

Rail Delivery Group

Summary of Proceedings 9 October 2012

Present

Tim O'Toole (Chairman)
David Brown
Patrick Butcher
Andrew Chivers
Martin Griffiths
Bob Holland
Peter Maybury
Paul Plummer
Doug Sutherland
Graham Smith (Secretary)

In attendance:

Leila Frances

The Chairman welcomed Patrick Butcher to the meeting as the alternate to David Higgins.

Independent Review of Franchising

This item had been placed on the agenda of the meeting at short notice in the light of the events of the previous week. It was felt that RDG should take a lead on this issue and express the industry's views to both Government and the independent review of franchising

Points made during discussions included:

- It was essential that the franchising process was restarted as soon as possible;
- There were many changes that would be desirable but there needed to be realism about what was achievable and changes must not get in the way of restarting the franchising process;
- RDG should consider what had been said before on the subject but should not be constrained by previously expressed views;
- RDG's views on the key principles of franchising should be expressed succinctly;
- Owning groups were still considering the changes they would seek and the input that they would make; and
- RDG should identify where there was common ground between the owning groups.

During further discussion the Group suggested that some of the issues that could be lodged with the independent review could include:

- The cost, complexity and risk associated with bidding;
- The size, length and risks of franchises;
- That a significant proportion of the savings and efficiencies presumed in the Statement of Funds Available and assumed in the Initial Industry Plan were dependent on the rapid reinstatement of the franchising process enabling franchises to work with Network Rail;
- Mechanisms used in other transport industries and other countries including the use of framework agreements should be considered; and
- There was a paramount need for flexibility in franchising.

The Group agreed that the issue should be progressed by the creation of a working group. The working group should:

- Review previous work on franchising;
- Recognise that significant change could delay the restarting of the franchise process;
- Be distinct from work done by ATOC and other groups;
- Produce a straw man for further discussion; and
- Be responsible for producing RDG's submission to the independent review of franchising.

Meeting with the Secretary of State

The new Secretary of State, Rt. Hon Patrick McLoughlin MP had been very supportive of RDG at his first meeting with representatives of the Group and had endorsed fully the formalisation of the Group.

Second Industry Forum

The Group agreed that the focus of the Forum should be on the Strategic Business Plan but it would be important to devote time to explaining the RDG's views on franchising.

Progress with the various initiatives being pursued by RDG would need to be covered at the Forum especially the workstreams of the Asset, Programme and Supply Chain Management working group.

Industry Planning Working Group

The Group was updated on progress with the Strategic Business Plan including the timetable for production of the Plan and the key assumptions underlying Network Rail's work on the Plan.

During discussion RDG Members made a number of points:

- The need for RDG's working groups to integrate their work with the production of the Industry Business Plan. This was particularly important for the workstreams within the Asset, Programme and Supply Chain Management working group;
- The importance of understanding the TOC element of the efficiencies included in the SoFA; and
- The critical need for franchising to recommence if efficiencies were to be achieved.

Asset, Programme and Supply-Chain Management Working Group

RDG noted the progress report. A way forward had been agreed to identify cross-industry efficiencies in major projects:

- A current major project would be scrutinised independently to understand how cross-industry working would restrain scope creep;
- Drawing on recent examples of cross-industry working on smaller projects the techniques and lessons learned would be identified and disseminated; and
- Projects that were currently in the design or scoping stage would be reviewed to identify efficiency opportunities.

The detailed approach would be agreed at the next APSCM working group, which would look in particular at the Efficiency Benefit Sharing mechanism that would be needed to encourage earlier engagement from TOCs.

Considerable work was being undertaken to evaluate the benefits from each of the other workstreams being run by the APSCM working group.

Formalisation of RDG Working Group

The consultation period on the formalisation of RDG had ended. The main themes in the responses were:

- Train operators were supportive of formalisation, trade unions were opposed and the rest of the industry expressed varying degrees of enthusiasm;
- Some respondents did not see RDG as representative, suppliers were keen to be involved in RDG's work and various respondents argued for closer involvement with passenger, taxpayer and trade union representation.; and
- Many respondents had felt that communication to date had been inadequate. Better communication and transparency were essential.

RDG agreed that the Group should publish a communications statement on its website.

The Rail Delivery Group considered the proposed Articles of Association for Rail Delivery Group Limited. The Rail Delivery Group endorsed the proposed Articles of Association and agreed that they should be published on the RDG's website.

Rolling Stock

An RDG Member would be asked to be the link between RDG and the rolling stock work being undertaken by ATOC and others.

Technology, Innovation and Working Practices Working Group

RDG was still keen to meet the railway Trade Unions and further dates were being identified.

National Task Force

RDG noted the progress report.

Contractual and Regulatory Reform Working Group

RDG noted the progress report. The next meeting of the working group would be considering the issue of change and the effectiveness of dispute resolution.

RSSB Update

The Group was updated on RSSB's strategic review

Technology Strategy Leadership Group

RDG noted the progress report