

Rail Plant Association Update

RPA Management Committee Chairman Paul Helks reports on the current initiatives of the association.

In September 2022, the on-track plant community was asked to complete a Request for Information document from Capgemini, on behalf of Network Rail. Capgemini was supporting Network Rail in a review of its On-Track Plant (OTP) Asset Register. The aim was to identify and resolve any gaps or outdated information in the register and ensure all active vehicles have Product Acceptance.

The outcome report would be to identify all active OTP operating under legacy arrangements so a quantified list could be compiled. Based on the results of this survey, Network Rail will produce a plan to achieve full Product Acceptance in due course with risk-based derogations in the meantime.

The Rail Plant Association (RPA) has conducted its own survey which has identified that around 50% of the base plant and around 90% of the attachments, across the whole fleet, do not currently have a Product Acceptance certificate. As this legacy equipment has been operating for a number of years, the RPA sees this as an 'assurance risk' rather than an 'operational risk' and we hope that Network Rail will view it in the same way.

The RPA is in discussions with Network Rail to agree a pragmatic approach to a resolution which recognises that railway plant provides the workhorses of the industry and standing down anything without Product Acceptance could have unintended consequences for broader railway safety. As we transition from a RIS-1530-PLT



Collective Mark

regime to a RIS-1530-PLT plus Product Acceptance regime, a commonsense leadership approach from both Network Rail and the RPA, on behalf of the plant owners, should hopefully allow us to navigate this journey in a safe, efficient and effective way.

RSSB and the Plant Standards Committee are currently consulting on RIS-1530-PLT Issue 7 - On-Track Plant, Trolley and Associated Equipment. Details about this consultation can be found in the standards section of the RSSB website. The document package is 1089 and it contains the consultation letter, business case for change, briefing note, Issue 7 draft and the comment sheet. The deadline to submit comments is 22nd June. These will be circulated, along with your name and organisation, to the relevant standards committee(s) to help inform any responses.

Showtime!

The Rail Live exhibition returns again on 21st and 22nd June and, as usual, is being held at Long Marston. It is always a well-attended event and a great place for suppliers, large and



Paul Helks, Management Committee Chairman, RPA.

small, to show off their new products, equipment and services. The RPA team will be on hand at the event, so pop along to stand M4 and say hello. We hope to see you all there.

Leadership meeting

The RPA will be holding its next leadership meeting on the 4th July in Hockley Heath. If you would like further details of the meeting, please contact the association by email on: rpa@cpa.uk.net

Steve Featherstone update

A perfect storm can be defined as the coming together of a number of events, each of which is significant, but when taken together adds up to something incredible.

The last year or so has seen something of a perfect storm for the plant hire community. At a macro level, the perfect storm was created by the combined effects of Brexit, Covid-19 and the war in Ukraine.

The combined effect of Brexit and Covid-19 disrupted supply chains, increasing the cost and lead times of essential parts required to manufacture and maintain plant and equipment.

The post Covid-19 economic boom started the pressure on inflation with haulage seeing particular price increases. Just as light was appearing on the horizon with supply chains starting to return to normal, the war in Ukraine caused further challenges.

The disruption to oil and gas markets led to significant increases in the cost of fuel and the cost of energy. The increase in the cost of diesel put real pressure on the plant community as both haulage costs and plant operating costs increased significantly.

General economic inflation led to pressure on wage costs, travel costs, hotel costs, subsistence costs, etc., all of which had to be met by the plant suppliers.

The government response to increasing inflation was to increase interest rates. The provision of plant is a capital-intensive business and increases in interest rates really impact on the plant providers.

At a macro level, we can look at the

costs at an industry level. There is about £1 billion of rail-specific plant in the supply chain. If we assume it is 50% depreciated then that leaves £500 million of capital to be funded by either stakeholders or by debt. As the cost of capital has increased by around 5%, then the additional cost of funding this across the whole supply chain has increased by around £25 million.

The final part of the perfect storm was the Network Rail industrial action that saw swathes of work cancelled at short notice, significantly reducing the turnover of the plant supply businesses. So, the last year or so has been the perfect storm of a disrupted order book with increasing costs for the plant supply chain.

The good news is that it feels like we are now coming out of the storm and heading for calmer waters, at least in the short-term. Supply chains have adapted and are back to near normal levels. Oil and gas markets have adapted so fuel and energy prices are in the process of returning to more normal levels.

General inflation is predicted to fall rapidly over the next year and, as it does, interest rates are also predicted to fall. The Network Rail industrial action has been resolved and there is a focus on catching up on work which was postponed. So, as the industry closes out Control Period 6 (CP6), we should see calmer waters for the plant supply chain.

As we look ahead to CP7, which starts in April 2024, I remain concerned at the lack of visibility of the future enhancements pipeline of work. The government was

supposed to publish the Rail Network Enhancements Pipeline (RNEP) every year to provide the supply chain with forward visibility so that they could make the necessary investments in both people and equipment. However, the last RNEP was published in October 2019, which is coming up for four years ago.

As we hopefully have a period of relative calm over the next year, it would be great if this created a window for the government to publish an up-to-date RNEP to set the foundations for CP7. I will support the RPA in challenging the government to produce this information.



Steve Featherstone, RPA Consultant.