



# Welcome to RIHSAC 102

7 June 2016

Dilip Sinha, Secretary, RIHSAC



# PR18 Initial Consultation

June 2016

# PR18 Initial Consultation

- We have published our first major document, preparing for the regulatory settlement for Network Rail.
  - This will likely cover the five-year period from 1 April 2019
  
- This document looks at how the context has changed, sets out our initial proposals for responding to these changes, and invites comments and ideas from stakeholders.
  
- Forthcoming working papers:
  - Route-level regulation and system operation
  - Outputs
  - Enhancements

REMOVE NOTES BEFORE SHARING



**Demands on the Network**

**Reclassification & Public Spending**

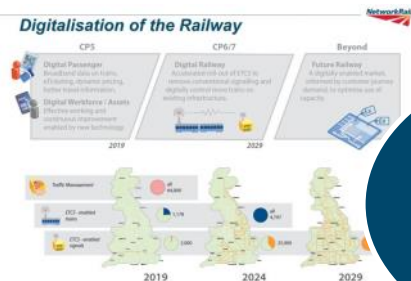
**Efficiency & Performance**

**Political & Operational Devolution**

**Digital Railway**

**Shaw Review**

**Context for the review**



## Route-level Regulation

- Support the shift towards route-level decision making
- Encourages greater involvement from customers & regional funders
- Greater use of comparison between routes

## System Operation

- Encourage better use of the network
- Support improved capability in terms of network analysis and planning
- Protect operators moving passengers and freight across route boundaries

## New ways to treat enhancements

- Respond to the increased diversity of funders
- Provide flexibility to funders
- Implies some change to the periodic review to make this work

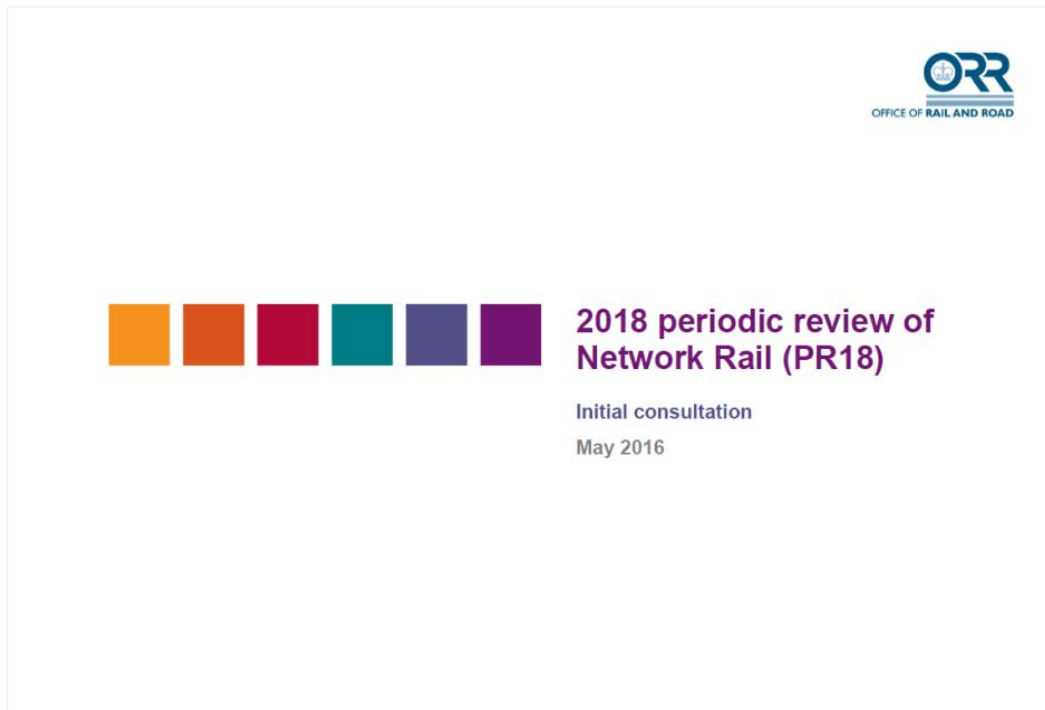
## Outputs & Performance Monitoring

- Build on industry work to improve how we measure performance
- Increased route-level monitoring & transparency
- Continued protection of renewals volumes and asset condition

## Cost transparency & improved incentives

- Improved information about what drives cost on the network
- Explore way to improve alignment of TOCs, FOCs and Network Rail incentives
- Incremental improvements to the performance and possessions regimes

# Contact details



Please subscribe to our PR18 email alerts service and you will receive our all latest news:  
<http://eepurl.com/b1XI5H>

e: [PR18@orr.gsi.gov.uk](mailto:PR18@orr.gsi.gov.uk)

w: [www.orr.gov.uk/pr18](http://www.orr.gov.uk/pr18)



# RIHSAC 102

Reviews update

Johnny Schute



# The Shaw Report



# Route Devolution

*‘Evolutionary, rather than revolutionary change’*

- Strong endorsement of ORR’s planned approach to PR18.
- Welcome statements over independent regulation in rail.
- Significantly deeper route devolution, although not separate companies
  - Responsibility over all functions that can be devolved.
  - Routes to be empowered to operate as independent divisions.
  - Have regulatory outputs and accounts to compare performance.
  - Accountable through route scorecards
  - *But not with legal separation.*
- Distinct ‘system operator’ within Network Rail.
- ‘Virtual’ freight route.

# Other key recommendations

- Network Rail route for the North.
- Greater customer involvement in planning enhancements.
- Separation of enhancements from 5 yearly control periods.
- In the longer term;
  - Introduction of private capital into the operation?
  - Maintenance and renewals delivered through concessions?
- Clear statement of roles and responsibilities across the industry required.
- More effective set of 'reputational' tools for enforcement.

# DfT-ORR MoU

- New MoU being drafted between ORR and DfT.
- Outlines the broad principles of how both organisations work together
  - Understanding each other's priorities
  - Discussing equitable division of workload on joint projects.
- Discrete section on health, safety and standards and Europe.
- Completion end of June?



# The DfT review

# Key recommendations

Report was 'brief and low key'

- Supports strong independent regulation that puts customers at the heart of rail.
- Identifies the need for greater clarity in ORR's statutory duties and updated statutory guidance.
- Enhanced working relationship with Transport Focus.



# The RSSB Review

# Context of review (1)

- Invitation to conduct review – authority is ‘Schedule 6, para.1.2(a) of Constitution Agreement.
  - Lord Cullen’s vision: *an independent safety body for*
    - Setting and reviewing of Railway Group and other standards.
    - Industry accreditation of product/service suppliers and licensing of individuals.
    - Promotion of safety through sub-committees.
    - Funding and sponsoring R&D.
    - Monitoring and reporting on safety performance, spreading good practice and providing safety leadership.
- ‘Re-create part of what was lost in a disaggregated industry’*

# Context of Review (2)

- 1<sup>st</sup> Review (2004) – Address concerns from Government White paper.
- 2<sup>nd</sup> Review (2010) – Looking at RSSB's role, functions, structure, governance and funding arrangements.
- Recent reviews – Bowe, Hendy, DfT and Shaw:
- Dynamic environment around review:
  - Digital railway.
  - Increased use of the railway network.
  - Greater devolution of decision making.
  - RSSB's new strategic mission, ways of working and vision.



# Project Definition

## ■ Aim of the review

- *Through an independent review determine how the strategic priorities of RSSB are best aligned with the strategic objectives of the rail industry in order to best support the current and future railway.*

or

- *To provide an independent review of how RSSB best works, in concert with other industry bodies, to provide focused and effective support to the rail industry - now and for the future.*

## ■ Objectives: To:

- *Examine and analyse* progress in addressing recommendations of previous review.
- *Appraise* RSSB's new strategic priorities.
- *Publish* a report with recommendations covering both what priority objectives RSSB should focus on and how it should organise to deliver them.

# Scope

- 2.2.1 Context for the review.
- 2.2.2 RSSB's purpose
- 2.2.3 Representation by RSSB
- 2.2.4 Scope of RSSB activities.
- 2.2.5 Performance and Delivery.
- 2.2.6 Influences on RSSB.
- 2.2.7 Governance structure.
- 2.2.8 Funding arrangements
- 2.2.9 Relations and interfaces.
- 2.2.10 Responsiveness to change.

# Deliverables and Key milestones

- Establish a steering committee drawn from senior and influential personnel across the industry
- Steering committee meets during the review: 6 June, late July, early September and November 2016;
- Conduct targeted bilateral discussions with key industry stakeholders: May – July 2016, using a customised question set.
- Consult with key industry stakeholders, using a generic question set, and 2 – 3 facilitated workshops.
- Conduct a public consultation exercise (one aimed at informed industry and a shorter version aimed at the general public) designed around the evidence gathered from the steering committee and other key stakeholders. Starting on Friday 10 June and concluding on Friday 22 July 2016];
- In parallel, host a workshop (after 28 June and by mid-July) to facilitate open discussions with stakeholders about ORR's review of RSSB; and
- Publish a first draft of the report detailing the findings of the review and making recommendations by the end of September, in time for RSSB's 14 October board meeting and its 2017-18 work planning processes. A finalised final report will be issued before the end of 2016.

# Project Governance

## ■ ORR Board:

- Overall responsibility.
- Briefed by JMcC and IP during project.
- Final report endorsed by them.

## ■ Steering Group:

- Advise on project definition, scoping and timing.
- Advise on summary of project findings and draft recommendations.
- Advise on draft report to ORR board.
- Individual members report progress to/seek views from sectors of industry from which they are drawn and feed into review.

## ■ Project Team:

- Conduct review.
- Update and seek advice from Steering Group.
- Draft report.

# Work Programme

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	■						
Initial 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/letter					■		
First draft of finalised report/letter						■	
Third steering group meeting							★
Send draft finalised report to RSSB							■
RSSB's 14 October board meeting							■
RSSB's board responds to ORR letter							■
Finalised letter issued by ORR							■
Final Steering Group meeting							★



# ORR/BTP/RAIB MoU review

# Key issues

- This MoU was set in 2006 and remains extant.
- As a result of a meeting between Chief Constable BTP and Chief Inspector ORR it was considered timely to review. Chief Inspector RAIB concurred.
- Some efforts at amendment a few years back but nothing substantive agreed.
- Initial working group has met and agreed
  - The current document is rather ‘clunky’ and could benefit from streamlining.
  - It would be useful to confirm that arrangements around investigations remain fit for purpose.
  - Prudent to review in the light of 4<sup>th</sup> Railway package’s influence on Rail Accident and Investigation Regulations (RAIR).
  - To consider whether collaboration between ORR inspectors and area commanders need to be formalised.
- Aim is to complete the review within this working year.



OFFICE OF RAIL AND ROAD



**Any  
questions?**





# Management Maturity Model (RM3) Update

Neil Anderson, HM Inspector of Railways

RM3 Manager

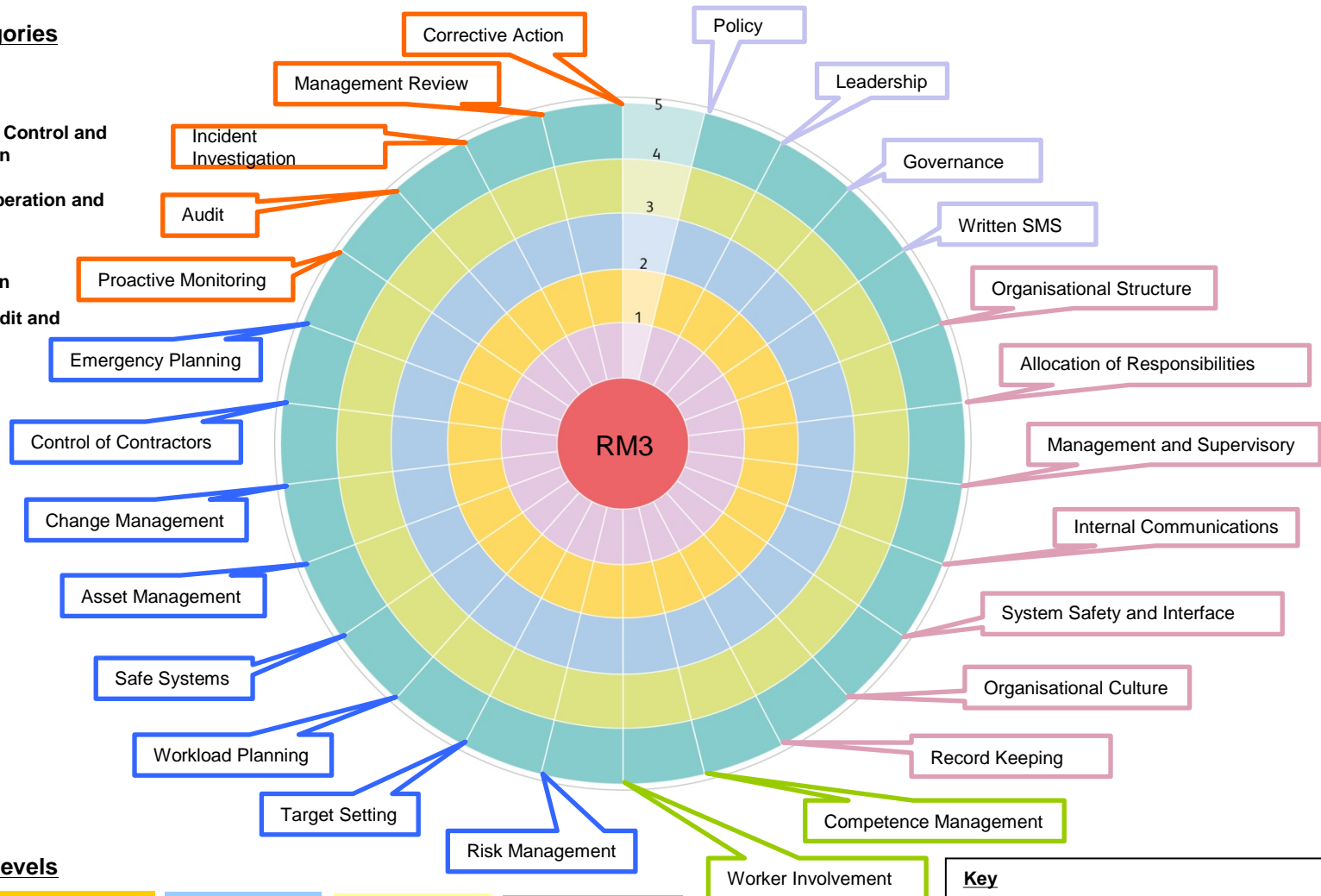
# Content of presentation

- Past, a brief refresher on RM3
- Present, Current position
- Future, developing and further embedding

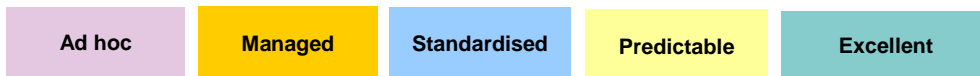
- Governance, Policy and Leadership;
- Organising for delivery of control and communication;
- Cooperation, competence and development of employees at all levels;
- Planning and implementing risk controls
- Monitoring, review and audit

### RM<sup>3</sup> Main Categories

- Policy
- Organising for Control and Communication
- Securing Cooperation and Competence
- Planning and Implementation
- Monitoring, Audit and Review



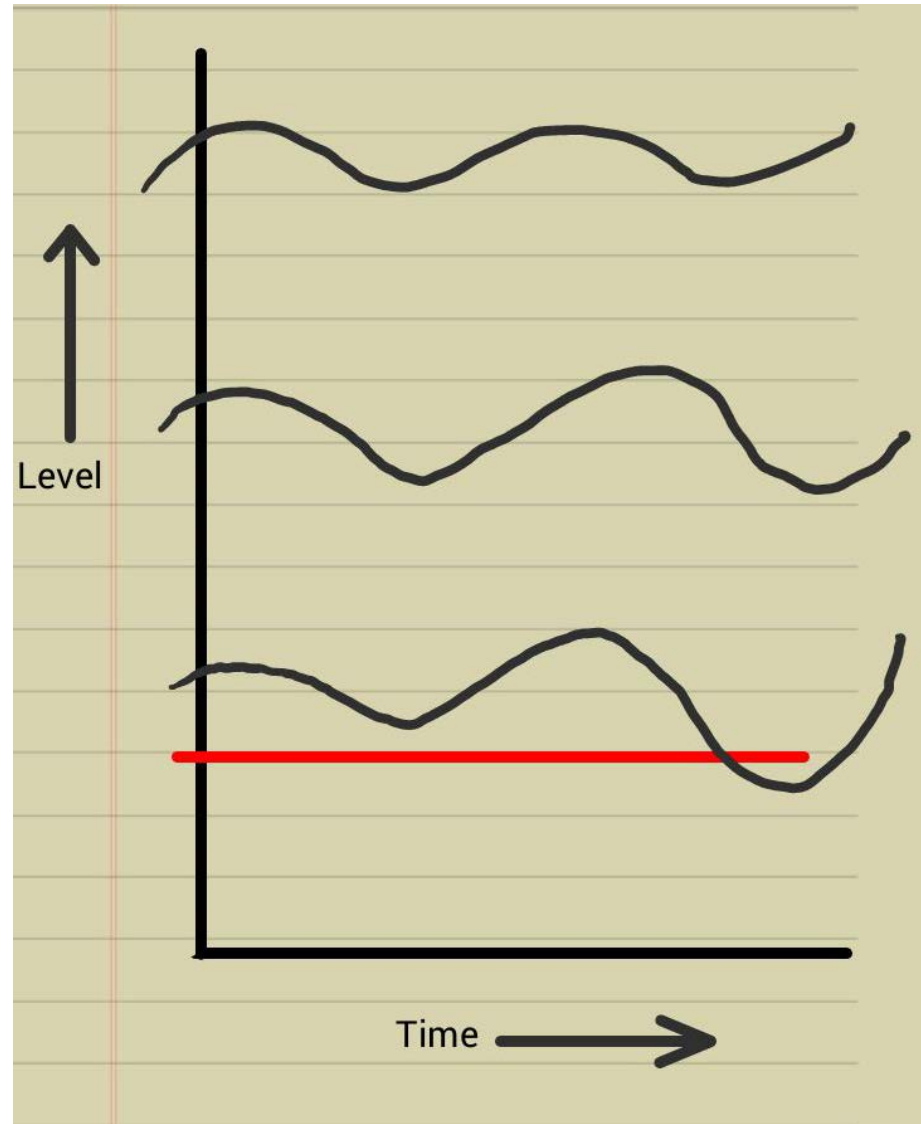
### Achievement levels



**Key**

- Dutyholder assessment 2010
- Dutyholder Target by end 2012/13

# Why RM3?



# The present

- Collaboration with HSL
  - Governance Board
- Independent evaluation 2014
  - Training
  - Web expertise
- Workshop 20 May
  - 72 attendees
  - All parts of rail industry
  - RSSB strategy for working together

# The future: developing and embedding excellence

- Continue to support training
- Health management
- Revitalise criteria
  - Build on levels
- Governance board membership widened
- Enabler sets of criteria
- E.g. use RM3 to meet BS11000 on collaboration
  - Sharing good practice
  - ERA Safety Management Capability Model for use by NSA's when forming views on the adequacy of an RU or IM Safety Management System

# Enabler set for collaborative relationships

- Based on BS 11000
- Leadership (SP1)
- Policy (SP2, SP3)
- Internal co-operation (OP1)
- Competence (OP2)
- Responsibilities etc (OC1, OC2, OC6, OC7)
- Interface arrangements (OC5)
- Risk assessment (PI1)
- Target setting (PI2)
- Proactive monitoring etc (MRA1, MRA2, MRA5)



Collaborative business relationships – Part 1:  
A framework specification



# RSD Enforcement Policy

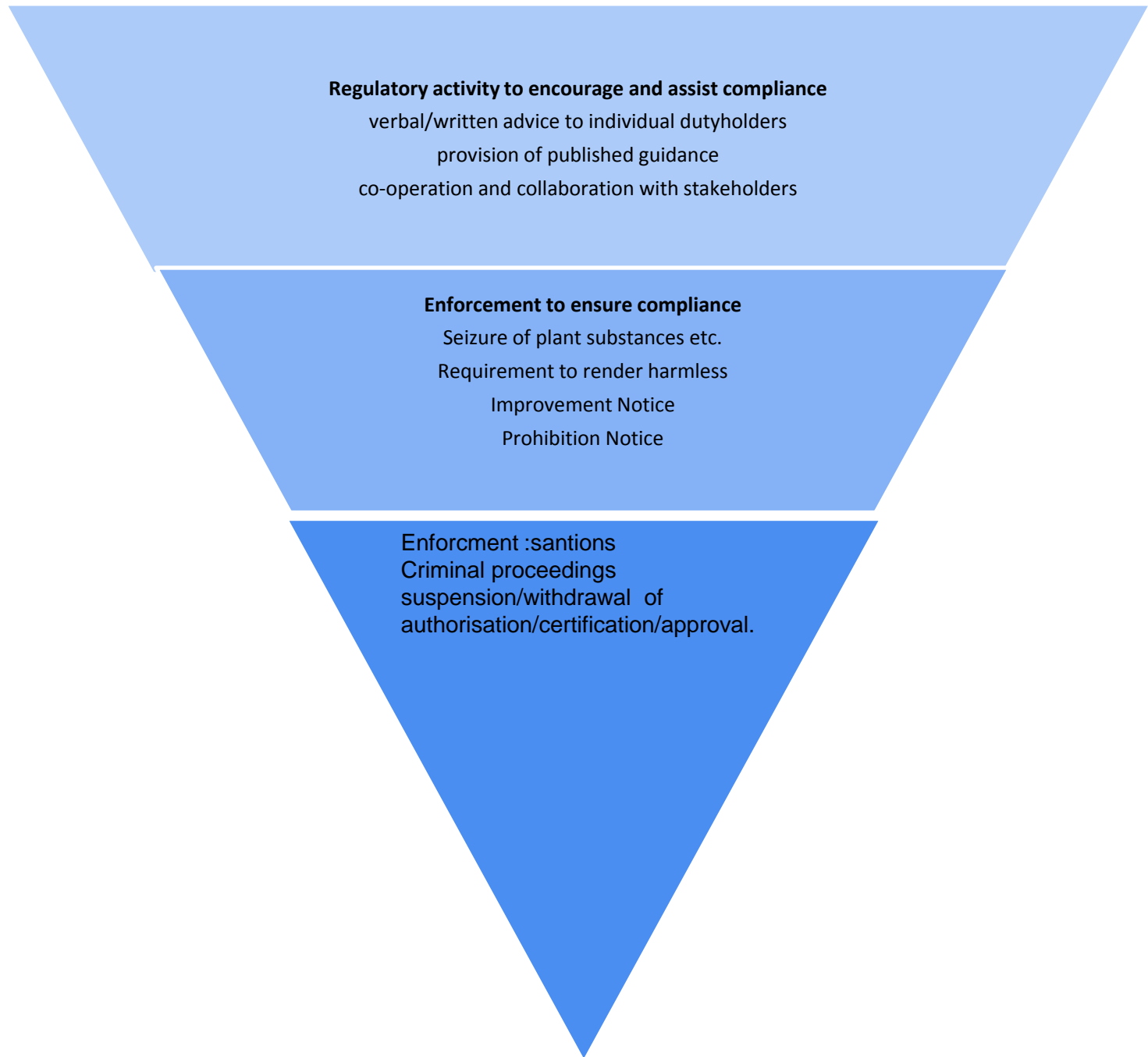
Summary of changes

Darren Anderson



# Aims of the review

- Brought to RIHSAC in October 2015 now complete and published
- No Policy differences but change of emphasis away from formal enforcement alone, easier to read with less legal jargon
- Change to “compliance and enforcement” not just enforcement
- Principles remain the same
  - Proportionality
  - Targetting
  - Consistency
  - Transparency
  - Accountability
- Now linked to RSD Strategic Objectives specifically the drive for a safer railway.
- Reflect broad range of interventions not just PR,IN and PN.



# What are the Differences

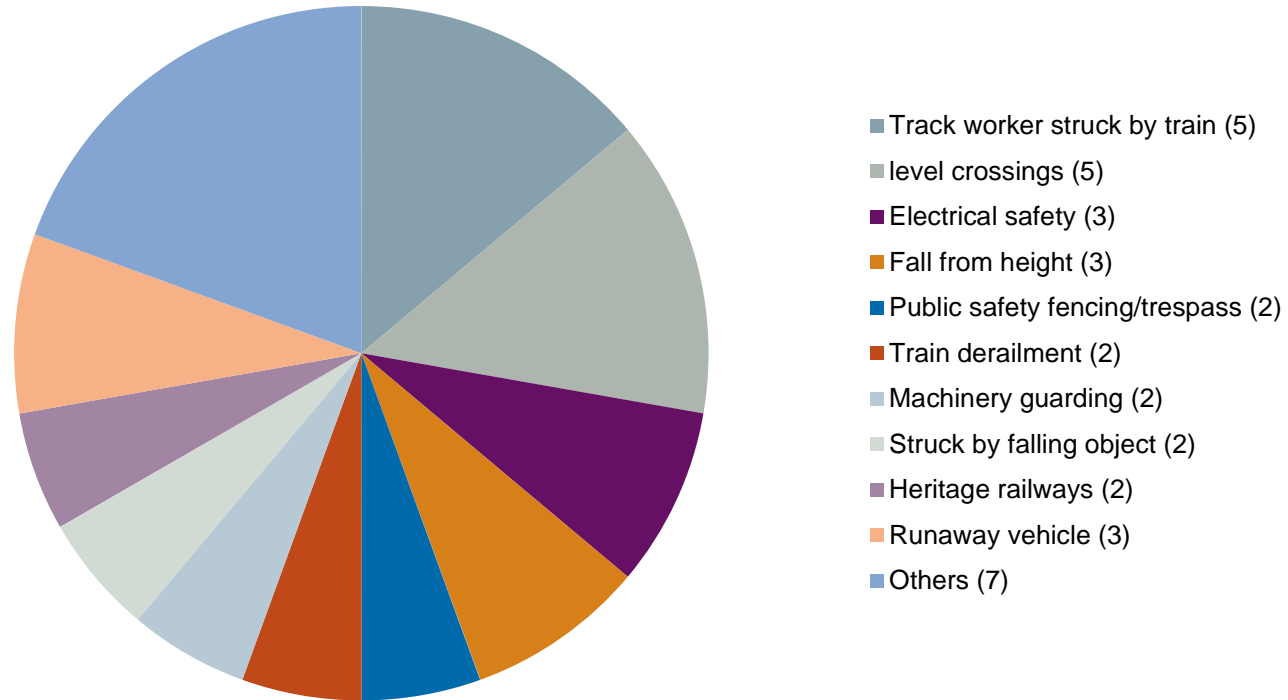
## 2013 version

- Includes details of Investigation process.
- Prosecution Process included but no details of duty holder post incident response.
- Not linked to ORR strategic objective and vision for success.
- Publicity included as part of policy. “Draw media attention ”

## 2016 Version

- Investigation process now separate.
- Duty Holders reaction post incident identified as relevant.
- Linked to strategic objectives.
- Enforcement publicity not included as part of policy.
- Policy reflects victims rights including review of decision not to prosecute.
- Policy reflects Growth Duty to have regard to economic growth when making decisions when considering compliance strategy

## ORR Cases sample = 36



Others – single numbers
Track patroller falsified records
Train driver TPWS abuse
Train driver taking out unfit train
COSHH related fatality
Passenger risk arising from stalled train in tunnel
Injury to passenger falling at station undergoing upgrade
Possession irregularity: trolley placed outside possession