

RDG PR18 system operation working group

Note of meeting held on 23 March 2017 at Network Rail's offices

Attendees: Siobhán Carty (ORR), Bill Davidson (RDG), Fiona Dolman (Network Rail), Peter Graham (Freightliner), Nigel Jones (DB Cargo), Martin Leggett (ORR), Calvin Lloyd (Network Rail), Matthew Lutz (Network Rail), Helen McAllister (Network Rail), Elaine Pocock (Network Rail), Denise Rose (DfT), Garry White (Network Rail)

Introduction

1. This note summarises the main points of discussion at the meeting. It is not intended to represent the position of RDG or other attendees of the working group. Its purpose is to record key points to inform ORR's policy development and to provide transparency to interested stakeholders not present at the meeting.
2. The purpose of the meeting was to:
 - Explain further the role of the system operator, including how it is being developed under Network Rail's 'SO: Fit for the Future programme'; and
 - Provide an opportunity for stakeholders to feedback which areas they think are important for inclusion in the system operator's business plan.
3. The meeting was structured around the presentation from Network Rail, with discussions on areas of interests to the stakeholders present.

The importance and roles of the system operator in a devolved railway

4. Network Rail explained the evolving role of the system operator. Operational routes, passenger operators (franchised, open access and potential future), freight operators and funders (both local and national) can have different priorities (geographic, operational and timescales). The role of the System Operator is to draw all these different priorities together to deliver solutions that get the most out of the network overall to deliver best value for GB plc. In a devolved world (including devolution of both routes and funders), this role becomes ever more important.
5. Network Rail also pointed to greater devolution of funding decisions (including private investors), which requires consistency across the network and a role for

the system operator to play as a point of contact depending on the issue) for interested parties. Furthermore, through its 'clienting' role the system operator is accountable for the realisation of the outputs that have been agreed with funders

6. Network Rail explained that, in order to integrate with routes effectively, a 'Route System Operator' team will be formed for each route, comprising of the Principal Strategic Planner (PSP) for the route (the quantity of PSPs will increase to match the number of routes); a Capability and Capacity Analysis Project Manager; and a Timetable Production Manager. The PSP will sit on the Route Managing Director's (RMD) board to provide a good level of integration between the system operator and the routes.
7. Network Rail discussed how the system operator also has a role in ensuring the security of assets (particularly land) which may not have an immediate value, but are essential for the future development of the network. It was envisaged that the ORR would still provide final approval for asset sales, but that this would be on the basis of evidence supplied by the system operator, which is best placed to understand the future value of assets through its role in long term planning.
8. Under the new framework, Network Rail explained that access planning decisions will be devolved to the routes. However, some stakeholders, particularly freight, have interests which transcend routes, so there is a need for national coordination. The system operator has created a decision making framework for routes to follow, which requires them to consider other routes and integrate their access requirements
 - **ACTION** – Fiona Dolman to share the access decision making framework document with the RDG system operator working group.

Developments in capacity planning and timetable generation

9. Network Rail shared an update on some of the work it is undertaking to improve the capability of its teams and systems. For instance, a 'Whole System Modelling' workstream aims to address a historic difficulty in addressing performance questions through a use of 'Big Data' solutions and the timetable planning team is expanding to support more proactive timetable planning work (including helping to identify 'new' capacity in the timetable).
 - **ACTION** – Network Rail to consider highlighting these investment plans within its system operator Strategic Business Plan.
10. It was suggested that the additional capabilities within NSO could perhaps be utilised to undertake more ambitious timetable 're-casts'. However, Network Rail said that consideration would be required about the merits of this versus the scale of investment required to undertake it. However, the Digital Railway

programme continues to develop, which will represent a fundamental transformation in railway operation once implemented.

11. It was also suggested that, in the context of discussions on the evolving role of the system operator, further focus should be on how Network Rail is developing the capabilities of its staff and its systems (e.g. in the timetable production process).

Clienting of enhancements and the Long Term Planning Process

12. Network Rail explained how the role of the system operator as 'client' will be strengthened and that the accountability for clienting a project will sit with the PSP of the relevant route. They will remain as client for the outputs throughout the lifecycle of the project, and will ultimately be accountable for realising the benefits. At the transition point, the responsibility of the Sponsor (who is accountable for delivering the project within the agreed budget) will transfer from the NSO's Lead Development Managers to the Route teams, and the RMD will take on some Client responsibilities for engineering specification and delivery.
13. There were some concerns surrounding the clienting of cross-route programmes (e.g. improvements to freight corridors achieved under non-freight specific schemes), and it was accepted that Network Rail needed to undertake some additional work to strengthen and clarify this area, although freight specific schemes would be cliented by the PSP for the Freight and National Passenger Operator.
14. Going forwards, there is likely to be a change to the Long Term Planning Process (currently centred on large 'set piece' Market and Route studies) and a move to 'Modular Continuous Strategic Planning'. This will seek to address questions as they arise with more bespoke pieces of work. The transition away from the LTPP is going to be gradual, and will be dependent on the results of the End-to-End Process workstream.
15. Network Rail is also strengthening its 'clienting' capabilities, expanding the number of PSPs and developing an 'End to End' process for enhancement planning to ensure line of sight from the original specification of enhancements to the delivery of outputs.
16. It was noted that Network Rail could seek to improve its ability to deliver incremental improvements that are closely aligned to on-going renewals – by aligning delivery, enhancement benefits can be delivered at minimal additional cost.

Development of the NSO strategic business plan and score card

17. The system operator business plan fulfils a number of purposes, serving as a communications tool to set out the role of the system operator, informing customers what services and support they can expect, providing assurance to the ORR that the system operator is cost efficient.

18. The system operator scorecard has not yet been developed, but it was agreed that it should complement the route scorecards. The work undertaken by ORR and Network Rail thus far should be combined to produce a list of measures which Network Rail can then consult its customers and stakeholders on. Network Rail will be consulting its stakeholders through April/May 2017, and the ORR is expected to publish its consultation document in July.
 - **ACTION – Garry White agreed to pull together a brief note on matters of interest to the RDG Board.**