



August 2012

Consultation Response

CECA Response to the Office of Rail Regulation

Consultation on proposals to formalise the Rail Delivery Group

Mr. Andrew Eyles
Office of Rail Regulation
1 Kemble Street
London
WC2B 4AN

Dear Mr. Eyles,

Re: Consultation on proposals to formalise the Rail Delivery Group

The Civil Engineering Contractors Association (CECA) welcomes the opportunity to respond to the above named consultation. CECA is the representative body for companies who work day-to-day to deliver, upgrade, and maintain the UK's infrastructure.

With more than 300 members throughout England, Scotland and Wales, CECA represents firms who together carry out 80 per cent of all civil engineering activity in the UK, in the key sectors of transport, energy, communications, waste and water.

Our members include some of the largest construction firms as well as a range of small specialist and regional contractors. Our industry supports the employment of over 200,000 people in the UK with annual activity worth £25 billion. In the rail sector, our members are estimated to deliver more than 80 per cent of all infrastructure construction activity carried out each year.

The need for better and sustainable infrastructure is a key challenge. Our infrastructure has historically lagged behind other developed economies - the UK was listed 28th in the world for overall infrastructure quality by the World Economic Forum in 2011-2012. It is not satisfactory for our infrastructure to run at, or near, capacity; spare capacity needs to be provided to cope with the unexpected.

**For more information, please contact CECA director of external affairs
Alasdair Reisner on 020 7340 0454 or alasdairreisner@ceca.co.uk**

Investing in infrastructure has a stronger positive effect on GDP per capita than other forms of investment. Yet, at the moment, investment decisions are taking too long. As John Armit, Chairman of the Olympic Delivery Authority, commented recently "16 years to build 150km of HS2" reflected a "lack of maturity" around the infrastructure debate. We need long term plans, thoroughly debated, then stuck to, so that projects that are agreed can be planned, designed and executed quickly and economically.

Our response has been developed in close collaboration with our rail forum. The forum is a working group of over 90 members whose business interests include significant expertise in the rail sector. In doing so, we have focused our response where we believe we can add value.

We trust that you find our comments helpful and that they will be taken into consideration.

Yours sincerely



Mike Cocks
CECA UK Rail Director

Question 1 – Please comment on whether you consider that the purpose of RDG will drive the changes and improvements envisaged by the McNulty study.

Our organisation has been fully supportive of the recommendations of the McNulty Rail Value for Money study, and look forward to working with other representatives from across the industry to ensure that these recommendations are taken up.

We believe that this presents a considerable challenge for a sector that covers a wide area, both geographically and in terms of the activities and organisations that will be involved in delivering the recommendations.

It is therefore vital that efforts the McNulty recommendations are kept alive and are not allowed to recede in importance to the industry. We believe that it is essential that there is a central and powerful point of influence which drives forward the McNulty agenda and prevents any loss of focus.

We believe that the Rail Delivery Group provides this. Our experience of industry improvement across the wider infrastructure sector shows that it is at its most successful when it is driven by those in the most senior and visible positions in the industry, leaving others in no doubt of the requirement for change.

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Question 3 – Please comment on how you consider RDG could best engage with licensed and associate members.

In our answer to Question 1 we have highlighted our belief that delivery of the McNulty recommendations must be driven towards implementation by those in senior positions within the rail industry, a role for which the Rail Delivery Group is well placed.

However the RDG cannot achieve this in isolation. While many of the reforms engendered by McNulty can be led by RDG members, most will require the involvement of the broader railway supply chain.

There are a number of industry bodies, including our own, that can help support engagement with the wider industry supply chain, both to roll out recommendations, but also to receive feedback on how well they are being implemented.

In order for this to be successful, the Rail Delivery Group must build up a picture of the way the rail supply chain is represented. We believe that the RDG should be able to call up on expertise from representative groups covering separate parts of the rail sector. To do this, it must first know who these representative groups are.

As the trade body which represents the majority of contractors working to delivery railway infrastructure construction works, we would welcome the chance to support the RDG in its work. We believe that the model proposed in the consultation paper will achieve this, provided steps are first taken to ensure that all appropriate bodies are involved in discussions.

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