

Planning Oversight Group

Minutes – 12th July 2016

01 Introductions and apologies for absence

Attendees

Jo Kaye	Network Rail (Chair)
Mark Havenhand	RDG (Secretariat)
Martin Arter	Digital Railway
Lindsay Durham	Freightliner
Russell Evans	FirstGroup
Seb Gordon	RDG
Graeme Hampshire	Stagecoach
Nigel Jones	DB Cargo
Elizabeth de Jong	RDG
Chris Kimberley	HS2
Calvin Lloyd	RDG
Jeremy Long	MTR
Alan Pilbeam	Abellio
Jonathan Pugh	Network Rail
David Tonkin	Rail Industry Association
Andrew Chivers	National Express
Brian Etheridge	Department for Transport
Chris Lawrence	RSSB
Chantal Pagram	Go-Ahead

Apologies

Roger Cobbe	Arriva
Gary Cooper	National Task Force
Andy Course	Eversholt Rail
Bill Davidson	RDG
Jonathan Dunster	Virgin Trains
Paul Furze-Waddock	National Express
Charlie Hodgson	Go-Ahead
Darren Horley	Virgin Trains
Mark Phillips	RSSB
Greg Sugden	Network Rail
Stuart White	Department for Transport

02 IIA – update on DfT requirements

Brian Etheridge provided an update for POG members on the DfT's desires for the IIA, some of which has been discussed with ministers but this could not be taken as a formal ministerial view. At this stage it is possible to make the following assumptions:

- Regulatory change is not foreseen – the existing five yearly control period structure will remain, although related processes could be adapted in various ways. The IIA is not a regulated document.

- There is a clear requirement for a stronger focus on the needs of passengers and freight users in planning and funding the railway
- The views of devolved bodies need to be reflected – they are much better able to reflect the local context, and to integrate rail with other modes of transport
- The IIA document should entail a similar degree of analysis as was produced for the CP5 IIP

The likely priorities for ministers are:

- Crowding
- Performance
- Safety
- Freight
- Economic growth and the ‘rebalancing’ of the UK economy
- Investments with synergies with franchises – this is key to ensure more certainty for franchisees regarding the delivery of specific schemes
- Local support for a scheme
- Schemes appropriate to stimulate other forms of funding / financing

All schemes should have a sound business case, and should be presented in terms of the outputs delivered relative to the investment required.

An HLOS will still be produced, which is expected to be closer to the more strategic Scottish HLOS for CP5 rather than the detailed HLOS produced by the DfT in CP5. The HLOS will form part of the overall investment strategy – which should provide more opportunity for longer term thinking. It is anticipated that the HLOS itself is therefore only likely to include four elements that will come with a firm funding commitment:

- Network Rail OMR
- Hendy re-plan commitments for CP6
- Other large commitments – primarily HS2 and Crossrail
- Possibly 1 or 2 other major investments to be confirmed

The IIA has to maintain safety and reliability, tackle the most significant capacity and crowding issues, and ensure the needs of freight are reflected.

POG members then posed a series of questions for Brian. The key points from these discussions were:

- The IIA should be provided to DfT around the end of the year, which should allow sufficient time for reflection prior to production of the HLOS
- A more continuous refresh of industry advice to ministers will avoid the need for a ‘big splash’ in publishing the IIA – a lower key approach would be appropriate
- The overall strategy is likely to look beyond the next control period. The recent ‘Brexit’ decision may create some short term uncertainty about the timing of interventions but over the longer term it was felt that the industry should continue to plan for a railway that sees significant continued growth
- A more flexible framework for enhancements will be required to support the ‘pipeline’ concept

- POG should continue to engage with other potential funders in order to take account of their ambitions in its advice to funders
- The case for investments should be made on the basis of wider economic and social benefits

It was agreed that LTPP outputs should recognise the change in context following the Shaw review. The approach adopted by the Scotland route study has been to focus on the range of scenarios and choices, and to make it clear that a plan is not being presented.

It was also suggested that there was a need and opportunity for the IIA to provide input on the process regarding next steps as well as the list of choices and options, which should be covered towards the beginning of the document. **[16-07-01]**

POG members were requested to brief upwards to RDG board members in advance of the next RDG board meeting.

03 IIA – implications on programme, including Digital Railway

In light of the changed timescales a revised programme for the production of the IIAs is needed. The additional time will allow more time to develop and take account of Network Rail CP6 planning and the Digital Railway business case.

Network Rail's devolved routes need to consider how they will be engaging with their customers and may require some clear guidance covering this and their Network Rail plan submissions. Devolution brings a greater complexity of stakeholders – on average around 50 per Route and including funders, customers and other stakeholders.

In terms of next steps for POG:

- A revised programme will be discussed with POG at the next POG **[16-07-02]**
- As the Network Rail plan and the Digital Railway programme become clearer towards the end of the year these will have to be presented to POG in some form **[16-07-03]**.

04 Scotland – IIA 'prospectus' and route study

Jonathan Pugh informed POG that approval had been received from Network Rail to publish the Scotland route study.

Transport Scotland is still clear on its requirement for the publication in September of an IIA 'strategic context' document to support its HLOS. The route study will form the basis of many of the key messages in the document, which will also provide the opportunity to bring Transport Scotland's attention to issues relating to HS2 and cross-border traffic. The aim of the document is to set out the interventions required in the short term in order to achieve the longer term vision; with rail positioned as a means to an end, as opposed to an end in itself.

POG agreed with the principle that the Scottish Strategic Planning Group continues to develop the document. A draft will be presented at the August RDG Board for information.

05 RDG response to West Coast franchise consultation

Mark Havenhand provided a summary of the key points in the draft RDG response to the consultation on the Intercity West Coast franchise. Feedback received from POG members was as follows:

- Include references to the planning work which has been done, particularly 'Capacity Plus'. Other route studies have been completed covering parts of the route
- Provide more references to freight – intermodal growth particularly significant on the WCML corridor
- Mention [Transport] Scotland and strategic options north of Handsacre
- Also include references to TfN / Northern Powerhouse and North Wales
- Reference current franchise themes, e.g. franchise reform, CMA, capital requirements, cap and collar and revenue risk during HS2 construction
- The document could be shorter, potentially focusing only on the impact of disruption from HS2 and considering any suppressed demand, franchise themes, HS2 disruption, the capacity squeeze and wider interfaces
- It was suggested that the document could say something regarding the HS2 shadow operator

Mark will update and submit the response by the 2nd August, informed by further discussions with members of POG and FSG [\[16-07-04\]](#)

06 PR18 update – draft response to initial consultation

Garry White provided an update on PR18, and explained the draft RDG response to the initial ORR consultation which was circulated in advance of the meeting. One of the key requirements set out by the paper is that any regulatory changes are proportionate, and do not entail unnecessary administrative burden. A further suite of metrics and targets is unlikely to encourage the system to function in an effective way.

It was suggested that the RDG should set out sustainability as one of the priority outcomes for the network in its response. The point was also made that the response should highlight the most important issues to ensure these are addressed (as much of the PR18 consultation relates to detailed issues) – for example, agreeing a financial settlement for Network Rail's OMR expenditure.

07 RDG response to National Infrastructure Commission consultation

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.