investment in the mid-1990s, RDG’s report says over £2 billion has been invested in the sector – including new, more efficient locomotives and longer trains that each carry on average 50 per cent more cargo than 10 years ago.

Investment has helped rail freight in Britain grow by 70 per cent in the past 20 years and increase its share of the market – to over 11 per cent of total UK inland surface freight – in contrast to some still largely state-run railways in the rest of Europe.

Peter Maybury, chairman of Freightliner and of the RDG freight group, commented: “High levels of private sector investment and innovation, matched by significant infrastructure improvement, are now helping rail freight to bring £1.5 billion a year of benefits to Britain’s businesses

and the wider economy.

“Rail freight helps keep shop shelves stocked and the power on while taking thousands of lorries off the roads, reducing harmful emissions and keeping Britain competitive in the global economy.

“Rail freight has been transformed over the past two decades and is set to keep growing. By continuing to drive efficiency and improve performance, operators could help more than double the size of the sector over the next three decades and increase the economic benefits of rail freight to over £4 billion a year.”

Over the next five years, rail freight operators plan to invest hundreds of millions of pounds more to carry more goods, faster, more efficiently and with even greater reliability, says the RDG, which believes the sector

has potential to double cargoes to 45.2 billion net tonne kilometres by 2043.

Collectively, the five major rail freight companies now directly employ over 5,000 people and have a combined annual turnover of more than £850 million – with over £150 million a year going to the Exchequer in directly attributable taxes.

The sector is vital to Britain’s economic competitiveness, transporting over £30 billion worth of goods a year from supermarket groceries and premium whiskies to over half the fuel delivered to power stations to generate electricity.

Rail freight also helps ensure British manufacturing can compete globally by sending products on the first leg of their export journeys, connecting factories to container ports.