

Rail Delivery Group

Response to

ORR's Working paper 8: Managing change affecting the PR18 settlements

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Organisation: Rail Delivery Group

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Business representative organisation

Introduction: The Rail Delivery Group (RDG) was established in May 2011. It brings together Network Rail and passenger and freight train operating companies to lead and enable improvements in the railway. The purpose of the RDG is to enable Network Rail and passenger and freight train operating companies to succeed by delivering better services for their customers. Ultimately this benefits taxpayers and the economy. We aim to meet the needs of:

- Our Members, by enabling them to deliver better outcomes for customers and the country;
- Government and regulators, by developing strategy, informing policy and confronting difficult decisions on choices, and
- Rail and non-rail users, by improving customer experience and building public trust

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Introduction

1. This document outlines the key points from industry members in response to the ORR consultation on managing change affecting the PR18 settlements.
2. RDG confirms that we are content for this response to be published on the ORR website.

Comments on the principles and proposals

3. RDG supports the need for a process that allows Network Rail flexibility to manage changes that might be needed to its plans, and this response should be read in conjunction with our response on the financial framework where we highlight the importance of budget flexibility.
4. We agree that the regulatory change management process should only consider changes that have the potential to undermine the PR18 settlements and agree that this should apply to the geographic Routes, the freight and national passenger operators' Route and the System Operator (SO).
5. We also agree that the type of change likely to undermine the PR18 settlements are those involving a substantial change in responsibilities of Routes or the SO, significant boundary changes, a change to the number of Routes, reductions in Route or SO funding, or material changes in the outputs a Route is expected to deliver including the impact of new enhancements.
6. Having several levels of change is helpful to indicate a proportionate approach and a focus on larger changes. For the managing change process to work effectively it is important to have well understood definitions of the levels of change so they can be consistently interpreted.
7. As an example, we think the way that the funding impact is described in paras 63 to 75 could be simplified to remove subjectivity and help achieve a consistent understanding of different levels of change.
8. The RDG supports route devolution with local ownership of plans and better engagement between Network Rail Routes and operators in the business planning process. This started with the preparation of Route Strategic Business Plans this year, and we anticipate that this will continue with the preparation of the Delivery Plans next year and then the ongoing annual business plan updates. This helps align the industry behind shared local plans. We consider that the managing change process should therefore be focused on changes relative to the plans and predominantly be based on Network Rail's existing business planning processes rather than any separate arrangements. Thus, there would be communication with ORR (and of course across the industry to consider the impact on end users) about changes during the development of the plans; this would provide transparency about any changes and allow for challenge if necessary.