



Freight Customer Panel

22 February 2018

Introduction

The Freight Customer Panel is part of ORR's wider commitment to engage directly with freight customers. The panel provides a structured forum for engagement and helps to ensure our policies and regulatory decisions take into account the commercial environment that freight customers work within. The panel members assist us by contributing views, expressing opinions and advising us on freight issues.

This note summarises the main themes and issues discussed at the fifth meeting of the Freight Customer Panel. The meeting was chaired by John Larkinson, ORR Director of Railway Markets and Economics.

Freight Customer Panel

Chris Swan (Tarmac), David Turner (WH Malcolm), Maggie Simpson (RFG), Martin Woor (HPUK), Paul Garnham (MSC), Paul Lugg (VTG Rail), Simon Blake (Aggregate Industries). Apologies: Chris MacRae (FTA).

Themes

PR18

Process

The panel noted the milestones for [PR18](#) and the changing way enhancements will be funded in CP6.

Charges

Chris Hemsley and Alex Bobocica updated the panel on ORR's work on charges. One panel member emphasised that customers have alternatives to using rail, principally transferring business to roads. Customers make the decisions not FOCs so they need to be properly engaged. One member noted that while an increase in costs would push freight on to the roads, a comparatively small redistribution of funds could result in more rail freight - ORR should avoid cliff edges.

One panel member noted that an increase in charges would be the result of Network Rail not meeting its CP5 targets; customers should not have to bear the brunt. Panel members raised concerns about the transparency of Network Rail's cost allocation process.

ORR is aware of these considerations. There are discussions with Funders and ORR is doing its analysis to reach a sensible conclusion. There will be a formal consultation process. Communication and confidence is key to this process.

FNPO

ORR has a role in reviewing Network Rail's strategic business plans. The panel discussed the Freight and National Passenger Operators route plan. Network Rail

was praised by a panel member for its openness and its consultation process, while being underwhelmed by the strategic vision. Panel members wanted reassurance that the messages concerning freight were aligned in all the plans. One member commented that freight was hardly mentioned in the IP and Comms plans and therefore the package was a mixed bag.

Panel members expressed confidence in the Network Rail staff they dealt with on freight issues but were uncertain how far the understanding of freight issues permeated the organisation. The panel discussed some examples of difficulty in getting Network Rail engagement. It was suggested that Network Rail staff rotate frequently and people are not in post long enough to make a difference. The panel thought scorecards might be one idea to measure Network Rail engagement with freight customers. It was recommended that Network Rail should commit to an Internal engagement plan to educate their wider business on the benefits of the freight industry and how they can help it. It should report annually on progress on freight matters across all its routes.

Investment

The Panel noted ORR's new track access guidance and ORR's proposals for an updated investment framework and dedicated webpage. One Panel member noted funders' desire to encourage third investment but there should be greater clarity all around about what the returns would be. There was also a reprise of the sentiment that Network Rail needs to respond to and engage with stakeholders. It was noted that Network Rail is in the process of strengthening its resources.

Access

The panel noted ORR's access work. The panel suggested that if ORR develops a model contract for facility access agreements, owners should be under no obligation to use it. Members discussed the provision of information by services providers and European proposals for a new template. ORR is considering a model template for facility access agreements.

Health and Safety

Panel members raised the issue of freight site safety regulation. They asked for further discussion of the interface between ORR and the Health and Safety Executive and in particular guidance for off-network sites.

One panel member highlighted that signallers can divert failed trains on to private network, where last minute requests to open access sites means personnel could arrive without inductions and site operators would have to make arrangements to meet them.

Future meetings

Panel members discussed the timings for the next meeting and ORR's annual freight customer event. ORR will consider the suggestions. Panel members flagged the process of registering freight vehicles for discussion.

END.