



OFFICE OF RAIL AND ROAD

# ORR's Independent Review of RSSB

November 2016



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# **Section 1: Executive summary**

# Section 1: Executive summary

1. In May 2016, RSSB's Chair requested that we carry out an independent review of the organisation. Our review was carried out with the support of an advisory steering committee, comprising a small number of senior representatives from across the industry and draws heavily on the findings from our open consultation in July and industry workshops during August. We report on:
  - (a) The strategic context and direction for RSSB (Section 3);
  - (b) RSSB's delivery against core areas of its activity (Section 4);
  - (c) RSSB's processes for delivering its work (Section 5); and
  - (d) The wider enablers of RSSB's effectiveness (Section 6), including institutional arrangements, culture and organisational capability.

The annexes to the report include a summary of RSSB's response to the recommendations of our 2010 review (Annex 1), our methodology and those consulted through interviews and workshops (Annex 2); background the Cullen's inquiry into railway safety which led to RSSB being established (Annex 3) and a summary of the roles and responsibilities of different bodies involved in railway safety (Annex 4).

2. Established in 2003, following a series of serious rail accidents, RSSB continues to play an important role in the rail industry as an independent and impartial body, that is answerable to, and engaged with, its members and so responsive to industry needs. Responses to our consultation showed very strong consensus that RSSB adds value to the industry's health and safety performance and is effective at reducing future safety risks. Much of its work is regarded as high quality, and of significant benefit to the industry, in line with what was envisaged in the Cullen report<sup>1</sup> which led to RSSB being established. (Paragraphs 22-23, 29-30, 67)
3. The complex industry environment in which RSSB operates creates specific challenges for how it engages with its members and supports cross-industry collaboration. There are material and changing demands on the rail industry to which RSSB must help its members adjust, such as devolution, technological change, passenger growth and more recently the decision to exit the European Union. But the diverse range of parties in the industry (with stakeholders who have different investment horizons, risk appetites and incentives), means there is no single voice to represent RSSB's members' demands. Navigating this complex and dynamic environment astutely and purposefully is critical to RSSB's future success. (Paragraphs 21, 24)

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<sup>1</sup> [http://orr.gov.uk/data/assets/pdf\\_file/0020/5663/incident-ladbrokegrove-lgri2.pdf](http://orr.gov.uk/data/assets/pdf_file/0020/5663/incident-ladbrokegrove-lgri2.pdf)

4. In conducting this review, we identified that RSSB has taken significant internal steps to review their effectiveness, including responding to the recommendations of our previous review and commissioning a further organisational review in 2014. It engaged openly and constructively with this review and has a culture that is open to self-criticism. (Annex 1)
5. Our consultation with RSSB members and other stakeholders showed confidence it is working on the right core issues. There is wide support for RSSB's overall mission and its core tasks around standards, system safety and associated monitoring and analysis, where it is highly regarded. RSSB's core research and development work is well known and respected for its quality, but questions were raised in consultation about the efficiency of its delivery and the effectiveness to the sector of its end-product. Its expertise and analytical skills are regarded as strong and underpin these areas. We also observed rigorous project and programme management disciplines to track progress through to completion. (Paragraphs 28-35, 51, 64, 77)
6. Beyond the core areas of activity, however, RSSB's priorities are less clear and transparent, requiring better communication, explanation and agreement with members. So far the arrangements between RSSB and its members have not always led to agreed priorities for its work being established. The clearest example is RSSB's innovation work (funded by grant, not member levies), where RSSB's effectiveness is unproven, with no clear success metrics or mechanisms in place to systematically track its impact. A number of stakeholders were concerned that the large volume of innovation funding may distort attention away from its core business, although RSSB's view is that innovation is a discrete activity that is funded and managed separately. Some other stakeholders were concerned that innovation is not necessarily a good fit with an organisation responsible for promoting safety and standards. (Paragraphs 26, 41-46, 51)
7. Industry leadership is important to a successful safety culture and in our view, RSSB's role and obligations in this area need greater clarity. As we noted in our 2010 review, RSSB is not a duty holder under railway health and safety law, and is not in a position to lead the sector. However, RSSB needs to ensure effective and efficient facilitation of industry committees and working groups, including deciding when their work should be wound-up. At present, attendance can be sporadic, but sufficient to ensure committees are able to make decisions. However, they risk the perception of dominance by RSSB staff. Committees and working groups should enable duty holders to discharge their legal duty to cooperate, a process which can also deliver significant benefits and confidence in how the mainline network's integrated system operates; and in which it is essential that RSSB's members actively play their part. (Paragraphs 25-27, 55-57)
8. We found support that RSSB should provide a greater 'thought leadership' role to identify proactively emerging system safety issues to which industry needs to

respond, developing options for industry to consider and challenging industry to take action. This facet of leadership fits well with its role and was welcomed by consultees. (Paragraph 32)

9. As health and safety regulator, our view is that occupational health and well-being receives insufficient attention across the rail sector. In 2014 RSSB estimated that 1.06 million working days are lost due to sick absence across the industry each year and the UK Labour Force Survey shows ill health rates that are around 15% higher than the average for all occupations. Occupational health and well-being was rarely mentioned in our review of RSSB's work and responses to our consultation, and we consider it merits the same concerted cross-industry effort that RSSB exists to facilitate on other health and safety issues. In a similar vein, there was little evidence of attention to environmental sustainability through RSSB's activities, and there is a case for promoting greater integration of sustainability into all of RSSB's health and safety work streams in future. (Paragraphs 47-48 and 49)
10. Whilst RSSB's internal project and programme management is generally good, it needs to strive to become a more results-focused, efficient and agile organisation. RSSB's agility and efficiency were the areas rated weakest in our consultation and RSSB does not currently use results metrics in its reporting or evaluation. A common theme across both research and innovation work was the need for RSSB to do more to monitor and encourage the take-up of proposals. Across all of RSSB's portfolio, members wanted greater speed and the agility to respond to dynamic change. The timescales for projects are usually set by RSSB in consultation with stakeholders. Around two thirds of standards projects are delivered within their original timescale, but three quarters of the research and development projects we reviewed took longer than originally envisaged. RSSB told us delays were caused by difficulties in executing trials with industry. Of the circa £88.6 million cash advanced to RSSB by Network Rail and the Department for Transport (DfT) for innovation work since 2013-14, £46.7 million remained cash in the bank at October 2016 and fully £56.8 million of the £88.6m is financially exposed (either spent or fully dedicated to projects agreed in principle and at feasibility and/or demonstrator stage). A commonly heard perception amongst respondents was that RSSB's processes are cumbersome, for example, we received a number of practical suggestions to improve its committees and the working groups that RSSB facilitates (potentially helping to improve attendance). RSSB operates through consensus, and while this is welcome, building consensus can add time and consequently cost. (Paragraphs 40, 42, 52, 54, 59-65, 73).
11. Although the facilitation of industry collaboration is one of RSSB's most potent and praised capabilities, there are mixed views on the extent to which RSSB is regarded as responsive by members. RSSB has improved its relations and communications with members, such as by bringing in new 'engagement managers', but its executive is right to prioritise better engagement, for continuous improvement. Given the

diverse industry structure, there is a clear requirement on RSSB to engage much further with wider stakeholders than might normally seem justified by a member owned organisation. We heard concerns that RSSB tends to consult with the same small group of bodies, and rarely goes out to engage stakeholders where they are located. Greater clarity over the interfaces between RSSB and other industry supporting bodies is also needed as there are divergent views on whether RSSB's responsibilities in relation to other bodies are clear. (Paragraphs 53-58, 70, 74-79)

12. We found limited awareness within industry of the funding and governance arrangements for RSSB, such as the composition and effectiveness of the board. Together with the lack of visible performance targets, and the need to improve engagement with industry and members, this suggests a requirement to enhance its external accountability. Where stakeholders were familiar with the board, there were mixed views on the extent to which it is representative of the industry and effective as a decision making body. There should be greater clarity around the role of running the company, representation of different sectors of the industry and the desires of the members. Network Rail's engagement at RSSB Board level needs encouragement to optimise the added value their scrutiny will provide. (Paragraphs 52, 68-70, 74)
13. We conclude that there is potential for RSSB's work to add considerably more value to the industry if the settlement between RSSB and its members is now refreshed to give greater clarity to all parties on their mutual expectations and obligations. This new settlement requires that RSSB and all its members play their appropriate roles. We believe this is a critical enabler for RSSB to address the issues highlighted in this report and recommendations set out below.

## **Section 2: Recommendations**

## Section 2: Recommendations

### A new settlement with members

14. The recommendations that follow support, and are complementary to, this overarching recommendation:
- (a) **RSSB needs to put in place a new settlement with members that encompasses the mutual expectations and obligations of all parties involved** (so it is just as important for each RSSB member to honour it, as it is for RSSB to deliver it). It should include:
- the mechanisms by which RSSB's annual work programmes are agreed;
  - the processes used to ensure timely, efficient, and effective completion of agreed work;
  - the way in which members support that work programme; and
  - the crucial role of RSSB's Board as the forum in which these issues are discussed and agreed.

### On RSSB's role

15. RSSB's role has necessarily evolved since it was established. To ensure sufficient clarity of role RSSB should:
- (b) **Set out a clear statement of how safety leadership is now achieved in the industry.** This should be led by the RSSB Board, working closely with members and widely communicated to ensure that everyone is clear on their roles and responsibilities in providing the practical safety leadership identified as necessary by Lord Cullen.
- (c) **Invest further in its horizon scanning capability so that RSSB can provide stronger 'thought leadership', alerting the industry to emerging threats and opportunities and proactively identifying options to take action, rather than rely on reacting to issues as they arise.** For example, RSSB's role in safety and risk could increasingly move to looking at leading, as well as lagging indicators of performance. Maintaining strong, long-term links with academia will be important to this capability.

### On RSSB's relationship with members and industry

16. RSSB needs to put its relationship with its members, and the wider industry, at the centre of its work. Its efforts to support cross-industry collaboration are already highly valued, but RSSB needs to address the perception that it is sometimes a London-centric organisation of technical experts, and not always a body attuned to

understanding and meeting the needs of its diverse members. Specifically, RSSB needs to:

- (d) **Put member needs explicitly at the heart of its objectives and every activity.** We welcome the executive's stated intention to do this. All RSSB activity needs to define: who will use the work; what are their needs and how can they be best met; this should facilitate the cultural shift that is needed. No work should go ahead without being clear on the answers to these questions. RSSB must proactively obtain regular feedback from members for all activities and this feedback must be visible to the executive and Board.
- (e) **Agree with members the specific standards of service they expect and similarly clarify RSSB's expectations of its members** (for example, through Service Level Agreements for response times to members and reciprocal expectations on members to participate actively in RSSB working groups).
- (f) **Identify new ways of reaching out to stakeholders who depend on or should contribute to RSSB's work, setting targets to improve engagement and visibility with particular groups:**
  - Individuals on the front line, who require practical and accessible materials.
  - Organisations representing stakeholders in all countries and regions of Great Britain.
  - Transport for London, light rail organisations, High Speed 2 and any other parts of Britain's railway network, who are not full members of RSSB should be permitted and encouraged to join with an appropriate and proportionate membership fee, and thereby removing the anomaly that they are not currently represented.
  - Organisations not represented or active on the RSSB Board, committees or working groups (committees should be balanced in their composition and rotated regularly to ensure fresh views).

As part of this, RSSB should also test the accessibility of and usability of its website of materials with different target audiences. Improving engagement with all the above groups is likely to require RSSB to review its mix and distribution of skills across all main areas of activity.

## On prioritisation

17. The potential demands on RSSB will always exceed its resources. To be more effective and efficient, RSSB requires clarity on its role and to prioritise activities tightly. Specifically, RSSB needs to:

- (g) **Set clear criteria for prioritising all work.** This is relevant to RSSB's core functions but especially important for non-core work, which must be

discretionary (e.g. all discretionary projects could be required to have an industry sponsor and co-funding). Criteria should be agreed with the membership, well publicised and applied transparently.

- (h) **For all non-core activities, agree its role and extent of activity in advance with members, based on the prioritisation criteria.** This should assist in confirming RSSB's role in relation to other industry bodies. Once it is agreed RSSB should undertake a non-core activity, this 'mandate' should remain fixed for a set period after which it should be reviewed.
- (i) **Reconsider its role in respect of promoting innovation to reflect that it may in some cases be better done by other bodies depending on the intended aim.** Our consultation identified a number of concerns that RSSB is not best-placed to promote innovation within the industry. However, any subsequent reduction in innovation work should be achieved through a phased transition over time, avoiding a sudden cessation of potentially valuable industry projects and confirming there is other suitable innovation funding in place.
- (j) **Give greater prominence to occupational health and well-being** across all workstreams, putting in place an action plan and the necessary resourcing to ensure it is given due consideration.

## On efficiency and delivery

18. RSSB needs to ensure it is sufficiently focused on who will use the results of its work and how it is accountable externally for these. Specifically, RSSB needs to:

- (k) **Set an ambitious target to complete projects at far greater speed, from the point at which the business need is identified.** This needs to be achieved whilst maintaining appropriate quality and consensus and managing the resource burden on industry. This is likely to require:
  - Understanding member requirements for speed and their bandwidth to engage - it will vary by project and member.
  - Strong central programme management capability to prioritise and allocate resources across projects effectively and eradicate any duplication.
  - Review and redesign of some committee / working group and other project processes to streamline them. RSSB may benefit from external expertise in process improvement (for example to establish whether it is possible to deliver the same volume of projects in quick succession, rather than as overlapping activities with longer timescales).

A realistic initial step would be for RSSB to identify, trial and evaluate a number of alternative fast-track processes within the next year.

- (l) **Establish clear and transparent metrics (Key Performance Indicators) and targets for all main areas of activity, and those dimensions of performance that matter most to its members, to reflect their views on its**

**effectiveness.** These should be developed in full consultation with members, and reported on annually in the form of an annual balanced scorecard or similar.

- (m) **Clarify the remit of chairs of all of RSSB's committees and the working groups to act as facilitators rather than subject experts or advocates.**

Chairs may benefit from training to support this.

## On Governance

19. Good governance underpins strong organisational performance and the RSSB Board should provide leadership and direction to ensure RSSB delivers on the above recommendations. We recommend that:

- (n) **The Board's objectives should to be updated swiftly to reflect these recommendations**, in particular we consider the Board will need to set priority objectives to:
- Secure clarity and agreement on RSSB's role, especially in respect of: discretionary functions, requiring RSSB to prioritise activity tightly and aligning core funding with core functions over time.
  - Drive a cultural shift so that RSSB becomes much more member and results-focused, putting members' needs at the heart of the business along with robust systems to measure and report publicly on performance.
  - Set high expectations for rapidly reducing the time taken to complete projects without compromising unnecessarily on quality.
  - Communicate widely RSSB's new role, responsibility and governance arrangements as part of its new settlement with its members and stakeholders.
- (o) **The RSSB Board carries out an annual self-assessment of its effectiveness and capability in delivering its objectives, running the company efficiently, representing members and setting strategic direction.** As part of this assessment it should consult members and publish summary conclusions and recommendations.

## Timescale for implementation

20. Although there are no specific timescales set for these recommendations, we would expect significant progress against all accepted recommendations within twelve months recognising that certain areas (those requiring significant cultural and organisational change) will realistically take two to three years to fully embed. In order for RSSB's members to build trust and confidence in the effectiveness and benefits of the new settlement it will be important for the RSSB board to establish mechanisms for assessing and demonstrating this.

- (p) **The RSSB board, with the support of its members, should set out by May 2017 a plan and timetable to enact these recommendations, or give the reasons why they disagree or wish to adopt a different approach.** RSSB members should have a specific plan to consider and against which the board can be held to account.

## **Section 3: Strategic context and direction**

# Section 3: Strategic context and direction

## Industry context

21. **The industry that RSSB exists to support faces a number of challenges that mean the context has evolved significantly since our 2010 review:**
- (a) The railway has now seen a doubling in passenger numbers since privatisation. As a result of this success, key parts of the network are now highly congested, bringing challenges of capacity, crowding and punctuality.
  - (b) Patterns of demand and customer expectations are also shifting, reflecting broader social and economic changes, such as an ageing population with high demand for travel and changing working and travel patterns.
  - (c) The resulting demand for new investment means the rail network is in the middle of a multi-billion pound investment programme, bringing with it renewed challenges to improve efficiency and control costs as well as unprecedented demands on the rail supply chain.
  - (d) The institutional environment is changing fast, following political and operational devolution, with growing expectations for accountability to rail users. The referendum result to exit the European Union means there will be important decisions over the future legal and interoperability framework that applies to rail.
  - (e) Technology and innovation will play a vital role in meeting the challenge, with the potential to significantly improve capacity, efficiency and user satisfaction. A large, complex technology programmes carry risk and there will be challenges in integrating with existing technologies. Constant upgrades in capability need to be matched to ensure that safety and standards maintain momentum. Digital signalling is beginning to be rolled out and all those programmes that are involved with, or influenced by, its implementation require speed and agility.
22. **Alongside this period of change and growth, safety on Britain's mainline railways has improved steadily and the rail network is currently one of the safest in Europe.** Britain's railways are currently the safest they have ever been, but there is still room for improvement. As we reported in our annual health and safety report<sup>2</sup>, we saw a broadly consistent level of safety performance in 2015-16, building on the results of the last few years. The progress of the last decade has been built on a shared commitment by industry leaders, managers, workers, trade unions, government and ourselves to improve risk management. This year saw the publication of a unified mainline railway health and safety strategy, a key milestone which we endorsed fully.

<sup>2</sup> [http://orr.gov.uk/data/assets/pdf\\_file/0020/22457/annual-health-and-safety-report-july-2016.pdf](http://orr.gov.uk/data/assets/pdf_file/0020/22457/annual-health-and-safety-report-july-2016.pdf)

## RSSB's role

23. **Although RSSB was established in a very different context, there remains strong support that RSSB is still needed and plays an important role within the industry.** The Cullen inquiry, in the aftermath of the Ladbroke Grove rail crash, recommended the need for an independent industry body (which became RSSB) to take a leading role in promoting safety (Annex 3). Given the complexities of the industry's structure, there is a logical case for an impartial and independent body to provide the facilities and support for collaboration amongst industry participants, including the other future infrastructural interfaces with the mainline, such as High Speed 2. Many of the functions that are important to the rail industry are delivered more efficiently by working in partnership and RSSB's unique position means it can help provide the cohesive approach. Respondents from DfT and ORR with close experience of working in Europe with RSSB commented on the envy that other nations had for the arrangements that exist within the UK. An alternative viewpoint was suggested by two interviewees, that RSSB could be subsumed with standards being set by ORR and systems safety delivered by Network Rail. However others took the view that Network Rail does not currently have the capability or credibility at present to meet this remit, as well as having only a partial view of the sector, so however competent, is not well placed to provide the impartial approach needed. Our view is that setting standards should remain for the industry, not the regulator.

## Views from stakeholders

"RSSB will still be needed in the future."

*Industry Representative Body*

"It provides a unifying voice for industry through its well-established and professional forums for the discussion of domestic and European legislation."

*Infrastructure Manager*

"RSSB's cross-industry role remains important; at present here's insufficient maturity and trust amongst industry bodies for its core functions to be done anywhere else."

*Infrastructure Manager*

"RSSB has a unique critical friend role and is able to hold up a mirror to the industry."

*Infrastructure Manager*

24. **The industry's structure means it is inherently difficult for RSSB to identify common purpose and accommodate the aspirations of its members and stakeholders' and their different needs.** RSSB was established to provide a way for the rail industry to collaborate in the promotion of safety. To be successful, RSSB needs to establish clarity on industry's safety needs. But the industry is now more

diverse with many discrete elements and has an increased numbers of bodies all pursuing different agendas based on different investment horizons, risk appetites and incentives. This inevitably leads to divergent demands and expectations of RSSB, which will require it to adapt in order to ensure it continues to deliver its primary objective of promoting railway safety. For example, organisations with commercial imperatives may wish to act swiftly to bring products to market and to reduce exposure to cost. Yet other parts of industry may place more emphasis on gradual change and adherence to existing standards or practices.

25. **A successful safety culture requires leadership, but the railway safety leadership legal landscape has changed since the Cullen inquiry.** Lord Cullen's and Professor Uff's railway public inquiries reports of 2001 identified the crucial importance of leadership in a successful safety culture. Since its formation in 2003 there has been a perennial debate around whether RSSB has a leadership or facilitation role in helping the industry arrive at a common position on safety issues. Over time, the industry has developed to meet its challenges and as has the new legal framework. The Railways and Other Guided Transport Systems (Safety) Regulations 2006 (ROGS) clearly sets out individual duty holders' legal roles and responsibilities in managing health and safety of within their own operations by maintaining a resilient and comprehensive risk management system. Importantly, it directs duty holders to cooperate with others to ensure safe railway operations at a system-level. Full and active participation by members in RSSB's board and committees is essential way for individual duty holders to make decisions collectively and discharge their duty of cooperation - as was re-iterated in 'Leading health and safety on Britain's railways' strategy document<sup>3</sup>, issued in March 2016. RSSB itself cannot take executive decisions on projects or standards etc, but the lack of membership support can lead to the erroneous perception that it's RSSB making decisions and leading the industry on safety. However, quite distinct from RSSB's facilitation role, we concur with many review respondents support for RSSB having a greater 'thought leadership' role: proactively identifying emerging issues which the industry needs to respond to, developing options, and challenging the industry to take action.

## Views from stakeholders

*On what is valued about RSSB:*

*"Its independence, impartiality and ability to broker consensus across the sector."*

*Passenger Train Operator*

*"[RSSB's] consensus-building a pproach can seem unnecessarily slow."*  
*RSSB*

<sup>3</sup> See section 2.1: <http://www.rssb.co.uk/News/Pages/leading-health-and-safety-on-britains-a-strategy-for-working-together.aspx>

“There’s scope for RSSB to do ‘thought leadership’ on behalf of the sector.”  
*Supply Chain Representative Body*

“Its members lead the industry and not RSSB.”  
*RDG*

“The consensus building approach unpacks all the issues and is beneficial in the longer-term; few standards once agreed ever need to be changed.”  
*ORR*

26. **We heard concerns about RSSB's activities over-reaching its remit.** RSSB's role and activities have evolved and grown since the Cullen report. RSSB has demonstrated a commendable 'can do' attitude. Notable additions include innovation (with over 100 projects), cyber security and Global System for Mobile Communications - a railway wireless radio communications system. Issues that do not appear to have a natural home, or where the industry has been unable to find volunteers to progress an issue, have turned to RSSB for help. While RSSB's responsiveness is a laudable instinct, a number of stakeholders expressed concerns that RSSB takes on work that may not be a priority and can dilute focus on the core activities for which it was formed.
27. **Some stakeholders were concerned that RSSB's growth in activity has contributed to a mistaken belief within parts of industry that RSSB has taken on certain obligations or accountability for railway safety.** This highlights the importance of RSSB communicating clearly what its role is, and is not, and actively challenging any misconceptions: RSSB is not a duty holder within the law and duty holders must not lose sight of the legal responsibilities they hold to comply with standards or to operate a system safely.

## Views from stakeholders

“RSSB is not broken, but requires reform focused on core work: safety and standards – it’s in its name.”  
*Infrastructure Manager*

“RSSB must have the confidence and robustness to say no to demands made outside its remit and avoid the risk of mission creep.”  
*Industry Leadership Body*

“There is a need for clarity about why and for whom RSSB is taking on non-core work.”  
*Industry Leadership Body*

“There’s a healthy debate at RSSB’s board around its priority objectives.”  
*Passenger Train Operator*

“RSSB must have explicit approval from its members for doing non-core work.”

*Industry Representative Body*

“RSSB has been put in a difficult position, RDG and RSG, who propose to lead the mainline sector, have no accountabilities, no visibility or presence and are just ineffective talking shops. This has left a void that at times RSSB has drifted into filling.”

*Innovation Facilitation Body*

28. **Stakeholders strongly endorse RSSB's new vision, mission and objectives, but had more limited confidence in RSSB's plan to deliver against these.** We asked stakeholders to give their views on the new mission and vision statement that RSSB set out earlier this year (Figures 1 and 2). The statement clearly positions RSSB to support members in their objectives, rather than providing more directive leadership. It does not comment on core or non-core activities. Our 2010 review recommended that RSSB adopt excellence in health and safety as an explicit aspiration, but RSSB's members rejects this as they thought it pushed duty holders to go beyond legal compliance. Our view is that excellence in health and safety is not simply about spending more on safety, but rather than delivering safety more efficiently and effectively.

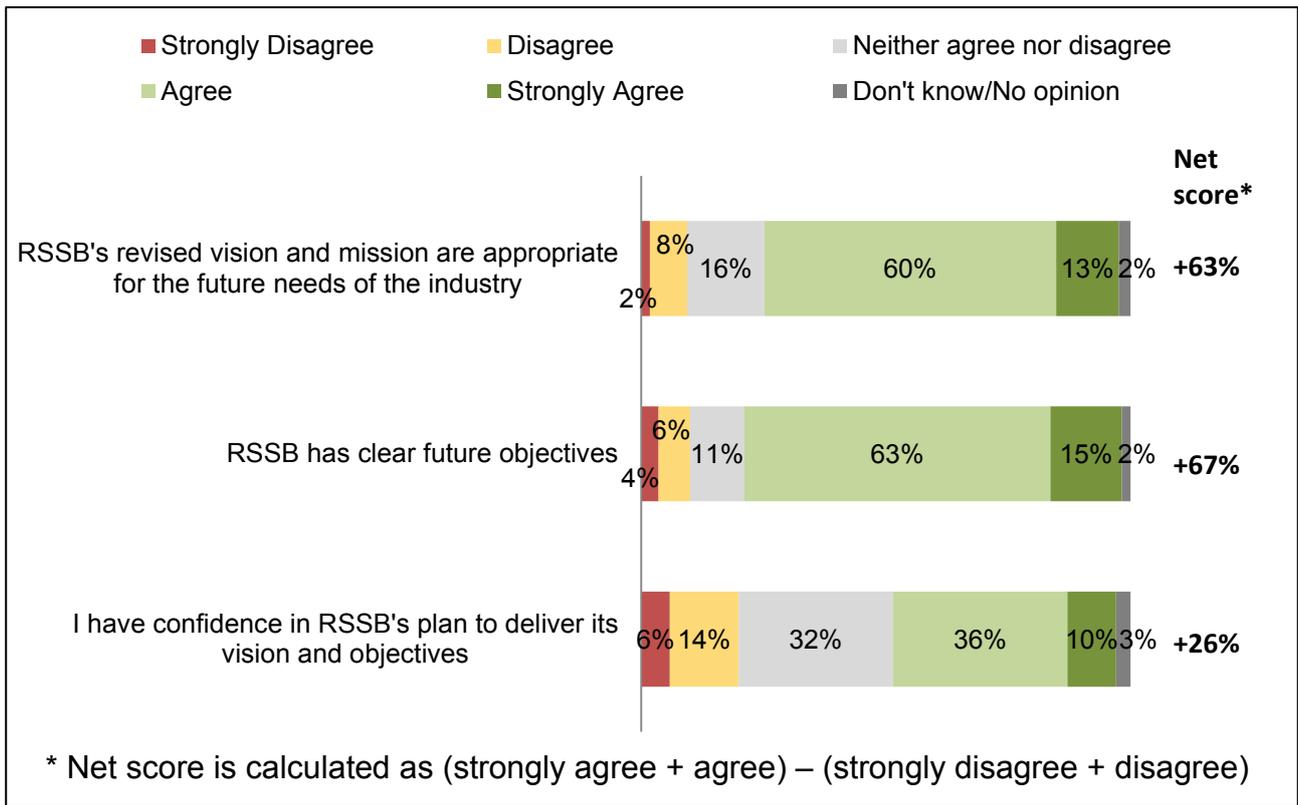
### Figure 1 - RSSB's mission, vision and new ways of working

**Mission:** 'RSSB exists to produce research, analysis, and insight that supports its members to deliver a safer, more efficient and sustainable rail industry'.

**How it works:** 'Our independent evidence based approach is built on strong technical capability, and the enabling of collaborative, industry engagement.'

**Vision:** 'A centre of excellence, valued by its members as an essential contributor to their success.'

**Figure 2 - RSSB's vision and objectives**



Source: ORR's online survey.

## Views from stakeholders

“The new vision sets the right framework and reflects the ROGS cross-industry duty of cooperation, but RSSB has a tendency to want to be seen to be doing something and responding, rather than focusing on what its good at.”

*Supply Chain Company*

“There remains a risk of duplication of purpose within the sector, the new vision fails to give a voice to the passenger, a key but often over-looked stakeholder.”

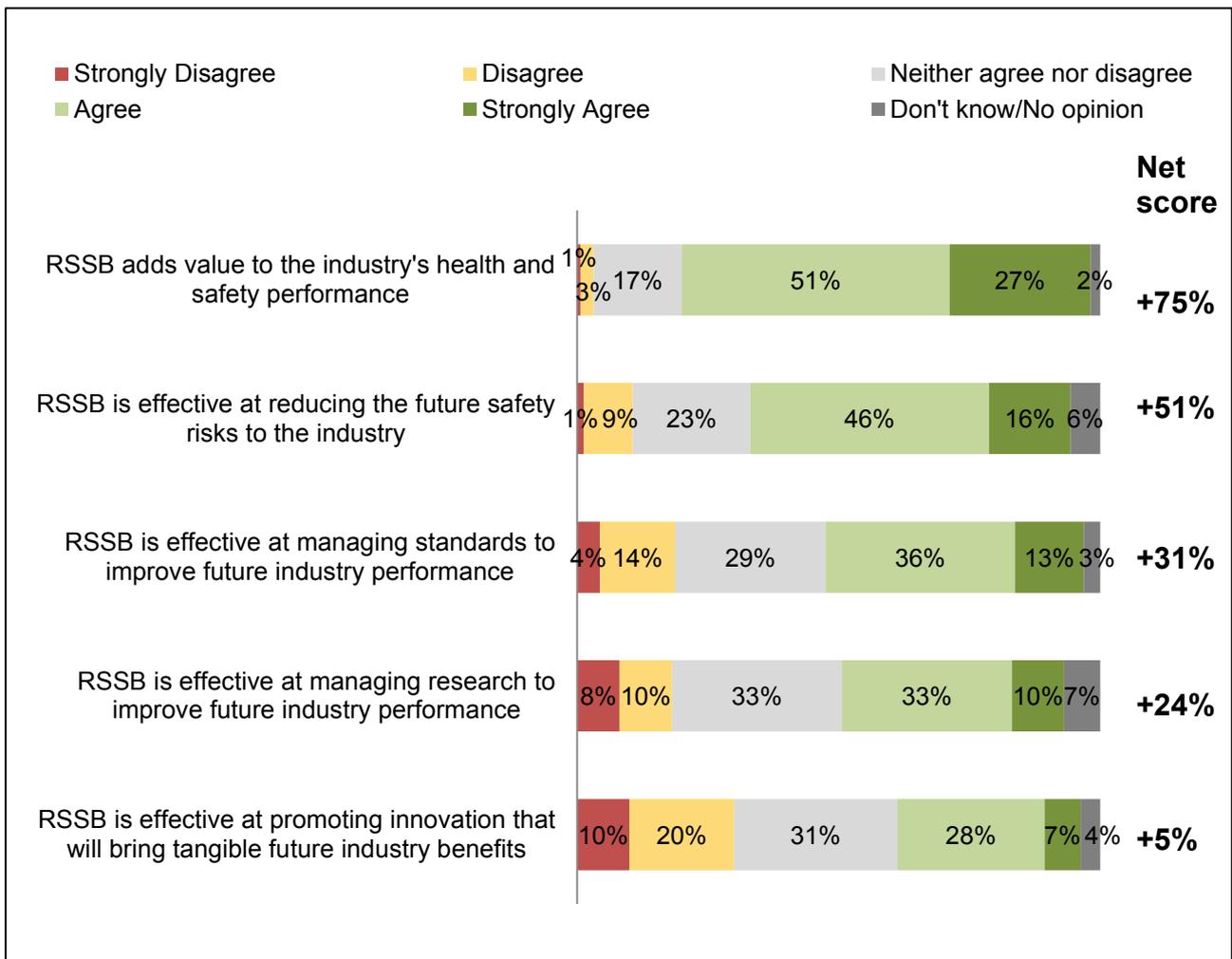
*Passenger Representative Body*

## **Section 4: Deliverables**

## Section 4: Deliverables

29. This section reviews RSSB's performance in the main areas of its activity: system safety (including data analysis); standards; research; and innovation. We also comment briefly on two other areas: occupational health and sustainability. Our review is limited by the lack of performance information collected and reported by RSSB which we consider further in Section 3.

**Figure 3 - Performance and delivery**



Source: ORR's online survey.

### System safety

30. **There is broad consensus that RSSB adds value to the industry and is effective in reducing future health and safety risks.** Overall, these were the strongest areas in our survey results (Figure 3, above). As an industry body with a clear remit for safety and standards, RSSB's performance in delivering its core role must be assessed with reference to the wider success of the rail industry in delivering a marked and sustained improvement in safety (Annex 5 provides evidence on Great

Britain's mainline rail safety over time, and in comparison with other European countries). This improvement corresponds closely with the point when RSSB was established, confirming the positive feedback from stakeholders.

31. **Data analysis is a core strength for RSSB.** Collating and analysing data and trends on safety performance is essential to understand and improve system safety. RSSB developed and maintains the precursor indicator model to assess underlying risks. RSSB is dependent on information provided by industry, and some respondents questioned the quality of this data. However, RSSB is considered good at analysing data, turning information into intelligence, identifying trends. RSSB continues to make significant improvement in the industry data it collects and analyses, with the SMIS+ project due to be rolled-out from December 2016.
32. **There is demand for RSSB to provide greater 'thought leadership' to support system safety.** While RSSB exists to support its members and does not have a general role to lead or direct safety decisions or actions, it can play an important role to facilitate industry 'thought leadership' or 'optioneering'. A large and disparate industry requires an independent body like RSSB to identify emerging opportunities or threats and options address these. Several consultees felt that there was scope for RSSB to add value by doing this, harnessed to its data, information and intelligence and technical expertise, to identify issues and work up potential options to be presented to its membership for their consideration, decision and implementation.

## Views from stakeholders

"RSSB is good at collecting and converting data into intelligence."

*Industry Leadership body*

"RSSB works best for its members when its converts the data it collects into usable intelligence, but it must improve how it communicates its work."

*Passenger Train Operator*

"Often industry comes to RSSB with a vague sense of what it wants done. RSSB must consult, synthesise the available data and look at available evidence before committing to a project specification including possible options for delivery. Getting the project specification right from the outset, including members' milestones and deadlines is essential in optimising any leveraged benefits."

*RSSB*

## Standards

33. **RSSB's work on standards is considered a core strength, leveraging its unique position.** RSSB performs a vital role as principle railway standards body within the

UK. Appropriate standards are vital to underpin railway safety, technical compatibility, economic efficiency and performance enhancement. Stakeholders considered that RSSB has natural strengths in this area:

- (a) **Oversight and governance.** RSSB provides the mechanisms required to provide oversight and the control over the standards process.
- (b) **Honest broker.** As an impartial judge RSSB is able to make considered and impartial decisions over standards that have generated dispute.
- (c) **Economies of scale.** Vesting the stewardship of standards within RSSB brings efficiencies to the industry. Infrastructure and train operating companies which do not need to make bi-lateral arrangements, nor maintain large numbers of experts to oversee standards. RSSB takes on the task so everyone can benefit.
- (d) **Centre of expertise.** As a centre of expertise, RSSB is effective in updating standards to reflect changes in technology or working practices and able to communicate changes to the industry at large.

34. **The quality of RSSB's standards work is well regarded.** Our survey showed that RSSB is considered effective at managing standards to improve future industry performance, and this was broadly endorsed with positive comments throughout workshops and interviews. We heard that where there are criticisms around standards, these are not generally levelled at RSSB (duty holders also have responsibilities for standards).

35. **There were, however, a number of specific areas where stakeholders had concerns** or would like to see improvements by RSSB:

- (a) **Insufficient consideration of cost to industry in developing standards.** Some were concerned RSSB's new vision did not recognise the balance between cost-effectiveness, or delivering safety and standards in a tough commercial environment. RSSB believes that it maintains a proportionate view over costs and argues strongly it does all that it can to bear down on the costs implicit in achieving a standard. This will never be an easy position to manage as commercial imperatives can be in tension with legal and safety obligations.
- (b) **The interface between standards is often too complex.** Interviewees complained that it was difficult to find how one standard related to another, and there is a need for an index of standards. Related to this, the standards search index on the RSSB website was considered poor.
- (c) **There is greater scope for spreading best practice.** For example, through cross-industry representation at standards committees across RSSB's other committees. This could allow more comprehensive and effective monitoring, auditing and assurance processes to be put into place.

- (d) **The speed of work on standards is considered too slow**, although we note a trade-off with achieving consensus and quality decisions that do not need to be revisited.
36. **There are important future challenges that RSSB's standards work will need to address:**
- (a) **RSSB's potential role in dealing with the 'Brexit' vote.** RSSB has been heavily involved in Europe in negotiating technical specifications for interoperability and is highly regarded by DfT, ORR and European partners. The implications of the June 2016 referendum decision are as yet unclear but are likely to be important and challenging. Decisions will need to be made over what we retain from Europe and what we will develop for the UK rail network. RSSB will be at the centre of addressing these issues.
- (b) **Managing the transition from mandatory Railway Group Standards (RGS) to voluntary Railway Industry Standards (RIS).** Evidence suggests that a number of companies rely for certainty on the proscriptive nature of RGS and feel unconfident in moving to the looser RIS structure. One consultee characterised this as moving from a lifebelt to a handrail. While standards can helpfully codify what duty holder needs to do to comply with health and safety law, in themselves they do not represent compliance with the law. RSSB's recent meetings with its members have helped to scope the scale and significance of RSSB's role in helping its members make that transition. A few consultees suggested it was an opportunity for RSSB to be given a discrete role in helping Network Rail modernise its standards regime to ensure it helps to achieve compliance with existing health and safety law, particularly around Electricity at Work Regulations, 1989.

## Views from stakeholders

"RSSB's European work is often unappreciated by the industry." *DfT*

"Any discussion of standards needs to first look at Network Rail's out of date standards regime; is RSSB the right organisation to help Network Rail with its standards?"

*Passenger Train Operator*

"Ultimately, the cost drivers within standards really matter to operators."

*Passenger Train Operator*

"RSSB does a good job with standards and is handling well the transition from mandatory Railway Group Standards to voluntary Railway Industry Standards."

*ORR*

"RSSB's standards boards are slow, sclerotic and rely on ineffective administrators."

*An Industry Representative Body*

## Research

37. **RSSB's role in research was envisaged by Lord Cullen's inquiry.** The inquiry recommended that a railway industry body (which became RSSB) should: "exercise a number of functions to assist the members of the rail industry to collaborate in the promotion of safety, including: funding and sponsoring research and development". Since 2003, RSSB's research and development core remit has developed a framework for cross-industry collaboration through the sponsoring of interface, system-level, strategic research and development projects, which are best done collaboratively. RSSB's collaborative research and development function provides the industry with a common and cost effective platform to enable the sector to come together for research development. These are often for issues of a complex, exploratory and multi-faceted nature and now go wider than just safety-related issues.
38. **While there are mixed views on the effectiveness of RSSB's research, overall it is supported and considered valuable.** RSSB has well-established processes for assessing, commissioning, project managing and issuing research and development projects, including set criteria for deciding on which projects get commissioned. Each of RSSB's R&D projects require a full business case, an industry sponsor, plus endorsement support from two other RSSB members and endorsement from the relevant cross-industry governance group that RSSB facilitates. RSSB carries out its own research and also funds academic research. We noted that many users of RSSB's services may only be interested in particular facets of the research they offer, with limited awareness of broader work. There is broad support that research should remain a core part of RSSB's strategy.
39. **RSSB's research activities provide a vital link to academia, which depends on long term assured funding.** Stakeholders welcome RSSB's strong links with academia. By hosting the Rail Research UK Association, RSSB provides a vital academic link to the industry, which brings much needed expertise and can help foster the next generation of rail engineers. Universities have much to offer in terms of research but often do not have the time or resources to navigate complex industry structures to obtain funding - RSSB's central facilitation of research helps ensure academic links are not lost. Interviewees from academic institutions emphasised that universities will move out of rail industry research if they cannot be certain of committed long-term funding.
40. **The range of concerns expressed suggest three main areas for improvement in research projects:**

- (a) **Improving take-up.** Take-up is currently insufficiently monitored by RSSB, so it is difficult to assess this, but stakeholders consider there is poor take up by industry partly because research may not lead to an end product that can be easily embedded by operators. We heard concerns that data generated by research projects is not disseminated widely within the industry or presented in a readily usable form. Other concerns were that research projects lack focus on the real issues that the industry needs solving and an understanding of the wider pressures on operators and hence how to best ensure end products are of practical value and get used.
- (b) **Research is often too long and too costly.** Some stakeholders were concerned RSSB can be too slow at moving research ideas into practical application, although others commented that research is not always a 'quick fix' solution. RSSB's administrative processes for research are viewed by some as onerous with the need for fully worked up business cases before even preliminary research would be undertaken.
- (c) **The apparent lack of a clear master plan around research topics and what RSSB is targeting.** Several felt that research pursued is poorly focused and managed, with a lack of focus in pursuing the original remit and there is little record of when initiatives have been successful. RSSB has an insufficiently robust and systematic way to test the value for money from research commissioned. Others considered that there are too many R&D groups. Horizon scanning could be enhanced and the links between what emerges from horizon scanning and research pursued should be made stronger.

## Views from stakeholders

"Despite industry expectations, R&D is often not a quick fix solution."  
*RSSB*

"The process of how to get research commissioned by RSSB does not appear transparent."  
*Supply Chain Company*

"Its R&D work moves incredibly slowly compared to the dynamic environment of the industry that it supports."  
*Passenger Train Operator*

"There's a tendency amongst RSSB staff to believe that their research is right and the industry is just not listening adequately, which may help explain why its research does not always land well."  
*Freight Train Operator*

"RSSB does more to analyse the effectiveness of its R&D work than any other research council."  
*Academic Representative Body*

## Innovation

41. **RSSB's effectiveness in promoting innovation is unproven.** Of all the activities in which RSSB is involved, it was innovation that brought the most animated debate during our consultation. Despite many similarities to research activity, our survey questionnaire and interviews found this was one of the areas of RSSB's performance that was considered least positively with a range of concerns around RSSB's role in promoting innovation.
42. **Some concerns are in common with those about research, specifically:**
- (a) **Take-up.** There were concerns that there can be little clear output from innovation projects or that project outputs are not taken up by industry, although potentially for reasons outside of RSSB's control; so wasting the time, staff effort and money that had been allocated to the task. The real business benefits of innovation are not always clearly articulated, effectively sold or monitored. RSSB told us that it does not own intellectual property rights for innovation projects and this can inhibit their ability to obtain feedback.
  - (b) **Cumbersome administrative processes.** The process, governance structure and consensual approach that are an intrinsic part of RSSB's work may militate against the fast, goal-oriented methods, outside of the box thinking required for successful innovation. Many considered that too often the work is completed long after the product should have been brought to market, diminishing its benefits and incentives for take-up. Successful participants in innovation competitions were concerned that funds are not received fast enough and some stakeholders found the different administrative arrangements for different innovation schemes confusing and unclear. RSSB provided us with evidence that their gateway processes for administering innovation funding are in line with other industry's standard practices in, such as aerospace, and that these exist to ensure there are proper controls over public funds. RSSB told us that their administrative overheads for innovation work are in the range of 15-20%.
43. **There is a more fundamental concern that the nature of innovation work is at odds with promoting safety and standards.** A view held by several interviewees was that, philosophically and intellectually, having innovation residing in RSSB is not a good fit. In this view, an organisation that has safety and standards in its title was simply not the right place for innovation: safety and standards demands a conservative, measured and proportionate approach. Innovation by its nature is radical and risk taking, albeit the final product will require safety certification. The two disciplines attract different cultures, different people and different mind sets. Other sectors, such as the motoring industry, successfully use innovation councils.
44. **Many stakeholders were also concerned by the potential distortionary effect of RSSB's innovation funding.** There has been, over the last few years, a substantial amount of money brought in by innovation. A large part of RSSB's income stream

derives from innovation funding. One of the perennial complaints from those interviewees who did not favour RSSB continuing with innovation was the skewing of focus that chasing innovation funding means for the core work that RSSB does. This funding has the potential to distort the business's direction of travel, away from core business, and towards meeting the obligations that such funding imposes.

45. **There is a lack of clarity about the difference between research (which is broadly supported by stakeholders) and innovation (which is not).** This was not well articulated by industry, funders or RSSB, although we consider that there are likely to be important differences in the types of research and innovation activities undertaken based on:
- (a) Requirements for speed;
  - (b) Whether the activity is intended to develop entirely new ways of working;
  - (c) Extent to which there is a proven business case, or projects are more speculative, and linked to this whether the outputs are experimental in nature or required to demonstrate results in every case; and
  - (d) Whether project objectives are specified, more in terms of 'managing and reducing safety risk', or of 'enhancing value and reducing cost'.

The future of railway innovation funding, including government-funded innovation, should therefore depend on defining a particular project's objectives on a case-by-case basis.

46. **RSSB's effectiveness relative to other innovation bodies is untested.** There are other bodies, notably Transport Catapult<sup>4</sup> and Innovate UK<sup>5</sup>, set up to promote innovation. However, their relative effectiveness in relation to RSSB is currently untested (partly a feature of the reporting requirements associated with innovation funding). If a decision is taken to relocate innovation activities, we suggest a realistic timescale is needed, as this will involve a significant upheaval in resource, both staff and funding, and it is important that worthwhile projects and academic linkages are not harmed unduly. RSSB was invited to do its work on innovation on behalf of the sector by DfT. The ultimate decision on DfT's funding remains the responsibility of DfT.

## Views from stakeholders

“Dealing with innovation has diminished RSSB's ability to manage its core functions.”  
*Passenger Train Operator*

<sup>4</sup> <https://ts.catapult.org.uk/intelligent-mobility/>

<sup>5</sup> <https://www.gov.uk/government/organisations/innovate-uk/about>

“Technical innovation is not RSSB’s natural game; it’s done much better by other sectors.”

*Innovation Facilitation Body*

“Currently, the arrangements around RSSB’s innovation work are not unlocking future innovation implementation in the sector.”

*Industry Representative Body*

“Often RSSB’s innovation work seems to simply copy what the industry itself should be doing if there was the right appetite; it’s ineffective unless it’s industry-led, but current budgets are driving a different parallel agenda.”

*Passenger Train Operator*

“There’s no transparency about RSSB’s innovation work, whether about what it has achieved or what it was trying to achieve; there’s a lack of free-thinking that can bring in game-changing improvements.”

*Supply Chain Representative Body*

“The need for 50/50 co-funding arrangement needed for RSSB’s innovation projects make it difficult for smaller industry sub-sectors.”

*Industry Representative Body*

“It can look like RSSB, the Transport Catapult and Innovate UK are competing for work to do, rather than fostering a conveyor belt of implementable industry enhancements.”

*Infrastructure Manager*

“Without consistent long-term funding of academic research, via RSSB, there is a real risk of losing intellectual expertise to other sectors.”

*Academic Representative Body*

## Occupational health

47. **As health and safety regulator, our view is that occupational health and well-being receives insufficient attention across the rail sector.** We want to encourage the industry to improve the health and well-being of its workers. As safety has improved, it is now much more likely that rail industry employees will have their health and longevity curtailed by occupational health issues than through rail accidents. In 2014 RSSB estimated that 1.06 million working days are lost due to sick absence across the industry each year. Rail is often considered behind other industries in making proper provision for occupational health management. Work-related ill health data taken from the Labour Force Survey<sup>6</sup> shows rates that are around 15% higher than the average across all occupations.

<sup>6</sup> <http://www.hse.gov.uk/statistics/lfs/index.htm>

**Figure 4 – Comparison of workers' illness rates**

Average rate of illness ascribed to workers' current or most recent job per 100,000 employed in the last 12 months (averaged over 2006-07 to 2013-14)	
<b>Railway operatives</b> (Standard Occupational Classifications: 8143, 8231 and 8234)	4150
<b>Construction operatives</b> (Standard Occupational Classification: 814)	4230
<b>Road transport drivers</b> (Standard Occupational Classification: 821)	3260
<b>All occupations</b>	3610

Source: Labour Force Survey.

48. **RSSB can do more to improve occupational health in the sector.** RSSB has only begun to focus on occupational health in recent years, and we were disappointed to find that only one questionnaire response referred to occupational health and well-being. There are practical steps RSSB can take to improve the prominence of occupational health issues, such as building on: its work to improve the linkage between the principal safety sub-committees the Railway Health and Wellbeing Roadmap; and the priorities identified in the industry's commitments on occupational set out in the 'Leading Health and Safety on Britain's Railways' strategy.

## Environmental sustainability

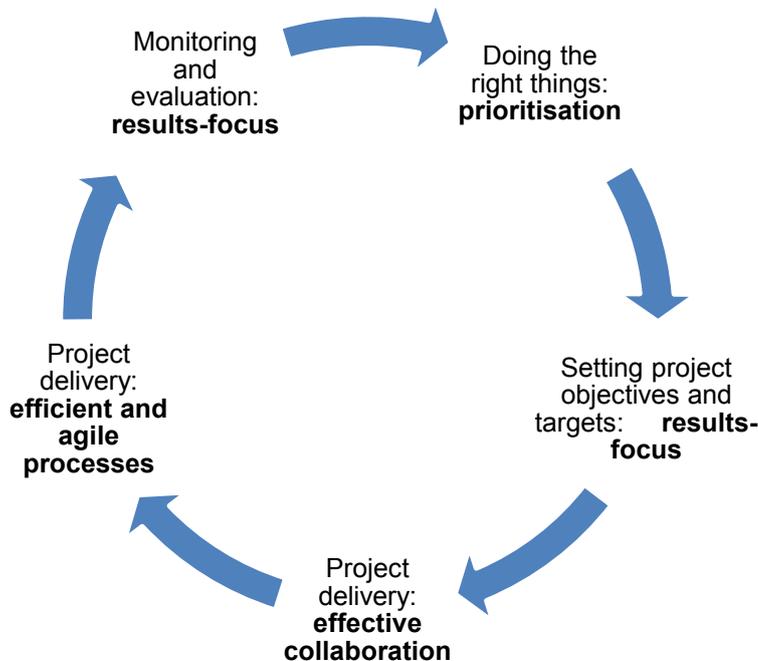
49. **There is little evidence that environmental sustainability is integrated through RSSB's work.** Meeting rail's carbon emissions reduction ambition has been given a high priority by successive governments and is why DfT provides funding for RSSB's discrete work to embed sustainability into the franchising process. However, sustainability is an issue that needs to be routinely integrated into all of RSSB's activities, rather than only delivered through stand-alone projects. We asked consultees for their specific views about RSSB's sustainability work and found there was very little clear understanding amongst interviewees and respondents of what RSSB was doing about sustainability. Although we did not investigate this topic further, it suggests the need for sustainability considerations to have greater prominence throughout RSSB's portfolio.

# Section 5: Process

## Section 5: Process

50. This Section reviews the effectiveness of the processes RSSB has in place to deliver its work, across the management cycle:

**Figure 5 - Management cycle for projects**

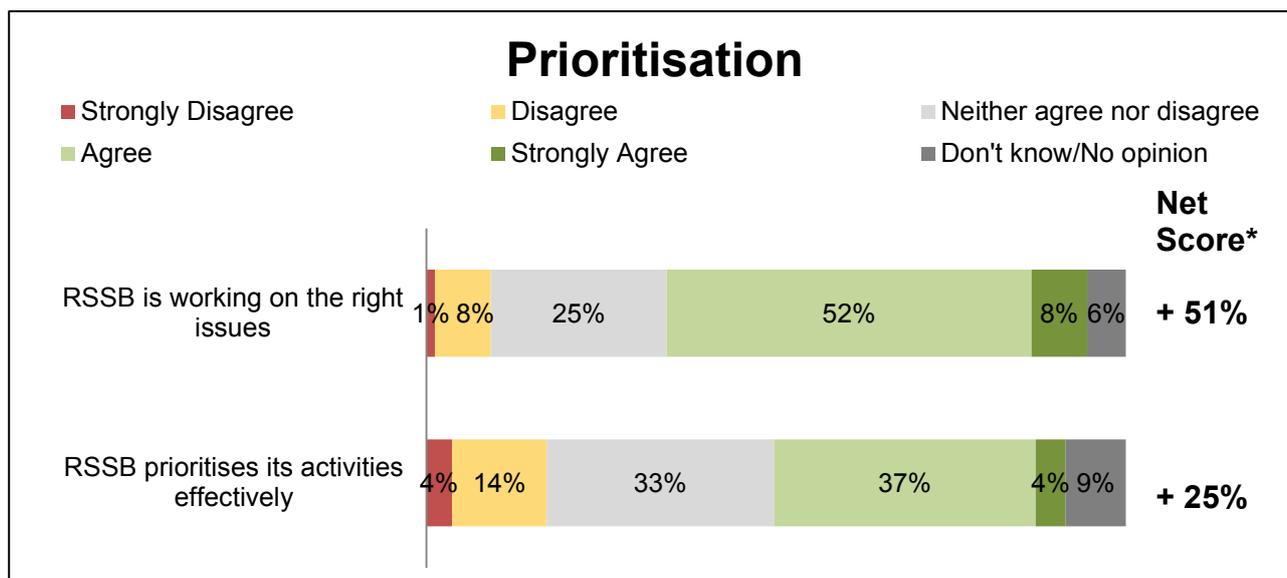


Source: ORR adapted from management cycles available in the public domain.

### Prioritisation

51. **The majority of RSSB's stakeholders agree that it is working on the right issues, but there are concerns that it does not always prioritise its activities effectively.** Our interviews and workshops strongly confirmed the survey finding (Figure 5) that only a minority agreed that RSSB prioritises activities effectively. Many interviewees wanted RSSB to concentrate on core work, arguing that they would be much more responsive if they 'stuck to the knitting' and did not spread itself too thinly. It was sometimes felt that focus had become blurred and it was unclear what RSSB was targeting at any one time. There were also some concerns that at an administrative level, there need to be more rigorous checks on workflows to ensure there is no duplication of work and smarter work and resource coordination.

**Figure 6 – RSSB's work prioritisation**



Source: ORR's online survey.

## Results-focus

52. **With one exception, there are no externally reported business targets or performance indicators, other than RSSB's financial reporting. Consistent with this, we saw little evidence of ongoing monitoring or reporting of the results achieved through RSSB's work.** Without clear targets and routine monitoring of results, it is not clear how RSSB can know whether its projects are effective, for example, in achieving industry uptake of new standards. Failure to report on performance externally misses an opportunity to communicate RSSB's achievements and undermines accountability to RSSB's membership. With the exception of a specific efficiency target (see paragraph 66), there were no external targets set to measure business performance. We found that:

- (a) RSSB's 2014-15-year strategic business plan, contained only general objectives, such as 'Proactively engage with members and stakeholders to identify opportunities to improve the industry performance'. There were no measurable targets or performance indicators.
- (b) RSSB's annual Strategic Report contains descriptive commentary on progress against all main areas, but no performance targets or metrics.
- (c) RSSB published delivery priorities for 2015-17 - a series of actions it planned to have completed over this period. However, it has since removed this plan from its website and does not report publicly on actions.
- (d) Where RSSB received funding from DfT for innovation, this came with a series of activity-based objectives, but no results metrics.

- (e) Internally, the RSSB Board receives a business performance report detailing progress across all key business areas and corporate risks. A dashboard shows the percentage complete for each annual business plan objectives.
- (f) RSSB uses pre and post-project review processes to identify and address weaknesses in its R&D project processes. The challenge is to ensure it maintains a proactive focus on a project's outputs and outcomes delivery. Through the use of robust project management competences, particularly initial project's specification. This includes the use of an initial proposal integrity test to help frame and, if needed, push-back on what has been proposed if it is unlikely to be used widely used and/or influential.

## Views from stakeholders

"RSSB's pace of delivery seems slow compared to the needs of its members, with insufficient focus on meeting priorities and getting the job done."

*Passenger Train Operator*

"While there are often good reasons why work gets delayed, RSSB need to show more of a 'can do' attitude and focus on getting projects delivered on time."

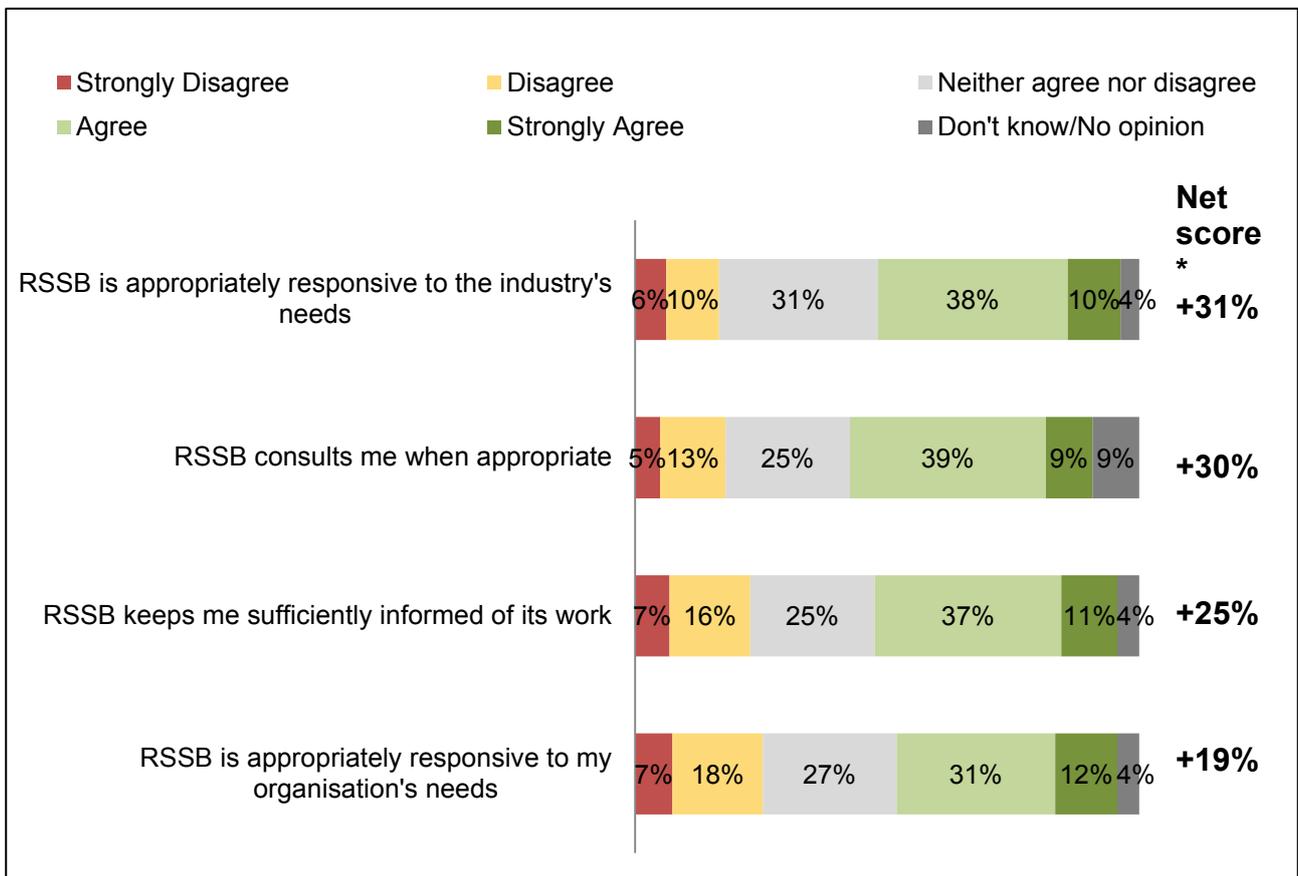
*Passenger Train Operator*

## Effective collaboration

- 53. **Industry collaboration is one of RSSB's most potent capabilities.** It facilitates collaboration across industry through its standards and systems interface committees and provides administrative support to other industry bodies that need this support to flourish. We heard that RSSB is now more effective than in the past, and better understands how to operate with industry. The employment of engagement managers to enhance collaboration is warmly welcomed. Respondents suggested that RSSB needs to further enhance collaboration by reaching out beyond the 'usual suspects' for consultation in who they select to collaborate with and how they seek to collaborate, such as holding meetings in its London offices. Others suggested that RSSB and Network Rail need to collaborate more closely.
- 54. **RSSB operates through consensus and the primary tool for building consensus is working groups and committees. But this process adds time and cost.** Respondents highlighted trade-offs between achieving consensus and being a responsive and agile organisation (for example, in achieving consensus one can only go as fast as your slowest consultee). However, there was no clear view on whether consensus or agility was more important and in what circumstances. Many respondents argued there are too many committees and working groups and that they should be rationalised or streamlined.

55. **Ineffective industry participation in committees risks creating a false perception that it is RSSB leading on decisions on railway safety, not industry duty holders.** A common view was that attendance at committees takes industry members away from their day jobs and the bulk of these meetings take place in London, adding further strain to those based around the national network. If there is no discernible progress from a grouping, this can lead to a vicious circle of key committee members absenting themselves, committees becoming unbalanced with a preponderance of RSSB staff present, so risking undermining industry ownership. Consultees suggested that projects often start well but then can peter out into cumbersome and unfocused committees. Interviewees were clear that more discipline around meetings need to be exercised. All those we spoke to involved in the committees want to make things work; they are committed, but want to see results and benefits.

**Figure 7 – RSSB’s responsiveness to its members**



Source: ORR’s online survey.

56. **There are mixed views on the extent to which RSSB is regarded as responsive to its members.** Consistently, nearly half of questionnaire respondents agreed that RSSB is responsive to the industry and their organisation's needs, consults appropriately, and keeps members sufficiently informed of its work (Figure 6). However, just over half the respondents either expressed no clear opinion with these

statements or disagreed, suggesting a lack of engagement and an area that RSSB can focus on for improvement. While RSSB has created a stakeholder engagement team, it was suggested to us that RSSB's responsiveness could be improved if it established and maintained permanent arrangements for interfacing with industry, government, European partners and others of influence. The intention should be to keep these connections permanently in place to facilitate effective two-way communication channels should be both for listening and speaking.

57. **Attendance at RSSB's committees by the core attendees can be sporadic and lack consistency.** A number of meetings take place without all core groups represented (Figure 8); this is important for meetings to be quorate and take decisions. We also found that individuals representing certain groups (e.g. freight) regularly change: 22% of the individuals at the Technical Strategy Liaison Group and 44% of the individuals on the System Safety Risk Group had changed between December 2015 and the most recent meeting in 2016. This risks a lack of continuity in decision making.

**Figure 8 - Proportion of meetings with all core groups represented**

Attendance rates at RSSB-hosted meetings by core representatives	
Standards committees	96%
Industry Standards Coordination Committee	92%
Technical Strategy Liaison Group	83%
Health and wellbeing policy group	70%
System Safety Risk Group	53%

Source: RSSB.

58. **Our consultation interviews and workshops generated a number of practical suggestions from RSSB's members and stake holders to improve the working of committees:**
- (a) Cut down on the number of committees;
  - (b) Review and approve annually the nature of the relationship between RSSB's board and those working groups, including deciding when a group's work is completed and the group should be wound-up;
  - (c) RSSB's board to choose and appoint the chairs of the working group committee that RSSB facilitates, in the same way it is currently responsible for appointing the chairs of System Safety Risk Group, the Industry Standards Coordination Committee and the Technical Strategy Leadership Group. This would be a new arrangement that makes RSSB accountable for driving the work of all the working groups it facilitates;
  - (d) The provision of a mechanism to allow working group chairs recourse to challenge decisions made by RSSB's board on the work of their working group;

- (e) The wide application of strict project management discipline techniques to prevent mission creep and quicken project completion;
- (f) Committee chairs must get concrete commitment from industry to participate fully in projects and sub-groups, possibly through the adoption of a formal agreement, which recognises the good will industry contribution made by committee chairs;.
- (g) Committee chairs have a clear role in ensuring efficient and effective meeting discipline and timeliness; and
- (h) All committee members must read papers and prepare adequately for their role, including the provision of induction training by RSSB.

## Views from stakeholders

"RSSB is good at collaboration and has got better over recent years, but it can improve more."

*Passenger Train Operator*

"RSSB tends to collaborate with the same pool of industry stakeholders and fails to make use of the existing industry architecture."

*Industry Leadership Body*

"There's scope for individual RSSB staff to 'buddy-up' with its individual members so that there's a more personalised but casual, non-transactional and listening relationship."

*RSSB*

"Sometimes RSSB over-engineers the processes of collaboration to an unnecessary degree."

*Freight Train Operator*

"There's a perception [RSSB] holds too many meetings and the outputs and outcomes are limited at best and often they have very limited wider visibility."

*Passenger Train Operator*

"Smaller groups of the right people and enhanced administration processes would result in improved product delivery." *Infrastructure Manager*

## Efficient and agile processes

59. **RSSB is perceived as slow at delivery and not sufficiently agile to respond to a dynamic environment.** The survey responses rated RSSB's agility to respond to a dynamic environment as its weakest area overall. In a dynamic environment, there is a risk that RSSB's outputs products become well-designed but superfluous. The consensus in feedback from workshops and interviews was that RSSB is often too slow in delivery. A constant observation was around the importance RSSB attached

to process and a sense that RSSB is often process-oriented, rather than goal or results-oriented. Members are keen to see tight timescales, challenging deadlines and a real product delivered at the end of each project. The decision making processes within RSSB are reported by internal staff to be cumbersome and impede rather than assist project progress.

- 60. **Around two thirds of standards projects are delivered on time against their original timescales, with approximately one third completed late** (Figure 8). Timescales for standards projects are set by committees of industry representatives. Where projects do overrun, this can be for a variety of reasons and changes to timescales are usually agreed by committees of industry representatives.

**Figure 9 - Delivery of standards projects that were completed in April-September 2016-17 against their original timescales**

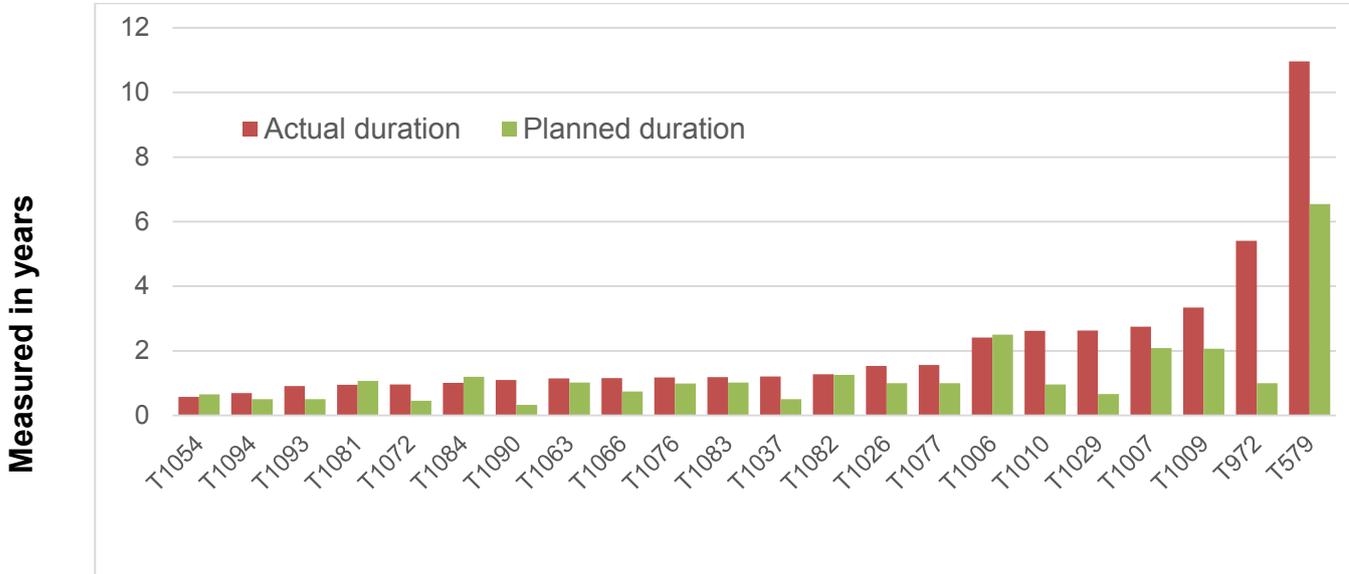
Delivery achieved		Earlier than baselined	As baselined	Up to 9 months later than originally agreed	Up to 12 months later than originally agreed	More than 12 months later than originally agreed
Project duration (in years)	0	1	7			
	1		6			1
	2					
	3					
	4				1	
	5			1		2
	6					1
	7					
	8					
	9					1
	10					
All projects		1	13	1	1	5
Percentage		5%	62%	5%	5%	24%

Source: RSSB.

- 61. **Five out of 22 recent research and development projects were delivered within their original timescales (Figure 10). Two projects finished substantially after their planned deadlines.** Timescales for research and development projects are also agreed by committees of industry representatives. Project T579 (Minimising service disruption from failures of track circuit actuators (assisters) and an investigation into track circuit performance) closed over four years late. RSSB told us this was because a new decision making tool (which supports decisions about whether a train with a failed TCA can continue in service without compromising safety) needed to be tested and validated in controlled trials by operators across the network to assess its effectiveness. Project T972 (Piloting a geo-referenced safety risk model for the rail network in Great Britain) closed over five years after the

originally planned completion date due to a significant number of technical difficulties associated with geospatially modelling the full range of possible hazardous events on mainline rail network.

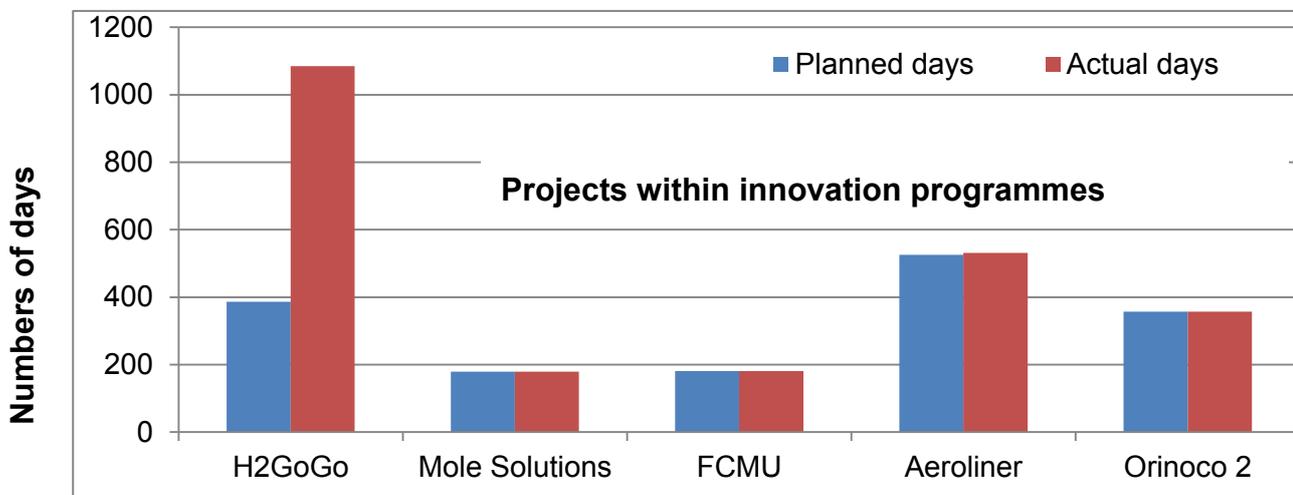
**Figure 10 - Delivery of research and development projects that were completed April-September 2016-17 against their original timescales**



Source: RSSB.

62. **Four out of the five largest innovation projects are currently running on time against RSSB's own internal timescales (Figure 11).** Unlike standards and research and development projects, the RSSB innovation team is responsible for setting and monitoring timescales. One project, H2GoGo, was overrunning significantly and a decision was taken to terminate it. RSSB told us this was due to a lack of industry commitment and appetite to trial the technology on freight diesel locomotives.

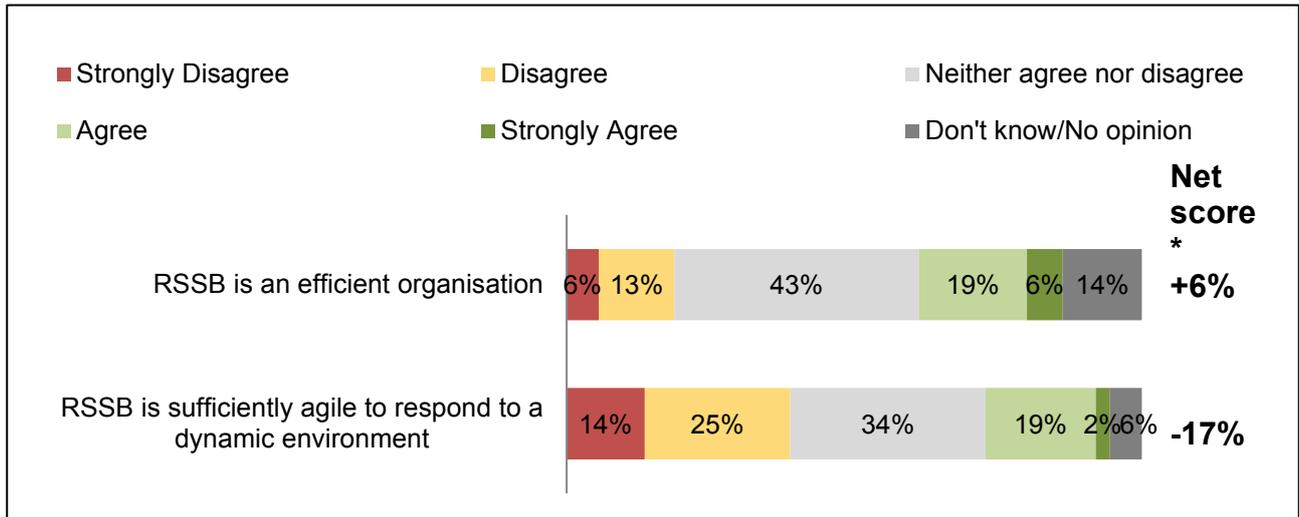
**Figure 11 - delivery of the five largest innovation projects against their original timescales**



Source: RSSB.

63. **RSSB is not regarded as an efficient organisation.** As with agility, efficiency was one of the areas RSSB scored lowest in our stakeholder survey, although more respondents agreed RSSB was efficient than those who disagreed (Figure 11). As reported above, there was real concern expressed over the speed and urgency evident in bringing projects and programmes to a conclusion.

**Figure 12 - RSSB's efficiency and agility**



Source: ORR's online survey.

## Views from stakeholders

"RSSB wants to be agile, but its culture, behaviours and processes get in the way."

*Supply Chain Company*

"RSSB's lack of agility makes it non-critical to operators' business priorities."

*Passenger Train Operator*

64. **RSSB has well established project and programme management processes which can highlight problems to projects, especially in terms of delays or risks to quality.** We saw evidence of rigorous project and programme management processes across RSSB's work on standards, research and innovation. Requirements for disbursing funds are also rigorous. For example, RSSB has well-established processes for assessing, commissioning, project managing and issuing research and development projects, including set criteria for deciding on which projects get commissioned. Each of RSSB's R&D projects require a full business case, an industry sponsor, plus endorsement support from two other RSSB members and endorsement from the relevant cross-industry governance group that RSSB facilitates.

65. **RSSB set an 'efficiency' requirement to apply a RPI - 1% annual change to member levies. However, it is not clear that this target actually challenges RSSB to become more efficient.** RPI-1% was applied as a constraint on aggregate member contributions from 2014-15 onwards. However, immediately prior to this, RSSB had actually kept member contributions constant (i.e. a 0% nominal increase). The target has indeed capped the increase in contributions from existing members since then, although RSSB's total member income rose faster due to new members (approximately £0.7m additional income), a contingency fund (£250k) and additional levies for certain new activities. RSSB's total membership income rose from £19.1m (2013-14) to £25m (2016-17, of which £22.46m related to the RPI-1% calculations). The level of efficiency challenge for the business also depends on other income sources and over the same period, income from other sources (especially grants from DfT) rose rapidly. Efficiency is not just about controlling or reducing costs - it is about the outputs realised for the resources used. Since RSSB's membership levy is very small relative to total industry costs, RSSB's efficiency is arguably much better measured and incentivised through a focus on measuring and improving RSSB's value generated.

## **Section 6: Enablers**

## Section 6: Enablers

66. This Section considers the enabling factors that are vital to RSSB's effectiveness, across three main areas:

- (1) **Institutional arrangements**, including RSSB's independent status, its governance and funding and place in the industry architecture.
- (2) **Culture**, including RSSB's communication, customer-focus and internal culture.
- (3) **Organisational capability**: the skills and resources RSSB needs to be effective.

### Institutional arrangements

67. **Independence is one of RSSB's core assets and must be preserved.** RSSB was constituted to be independent of any other industry body. RSSB leadership is very clear that the maintenance of impartiality is central to what they do and although it is accountable to member representatives through its board, it remains independent of the views of any individual member. All members and stakeholders see independence and impartiality as a crucial asset, although some questioned how it could be truly impartial since it is owned and funded by its members. We note that when RSSB takes on activities that are commissioned and funded by particular organisations or members, its independence is more likely to be compromised than in activities which are funded via levy on the whole industry.

### Views from stakeholders

"The industry strongly values RSSB's independence and impartiality."  
*Infrastructure Manager*

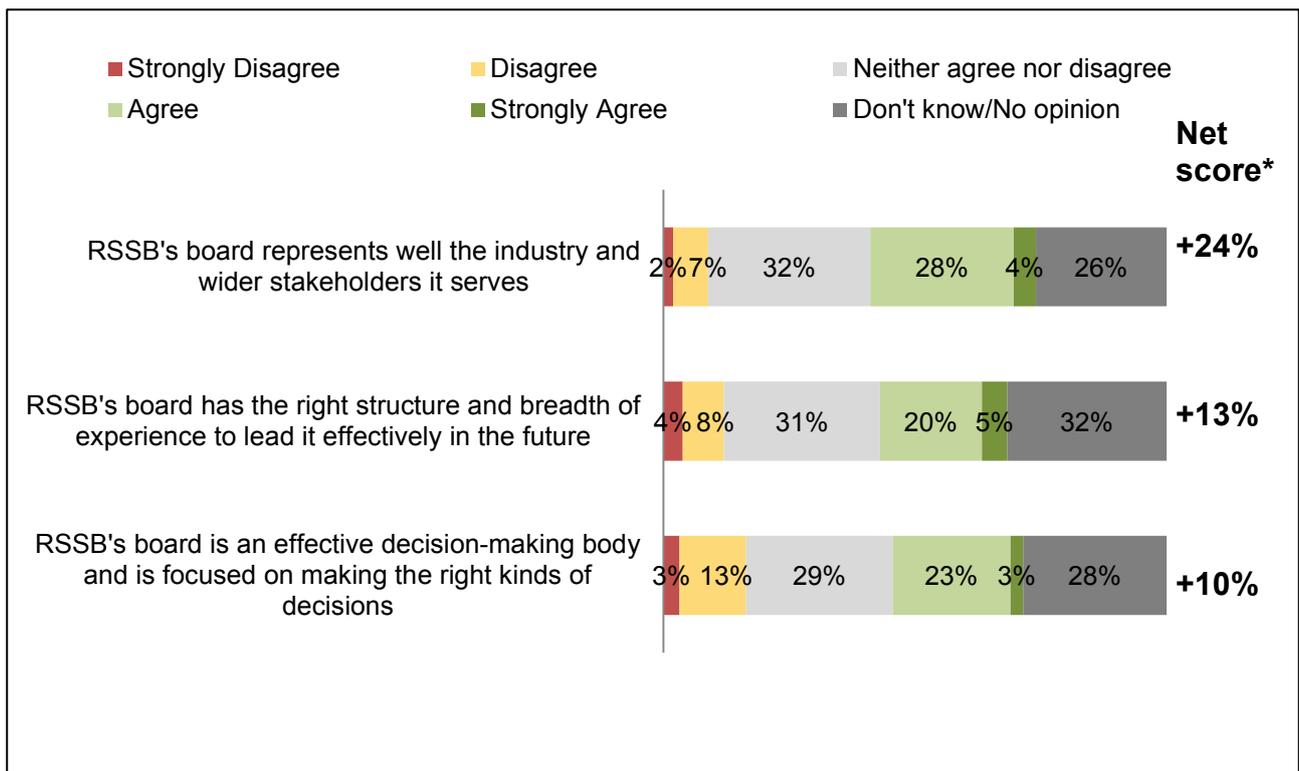
"RSSB has the independence to engage with the trades unions on behalf of its members to resolve cross-industry issues."  
*Passenger Train Operator*

68. **There is limited awareness of the composition and effectiveness of RSSB's board.** It was striking that amongst all those consulted there was a wide degree of unfamiliarity about the makeup of the board. In contrast to other areas in our survey, a majority of respondents had no firm opinion on RSSB board governance and effectiveness. This message was echoed in feedback by some stakeholders who suggested that most people do not know who the RSSB board are, that they are never seen and therefore perceived as potentially out of touch with real issues. It was suggested to us that this could be remedied swiftly with a programme of visits, including to operators' regional offices, and through webinars. We noted that the RSSB board does not carry out a self-evaluation of its effectiveness in running the

business, but has recently looked at improving the reporting to its board and reviewing its relationship between RSSB's board and its sub-governance groups.

69. **Where stakeholders were familiar with the board, there were mixed views on the extent to which it is representative of the industry and effective as a decision making body.** While stakeholders were broadly positive that RSSB board well represents the industry, there were concerns from our interviews and workshops that representation needed to be broadened (such as with greater supply chain representation), and avoid a skew towards the big players. However, we found that Network Rail's board attendance rate was lower than other board members (attending around one in every two board meetings), and in our view, close working between Network Rail and RSSB is essential to sustaining effective safety and standards practices. There was agreement on the value and the need to maintain external observers (ORR and DfT), with a suggestion (by a couple of non-trade union interviewees) this could be broadened to reconsider workforce representation, possibly on a rotating basis.

**Figure 13 – RSSB’s governance**



Source: ORR's online survey.

## Views from stakeholders

“RSSB’s board keeps its executive honest and DfT’s and ORR’s observer roles add transparency to its decision-making.”

*Passenger Train Operator*

“RSSB’s board are pretty ineffective; they have little relevance to the issues on my operational agenda.”

*Passenger Train Operator*

“RSSB’s board has suffered from one or two ‘loudspeakers’ being given too much air time.”

*RSSB*

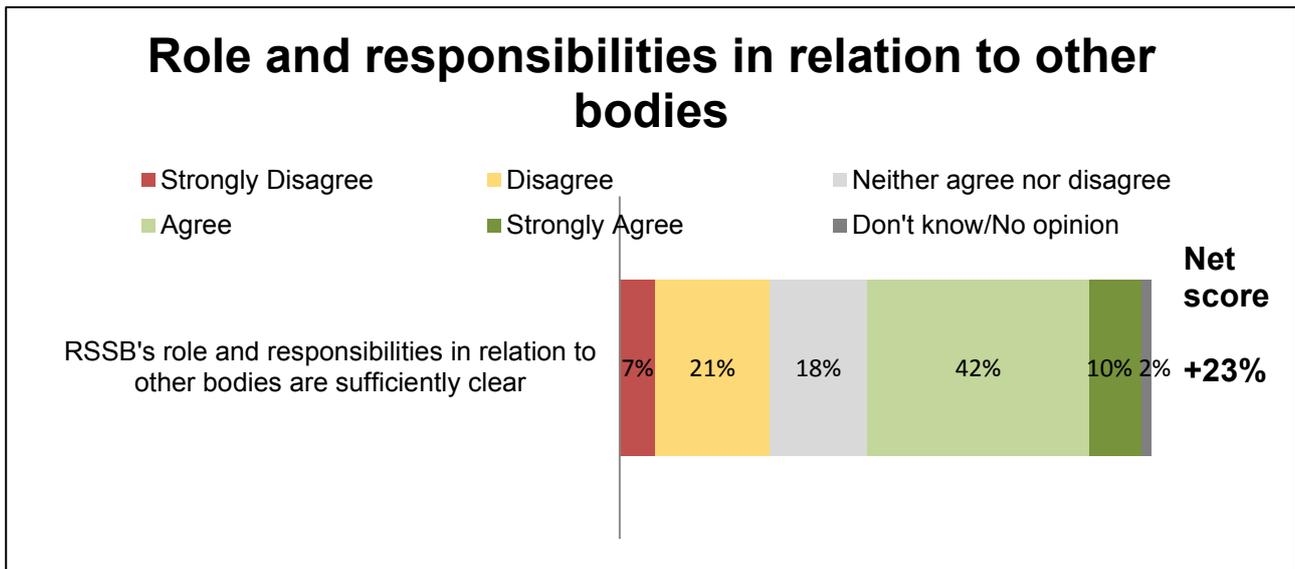
“RSSB’s board needs more gravitas and long-term focus.” *Industry Leadership Body*

“RSSB’s needs to change to resolve a certain level of apathy about its board-level representation; it’s not bold enough.”

*Trade Association*

70. **We found divergent views amongst consultees on whether RSSB’s responsibilities in relation to other bodies are clear with specific concerns around the visibility and transparency of RSSB’s board decisions and the levels of trust and confidence in these amongst its members.** The industry architecture in which RSSB operates is complex. There are a number of different bodies carrying out interrelated and sometimes overlapping, roles, which have developed over the last three to four years (specifically between RSSB, RDG and RSG). Although a majority of stakeholders considered the institutional arrangements are sufficiently clear, a sizeable minority (28% of survey respondents, and a greater proportion of those interviewed and at workshops) disagree that this is the case. There was consensus, however, that arrangements between each of the industry bodies could be made more transparent, and relationships codified, if only to avoid unwarranted duplication. RSSB has been working with others to clarify its relationship with other bodies; a process we encourage for driving greater transparency and which should be widely communicated, as a part of the new settlement for RSSB as set out in this report – see paragraph 11.

Figure 14 - Industry architecture



Source: ORR's online survey.

## Views from stakeholders

"The industry is not always predisposed to work together."

*RSSB*

"If you can't write on one page a picture of RSSB's relations with other industry bodies then they have become too complex." *RSSB*

"There needs to be some form of 'rules of engagement' between RSSB, RDG and RSG."

*Supply Chain Representative Body*

"There is perhaps a misguided sense of competition between RSSB, RDG and other industry supporting bodies."

*Passenger Train Operator*

"RDG is making inroads to improve relations with RSSB, but there's much more to do and it cannot happen fast enough; it has a tendency to aim for lowest common denominators decision, rather than taking a leadership role."

*Infrastructure Manager*

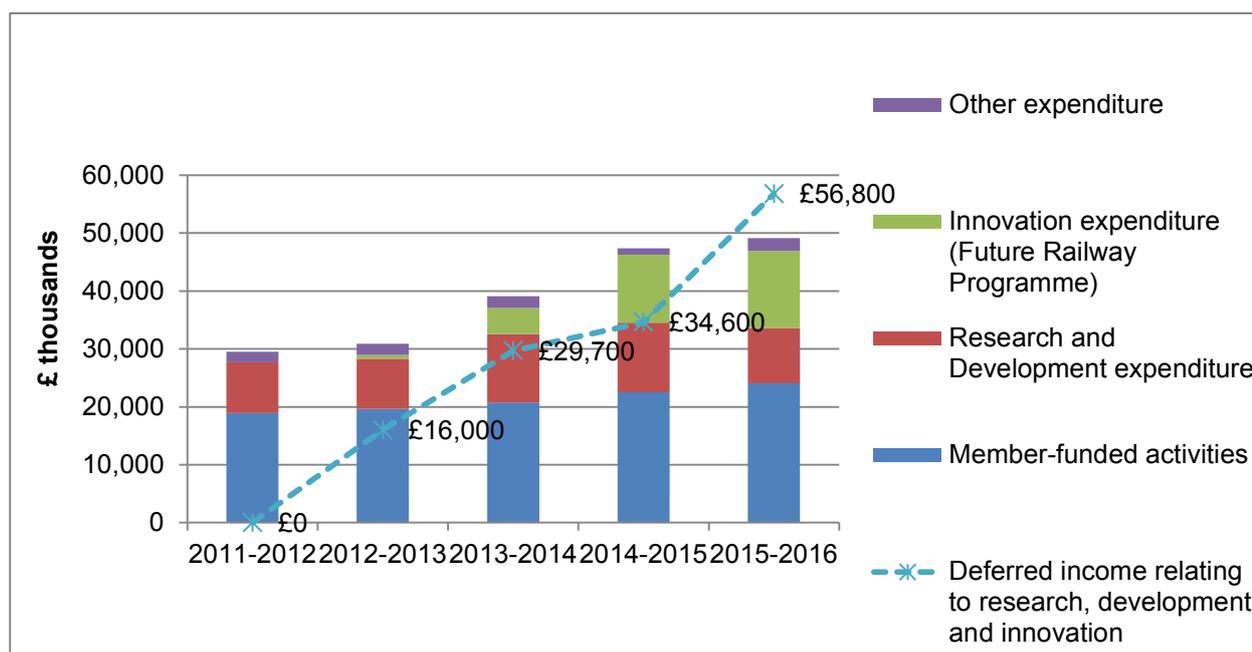
"RSSB's board needs to have a broader industry representation." *Innovation Facilitation Body*

71. **It is anomalous that Transport for London is not a full member of RSSB.** RSSB needs to support the rail industry in its widest sense to avoid duplication and inconsistencies with other bodies. With the volume of rail journeys on TfL's network and mainline services it seems logical that TfL should be a full member of RSSB.

There should be a debate around whether other metro lines and light rail should be included. In due course, we would envisage infrastructure providers associated with new high speed rail to participate as full members in RSSB, who should pay a fee commensurate to the services they would use within RSSB.

72. **RSSB's funding has grown rapidly in recent years with innovation grants from DfT and Network Rail. This increased dependence on annually allocated grant funding introduces risks for the long-term planning of activities.** Funding arrangements within RSSB are relatively straightforward and are principally from two income streams; members' subscriptions and innovation funding that derives from the DfT and Network Rail. However, grant funding does not give the same multi-year certainty that membership levies provide, although both sources of income have advantages and disadvantages (those funding will have influence over the use of funds). We note that of all RSSB's activities, it is funding of academic research that was identified as requiring long-term funding to attract and retain Universities. A reasonable aspiration overtime is that core member funding should align with core activities and those requiring multi-year commitments: this is currently not always the case.
73. **RSSB has a large volume of unspent deferred grant income, although this is largely allocated to projects.** Figure 15 shows that RSSB's annual expenditure has grown from just under £30 million in 2011-12 to just under £50m in 2015-16, largely as a result of increasing innovation activities. RSSB has received £88.6m in cash grants for innovation from Network Rail and DfT, since 2013-14 (when RSSB's Future Railway Programme started). The financial statements show £56.9m unspent deferred income at the end of March 2015-16 and RSSB told us that there is £46.7m cash in the bank at October 2016 from innovation grants. Management information shows that at the end of October 2016, 64% of all innovation grant funding (£56.8m of the £88.6 million) received was financially exposed (either spent or fully dedicated to projects agreed in principle and at feasibility and/or demonstrator stage). The terms of DfT's grant allow RSSB to roll over grant income to future years and timescales for spending innovation grants are set internally by RSSB. All innovation programmes are launched with expected end dates for both feasibility and demonstration phases, which RSSB reports to DfT quarterly. RSSB told us that much of the grant money received for innovation has not yet been invoiced by innovators, but this is in line with standard innovation practice which exposes the high level of funding to demonstrator activities having been de-risked at the feasibility stage. They also noted that we are currently in year three of CP5 with over two years for funding to be released as planned.

**Figure 15 – RSSB annual expenditure and deferred income**



Source: ORR analysis of RSSB financial statements.

## Culture

74. **RSSB has improved its relations and communications with members, but its executive is right to prioritise better engagement, as weaknesses remain.** As a membership organisation RSSB needs to understand thoroughly those that it serves. Our survey (Figure 7, page 37) showed reasonable satisfaction amongst respondents on how RSSB communicates with its members and the industry. But qualitative feedback during the consultation process consistently highlighted the need for better engagement. Specifically, there were common criticisms that:

- (a) RSSB does not understand fully what its members want it to do, the need to improve communication and engagement with members, now and as the new strategy unfolds.
- (b) RSSB is not sufficiently 'customer facing' and responsive to the diversity and differing aspirations of its membership base. It was felt that RSSB, at times, was inclined to pursue its own agenda without confirming that the course of action it was following was the one the membership supported.

75. **Given the diverse industry structure, there is a clear requirement on RSSB to reach out much further than might seem justified by a member owned organisation.** There were a number of key areas where stakeholders considered communication could be improved:

- (a) **There has been criticism that, in the relatively recent past, RSSB has pursued interests that do not necessarily accord with the wishes of its**

**membership** and that it has not confirmed with them that these are activities in which it should participate.

- (b) **RSSB needs to be reaching out wider and talking to the 'real' railway, particularly those working on front line operations.** Their staff need to be more visible and accessible, engaging outside of the Rail Group and into the supply chain. They need more presence around the country. One criticism that was voiced by the supply chain is that they felt the structure was weighted too much to the big players, and the whole 'feel' of RSSB was too elitist. The engagement managers' initiative has been a success and should be expanded. There may be merit in having specific liaison officers for companies or sectors; in particular they should be making direct contact with small companies. They should consider their geographic footprint and structure. They are seen by many as London-based and London-centric. Although engagement officers have done much there may be a case for a regional presence and liaison officers for specific companies or holding groups.
- (c) **Improve its performance using a variety of different media, especially social media.** Podcasts and webinars are potent tools. They need to improve their communications technology and their electronic engagement. There should be better use of tele-conferencing, VTC, Skype calls etc. There should be an improved website with enhanced search facilities. It should try to facilitate quicker and easier feedback on its performance.
- (d) **Maintaining up-to-date distribution and staff lists** so that the right people can be contacted is therefore seen as important. There was a firm view that RSSB could progress projects and issues more quickly by 'warming' people up to things early.
- (e) **Make more explicit efforts to listen** to what the membership want and improve its listening skills, especially amongst the executive. We heard views that RSSB staff are now becoming more open to suggestions and this in itself enhances collaboration.

76. **RSSB has an expertise-led culture rather than one that is attuned to commercial needs of industry.** RSSB is confronted by competing demands from members:

- (a) Ensuring safety decisions are underpinned by detailed analysis, due diligence and testing and proving of concepts.
- (b) Achieving consensus through discussion, debate and consultation.
- (c) To provide swift and dynamic resolution of issues. It owes prompt action to members, their shareholders, the travelling public and to the workforce.

77. **RSSB's culture is strongly expertise oriented - its expertise is considered one of its greatest strengths.** When combined with its consensus-building approach, it is unsurprising that RSSB has struggled to meet the competing demand for quick

delivery. In terms of organisational culture, industry respondents observed that RSSB staff were sometimes resistant to change, and may lack oversight of the dynamic and commercial nature of the environment in which its members operate. RSSB's members emphasised the need for RSSB to have a mind-set that understood the need to bringing product to market quickly.

## Views from stakeholders

"There's a perception that RSSB picks on the easy issues, but ignores the contentious and intractable issues, which are of more importance to its members."

*Passenger Train Operator*

"More recently RDG have made improvements to how industry coordination was done but there's still some way to go." *Devolved Administration*

## Capability

78. **The expertise of RSSB's staff is recognised as one of its core strengths.** RSSB has some really high quality individuals working for them, all of whom were committed and passionate about the service they provided. The directorates within RSSB seem to function well and there was praise for the recent combining of research and standards. What does seem odd is the lack of executive coordination to synthesise the work of each department and then present this to the managing director to broker with the board. There were questions over interfaces and connections with some asking whether the senior managers within RSSB were plugged into the right people.
79. **It is not clear whether RSSB has all the right skills necessary for engagement with members or to incentivise and track the translation of expertise into change on the ground.** The areas of relative weakness identified in this review suggest that RSSB may need to review its own capability in these fields. A mix of skill sets is essential to any organisation, and whilst the quality of RSSB's subject expertise is not in doubt, there are a wider range of communication, engagement and management skills that it needs to be successful. We did not review staff skills, but this is an area which the executive may wish to consider following this review.

# Annex 1 – RSSB response to recommendations of the ORR's 2010 review

Our review of RSSB in 2010<sup>7</sup> looked at RSSB's role, functions, structure, governance and funding arrangements. Central to our review was whether RSSB was then effective in fulfilling its primary objective, as described in its Constitution Agreement and Articles of Association.

Our report identified the need for its board to focus on setting the strategy for RSSB and ensuring its delivery, which required some restructuring of its membership, and strengthening of other aspects of RSSB governance. We saw a need for companies and organisations from outside the national railway network, such as Transport for London and High Speed 1-2, to join RSSB for a commensurate charge because of shared risk agendas. It would also optimise the benefits for the public funding it and that the industry receives.

The table below sets out our recommendations and progress RSSB has made against them.

Recommendations	Status
<p>1 <i>The board should review the processes for management of railway group standards and make any amendments necessary to achieve the following:</i></p> <ul style="list-style-type: none"> <li>(a) reducing the scope for delay and unnecessary compromise where consensus is difficult to achieve, by making provision for majority voting where it is evident that consensus is not forthcoming;</li> <li>(b) making standards committees more strategic in their work and consider the whole system costs. This will require consideration of the skills and breadth of expertise of working group members; and</li> <li>(c) ensure a balance between technical expertise and commercial understanding of the whole industry cost.</li> </ul>	<b>Rejected</b>
<p>2 <i>RSSB should consider offering funded secondments from industry for a fixed term to work on specific standards.</i></p>	<b>Fully implemented</b>
<p>3 <i>The board should review and amend the process for planning and commissioning research to better meet the needs of the industry and the funders. We recommend that:</i></p>	<b>Fully implemented</b>

<sup>7</sup> <http://webarchive.nationalarchives.gov.uk/20131001175041/http://www.rail-reg.gov.uk/server/show/ConWebDoc.10160>

Recommendations	Status
<ul style="list-style-type: none"> <li>(a) there should be a greater emphasis on strategic research, whilst retaining vital tactical projects;</li> <li>(b) consider amalgamating the core and strategic research budgets. This will remove the need to allocate projects into one or the other;</li> <li>(c) making arrangements to promote better take-up of research findings.</li> </ul>	
<p>4 <i>Membership: The board should consider how it might amend membership arrangements to allow relevant GB organisations outside the “railway group”, but with a legitimate interest in the railway industry, to join. The cost of voluntary membership should be commensurate with any additional cost incurred by RSSB and also reflect the range of products and services that non-mainline members might benefit from.</i></p>	<b>Partially implemented</b>
<p>5 <i>The Company’s objective should be to facilitate the Railway Industry’s work to:</i></p> <ul style="list-style-type: none"> <li>a) achieve excellence in health and safety management in Great Britain; and</li> <li>b) drive out unnecessary cost and improve business performance.</li> </ul>	<b>Rejected</b>
<p>6 <i>The board structure should be reviewed in the light of its role in delivering the primary objective. We recommend the following:</i></p> <ul style="list-style-type: none"> <li>a) the board should contain 2 independent (non-industry) non-executive directors. These persons should have current understanding of health and safety management in an industrial or commercial setting;</li> <li>b) passenger and freight train operators should be represented by directors with a role in operational delivery at owner group level: two for the train operating companies and one for freight operators;</li> <li>c) the infrastructure manager may nominate two directors; and</li> <li>d) the constitution should be amended to remove the requirement for the chair to be an independent non-executive director.</li> </ul>	<b>Fully implemented</b>
<p>7 <i>The functions of the board should support delivery of the revised primary objective:</i></p> <ul style="list-style-type: none"> <li>(a) the board should set the strategic direction for the work of RSSB. This will involve considering all the main industry risks and determining the appropriate way forward;</li> <li>(b) the board should also maintain its key role of holding the executive to account for efficient delivery of that strategy; and</li> <li>(c) General decisions should be made by a simple majority vote: exceptions being agreeing the business plan and setting the budget</li> </ul>	<b>Fully implemented</b>

Recommendations	Status
<p>where at least 8 directors should agree (see also below).</p>	
<p>8 <i>The board should be empowered to set the budget for the company:</i></p> <ul style="list-style-type: none"> <li>(a) the budget can be agreed by majority where consensus cannot be achieved. This will require changes to the constitution to remove the need for unanimity or the ability of any constituency to exercise a block;</li> <li>(b) To agree the budget by majority 8 directors, including at least five industry directors, should agree the proposal;</li> <li>(c) Where this majority cannot be reached, the matter can be referred to ORR for a binding decision;</li> <li>(d) the budget should be a five-year budget to finance the five-year business plan to coincide with the control periods of Network Rail funding (currently only three years of the control period remain); and</li> <li>(e) Payments to non-executive directors should be limited to reimbursement of expenses incurred whilst attending to RSSB board business.</li> </ul>	<p><b>Partially implemented</b></p>

## Annex 2 – Methodology

Our fieldwork was conducted over June to September 2016 and included:

### Document review

We reviewed and analysed over 100 documents received from RSSB, including financial statements.

### On-line surveys

We e-mailed around 1,300 railway industry stakeholders, using ORR's and RSSB's standing stakeholder consultation lists, which invited recipients to respond to one of two 'Survey Monkey' questionnaires<sup>8</sup> (one for informed industry respondents and one for the general public). These asked a series of questions including both preference scales and open questions. We received a total of 208-questionnaire responses, from right across the rail sector: 200 respondents completed the informed industry survey questionnaire and a handful of respondents completed the general public-focused survey questionnaire.

### Face-to-face interviews

We held a total of 29-interviews with 33-interviewees using a set of common questions

### Stakeholder workshops

We held a total of four workshops with 59-stakeholders to help inform specific areas of our review. The workshops were held on:

- 28 July in ORR's London offices;
- 2 August 2016 in ORR's Manchester offices;
- 10 August 2016 in RSSB's offices with RSSB staff; and
- 1 September 2016 in ORR's London offices.

Workshops were facilitated by Socia (David Archer and Alex Cameron).

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<sup>8</sup> <http://orr.gov.uk/news-and-media/press-releases/2016/orr-starts-quinquennial-review-of-rssb>

## Organisations that attended one of the workshops or were interviewed:

<p>Angel Trains; Amey; Arcadia Alive; Arriva Trains Wales; Association of Train Operating Companies; Balfour Beatty; Civil Aviation Authority; DB Cargo; Department for Transport; Direct Rail Services; Carillion; Cross Country Trains; First Group; Go Ahead Group; Govia Thameslink Railway; Hack Partners; High Speed 2; JSD R&amp;D;</p>	<p>Merseyrail; Northern Rail; Office of Rail and Road; Proctor Group; Rail Delivery Group; Rail Freight Group; Rail Research UK Association; Railway Industry Association; Railway Institute; Railway Supply Group; Rail Research UK Association; Rail Safety and Standards Board; South West Trains; Transpennine Express; Transport Catapult; Transport Focus; Transport for London; Transport Scotland; and Virgin Trains.</p>
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## Project governance

This ORR review was carried out with the support of an advisory steering committee, who advised on scope of work, emerging findings and the draft report. Steering committee members were:

- Justin McCracken, ORR (chair of steering committee);
- Ian Prosser, ORR;
- Richard Carter, DfT;
- Chris Gibb, Network Rail;
- Alan Moore, Direct Rail Services;
- Karen Boswell, Hitachi Trains;
- Richard Carter, DfT;
- Tom Smith, Angel Trains;

- Tim Shoveller, South West Trains;
- Anna Bradley, RSSB; and
- Mark Phillips, RSSB.

The ORR project team for this review was:

- Johnny Schute (project lead);
- Lee Collins;
- Robert Cook;
- Megan Worboyes;
- Matthew Farrell; and
- Sally Williams.

## ORR project plan

ORR's review of RSSB 2016 - project Gantt chart							
Tasks:	May	June	July	Aug	Sept	Oct	Nov
Gather initial thoughts	█						
Draft questionnaire sets and consultative document	█						
Key stakeholder bi-laterals		█					
First Steering Group meeting		★					
Industry/public consultation(s)		█					
Analyse consultation responses		█					
Stakeholder workshops			█				
Second steering group meeting			★				
Draft analysis of responses report				█			
Focused key issues workshop				█			
First draft of finalised report					█		
Third steering group meeting						★	
ORR's board agrees the final report						█	
Send finalised report to RSSB						█	
RSSB's 14 October board meeting							█
RSSB responds to ORR's board							█
Final Steering Group meeting							★
Finalised report issued by ORR							█

## Annex 3 – Lord Cullen's inquiry into railway safety

Following the Ladbroke Grove railway accident on 5 October 1999, in which 31-people were killed, the then Deputy Prime Minister set up a public inquiry under the Health and Safety at Work Act 1974. Lord Cullen's inquiry report<sup>9</sup> made recommendations which led to the establishment of RSSB. This annex summarises the key findings and recommendations from the Cullen report that formed the original mandate for RSSB.

### **On the need for a new railway industry safety body:**

The report recommended a new rail industry safety body: "should be set up as a new legal entity, independent of any company in the rail industry and of any part of the industry. It should have the power and the duty to take binding decisions".

*'A rail industry body offers a clearly defined way in which the rail industry can collaborate in the promotion of safety...'*

Lord Cullen wanted the new body to have broad industry representation from the infrastructure manager, train operators and the supply chain.

### **On safety leadership:**

*"Recognising that the first priority for a successful safety culture is leadership, I find that the fragmentation of the rail industry has made it difficult to provide leadership to the industry and for it to take united action on safety, although there are signs of improvement. I identify the need for an industry body which, with the support of the members of the industry, can take the leading role in the promotion of safety across the industry." (para 1.11)*

*"... this would provide the leadership and structure which are needed... However, it will still require all the component companies of the industry to support this leadership. This is a matter well beyond structures. It will call for a shift in behaviours. The success or otherwise of the behavioural change which is required is fundamental in whether or not the railway will achieve the demanding safety goals now sought for the industry."*

<sup>9</sup> [http://www.railwaysarchive.co.uk/documents/HSE\\_Lad\\_Cullen002.pdf](http://www.railwaysarchive.co.uk/documents/HSE_Lad_Cullen002.pdf)

### On the core functions envisaged for the new safety body

- To set and review standards;
- Establishing and managing system authorities - “an authority capable of instructing industry projects”;
- Funding and sponsoring research and development;
- Monitoring and reporting on the industry’s safety performance;
- The development of the annual Railway Group Safety Plan;
- Disseminating good practice.

### On RSSB’s constitutional set-up:

Lord Cullen recommended: *“the function of the setting of Railway Group Standards should be assumed by a new rail industry body which is independent of both Railway Group plc and their subsidiaries and the of the safety regulator”.*

Lord Cullen decided not to set up the new Railway Safety Body on a statutory basis, but suggested that Railway Group members’ licences bind individual railway operators to comply with Railway Group Standards and to be members of the new safety railway body.

The inquiry report called for an independent body that commanded the confidence of all, including the infrastructure manager, with a particular focus on the interface between wheel and rail. Lord Cullen was clear that it would be inappropriate for the health and safety regulator to set Railway Group Standards because it would make it too close to the industry and involve the safety regulator in non-safety processes and procedures inherent in those standards.

The report recommended *“... a new legal entity, independent of any company in the rail industry and of any part of that industry...It should have the power and the duty to take binding decisions [which it does through the Railway Group Standards processes] ... The governance of that body would make provision for the representation of railway operators... and any other company to which.... by virtue of a licence condition or a contractual term.”*

### Funding a new railway industry safety body

In Lord Cullen’s view the new railway industry safety body: *“should be funded by means of a levy on the companies covered by...” the infrastructure manager, train and station operators; manufacturers and suppliers.*

# Annex 4 – Roles of industry bodies involved in railway safety

## The Rail Safety and Standards Board

The Rail Safety and Standards Board (RSSB) is the mainline railway industry's safety body. Currently, RSSB is focused on the mainline railway, for which it:

- manages railway group standards for interfaces (operational/performance benefits as well as safety);
- supports the industry in securing health and safety by:
  - data gathering, analysis and risk modelling;
  - managing the industry research, development and innovation programmes;
  - encouraging and facilitating cooperation; and
- provides technical expertise.

## The Rail Delivery Group

The Rail Delivery Group (RDG) brings industry leaders together on a voluntary basis to provide leadership to the railway industry, focused on four transformational portfolios:

- Today's railway - improving punctuality, reliability and value for money;
- Customer experience - modernising ticketing and improving door-to-door journeys;
- Industry reform - improving industry structures to enable excellence; and
- Tomorrow's railway - better planning for the railway's future.

RDG, through the Association of Train Operating Companies, also delivers important national ticketing, information and reservation services for passengers on behalf of its members' companies.

## The Association of Train Operating Companies

The Association of Train Operating Companies (ATOC) brings together all train companies to preserve and enhance the benefits for passengers of Britain's national rail network. It does this by providing:

- a central clearing house for the train operators, allowing passengers to buy tickets to travel on any part of the rail network, from any station, through the Rail Settlement Plan;

- a customer experience operation, comprising:
  - National Rail Enquiries, giving passengers up-to-the-minute information on train times, fares, reservations and service disruption across the country; and
  - commercial activities, such as a range of discounted and promotional rail-cards, cutting the cost of travelling by train for groups including young people, families, senior citizens and people with disabilities.
- running the rail staff travel service, enabling most staff in the industry to benefit from some level of concessionary travel; and
- an operations, engineering and major projects team, that supports Scheme members in delivering a safe, punctual and economic railway.

## The Rail Supply Group

The Rail Supply Group (RSG) is the leading railway supply chain representative body and aims to strengthen the capability and competitiveness of the UK railway supply chain to grow business at home and abroad.

## The Rail Freight Group

The Rail Freight Group (RFG) is the leading railway freight representative body in the UK, it includes freight operators, ports, terminal operators, property developers, equipment suppliers and support services.

## The Department for Transport

The Department for Transport (DfT) is the government department responsible for setting government policy across the transport modes. One aspect of its work includes managing passenger train franchising process.

## The Office of Rail and Road

The Office of Rail and Road (ORR):

- enforces compliance with Health and Safety at Work Act and subordinate regulations for Britain's railways by:
  - setting railway-specific policy;
  - producing guidance;
  - inspection, audit and investigation of risk controls;
  - driving improvement through advice and formal enforcement;
  - assessing and authorising safety certificates and authorisations; and
  - ensuring appropriate research is carried out.

- ensures duty holders comply with processes which deliver system safety for the mainline railway; and
- acts as Britain's National Safety Authority in Europe.

ORR is also the economic regulator for the mainline railway and the Highways Monitor for Highways England. Further information on these functions are available on our website.

## Railway industry 'duty holders'

Under domestic health and safety law, employers on Britain's railways have a legal duty to eliminate risk by:

- conducting suitable and sufficient risk assessments;
- implementing control measures within a Safety Management System (SMS) through setting safe systems of work, instruction, training, supervision, monitoring and review of the effectiveness of their controls; and
- co-operating with other operators and parties.

The licence they need to operate on the mainline contains a condition which requires all railway group members (but only on the mainline) to join RSSB.

## The Rail Accident Investigation Branch

The Rail Accident Investigation Branch is the railway industry's independent investigation body for railway accidents/incidents. It:

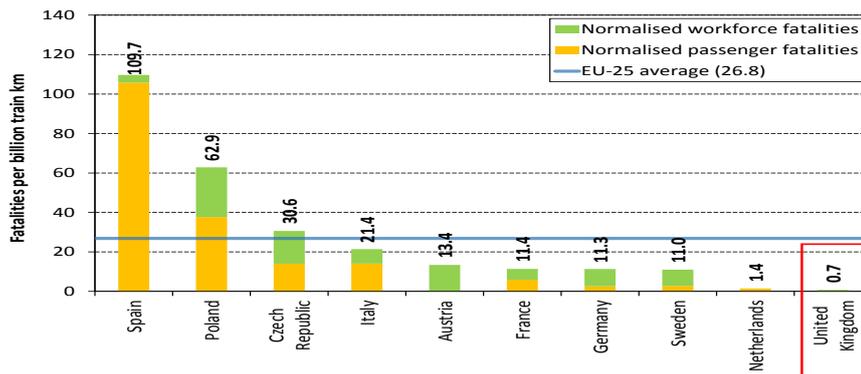
- has no enforcement powers;
- produces reports with recommendations about preventing a reoccurrence;
- can produce urgent safety advice; and
- does not apportion blame or liability.

# Annex 5 – Trends and performance in railway safety

This section uses the precursor indicator model and a comparison with other similarly sized European Union railway to show the significant improvements in safety risk management in Britain's mainline railways over the last decade and for which RSSB must rightly share in the credit.

The industry's long-term risk-based focus has led to Britain's mainline railways being amongst the very safety in Europe. During 2009-2014, the UK's railways were amongst the safest overall in the EU, first-best at managing risks to passengers and level crossing users, second-best at managing the impact of railways on the whole of society, third-best at managing employee safety and fifth-best at managing the safety of 'unauthorised persons' (or more commonly referred to as trespassers).

## Train movement harm measured across Europe's top ten biggest railways, 2009-2014\*

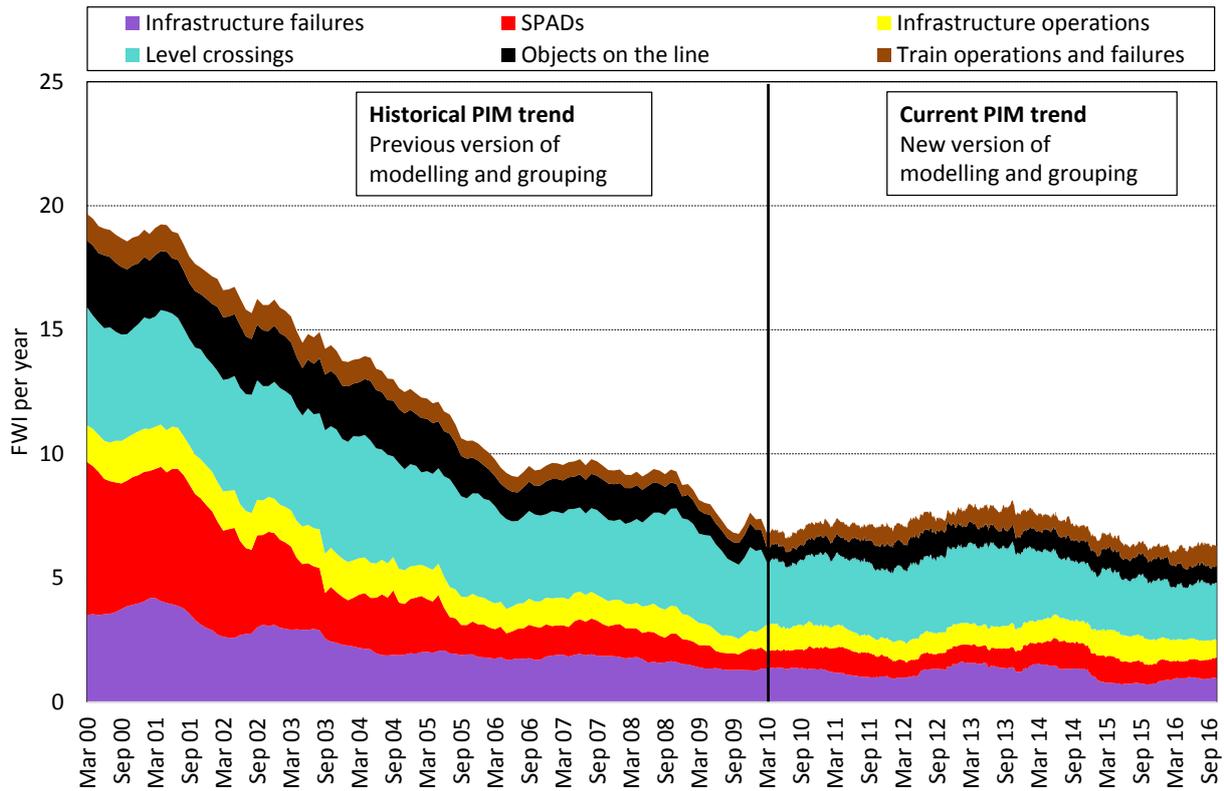


\* currently the most recently available dataset.

The last decade has seen a gradual improvement in railway safety performance, particularly since the start of 2015, both in terms of:

- numbers of industry fatalities: the last industry-caused passenger fatality in train accidents was in the high-speed derailment at Grayrigg in February 2007, in which one passenger was killed; and in 2015-16 was the first year ever when there were no worker fatalities; and
- a broader reduction in underlying trends in the precursor events that could potentially lead to a catastrophic multi-fatality train incident:

**Precursor Indicator Model from 2010-11 to March 2016**



Source: RSSB analysis of Eurostat data.



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