

## Terms of reference for RDG PR18 working groups

### Overview

RDG has set up four working groups to focus on issues relating to ORR's priority areas for PR18 (as set out in ORR's PR18 initial consultation). These groups are shown in the table below.

Working Group	RDG working group lead	RDG client group	RDG Exec sponsor
<p><b>Route regulation, charges and incentives.</b> This will consider regulating the NR Routes separately, reviewing track access charges, increased transparency around infrastructure costs and industry incentives.</p> <p>Sub-group: detailed working for Schedules 4 &amp; 8 and capacity charge.</p>	Bill Davidson	CRRWG Chair: Paul Plummer Also informing POG	Elizabeth de Jong
<p><b>Improve the regulation of system operation.</b> This will consider SO activities, potential performance targets and financial information on those activities</p>	Garry White	POG Chair: Jo Kaye	Elizabeth de Jong
<p><b>Refine the framework for outputs and performance monitoring.</b> This will include how to get more involvement from train operators and other local stakeholders in setting outputs and hence provide greater focus at a Route level</p>	Dean Johnson	NTF Chair: Chris Burchell	Gary Cooper
<p><b>Support new ways to treat enhancements.</b> This will build on the existing project looking at alternative means to finance and deliver infrastructure investments, and consider a more flexible approach to the current regulatory treatment of enhancements at a periodic review</p>	Calvin Lloyd	POG and CRRWG Chairs: Jo Kaye and Paul Plummer	Elizabeth de Jong/George Lynn

### Membership and administration

Each working group will comprise a selection of people to reflect the rail industry and wider stakeholders in order to inform and influence the thinking of ORR. This might vary across the groups, but typically each working group would comprise representatives from: TOC owning groups; FOCs; Network Rail, RDG; RFG; governments and the ORR. Attendance will be reviewed periodically to ensure that the groups have appropriate representation as PR18 develops.

While the RDG lead for each working group will chair each meeting, the groups will be jointly organised with ORR, reflecting the need for discussions on certain topics to take place at the best time to inform its policy making process. Accordingly, forward agendas will be agreed with ORR, in consultation with the relevant working group.

Papers and thought pieces will be put forward for discussion by members of each working group; quite often the papers will be from the ORR, but they will also be from Network Rail, RDG, train operators, freight operators and the governments. As well as producing material for discussion, members of the working groups will review and comment on papers and proposals to support an open and constructive discussion on issues and concerns.

### ***Reporting***

ORR will normally take a note of the key points made at each meeting (unattributed) so that these are captured for the policy development process. Draft notes will be shared with the relevant working group for comment, and once finalised, will be published on the ORR website for transparency and copied to other working groups and relevant RDG committees to support joined up thinking. It may also be appropriate for certain discussion papers to be circulated and published.

### ***Lifetime of the working groups***

It is expected that the working groups will run from May 2016 until at least as far as summer 2018, including potentially discussing ORR's draft determination.

### ***Co-ordination across the 4 working groups***

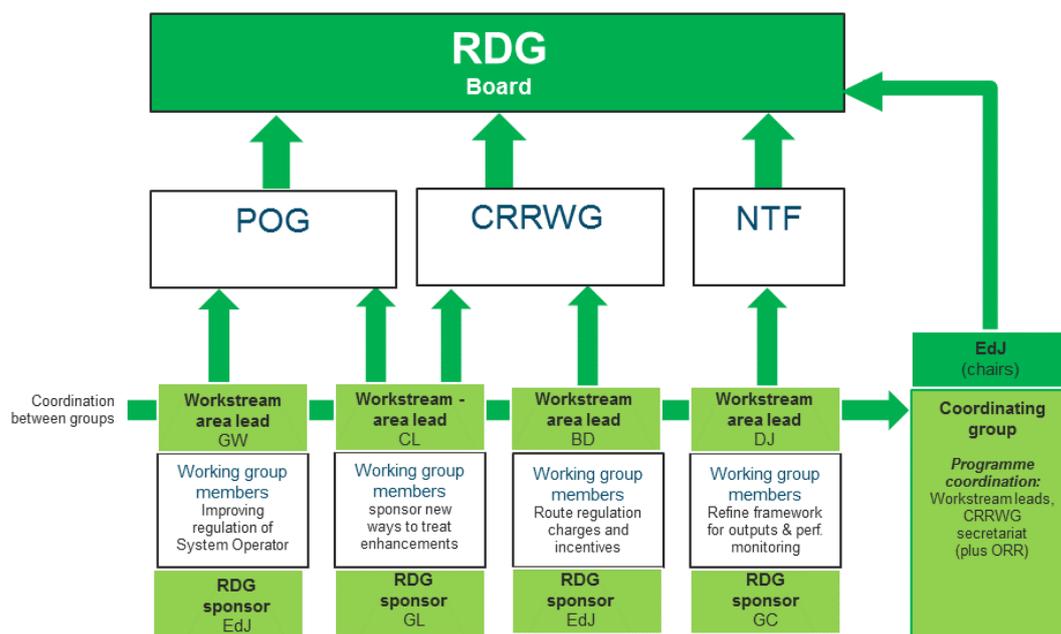
There are links between the 4 working groups and so it is important that there is effective coordination between them, to avoid conflicts or inappropriate duplication of work and to identify and resolve any gaps in oversight of key issues. This will be undertaken through a co-ordinating group lead by Elizabeth de Jong and supported by Bill Davidson (PR18 Project Manager) at RDG and Peter Swatridge (CRRWG secretariat). Each working group lead would sit on this group. Similarly, CRRWG, POG and NTF, and ultimately, the RDG Board will also maintain a strategic overview of the issues discussed at the working groups.

### ***Other working groups and sub-groups***

As PR18 develops, it may be necessary to form further groups to discuss specific aspects of the regulatory framework, e.g. specific charges or incentives.

The RDG PR18 Project Manager will monitor the delivery of the working group and the need for any additional groups as RDG's work progresses. The existence of working groups does not stop specific workshops being convened (e.g. by RDG or ORR) with a broader attendance to discuss particular issues.

## Overview of the working groups and relationship with other committees/groups



### **RDG governance arrangements for the working groups**

RDG will oversee the operation of the working groups, and may also commission specific analysis and policy work to inform the discussions of the working groups and ORR's thinking. Key responsibilities are set out below.

#### **RDG working group lead**

These are responsible for:

- Maintaining a forward agenda (agreed with ORR) in consultation with the group
- Where appropriate, overseeing RDG-commissioned analysis to inform potential approaches
- Engagement with members to ensure that any RDG submissions to ORR reflect industry views

#### **Chair of client group**

The remit of each of the 4 industry working groups may be varied with the agreement of the respective client RDG group (either CRRWG, NTF or POG). The chair of this group is accountable for:

- Approval of working group remit on behalf of industry
- Approval of any RDG-commissioned response on specific issues or consultations on behalf of industry

#### **RDG exec sponsor**

There is an RDG exec sponsor for each client group. They are accountable for:

- Overseeing delivery/progress of programme workstreams
- Engagement with members and review of any RDG-commissioned policy outputs

***RDG Board***

The RDG Board will be approached for final approval of RDG-commissioned policy outputs.

***External support***

RDG may commission external advice and support for certain activities (i.e. consultancy work) to develop short discussion papers to inform members' thinking. This type consultancy spend is likely to be funded through RDG's 'business as usual' budget. However, the RDG Board would need to be approached to fund more substantive pieces of work and original research.