



Siobhán Carty  
Office of Rail and Road  
2nd Floor  
One Kemble Street  
London  
WC2B 4AN

16<sup>th</sup> October 2015

Dear Siobhán,

**RE: SYSTEM OPERATION - A CONSULTATION ON MAKING BETTER USE OF THE RAILWAY NETWORK**

Please find enclosed the response of the Transport Salaried Staffs' Association (TSSA) to the above consultation.

TSSA welcomes the opportunity to contribute to the ORR's consultation on this issue. We are an independent trade union with approximately 20,000 members throughout the United Kingdom and Republic of Ireland. Most of our members work in the UK rail industry in management, technical, professional, supervisory and administration functions.

TSSA policy is determined by our Annual Conference that comprises delegates from our Branches throughout the United Kingdom and Ireland the majority of who work in the rail industry and have first hand, working knowledge of the industry. Over the years many industry issues have been debated at length, most recently in May of this year at our annual delegates conference.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Cortes', written over a circular scribble.

Manuel Cortes  
General Secretary

Head Office: Walkden House, 10 Melton Street, London NW1 2EJ

# **TSSA RESPONSE TO ORR CONSULTATION ON SYSTEM OPERATION - MAKING BETTER USE OF THE RAILWAY NETWORK**

## **Introduction**

TSSA is pleased to be able to contribute to this consultation and does so on the basis that the Union has a significant number of members who work in the UK rail industry, including within Network Rail and all of the TOCS and FOCs.

This consultation comes at a time when Network Rail is the subject of three separate reviews including that being conducted by Nicola Shaw, the Chief Executive of HS1, who has been tasked to look at the future funding and structure of Network Rail, provoking many to see this as a prelude to the break up and privatisation of the organisation in pursuit of government objectives around austerity and diminishing the size of the state, and nothing to do with improving the efficiency of the rail network.

With this in mind, TSSA would ask whether the timing of the ORR's consultation is appropriate because one of the potential results of a break up of Network Rail would be to add yet another layer of complexity to the current railway structure which may require a review of system operation, especially when the potential effects of the Market Pillar of EU's Fourth Rail Package are also taken into account (noting the 'general approach' taken in this area by EU ministers on 8<sup>th</sup> October).

In addition, the Union notes that at several points references are made to improving system operation efficiency as a way to create additional capacity and thus avoid expensive major projects. Whilst there is a lot of logic to this approach, we would "read between the lines" that one of the purposes of the consultation is to prepare for reduced funding in CP6 and, as part of the periodic review, to ask whether all of Network Rail's programme is actually required.

We are also conscious there are no specific proposals in the consultation document to make better use of the railway network and because of this we question why it has come forward under this title?

## **System operation in rail**

That said, as a concept, TSSA is supportive of the theory of system operation which has always been at the heart of how Britain's railways have been run.

Drawing parallels with network industries like gas, electricity transmission and air traffic control illustrates the split between operation, maintenance and sales but into this mix the railways also impose a complex web of existing structural, physical, interface and relationship issues, not to mention how different, sometimes competing, parties are incentivised in different ways, with commercial organisations seeking to extract their profit.

## **Question 1**

The consultation does not address these difficulties and as such our views on the five functions described in Question 1 means that an additional factor has to be that of coordination (see Paragraph 49 of the Consultation Document) across the functions, often currently carried out by Network Rail. Linked to this is the element of who will make decisions, how collaboration with work, conducting reviews and a system for escalating and settling differences.

We also see that these extra functions should be introduced alongside a need to align incentives (see Page 9 of Credo Report) so that each industry player and each activity (eg train operation) are pulling in the same direction as they operate across different interfaces in a collective desire to provide a service to passengers and freight users.

Ultimately, TSSA believes that many of these issues can only be overcome by the political decision to move the railways into public ownership because that will bring about re-integration of the different elements of the railways of Britain, thereby reducing interfaces and introducing joined up incentives.

### **Delivering good system operation**

Taking our cue from the consultation document, TSSA believes that to deliver good system operation in order to improve capacity to meet rising demand requires coordination (see Paragraph 49) and collaboration underpinned by effective leadership and a link between performance and incentives.

Part of this approach will need to recognise how different stakeholders may make different, competing demands of the rail network (eg, Network Rail seeking possessions to carry out maintenance or renewal activities whilst operators run an on-time service) and which informs their individual approach to the different points of the long term and real time system operation. In essence, one group cannot be allowed to dictate to another when all should be able to recognise each other's requirements

### **Question 2**

Noting that there is a mistake in the second bullet point of the list of six areas described in Paragraph 71 (Page 22) when compared with Figure 8 on Page 18, TSSA recognises the Credo Report's description of three very generalised factors draws out some of our concerns about coordination and collaboration.

However, we would point to some of the contents of Figure 8 and in particular the implication of 'making the right trade-offs' (Outcome 3) which, given our concerns about cuts to investment, could mean that despite greater demand, additional capacity is not provided on socially necessary routes (or services) because sufficiently additional revenue may not be generated. In part, this concern may be alleviated by some of the contents of Outcome 4 but there is probably a need to emphasise the societal contribution of the rail network in many locations, even if it does not generate financial benefits to justify additional investment.

We would also draw attention to Outcome 5, ‘helping train operators to deliver.’ On the one hand, it is vital that operators should be able to meet performance targets and that the cost of providing that level of performance is appropriate in order to avoid users deserting the railways because of delays and cancellations, particularly at a time of such growth. On the other hand, however, we believe that the TOCs should be incentivised to participate in investment alongside Network Rail and the tax payer, and not just to meet the Committed Obligations of their franchise agreements.

‘Continued safety operation’ (Outcome 1) is also a significant factor for TSSA. This is seen in two areas:

1. In the event of Network Rail being broken up and privatised, we fear a return to a Railtrack scenario that would actually undermine the continued (and improved) safety operation of the railway;
2. Both ORR and RSSB have highlighted in their respective annual safety reports how injuries to rail workers have not seen any improvement, but have actually plateaued when based on hours worked. We also remain concerned about issues of workers’ health in a range of areas, including in respect of stress which is not helped by placing additional demands on staff as a result of jobs cuts to meet company performance targets. These concerns can be magnified in other areas (eg, Outcome 2, ‘getting more from the network’) as greater demands are made amidst a reducing workforce.

#### **Question 4**

TSSA agrees that the implementation of incentives needs to be accompanied by the correct measurement metrics that are based on stakeholder obligations and aspirations.

In making that statement, we would also want to see attention given to the timescales involved and that there would be links that aligned short and long term outcomes and incentives with appropriate measurement tools.

One area that we have had a concern about for some time is that of the five year Control Periods which, in our view, should operate as part of a much longer, maybe twenty year, rolling period of forward planning.

Incentivisation and regulation of network system operation should also measure how collaboration and coordination has taken place between all of the appropriate parties in a given circumstance and not just be focused on Network Rail.

With continued expectations of efficiencies by Network Rail that result in cuts to jobs, we would also argue that an intrinsic part of all measurement tools should be to seek to show whether there is a correlation between attainment of system operation goals and workforce reductions, with the

potential consequence of increased levels of presenteeism, stress and other mental health issues.

## **Conclusion**

In acknowledging how system operation has been used as a concept by the railways of Britain for many years, TSSA has sought to highlight matters where we remain concerned about. Amidst those are the timing of the document when Network Rail's continued existence in its current form is under review and when the government is embarking on a further sustained period of austerity that may also affect the ability to provide additional capacity for the growing numbers of passengers.

In closing, the Union looks forward to participating in the next round of consultation in early 2016 as ORR prepare for the periodic review of Network Rail (PR18).