



Rail Supply Group

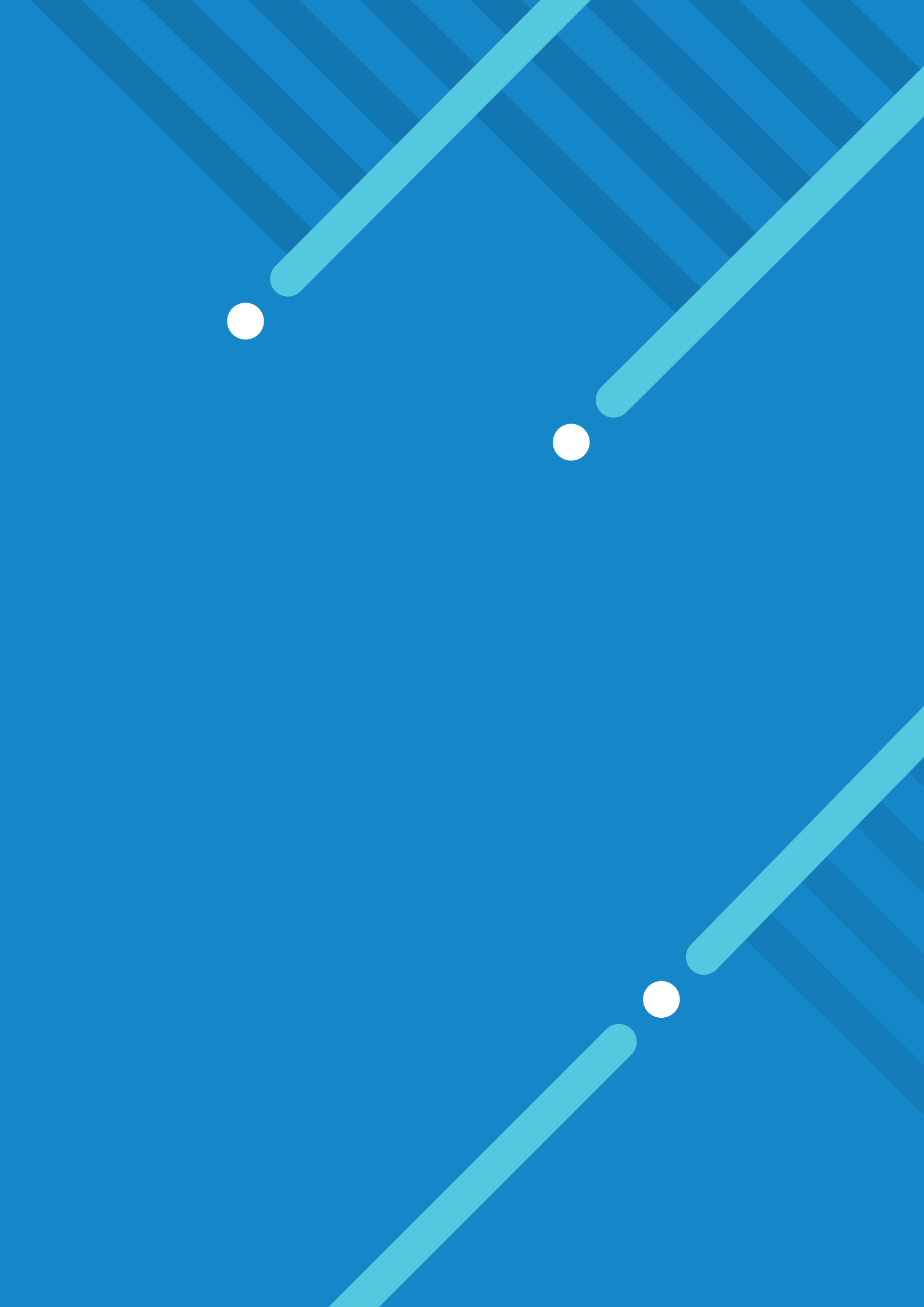


ACT NOW UPDATE REPORT

THE RAIL SUPPLY GROUP TASKFORCE: CORONAVIRUS (COVID-19) RESPONSE

How the Rail Supply Group is taking action to support the rail supply industry during the Covid-19 Crisis.

November 2020



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PURPOSE

Earlier this year, the Rail Supply Group, as the leadership body for the UK rail supply sector, established a Coronavirus (Covid-19) Taskforce to understand the impact of the crisis on businesses supplying to the rail industry and put plans to support their recovery and growth.

Following completion of an extensive industry-wide supplier survey, the Rail Supply Group Coronavirus Taskforce and its Industry Champions completed a review of the original Rail Sector Deal.

The review identified three priority 'Act Now' initiatives and revised existing Rail Sector Deal plans to meet the immediate needs of the industry.

Our Act Now priorities are:

Improve work pipeline visibility
across the whole supply chain that allows organisations to plan and deliver with confidence, driving improvements in productivity and outcomes.

Simplify data access by accelerating our work to provide 'Open Data' that can be used to bring improvements to customer journeys and freight to increase economic prosperity and Build Back Better.

Change railway access arrangements
by working in partnership to help increase productivity and strengthen the rail industry's recovery.

This report sets out the progress we have made to deliver the Act Now initiatives.

The Survey

In total, 442 responses were completed via an online survey between 30 April and 18 May 2020 and 10 in-depth interviews were conducted between 12 May and 3 June. Many of you said you are confident to survive the crisis and it was evident that we need to recover quickly to prevent wider impacts on cash flow, people, passengers, freight, skills and jobs.

TAKING ACTION TO SUPPORT RECOVERY

THE RAIL SUPPLY GROUP CHAIR, PHILIP HOARE

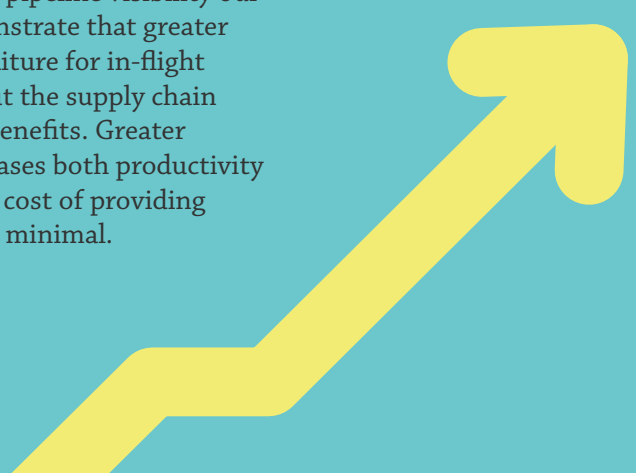
Coronavirus is continuing to have an impact on our everyday lives, society and the economy. The Rail Sector Deal is integral to our industry's recovery and never has it been more important to take action to Build Back Better.

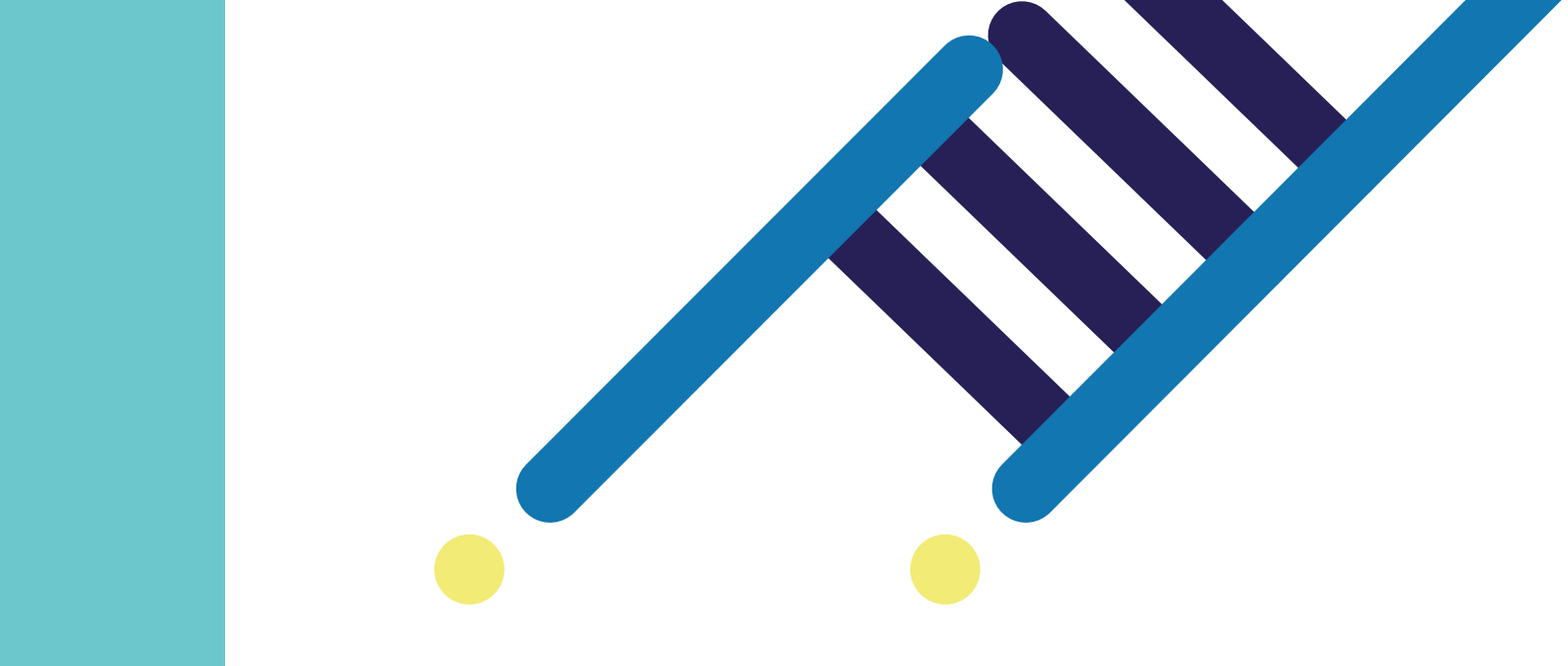
Earlier this year, when the Rail Supply Group formed its Coronavirus Taskforce, it was impossible to foresee what lay ahead. This was reflected in your survey responses, which revealed an unprecedented level of uncertainty about the future. The message was clear: swift action was required from the rail industry and government.

The foundations for cross-sector collaboration to address the crisis had already been laid down in developing the Rail Sector Deal and we continue to set out the journey to recovery with the full support of the Department for Business Energy and Industrial Strategy and the Department for Transport.

Over the last few months, we have been working closely on our 'Act Now' initiatives to provide greater work pipeline visibility and improve cashflow; simplify access to rail industry data; and improve productivity by changing the way we access and work on the railway. Our work to date also shows that all suppliers can act now help the industry.

In the area of work pipeline visibility our pilot studies demonstrate that greater visibility of expenditure for in-flight projects throughout the supply chain has wide-ranging benefits. Greater transparency increases both productivity and trust - and the cost of providing greater certainty is minimal.





Our work on data sharing shows that a data marketplace for rail industry data is not too far away – this will play a critical role in bringing passengers back to the railway for the benefit of the whole industry.

We have also taken on the challenge of increasing productivity when accessing the railway. Our review of previous work has highlighted there are some specific areas of focus that may lead to productivity improvements – we are working closely with Network Rail.

In addition to the Act Now initiatives, we continue to make progress across all areas of the Rail Sector Deal.

However, we recognise that circumstances continue to change so we are today launching a ‘pulse’ survey to make sure we continue to focus on what matters most to you. Your feedback will help us improve and adapt our plans.

This is an ongoing journey. Whilst this report shows we are making good progress, many of the challenges we have to address are longstanding ones – a fact that tells us there are no easy solutions.

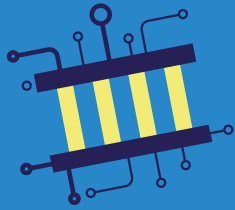
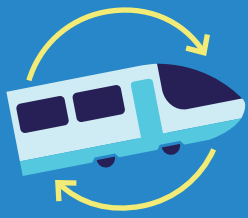
However, we do now have an opportunity to fundamentally change the way we go about our day-to-day business within industry for the better.

There is a lot to do and I believe we will succeed. I take confidence from how the industry has already responded since the crisis began, including the support we have had from many of you to deliver the Act Now initiatives.

Finally, the Rail Supply Group remains fully committed, not just to the recovery of the industry, but to strengthening the capability within the industry to seize the opportunities from the government programme to ‘Build Back Better’.



Philip Hoare
Chair of The Rail Supply Group



WE ARE TAKING ACTION



Improve work pipeline visibility

Two pilot studies involving the Network Rail Transpire and REAL Alliances, including BAM Nuttal and VolkerRail, looking at work pipeline visibility on in-flight projects have been completed.

A further 9 pilots are underway with Network Rail, HS2, Nexus, TfL, Porterbrook, and Stadler Rail. We are seeing open and collaborative conversations about expenditure profiles on projects across the supply chain. It was established that expenditure forecast information is readily available to share, often at nil cost, and that the associated commercial issues around sharing and uncertainty can be easily managed. Greater visibility of expenditure delivers improved productivity, trust and outcomes.



Simplify data access

We have accelerated our work to provide 'Open Data' that can be used to bring improvements to customer journeys and freight to increase economic prosperity and Build Back Better.

A four-stage process is being undertaken to obtain industry-wide agreement on how data access can be opened up from a legal and commercial perspective to enable the development of a data marketplace. The scoping stage is complete with the remaining stages to be completed in December 2020.



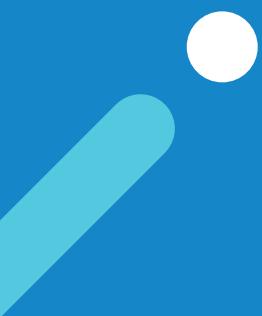
Change railway access arrangements

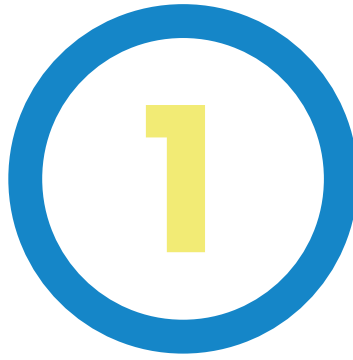
An access review to explore boosting productivity has been completed to gain insight from 11 of the industry's previous studies. Recurring themes, problem statements and lessons learnt around possessions and access have helped inform the selection of priorities that will be piloted on the ground, working in collaboration with Network Rail in the Southern, and North West and Central Regions.



ACT NOW:
**IMPROVE WORK
PIPELINE VISIBILITY**







ACT NOW: IMPROVE WORK PIPELINE VISIBILITY

Our goal

Improve work pipeline visibility across the whole supply chain that allows organisations to plan and deliver with confidence, driving improvements in productivity and outcomes.

Why?

Suppliers told us that greater visibility and transparency of the rail supply work pipeline will provide much needed certainty and assurance on expenditure, its timing, the impact on cashflow and budgeting, and future investment decisions. This will enable suppliers to be more productive and provide a better service.

What did we say?

We need to move on from the position where we rely on a high-level overview of the pipeline to a position where businesses can have greater certainty about what exactly is required and when, and what this means for their immediate and long-term cashflow, funding, budgets and investments.

We said we would start with two pilot projects to learn what approaches can be used to roll out greater work pipeline visibility across the industry.

How are we doing?

We have completed the two pilot projects as planned and given their success we now have another nine pilots underway.

Our two pilots involved two Alliance Projects with the following teams:

[Transpire Alliance – Manchester Victoria to Stalybridge](#)

- Network Rail
- BAM Nuttall
- Keltbray
- Lundy Projects
- ISS Labour

[REAL Alliance – East Coast Mainline Power Supply Upgrade](#)

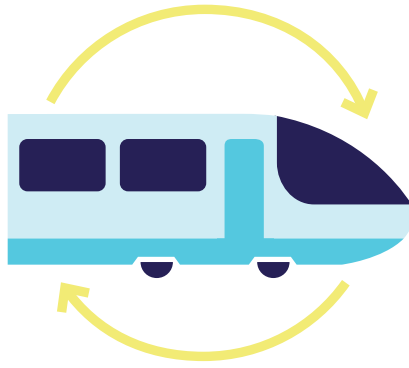
- Network Rail
- VolkerRail
- Unipart
- Vital Rail

Our second tranche of 9 pilots covers a much wider range of projects including renewals, main works, rolling stock, maintenance and research and development.

Outcomes

The two pilots to date have shown positive outcomes including:

- Expenditure forecast information is readily available to share, often at nil cost, and the associated commercial issues around sharing data and uncertainty can easily be managed.



LEAD RAIL SECTOR DEAL PILLAR/THEME: SUSTAINABLE RAILWAY

- There are a wide range of tangible and intangible benefits throughout the supply chain, many that have not previously been recognised. These far outweigh the costs of providing in-flight project expenditure visibility.
- Working together to increase work pipeline visibility increases trust, collaboration, positive action, and the understanding of supply chain risk and resilience.
- Once the agreement to share expenditure has been made, the greatest risk to its value add is programme uncertainty. Programme change has a high cost at both the programme and industry level, but this can be reduced if the practice of sharing information is already established.
- Customers and suppliers throughout the supply chain are committed to embedding the practice to become 'Business As Usual'.

The pilots have established new approaches to providing transparency to suppliers, in line with the Rail Sector Deal, that improves both productivity and quality of service.

As more pilots are complete, we are learning more about how we can embed this initiative to become 'Business as Usual' across the industry.

Next Steps

With 2 pilot projects complete, the next 9 pilots will be finished by the end of the year. The findings from all the projects will then be used to look at how the initiative can be fully rolled out and in place across the whole industry during the first half of 2021.

Developments associated with a supplier work pipeline transparency charter and links to supplier assessments and contractual requirements will be explored in the first quarter of 2021.

At a working level, a Best Practice Guide and practical suggestions on implementation based on the pilot findings, underpinned by a series of briefings and support, will be put in place.

Whilst the challenge of increasing work pipeline visibility has been a longstanding one and this may seem like a significant challenge, the work to date shows it really is possible when the industry and its suppliers work together.

Participating organisations in the second tranche include:

- Network Rail
- HS2
- Nexus
- Transport for London
- Balfour Beatty Vinci
- Birmingham Centre for Railway Research
- Buckingham Group
- Chrysalis Rail
- Gemini Rail
- Hanson UK
- PLS Civil Engineering
- Porterbrook
- Stadler Rail
- TXM Recruit
- VolkerFitzpatrick
- Wabtec

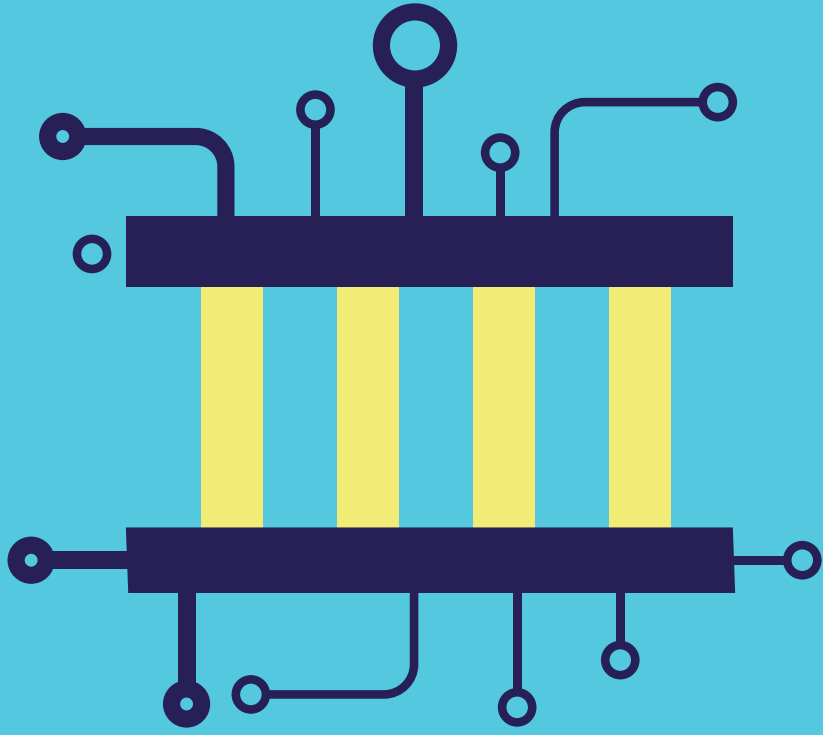
How can industry help?

With over 20 organisations already engaged in the latest pilots we know that implementing this initiative has significant benefits at all tiers in the supply chain. Increased visibility on in-flight projects helps improve workforce planning, materials scheduling, cashflow forecasting and budgeting.

All suppliers at all tiers in the supply chain can in advance of the industry-wide initiative, take their own first steps to increase work pipeline visibility for their suppliers.



**ACT NOW:
SIMPLIFY
DATA ACCESS**





ACT NOW: SIMPLIFY DATA ACCESS

Our goal

Simplify data access by accelerating our work to provide 'Open Data' that can be used to bring improvements to customer journeys and freight to increase economic prosperity and Build Back Better.

Why?

Customer journeys across the rail network of Great Britain have dramatically decreased due to the impact of the COVID-19 pandemic. There has been a seismic shift in mobility patterns back to private modes, and in addition the workplace of the future has emerged bringing significant flexibility which has decimated city centres.

The COVID-19 pandemic has brought a generational opportunity to build the railway of the future on true capitalist market principles including true commercial revenue generation, flexible demand and supply management and most importantly 21st century Customer Experience.

This will ensure that rail plays its significant part in the drive to net carbon neutrality by 2050 by which time we will have High Speed connectivity from London through the Midlands to the North West, North East and Scotland.

The guiding light that will bring these benefits sits in the data that is generated in today's Digital World.

What did we say?

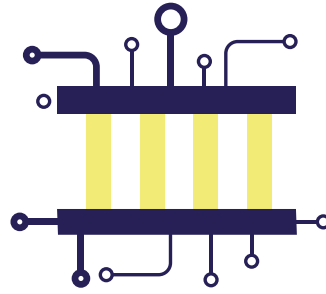
We committed to overcome any issues to obtain industry-wide agreement on how data access can be opened up from a legal, licence and commercial perspective. To achieve this, we would seek independent commercial and legal expertise in the 'Open Data' arena, comprising a four-stage process.

How are we doing?

We employed a legal advisory with cross-industry expertise to undertake the four-stage process comprising scoping, discovery, evaluation and consensus – with the aim being to develop a data framework proposal and legal framework for the development of a data marketplace. The project has been jointly funded by the Rail Supply Group, the Department for Business, Energy and Industrial Strategy and the Department for Transport.

The scoping stage has been completed and the findings from the discovery stage, comprising extensive interviews with 20 key stakeholders from both rail and other industries, are being evaluated to identify what solutions might exist and how to build consensus around a 'Most Favourable Option'.

All four stages will be complete in December 2020.



LEAD RAIL SECTOR DEAL PILLAR/THEME: MOBILITY AND DATA

Outcomes

The scoping, discovery and evaluation work completed to date shows that establishing a rail data marketplace is not just viable, but essential. This has been recognised by the approval of £5m matched funding by the Department for Transport for the Rail Sector Deal commitment of sharing rail industry data widely across transport modes and infrastructure systems to bring new entrants to the rail market and enable the development of innovative customer-focused products, which will enhance the customer experience.

The marketplace provides a means of collecting, accessing and trading data, recognising its value and the value that can be derived from it.

Next Steps

This initiative and the identification of the ‘Most Favourable Option’ to build a data marketplace will ensure:

- Public confidence in safe travel is restored and ridership revenue increases
- Industry has the data to make clear decisions
- Service improvements are seen by those who use our railways
- Opportunities for value-adding innovation that brings new market entrants
- Systems and software meet the Rail Sector Deal commitments

How can industry help?

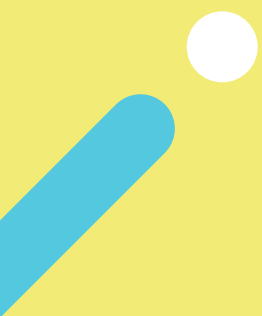
Establishing a sustainable solution to deliver a functioning data marketplace is needed to restore passenger ridership and revenues through service and experience improvements and increased freight capacity. These are the lifeblood of the railways.

By working together, we can in fact create new opportunities for growth from innovation and support the recovery of the whole rail industry.



**ACT NOW:
CHANGE RAILWAY
ACCESS ARRANGEMENTS**







ACT NOW: CHANGE RAILWAY ACCESS ARRANGEMENTS

Our goal

Change railway access arrangements by working in partnership to help increase productivity and strengthen the rail industry's recovery.

Why?

Rail is in the business of time promises and in particular delivering on the promise of the timetable. But to maintain and bring improvements to passengers and freight users requires planned and regular access to the railway as well as improved productivity. Our aim is to provide rail network improvements for passengers and freight users and maintain the promise of the timetable.

Rail has low productivity compared to other similar sectors and the output of this initiative will help improve productivity.

What did we say?

We said we would review and analyse previous reports to explore some of the common themes, problem statements and lessons learnt around possessions and access to help inform our thinking on priorities for action.

The analysis of the reports has helped identify a number of immediate challenges and problem statements that can now be jointly explored in partnership with Network Rail and the supply chain.

How are we doing?

The initial review has been completed to gain insight from 11 of the industry's previous studies.

We are focussing on those areas that will drive the greatest benefit and impact to improve the sector's productivity.



LEAD RAIL SECTOR DEAL PILLAR/THEME: PRODUCTIVITY

Outcomes

We are working in collaboration with Network Rail who are supporting pilots in the Southern, and North West and Central Regions, potentially across multiple projects to look at how some of the key challenges could be addressed. This could be for renewals, maintenance and enhancements projects.

We have looked at four areas:

- Planning access
- Giving access
- Delivering works
- Handing back

Next Steps

We will explore how things could be done differently and by working in partnership with Network Rail, develop a programme and remit for the pilot projects which may include the following:

- Exploring opportunities to improve worksite planning and management.
- Identifying opportunities for earlier engagement of contractors in the planning process.
- Analysing taking access which may include some aspects associated with on-site briefing and induction procedures.

How can industry help?

The current levels of productivity tell us there is a significant opportunity for improvement, and the scale of improvement could be game-changing for the rail industry. The speed of change is key, and this can only be achieved if there is genuine collaboration in breadth and depth including all sections of the industry such as government, clients, Tier 1, SME and specialist suppliers.

The industry must be open to change and willing to challenge established practices where and when appropriate.

And there is no need to wait. We can use the innovative capability and expertise that exists within the industry today to look at how we can improve worksite planning and management every time we access the railway. Suppliers can also work collaboratively with clients to avoid late reworking of plans and processes and look at both new and safe ways of the planning, taking and handing-back access efficiently.

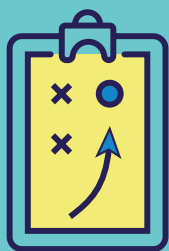


WHAT ELSE HAVE WE DONE?

The Rail Sector Deal supports the ambitions of the Government's Industrial Strategy.

All of the Industry Champions reviewed their plans following the Coronavirus Taskforce Supplier Survey earlier this year.

Our work to deliver the Rail Sector Deal continues.



People and Skills

Talent, capability and capacity will play a key role in meeting the future challenges to ‘Build Back Better’ in the rail industry.

- Routes into Rail is being launched on November 27th – this will help promote, attract, recruit and retain talent and skills as part of the Rail Sector Skills Delivery Plan.
- The bi-annual update of the strategic long-term workforce planning forecast has been completed – this provides a comprehensive analysis of today’s workforce and, based on planned investments, the skills requirements for tomorrow’s workforce. The analysis shows there is an increasing gap in the area of digital skills across the industry, and in construction related roles for renewals and enhancements, especially in the North.
- A follow-on Digital Skills Capability Requirement report is now being finalised – it breaks down the demand for digital and technology skills requirements in the rail workforce at a level of detail that we are using to develop dedicated training and apprenticeship programmes. Data analysis and cyber security are two examples.



WHAT ELSE?

Digital Railway

The Long-Term Deployment Plan has been approved by the Department for Transport, and the CP7 schemes agreed.

Sector wide consultation and supplier workshops on the Target 190+ programme to reduce the cost of signalling systems has commenced.

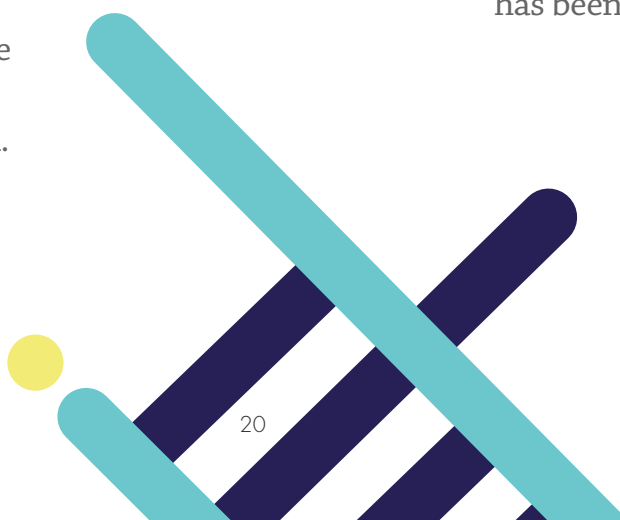
Exports and Inward Investment

The Rail Supply Group Exports Survey has been published and the supply chain capability mapping is underway.

Midlands Pilots

The first OEM Accelerator Rolling Stock Lightweight Vehicle Design Challenge has been launched and a Dragon's Den event held.

The first OEM Accelerator Challenge on Decarbonisation has been launched.





PULSE SURVEY:



GET INVOLVED



It is now six months since we completed our last survey. We want to take the pulse again – so we have launched a second survey.

The Rail Supply Group want your participation to make sure we continue to focus on what is most important. We will use your feedback to improve and adapt our plans.

The survey is available [here](#) and we want to hear from you again – the closing date is **Friday 11th December**.

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