

Rail Delivery Group

Summary of Proceedings 11 April 2012

Present

Tim O'Toole (Chairman)
Dominic Booth
Andrew Chivers
Martin Griffiths
Charles Horton
David Martin
Peter Maybury
Paul Plummer
Doug Sutherland
Alain Thauvette
Graham Smith (Secretary)
Michael Roberts

Asset, Programme and Supply-Chain Management Working Group

The most recent meeting of the working group had focused on the cost of contingency using the Nottingham station redevelopment project as a case study. The working group had identified three initiatives where the cost of contingency could be reduced:

- Getting the specification right through the early involvement of operators;
- Creating the right bid environment in which the supply chain was encouraged to respond positively to innovations in the invitation to tender; and
- Introducing incentives to deliver more efficiently.

The working group intended to do more work on the supply chain element of its remit and accepted the proposal from the Railway Industry Association (RIA) to present its supply chain cultural engagement programme.

The working group intended to identify three projects on each Route where there were opportunities to reduce costs by closer working between the operator and Network Rail. These would be brought to a future RDG meeting at which individual RDG Members would be asked to take ownership of driving changed behaviours in projects affecting the TOCs for which they were responsible.

This approach could be applied to other working group initiatives where individual RDG Members would be asked to drive specific initiatives through their Train Operating Companies.

Contractual and Regulatory Reform Working Group

The working group believed that developing an RDG view on the long-term role of regulation in general and the ORR in particular needed to be a priority. The RDG had noted the enhanced role

for the ORR envisaged in the Command Paper and the different views expressed by various industry groups on the subject. RDG agreed that this was a subject that required RDG's attention.

It was also agreed that the working group could be used to review the draft submissions being made by industry groups on a range of consultations to identify areas of agreement, disagreement and opportunities to find common ground.

Industry Planning Working Group

The industry planning working group was setting up a specific group to consider the trade-offs between performance, capacity and other outputs.

Technology, Innovation and Working Practices

Recent work had considered the impact of European Union directives. Other areas that needed exploration were the need to meet passengers' expectations on retail and the lessons that could be learned from other retailers and other railways.

Formalising the Rail Delivery Group

A technical group had been formed to look at the detailed issues involved with formalising the Rail Delivery Group. It was intending to take legal advice and to begin to sketch out the legal framework. The purpose and objectives of the RDG would be developed from the exiting Terms of Reference.

Train Utilisation

The interim report of the train utilisation working group highlighted a number of points:

- The analysis in the RVfM Study may be flawed but there was still merit in identifying potential improvements in train utilisation;
- Changes to service level commitments and operational solutions could provide savings but additional work was required to quantify these;
- Improving train utilisation metrics could lead to a deterioration in other metrics such as overcrowding;
- From the services studied the best train utilisation was achieved on inner suburban services and the worst on bespoke services;
- The industry must be careful not to undermine the socio-economic justification for investing in rail; and
- There was potential for cost savings but these were significantly less than postulated by the Rail Value for Money Study.

It was agreed that the train utilisation working group should complete its work quickly, including a review of potential savings and how they were quantified. The findings should be presented to the Secretary of State.

Further Efficiency Opportunities

The Group considered that as certain workstreams drew to a close the RDG should be looking to investigate other opportunities. Rolling stock was an area that the DfT would like RDG to pursue.

ATOC had been doing further work in this area and offered to present an update to the May RDG meeting.

The area of standards and innovation was originally part of the RSA working group's remit but that this had been overtaken by discussions on the structure and formalisation of RDG. There would be benefit in reopening the review of standards and innovation. RDG Members were asked to consider whether there were other areas of efficiency not picked up by the RVfM Study.

Industry Forum

The Group considered potential topics for the next industry forum. Suggested items included

- Detailed presentations on the asset management working group highlighting individual projects;
- Formalising the RDG;
- The impact of technological change on the industry; and
- Inviting the views of the trade unions, Passenger Focus and the supply industry on the various initiatives being pursued by the RDG.

The Group reflected that whilst a commitment had been made at the previous forum to meet again within six months the status of a number of workstreams would mean there would be more to put forward and an ability to invite industry involvement if the forum were held later in the year.