



DRAFT

Consultation Response

**'The Rail Delivery Group – Consultation
on the formalisation of the RDG'**

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1. Introduction

- 1.1. **pteg** represents the six Passenger Transport Executives (PTEs) in England which between them serve more than eleven million people in Tyne and Wear ('Nexus'), West Yorkshire ('Metro'), South Yorkshire, Greater Manchester, Merseyside ('Merseytravel') and the West Midlands ('Centro'). Bristol and the West of England, Leicester City Council, Nottingham City Council, Transport for London (TfL) and Strathclyde Partnership for Transport (SPT) are associate members of **pteg**, though this response does not represent their views. The PTEs plan, procure, provide and promote public transport in some of Britain's largest city regions, with the aim of providing integrated public transport networks accessible to all.
- 1.2. PTEs are seeking a greater devolved role in the delivery of local rail services in the West Midlands and North of England, and discussions are currently underway between the PTEs and the DfT on this issue. The McNulty review identified potential benefits relating to devolved funding, specification and management of local rail. If devolution takes place, this will mean a much more substantial role for PTEs in the specification, development and funding of passenger franchises.
- 1.3. The Rail Delivery Group (RDG) currently operates in an informal capacity in taking forward McNulty recommendations. It is proposed through the consultation to formalise RDG by making it a company limited by guarantee in order to ensure on-going senior level participation. The means to do this would be by a new condition in operators' licences. Other stakeholders, such as PTEs, would be permitted to join as associate members.
- 1.4. Our key concerns are twofold. The first is about the lack of representation and means of input into the Rail Delivery Group by PTEs that reflects their potential future role in franchising. If PTEs take on a franchising role (as has TFL now), this potentially gives them a greater stake in determining the outcomes that are set for the RDG. This is not reflected in the proposed structure and we would like to understand how the RDG proposes to address this issue.
- 1.5. Secondly, there is a need for greater transparency in terms of the work of RDG and its outputs – particularly as they may have significant impacts on the railways in our areas. We wish to see greater levels of transparency for the RDG, including the publication of an annual report setting out key actions and progress.

2. Consultation questions and responses

1. Please comment on whether you consider that the purpose of RDG set out in paragraphs 2.3 to 2.5 will drive the changes and improvements envisaged by the McNulty study (paragraph 2.6).

- 2.1. We have a concern that local rail services will not be a key consideration for the RDG as currently constituted and that as a result the implementation of McNulty may unnecessarily be detrimental to local services. It is not clear how the purpose and structure of the RDG will address this concern as it is currently proposed.

2. Are you content with the proposed structure of the RDG board set out in paragraphs 2.16 to 2.24, particularly in terms of scope of representation and the criteria for membership (paragraph 2.25)?

- 2.2. As **pteg** we will want to be an associate member of RDG.
- 2.3. Associates will potentially be a large disparate group with many and varied interests, and therefore careful consideration needs to be given to how those interests are best organised and represented.
- 2.4. It is also not clear what influence associate members will have on the main RDG board (and how influence will be wielded by associates). Therefore clearer accountability to associates is required and possibly some distinctions between the different types of associates may be required
- 2.5. For example, for transport authorities like PTEs, it is important that the interests of passengers and taxpayers, whose objectives may be different, are taken into account if overall value for money is to be achieved. It is not clear how this will be achieved through the current structure of RDG. As guardians of public interest, transport authorities should be given a clear say over decisions of the Group where they are prejudicial to fare-payers and taxpayers; and where authorities are funders of services, then they should have some 'right of veto'.

3. Please comment on how you consider RDG could best engage with licensed and associate members (paragraph 2.30).

- 2.6. We believe that associates should be consulted on policy issues and key decisions, and should have a real opportunity to influence policy through discussions and workshops.
- 2.7. The RDG therefore needs to provide clearer accountability for its actions; and needs much improved transparency and communications with associates and the industry. The RDG will need to justify to Licensed and Associate Members the policies that it is adopting.
- 2.8. In broader terms, the RDG should undertake to publish an annual report setting out its key actions, progress and future work programme so its work is available for all stakeholders to see.

4. (For licensed train operators and Network Rail) - in view of these proposals would you be content to agree to the introduction of the new condition at Annex B into your licence? If not, what changes would you wish to see which would allow you to provide that agreement (paragraph 2.41)?

- 2.9. No comment

5. Will the proposed voting and quorum arrangements set out in paragraphs 2.45 to 2.47 provide you with assurance that decisions taken by RDG will have sufficient cross-industry support to justify implementation? (paragraph 2.50).

- 2.10. No comment on the proposals themselves, however it is not clear how accountability for any decisions made to associates and stakeholders will be undertaken; and what will the process for taking issue over any decisions reached by RDG.

6. Are there any specific commercial protections that you consider will need to be included within the competition compliance document (paragraph 2.53)?

2.11. No comment

7. Please comment on whether you consider the funding arrangements proposed in paragraphs 2.59 and 2.60 to be appropriate (paragraph 2.61).

2.12. No comment