

## PAPER TO RDG BOARD

**Meeting Date:** 25 April 2017

**Paper Title:** Minutes of meeting of RDG Board March 2017

**Author:** Naomi Rial

**Sponsor:** Paul Plummer

**Paper Date:** 15 March 2017

**Reference:** Paper 1a

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### ATTENDEE LIST

Planned attendees	Organisation
Chris Burchell (Chair)	Arriva
Mark Carne	Network Rail
Paul Plummer	RDG
David Brown	Go Ahead
Jo Kaye	Network Rail
Tim Shoveller	Stagecoach
Hans-Georg Werner	DB Cargo
Steve Montgomery	First Group
Dominic Booth	Abellio
Russell Mears	Freightliner
Ernesto Sicilia	Trenitalia
<b>In attendance:</b>	
George Lynn	RDG
Elizabeth de Jong	RDG
Gary Cooper	RDG
Edward Welsh	RDG
Naomi Rial (Minutes)	RDG
<b>In attendance (in part):</b>	
Joanna Whittingham	ORR
Stephen Glaister	ORR

**Apologies:** Peter Strachan (Caledonian Sleeper), Alistair Gordon (Keolis), Phil Whittingham (Virgin), Jeremy Long (MTR)

## MINUTES OF MEETING

Item No.	Approval of the record
1	The minutes of RDG Board on 14 March were accepted as a true and accurate record.

Item No.	Chief Executive & Chairman's Report		
2	<p>PP provided highlights from the CEO report.</p> <p>The George Bradshaw address was held on 28 February with Chris Burchell delivering the keynote speech. There was a good reaction from government and a willingness to build on levels of engagement. The Annual RDG Conference also took place on 7 February with positive feedback received from attendees.</p> <p>The three RDG Strategic boards are now up and running and becoming established. Attendees were asked to provide any feedback to PP.</p> <p>PP commented that the noting paper on membership would be followed up with a definitive proposal planned for the April Board meeting.</p> <p>There are various meetings being held with the Department to provide input to the DfT strategy. Three roundtables were planned to date with two having already taken place.</p> <p>PP stated his view that arrangements should be put in place for RDG and RSG to work more closely together.</p> <p>MC gave an update on Network Rail's funding position. The impact on the railway operations will be kept to a minimum. The CP6 funding challenge will be even tougher. Over the next few months the 10 strategic business plans are being built, bottom up. MC encouraged TOCs and FOCs to engage in Route workshops that are being run.</p> <p>MC stated that he was meeting with the DfT Board on 15 March to take them through the CP5 position and outlook for CP6. He agreed to share the narrative with RDG Board at the April meeting.</p>		
1703.1	<i>Mark to share the content of the DfT Board meeting at the April RDG Board</i>	<i>MC</i>	<i>April meeting</i>

Item No.	2017/18 Budget		
3	<p>The budget presented was effectively a flat budget which included opportunity and risk. There was a recognition that the RDG organisation is being asked to do more than ever before by members and some of the savings made in some directorates are being offset by a need to improve the governance and project management capability within the organisation. Some activities sought by members had also been removed to manage within the target budget. The budget presented was agreed in principle, with a challenge given to deliver against a stretch target and to report back on options for further cost reductions.</p> <p>A provisional budget for the next year's investment in the Britain Runs on Rails activity was approved with funding split equally between infrastructure and operations. It was agreed that RDG would look additional funding options and that following review of the campaign final proposals for the year's budget would be presented by June at the latest.</p>		
1703.2	<i>PP/GL to present back opportunities for cost reduction against the 17/18 budget.</i>	<i>PP/GL</i>	<i>June meeting</i>
1703.3	<i>PP/GL to review additional funding options for BROR and present back on options</i>	<i>PP/GL</i>	<i>June meeting</i>

Item No.	Strategic Discussion: Today's Railway		
4	<p>Three topics within the Today's Railway Portfolio were discussed:</p> <p><b>Drivers and modernisation:</b> The RDG's proposed response to the Government's request for a modernisation plan to be developed by June was considered and the Board gave its support to developing the programme and the engagement of expert groups in its formulation such as Operations Scheme Council, the Passenger Services Strategy Group and the RDG HR Directors, and committed the support of their people as required. It was noted that similar initiatives have not been successful in the past and the approach should be ambitious but realistic. <i>(MC left the meeting)</i></p> <p><b>National Task Force role:</b> The Board was supportive of the request to strengthen the National Task Force's mandate to meet the challenge from Government to address train performance decline. It was agreed that a performance plan would be developed by May which takes in all Routes and Operators but in a devolved world recognises the need for performance improvement to be owned and driven at a local level. Caution was raised about using the term 'national performance plan.' The Board asked GC to consider what would be different in NTF in due course. Given the high priority, GC was asked to consider how RDG Board and NTF should interact in future. In the revised governance structure NTF reports into the Planning &amp;</p>		

	<p>Production Board and the RDG Board questioned whether this arrangement would provide enough visibility and priority to the work of NTF.</p> <p><b>TU engagement:</b> it was agreed that RDG should continue to engage bilaterally with unions and TUC on longer term industry wide strategic issues. It was noted that RDG would potentially also engage through TUC with unions on such issues of common interest. In each case, however challenges around shorter term industrial relations would be avoided. <i>(MC re-joined the meeting)</i></p>			
1703.4	<table border="1"> <tr> <td><i>GC to review how RDG Board and NTF should interact in the future and whether the recently implemented governance arrangements are appropriate.</i></td> <td>GC</td> <td>June meeting</td> </tr> </table>	<i>GC to review how RDG Board and NTF should interact in the future and whether the recently implemented governance arrangements are appropriate.</i>	GC	June meeting
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Item No.	Stakeholder: ORR
5	<p>The Board welcomed guests Joanna Whittington and Stephen Glaister from the ORR to the meeting. Joanna discussed the ORR's central role of transparently holding Network Rail to account. Route devolution is a key mechanism for bringing the industry closer to the customers the industry serves. The structures are being put in place for devolution and now focus is required on the behavioural change that is required for devolution to be successful.</p> <p>Joanna observed that the PR18 process looks and feels different than previously as they had used RDG deliberately to discuss policy more extensively and earlier, and changed some of their approaches as a result. One priority is to ensure regulation reflects the new devolved industry structures which will initially mean that comparisons become more difficult and so a pragmatic approach needs to be taken to target setting and reporting. The role of scorecards was discussed and agreement that operator revenue would be a useful addition to inform discussions around savings in maintenance and renewals.</p> <p>Joanna also said that there had been a large increase in ORR workloads in two areas: safety, due to the recent IR issues; and the consumer, as there is now a wider range of interested parties. Additionally, there has been increased emphasis on accessibility due partly to growing customer expectations.</p>

Item No.	AOB
6	No items were raised.

**Next meeting:** 25<sup>th</sup> April 2017