



Rail Safety & Standards Board

Secretary of State's rail review Rail Safety and Standards Board (RSSB) submission

Executive Summary

Rail Safety and Standards Board (RSSB) is the industry owned, member driven organisation set up to deliver a number of key industry functions.

We believe the achievement of better performance and a significant reduction in costs are the key challenges facing the industry. We will contribute to this by working to deliver a better safety – cost – performance balance. Particular areas where RSSB is working are:

Leadership and risk aversion

- Developing safety decision criteria, safety strategy and a prioritised, costed and demonstrably affordable supporting plan and working to ensure regulatory endorsement of these industry initiatives.
- Addressing risk aversion through safety leadership and competence development programmes.

Standards and interoperability

- Addressing concerns about standards and processes and developing changes that take out excessive cost.
- Reducing the number of standards.
- Reviewing standards management processes to respond to European requirements and simplify the national standards regime.
- Securing European standards that meet UK needs.

Optimisation

- Supporting systems integration and helping all to have absolute clarity as to their roles and responsibilities.
- Promoting the application of good practice in areas where risk is shared. For example, signals passed at danger.
- Ensuring that our analysis of safety data and understanding of risk in the industry's safety risk model is used to drive change.

RSSB is absolutely in favour of achieving consensual change in a timely and urgent manner recognising that it is alignment of values, attitudes, behaviours and beliefs rather than greater regulation that will deliver a better sustainable railway. RSSB is well placed to facilitate achievement of the required changes.

In view of our status as a member organisation we have focused on what we are doing to help the industry, rather than on organisational change.

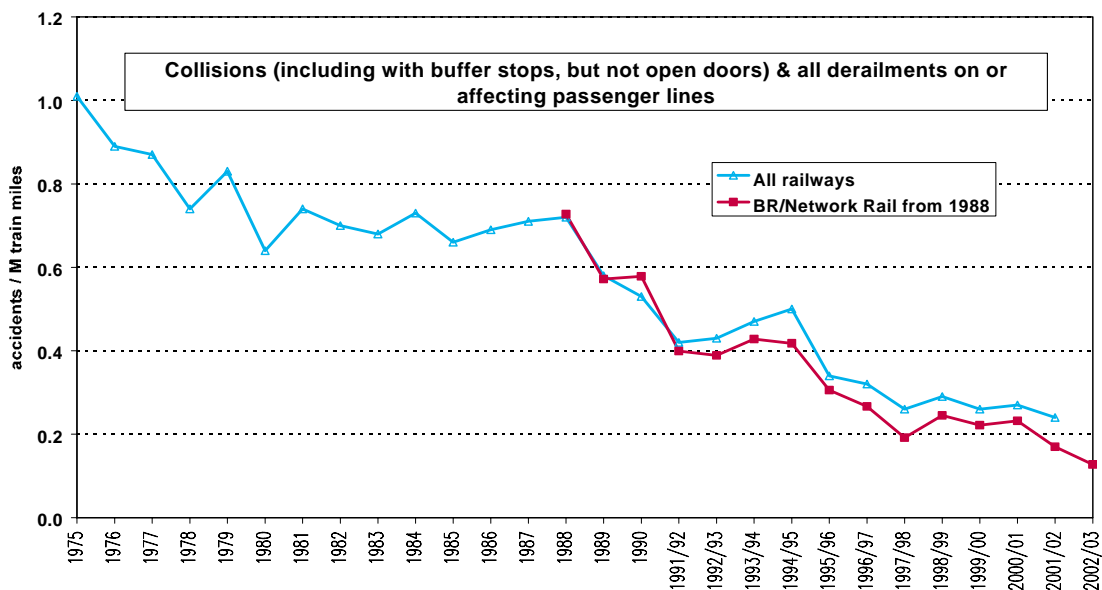
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1. Authority for this submission
 - 1.1 This submission sets out the agreed position of the Board of RSSB and is submitted in parallel to the Secretary of State and the Chairman of the Strategic Rail Authority.
2. The Rail Safety and Standards Board (RSSB)
 - 2.1. RSSB is owned by the rail industry and is a not for profit body. It was established on 1 April 2003 in response to a recommendation made by Lord Cullen. We: *“lead and facilitate the railway industry’s work to achieve continuous improvement in the health and safety performance of the railways in Great Britain and thus to facilitate the reduction of risk to passengers, employees and the public so far as reasonably practicable, so aiding compliance by providers of railway services with their obligations under health and safety law”*.
 - 2.2. RSSB has some 60 members, including all the major duty holders in the national rail industry. Membership is split into six categories consisting of passenger train operators, non-passenger train operators (freight), Network Rail, rolling stock owners, infrastructure contractors and suppliers. Each of these constituencies and the Strategic Rail Authority are represented on the Board of RSSB along with five independent non-executive directors and three executive directors who are supported by approximately 180 staff. The Health and Safety Executive (HSE), SRA and Office of the Rail Regulator (ORR) have the right to attend and speak at Board meetings. A more broadly based Advisory Committee enables the input of trades unions, Rail Passengers Council and others not represented on the Board.
 - 2.3. Relationships between RSSB and its members are fundamental to the achievement of our purpose. RSSB considers that these relationships are developing in a positive manner. We are also developing strong and constructive relationships with the HSE, SRA and ORR. There is recognition among our stakeholders that RSSB can develop in a way that leads to it delivering increasing value to the management of safety risks within a wider business risk context. Affordability is a key issue integral to all the work of RSSB
 - 2.4. In line with the primary purpose RSSB:
 - Coordinates the development of safety decision criteria and production of the safety strategy and Railway Group Safety Plan
 - Manages Railway Group Standards (RGS)
 - Facilitates and manages a programme of health and safety research and development (R & D)
 - Facilitates the UK rail industry involvement in the development of European legislation and standards

- Monitors, reports and informs on health and safety performance trends (including the industry annual safety performance report)
- Helps the industry learn the safety lessons from accidents through organising independent inquiries and tracking industry responses to recommendations
- Disseminates and encourages adoption of good practice approaches to health and safety across the railway industry
- Maintains and develops the rail industry's safety risk model
- Facilitates and supports a range of 'common purpose' initiatives including those relating to SPAD (signals passed at danger) management, level crossing safety, track worker safety, route crime and a safety leadership programme

3. The condition of safety

3.1. Notwithstanding the catastrophic train accidents that have occurred, the overall safety performance of the railway has improved in recent years. This is illustrated by the trend in significant train accidents:



Sources: HMRI Annual Report, except 2002/03 which is estimated on HMRI basis.

3.2. Improvement in underlying safety performance has been achieved despite the turmoil faced over the last decade. RSSB and the industry are not complacent and wish to secure further improvements in safety performance. Commercially run railway businesses take their individual safety responsibilities at least as seriously as was the case in the British Rail era. If safety performance is to be optimised within the overall equation of safety, cost and performance a system led approach is essential.

3.3. Better alignment of values, attitudes, beliefs and behaviours with absolute clarity as to the roles of both the State and its agencies (the 'regulatory community') on the one hand and industry on the other is

essential. Greater clarity will lead to more effective management of system safety risks in the wider business risk context.

- 3.4. RSSB is leading work with the 'regulatory community' and industry to enable all to better understand roles and relationships. This work is making good progress and has defined a central role for RSSB in relation to safety decision criteria, safety strategy and RGSP all of which need to be owned by the industry and endorsed by the 'regulatory community'. This work has also reaffirmed the need to address the absence of a universally agreed and accepted 'guiding mind' at the system level and that the industry feels impacted by an externally generated 'blame and punish' culture. RSSB is committed to taking this work forward and is sharing emerging outputs.
- 3.5. Our conclusion is that the current safety performance can best be sustained and driven forward when a system level active management system is employed rather than a series of less effective arrangements driven off the responsibilities of individual duty holders.
4. Cost and performance consequences of safety and standards
 - 4.1. RSSB recognises that driving down cost is in itself not a threat to safety and may be paralleled by further improvement in system and hence safety performance. What matters is that safety issues are addressed as an element of decisions to secure wider business optimisation. Accordingly, safety must not be addressed as if it is a bolt on option.
 - 4.2. It is our view that the restructuring of the railway in the mid 1990s led to a loss of system thinking and that this has put considerable pressure on the real cost of providing railway services. Safety rather than a lack of system thinking is very often cited as either the principal or major cause of cost escalation witnessed in recent years. In this context, standards, whether those managed by RSSB or those internal to a company, are the focus for criticism – often without specific evidence.
 - 4.3. RSSB actively encourages proposals for standards change and is committed to the professional review of these proposals to ensure that standards are proportionate (for example appropriate to community railways) and aligned with the strategic needs of the industry. However, analysis of complaints about standards shows that most problems are with management decisions, not the standards. Indeed, investment projects can be managed on the basis that the standards to be achieved are, in other than exceptional circumstances, 'frozen'. The SRA chaired Standards Strategy Group has considered a range of such complaints and found evidence of improperly controlled specification changes, procurement of bespoke rather than standardised solutions, misaligned commercial incentives and lack of effective project management. Often these wider management decisions can be seen as those of individuals or management teams who are inherently risk averse and in need of support to develop

competence in taking risk based decisions. RSSB considers that risk aversion and limitations of management capability rather than the standards themselves is the greater driver of cost escalation.

- 4.4. Reasons for this risk aversion are complex and not wholly linked to issues of safety. Such behaviour occurs when there is a fear of being found individually or corporately wanting in the management of safety, particularly when there is social amplification of risk and 'blame and punish' expectations. Another factor is the way in which some very significant inquiry recommendations have been made and accepted without apparent reference to affordability and an underlying economic case for their acceptance.
- 4.5. RSSB recognises a potential for conflict between a societal expectation that crimes of 'corporate killing' are pursued and a public need to secure a value for money railway. This conflict is central to an articulated public position that following Clapham and Ladbrooke Grove automatic train protection should be fitted without delay and, on the other hand, the economic case for such a system necessarily being led by the lifecycle renewal of signalling infrastructure.
- 4.6. Motivation for and the nature and extent of regulated interventions must be considered and the impact on defining 'gross disproportion' assessed. For example, RSSB remains wholly behind the correct application of the Train Protection and Warning System (TPWS) across the national network. However the regulated requirement for fitment at permanent speed restrictions and on the approach to buffer stops (for which the system was not designed) has, according to the latest academic research, resulted in the TPWS system having an implied value of preventing a fatality of some £11m. The requirement to eliminate Mark 1 rolling stock was reliant on a substantially higher value of preventing a fatality. The 'rail review' must address the future basis for regulatory decisions.
- 4.7. Given the need to secure a more affordable railway and implications of European Union (EU) directives, particularly in relation to interoperability, RSSB is leading a review of future arrangements and the need for standards – including Technical Standards for Interoperability (TSIs), Euronorms, HSE Railway Safety Principles and Guidance, Railway Group Standards and company standards. The review, which involves all of the industry, HSE and SRA is developing guiding principles on which future standards should be based. This will provide the opportunity for agreement of a unified national position to help the industry to improve its efficiency and performance through:
 - Simplifying remaining national standards and aligning them with European requirements,
 - Maximising the influence the industry has in shaping and forming EU standards, and,
 - Ensuring proportionality.

Appendix A summarises the way the RSSB led review team sees the development of standards under the Interoperability and Safety Directives – both of which are now certain to become EU law.

- 4.8. Risk aversion and the nature of standards need to be seen in the context of competence and contractual relationships. These issues affect not only relationships within the industry but also those between industry and the ‘regulatory community’. Attention must be paid to the, at times perverse, incentives within the contractual matrix to focus firmly on system optimisation, for example by securing procurement of rolling stock that is compatible and able to work together regardless of the manufacturer. By addressing these issues key interfaces within the railway system will be better managed and cost reduced as there will be substantially less of a focus on the hypothetical risks to which individual industry players consider themselves to be exposed.
5. Moving the industry forward
- 5.1. RSSB considers that the best way to secure the future of the railway system is within a sustainable development framework. This recognises the partnership between the railway and those it seeks to serve and the broader benefits to society that arise from a well-run railway. Simplistically the model is set out below:

<u>A sustainable development framework for rail</u>	
<u>Core value</u>	<u>Principal stakeholders</u>
Making money	Funding bodies / Investors / Businesses
Getting value for money	Taxpayers / Government / Customers
Minimising negative impact (E.g. accidents, damage to the environment)	Society (Government / electorate / public) /Customers /Businesses / Railway workforce
Maximising positive impact (E.g. attracting companies to an area thus creating new activity and jobs; providing a wider range of mobility options for all social groups; environmental benefits; improved safety compared with other modes)	Society (Government / electorate / public) /Customers / Businesses / Railway workforce

- 5.2. Central to this model is an acceptance that safety on its own is not the purpose of the railway; rather, safety is an attribute of an effective railway system. As such safety has to be taken into account in

addressing each of the core values and the impact of decisions on each of the stakeholders.

- 5.3. The railway industry must work together to make the case for rail. RSSB can and is willing to work to facilitate the development of a more cohesive industry approach to system optimisation as evidenced by agreement of the 'regulatory community' and industry that RSSB should facilitate the:
 - 5.3.1. Development and agreement of a realistic, shared, safety strategy and supporting plans, owned by the industry and endorsed by the 'regulatory community'. The safety strategy will lay out the framework, principles and values applied in making decisions about safety amongst other things. The supporting safety plan, to be implemented on 1 January 2005, will be costed, evaluated in terms of expected safety, performance and efficiency gain outcomes, and agreed and committed to by all duty holders and funding bodies. RSSB will take the lead in securing endorsement of both the safety strategy and supporting plan by the 'regulatory community'. Emerging thinking will be shared in April 2004.
 - 5.3.2. Effective management of system interfaces, for example those between track and vehicles and trains and the signalling system. System interface committees (SICs) will be progressively established from 1 April 2004 to identify optimal arrangements. These SICs will make recommendations for action that are for the benefit of the industry rather than individual players therein.
 - 5.3.3. Structured engagement of the UK rail industry in respect of the European agenda for interoperability and safety. This involves working with all to ensure that the best representation is deployed at interfaces with EU initiatives regardless of the organisation employing the expertise.
 - 5.3.4. Management of the principal national standards (RGS) process to secure system safety cost effectively. Central to this process is the collaborative working of experts drawn from across the industry to a code that requires robust and consistent justification of the standards concerned.
 - 5.3.5. Development and delivery of a cohesive R & D programme to address catastrophic and individual risks and the wider management of safety. The cost efficiency of the railway and a system led approach are central goals of this SRA funded effort.
 - 5.3.6. Cost effective delivery of national services including, for example, the industry's confidential incident reporting and analysis system (CIRAS) which is being developed on the basis

that RSSB will operate it for one third less than the cost of the current external contracts.

- 5.4. RSSB considers it is for industry to take a greater role in securing system optimisation. RSSB could provide the vehicle through which more effective systems integration is facilitated and thus secured. Clearly, this cannot be on the basis of safety alone and must necessarily focus on the wider system issues if a better cost / safety / performance balance is to be secured.
- 5.5. RSSB considers that the best route to securing the necessary change is one that is consensual rather than directive. Accordingly, a solution based on industry collaboration rather than on greater regulation of the industry is required. Changes need to be progressed so as to support the development of greater trust within the industry.
6. Government and the 'regulatory community'
 - 6.1. It is the wish of industry to see the national arrangements for the regulation and justified social funding of the railway develop in a way that allows it to play a full part in the economic, social and environmental well being of the nation. RSSB is acutely aware of and is responding to changes that are being driven off the EU agenda for interoperability and the requirements of the Safety Directive.
 - 6.2. In so far as these EU initiatives are concerned, RSSB's view is that there is greater rather than lesser value in the industry pursuing a consensual approach to systems integration and optimisation. It is further the view of RSSB that national arrangements to give effect to the relevant EU Directives should, be simplified and the industry enabled to play the fullest part in securing system optimisation.
 - 6.3. RSSB considers that the railway industry does not need more intrusive safety regulation. Rather, it believes that the industry must be encouraged and supported to mature and take on a greater responsibility for the safe and effective conduct of its operations.
 - 6.4. Industry is too risk averse and not well advanced in integrating safety management within the wider management system. RSSB considers it important that the Government's 'rail review' addresses those matters within its control that currently lead to an externally generated 'blame and punish' psyche afflicting many management decisions that feed through into significantly increased costs of providing railway services. In parallel RSSB would wish the 'rail review' to examine the nature of contracts to ensure that they pay due regard to securing system optimisation and minimise the opportunity for perverse economic incentives driving sub-optimal decisions.

7. The pace of change
 - 7.1. The Board of RSSB recognises and wholly supports the imperative of achieving controls and behaviours to secure an increased utility and reduction in the net cost of rail services. However, it is vital that this does not import transitional risks that undermine safety improvements already achieved and impact on the delivery of further improvement in safety.
 - 7.2. The sustainable development model set out in section 5.1, is therefore considered to be the best route to secure system optimisation. This approach can be adopted consensually without recourse to primary or secondary legislation over and above that necessary to align national arrangements with those of European law.
8. Further input to the 'rail review'
 - 8.1. RSSB wishes to play a full part in the 'rail review' and will be pleased to provide further information in support of the arguments advanced in this submission. In particular, RSSB would welcome the opportunity to present in more detail emerging thinking in respect of roles and responsibilities, safety strategy and plans, decision criteria and standards management.

19 March 2004