

Rail Delivery Group



Minutes

Planning Oversight Group

11th January 2017

Network Rail Offices, 1 Eversholt Street, London NW1 2DN

1	Introductions and apologies for absence
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POG attendees	Organisation
Jo Kaye	Network Rail (Chair)
Mark Havenhand	RDG (Secretariat)
Roger Cobbe	Arriva / NTF
Gary Cooper	RDG / NTF
James Drury	Digital Railway
Lindsay Durham	Freightliner
Russell Evans	FirstGroup
Graeme Hampshire	Stagecoach
Nigel Jones	DB Cargo
Chris Kimberley	HS2
Calvin Lloyd	RDG
Peter Loosley	Rail Industry Association
Chantal Pagram	Go-Ahead
Alan Pilbeam	Abellio
Jonathan Pugh	Network Rail

Additional attendees	Organisation
Chris Lawrence	RSSB

Presenters	Organisation
Iain Flynn	NTF

Apologies	Organisation
Andy Course	Eversholt Rail
Jonathan Dunster	Virgin Trains
Paul Furze-Waddock	National Express
Seb Gordon	RDG
Darren Horley	Virgin Trains
Elizabeth de Jong	RDG
Jeremy Long	MTR
David Lowrie	Keolis
Mark Phillips	RSSB

2	Finalising the IIA: Scotland
	<p>Jonathan Pugh provided an update on progress in producing the Scottish IIA, which will be structured as a response to the 11 consultation questions posed by the Scottish Government. The title of the document will be along the lines of ‘Scotland’s Rail Infrastructure Strategy from 2019 – the Rail Delivery Group’s advice’.</p> <p>A near final draft will be shared with POG on Friday, and is expected to have reduced in length to c50 pages.</p> <p>A soft launch is planned for 31st January.</p> <p>Alan Pilbeam is content with the content and process from an Abellio perspective, but will be in contact with Phil Verster to ensure this continues to be the case.</p>

3	Finalising the IIA: England and Wales
	<p>Mark Havenhand provided a summary of key dates in finalising the IIA, which did not prompt any major comments.</p> <p>POG members were reminded that any comments on the document should be provided by the 20th January, and at this stage the absence of any comments will be interpreted as approval of the document.</p>

4	Key changes to IIA structure
	<p>Calvin Lloyd summarised the key changes to the structure of the document since the draft sent to POG in December.</p>

5	DfT objectives for IIA
	<p>Calvin Lloyd repeated the DfT’s objectives for the IIA, and the wider PR18 process.</p> <p>The DfT’s view on performance has crystallised since the PR18 objectives were published, which presents a challenge for this part of the document. It was highlighted that a focus on performance might mean less capacity / journey time improvement, depending on how performance improvements are being assessed. These trade-offs have been emphasised at NTF, and the document should talk about this more, as the Scottish IIA does. However, the priority for passengers is always that their train is on time throughout its journey.</p>

	<p>When work on the IIA commenced three words were emphasised: advice, [not] plan, choice. In following the objectives set by DfT, the document reads in some senses like a plan – setting out what government has asked for, followed by a series of choices. However, the document does not necessarily need to be changed to reflect this.</p> <p>In the resulting document it is also often not clear what the actual choices are. Some options work together so cannot actually be traded off. Whilst the document can highlight options (e.g. if buying rolling stock, there are options where this can be deployed), there is no time or resource to investigate choices in detail.</p>
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6	Performance
	<p>Iain Flynn introduced the performance item with a summary of key performance metrics and trends. Since mid-CP4, performance has declined.</p> <p>However, the overall decline in PPM masks more complex trends. Whilst asset failures and other causes of primary delay have reduced, reactionary delay – measured in terms of delay per incident – has increased. For most service groups performance is similar to – or better than – CP4. However, some service groups in London and the South East have seen significant declines in PPM since CP4.</p> <p>It is difficult to make narrow a financial case for performance, despite improvements being justifiable in terms of wider economic benefits.</p> <p>The continuation of current policies will result in a decline in performance.</p> <p>The primary driver has been narrowed down to one of network resilience – the railway has lost its ability to handle disruption.</p> <p>The ideal might be to show the impact of investing on overall performance, but there are many unknowns and the industry’s track record of performance forecasting is poor.</p> <p>In setting their requirements for performance, the DfT are reflecting industry conversations at NTF.</p> <p>POG members then provided their feedback and suggestions on the proposed performance narrative:</p> <ul style="list-style-type: none"> • The text is very negative, too general, and lacking in supporting evidence. The IIA should avoid the impression that the railway is a complete disaster. • As the analysis shows, performance is not uniformly bad. The most significant problems are primarily confined to London and the South East.

- There is a need to clarify whether 'national' data is GB-wide, or covers England and Wales only.
- The assertions regarding cuts to TOC resourcing are untrue, at least for Arriva and FirstGroup. The latter is currently recruiting for additional staff. Performance managers will always be seeking more resource, so may have had their own agenda when citing this as a cause for the decline in performance.
- Industrial relations are a performance risk.
- If organisations are choosing not to meet regulatory targets because it doesn't make financial sense, this is a bigger issue which needs to be addressed.
- It could be possible to provide performance forecasts in terms of a range, e.g. by using a 'fan' chart. Forecasts at a service group level have typically been more reliable than national forecasts, and should show expected improvements from the introduction of new fleets in some areas.
- The narrative should propose frameworks (not detailed plans) to get performance back to meeting reasonable expectations of customers.
- The importance of OMR needs to be highlighted – both for Network Rail and TOCs. Solutions to the dominant issue of reactionary delay are local in nature.
- Reflecting the varying levels of performance across the network there cannot be a single solution.
- The narrative is reactionary to current issues, and it is not clear what is being learned to help prevent similar problems occurring elsewhere. To address this, the industry needs to consider performance in all its planning. This used to be the case, but when PPM improved around CP4 the industry became complacent and moved away from this.
- A more granular approach allows more positive messaging, and should highlight the opportunities from new technologies.
- Freight operators would like a paragraph in the performance section. Although freight performance is not expected to be a problem, the document should say this. Exceeding the FDM has been positive for the industry.

By Friday there will be an updated draft performance narrative for NTF to consider. This will be shared with POG in parallel. POG members were urged to focus on this difficult section of the document, and to provide honest feedback to Iain Flynn as soon as possible.

7	Network Rail Plan
	<p>Calvin Lloyd provided an update on the Network Rail Plan narrative. This will present a range of costs.</p> <p>Further investment proposals beyond this will be set out to improve the resilience of the network. Rather than options and choices at least some of the additional proposals might be positioned as being essential to meet funder objectives.</p> <p>A draft is with Network Rail's finance director today, and is then going to the board sub-committee for approval today or tomorrow. It is hoped that this can be released for use in the IIA early to middle of next week, at which point it will be cross-checked against the wider industry positions set out in the IIA. It will be shared with POG as soon as possible.</p> <p>Several POG members expressed their discomfort with getting such an important component at such a late stage. It was recognised that the production of asset management plans should be a business as usual activity, and in many ways the first set of numbers produced for the Network Rail Plan were the output of an ongoing process. However, these were not credible, prompting the wider question of why this was the case.</p> <p>Route engagement sessions are planned to help operators to understand the assumptions which have been adopted. The SBPs will provide detailed information at the Route level.</p>

8	Feedback on key issues
	<p>Calvin Lloyd provided a summary of the key points which the document has sought to address in response to previous discussions.</p> <p>The earlier discussion on trade-offs was noted, and more work is being done on capacity. POG will receive the line of route crowding analysis which is currently being produced.</p> <p>Some further key issues were discussed:</p> <ul style="list-style-type: none"> • The DfT view on the current Hendy Re-Plan is that the industry could set out alternative means to achieve the same outcomes • Fares and ticketing – need to strengthen the narrative, but best to avoid major policy issues (e.g. cost borne by fares vs. tax payers, increasing fares tool to reduce crowding) in time available. Jac Starr and DfT / RDG joint working group could provide some suggestions. • Industry structure – should mention RDG reform board in context section, also relationship with RSG. The performance section is not

	<p>the place to cover structural misalignments. Do we need to recognise different aspirations of devolved funders?</p> <ul style="list-style-type: none"> • Industrial relations – RDG and DfT are discussing this, but the most appropriate source for now should be the RDG modernisation document. HR directors’ forum have not yet seen IIA skills narrative. • Crowding and improving standing experience – should be honest that crowding will not improve, recognising that politicians unlikely to be clear on difficulty of giving everyone a seat. • Sustainability – wording to be softened. • Efficiency – unclear whether to include aspiration on this. RIA set up cross-industry working group 20th Jan to look at unit cost of renewals and examine whether this is being driven by issues in the supply chain. Peter Loosley agreed to provide some words to this.
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9	Exec summary – key points
	<p>POG members were asked to suggest two or three items which they would look to include in the executive summary. These can be summarised as follows:</p> <ul style="list-style-type: none"> • Recognise successes already delivered, e.g. improved finances – almost self-sustaining across much of GB. Need to maintain momentum of improvements though. • It’s actually good today – not all about waiting for future improvements. • Customers are at the heart of the industry’s plans. CP6 investment choices need to be more targeted in giving customers what they want. • Customers need good performance, and restoring an acceptable level of performance has to come first. Beyond this, the IIA needs to set out the right things in the right order. • Capacity and an appropriate level of performance are key to the wider economy. Inability to resolve these issues will constrain growth. • Not enough money to do everything that everyone aspires to. • Growth story most important, although this poses risk to performance if it continues. • Significant capacity interventions required just to maintain the current levels of crowding.

- Emphasise the performance / capacity / journey time trade-off, and the importance of enhanced role for System Operator in managing trade-offs (this point not necessarily for exec summary).
- Very different issues and opportunities in different markets and regions.
- Not one size fits all solutions – importance of local solutions led by TOCs and devolved Routes. A more personalised service, local decision making and devolution helps put customers first.
- Need to demonstrate value for money of rail vs. other modes – government has a choice where to invest.
- New technology is a solution, and the £450m provided in the Autumn Statement for digital schemes will support performance. Want to deliver a Digital Railway in a progressive way, to avoid being overtaken by other modes (especially driverless cars).
- Emphasis on what still needs to be done to deliver the commitments already made, e.g. through the Hendy Review.
- CP6 initiatives part of longer term plan; emphasise the benefits of the pipeline approach.
- Long term plan enables investment in skills.
- Continuity of workload within control period important; also need for rolling programme across control periods.
- Collaborative issue RDG / RSG (and RSSB) will make a difference.
- Should be consistent with franchising, and the outcomes which franchises have to deliver.
- Change disrupts operations and costs money.
- The industry has got a handle on the issues.
- More general overall modernisation message to meet evolving customer and funder aspirations.
- DfT and the Government need to play their part. The CP5 IIP asked government for 6 things – did it deliver these?
- Has the industry learned lessons from the past regarding enhancements? (not necessarily a point for the exec summary)
- Provide choices to DfT based on outcomes, and encourage DfT to take an output focus.

10	POG response to the National Infrastructure Assessment
	Any comments on this item should be provided in correspondence to Mark Havenhand.

Next meeting: 15th March 2017

There is no POG proposed for February. The March POG will take a structured view on how the IIA has landed, and what POG might choose to do in the future. The DfT may be invited to provide their response to IIA.