

PLANNING OVERSIGHT GROUP

MINUTES – 11TH MAY 2016

01 INTRODUCTIONS AND APOLOGIES FOR ABSENCE

Attendees

Jo Kaye	Network Rail (Chair)
Mark Havenhand	RDG (Secretariat)
Roger Cobbe	Arriva
Lindsay Durham	Freightliner
Richard Evans	Go-Ahead
Russell Evans	FirstGroup
Seb Gordon	RDG
Graeme Hampshire	Stagecoach
Elizabeth de Jong	RDG
Chris Kimberley	HS2
Calvin Lloyd	RDG
Jeremy Long	MTR
Mark Phillips	RSSB
Alan Pilbeam	Abellio
Jonathan Pugh	Network Rail
Stuart White	DfT
Darren Horley	Virgin Trains
Peter Loosley	Rail Industry Association

Apologies

Martin Arter	Digital Railway
Jeremy Candfield	Rail Industry Association
Gary Cooper	National Task Force
Andy Course	Eversholt Rail
Jonathan Dunster	Virgin Trains
Paul Furze-Waddock	National Express
Nigel Jones	DB Cargo

02 POG STOCKTAKE DEBRIEF / FEEDBACK FROM RDG BOARD

Jo Kaye provided feedback from the RDG Board, who were generally supportive of the paper on the IIA. Feedback on the April POG IIA 'stocktake' was invited, which prompted discussions around a number of topics. The first related to the distinction between renewals and enhancements, and the desire to ensure that, rather than being automatic 'like for like' replacements, renewals consider the potential to enhance the infrastructure when it is replaced. This could be supported by an examination of the 'rules' which determine the difference between renewals and enhancements. It was suggested that POG could have a role in supporting Network Rail in identifying market opportunities to consider in determining whether a renewal should become an enhancement. A similar approach is already adopted in Scotland, where objectives / outcomes for each route are set out.

The next area of discussion related to the overall key messages and success factors for the IIA document. It was agreed that a useful exercise could be to draft an 'ideal' press notice / Q&A document to help shape the key messages for the IIA, and to agree this with POG [16-05-01].

There was a challenge to the level of ambition for the industry to do things differently, particularly in terms of the need to secure more private investment, and to make more use of technology to deliver outputs more efficiently. It was noted that the potential to attract more private capital was being explored within Network Rail and through a dedicated RDG working group, but it was debated whether more technology-based opportunities were likely to exist in CP6, beyond the Digital Railway programme. Suggested solutions included the IPEMU and tools to optimise the timetable.

A discussion followed regarding appropriate targets and incentives for attracting alternative sources of investment and encouraging innovation through franchising. The DfT were comfortable with the IIA identifying any constraints generated by existing industry structures, and noted the importance of reflecting on the recommendations of the Shaw and other industry reviews.

03 FUNDERS' REQUIREMENTS FOR IIA

Jo Kaye restated the view of the DfT regarding the IIA as one of a number of outputs which will be used to inform ministerial decision making. It is accepted that, although the list of interventions set out in the IIA will be longer than the short term funding envelope would allow, there is a need to ensure that sufficient evidence can be provided regarding wider benefits to allow ministers to make informed decisions. The DfT added some further key requirements:

- A clear reflection of the Bove and Shaw reviews
- Exploring opportunities to secure other devolved public sector and private sector funding
- Outcome-based arguments, expressed from customers' point of view
- Options and choices, helpful to distinguish these from core scenario
- Include prioritisation

The need to provide an IIA by late September for the use of Scottish ministers was noted, to support a consultation on transport policy (which has not been refreshed in 10 years) in late autumn. Ministers are expected to need advice on meeting their outputs, key decision points and the impacts of not meeting these decision points. Whilst the case for rail is generally understood, what is required is the demonstration of a clear linkage between recommended interventions and wider outcomes.

The need to engage with a wider range of funders was appreciated, although it was considered that any attempt to quantify their current importance would be unhelpful given the likelihood of their roles evolving.

04 DEVELOPMENT OF CORE AND CHOICE OPTIONS

Calvin Lloyd presented an approach for prioritisation in the IIA which identified a core set of interventions plus a number of further options. This general approach was supported, however there was some debate regarding the detail.

The levels of funding likely to be required to support some of the interventions was discussed, and whether funding should be requested via the IIA or provided as part of other project budgets (e.g. Crossrail 2, HS2, etc.). Currently no funding is identified as being required to deliver the enhancements necessary for franchisees to support their aspirations. POG members were requested to provide details of any such commitments which exist **[16-05-02]**.

The need for more supporting detail was emphasised, particularly where opportunities exist to meet the outputs with a reduced call on funding, e.g. by leaving station gate lines open rather than investing in congestion relief interventions. Other recommendations included identifying:

- Timescales for delivery, including the points at which the need for interventions is expected to become acute.
- The scope of development funding
- Scheme outputs and wider benefits / value returned to funders

Whilst the IIA does not necessarily have to recommend schemes developed by funders and 'task forces', it should be sufficiently flexible to recognise that these may be funded for delivery in CP6 and beyond. For all schemes it is vital to draw a clear line of sight from funder aspirations to the outputs of the interventions.

The rollover of schemes from the Hendy Review was discussed, and it was agreed that, although the schemes were still committed for delivery, there could be scope to review their scope and re-profile delivery to reflect changing external factors and to better integrate with other projects.

The role of the IIA in supporting the rebalancing of the economy was debated – and whether the IIA should present a case based purely on industry business case / need which recognised that this was unlikely to rebalance the economy.

05 APPROACH TO FRANCHISE CONSULTATIONS

Elizabeth de Jong communicated the publication of the Intercity West Coast consultation document and requested POG's opinion regarding responding to this and other franchise consultations.

It was agreed that POG should provide a short response to this and future consultations, recognising its role of providing strategic planning input to franchising and recognising the role of FSG **[16-05-03]**. There could be scope in the response to highlight key issues omitted from the consultation document, and to identify concerns regarding the franchising process in general.

POG should also adopt a similar role in engaging with other funders and specifiers.

06 SCOTLAND UPDATE

07 TOMORROW'S RAILWAY PORTFOLIO

08 POG FORWARD LOOK

Papers relating to the above items were circulated in advance of the meeting and comments to Mark Havenhand were invited in correspondence.