

Rail Delivery Group



Minutes

Planning Oversight Group

12th October 2016

Network Rail Offices, 1 Eversholt Street, London NW1 2DN

1	Introductions and apologies for absence
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POG attendees	Organisation
Jo Kaye	Network Rail (Chair)
Mark Havenhand	RDG (Secretariat)
Roger Cobbe	Arriva / NTF
Lindsay Durham	Freightliner
Russell Evans	FirstGroup
Graeme Hampshire	Stagecoach
Elizabeth de Jong	RDG
Calvin Lloyd	RDG
Jeremy Long	MTR
David Lowrie	Keolis
Peter Loosley	Rail Industry Association
Mark Phillips	RSSB
Alan Pilbeam	Abellio

Additional attendees	Organisation
Tim James	Network Rail
Chantal Pagram	Go-Ahead
Hannah Randle	RDG
Stuart White	Department for Transport

Presenters	Organisation
Jim Bamford	Rail North
Geoff Hobbs	Transport for London
Stephen Joseph	Campaign for Better Transport
Simon Tew	Welsh Government

Apologies	Organisation
Gary Cooper	NTF
Andy Course	Eversholt Rail
Paul Furze-Waddock	National Express
Seb Gordon	RDG
Charlie Hodsgon	Go-Ahead
Darren Horley	Virgin Trains
Chris Kimberley	HS2
Nigel Jones	DB Cargo
Jonathan Pugh	Network Rail

2	IIA briefing
	Calvin Lloyd provided a brief summary of the aims of the IIA and its key components; comprising the Hendy Re-Plan, schemes to address capacity and performance challenges, the enhancements pipeline, priorities for other stakeholders and ring fenced funds.

3	Welsh Government ambitions & priorities
	<p>Simon Tew set out the Welsh Government's ambitions for full devolution of funding, as recommended by the Commission on Devolution in Wales, and the consequent desire for a settlement determined using a methodology corresponding with that used for Scotland.</p> <p>The Wales Route comprises 11% of England and Wales' route length, and 5% of Network Rail's Regulatory Asset Base. It extends beyond the Welsh border into England. Between 2011 and 2015, 5.6% of Network Rail's Operations, Maintenance and Renewals expenditure was in the Wales Route area; however only 1% of spending on enhancements between 2011 and 2015 has been on the Wales Route. This limited funding has had consequences, including poor reliability and connectivity, and there has been very low modal share for rail. This has and will continue to limit Wales' economic prospects.</p> <p>There is a desire for a step change in investment in CP6. Welsh Government's initial considerations for the IIA comprise:</p> <ul style="list-style-type: none"> • A clear plan for electrification between Cardiff and Swansea immediately after electrification east of Cardiff is completed. • Whilst Welsh Government recognises that demand drives investment, investment is also crucial in stimulating demand. • Recognition that Wales has two core routes on the Trans European Network which under these regulations should be electrified by 2030. Welsh Government believe this should happen regardless of the recent 'Brexit' vote. • Strengthening the link between renewals and enhancements activity • Improving the resilience of the network. <p>Following on from these initial considerations, the Welsh Government would welcome POG's support for the schemes set out in the Welsh Route Study; comprising a series of essential capacity enhancements, followed by a series of further essential investments to improve journey times and connectivity.</p> <p>Overall the Welsh Government considers the fit with industry's priorities to be good, although detailed cross-referencing between the industry's and the Welsh Government's slides was requested. Cardiff Central station and South Wales Metro were agreed to be among the top priorities in light of the immediate capacity challenges in CP6, but the importance of also delivering investment in other regions in Wales was stressed.</p> <p>There is a concern that the ring fenced funds have not been allocated proportionately to Wales. This could be addressed through determining a</p>

'carve out' for Wales, or adding an additional Ring Fenced Fund for Wales. These solutions would be a step towards full devolution of funding as in Scotland.

4	TfL ambitions & priorities
	<p>Geoff Hobbs set out London's transport challenges and the priorities for rail in meeting them. London is bigger at any time in history and is growing rapidly. However, there is an inconsistency between the areas of population and employment growth, which creates challenges for transport. Rail is well-placed to meet these challenges; particularly as most new housing will be along rail routes. Growth in rail is therefore expected to exceed that on London Underground.</p> <ul style="list-style-type: none">• Resulting challenges include the need to:• Invest to reduce crowding• Provide connections to new homes• Improve accessibility• Improve reliability• Reduce emissions• Maximise regional and national opportunities• Develop new funding and financing tools <p>The route studies have informed TfL's CP6 investment priorities, so there is therefore a consistency between TfL and rail industry priorities. Crossrail 2 is a key priority, and would link the capacity constrained SWML with areas of huge potential housing growth in NE London.</p> <p>'Metro-isation' of lines in South London is desired by TfL to encourage growth in housing, reflected in the London Suburban Metro concept set out in the January 2016 joint DfT prospectus 'A new approach to rail passenger services in London and the South East'. The current lower service frequencies in South London have a real economic impact, and TfL suggest that the priority for CP6 should therefore be to work towards delivering a quality of service consistent with that provided on the Underground.</p> <p>TfL believe that a further area of focus should be to continue to increase train frequencies on orbital railways. If possible freight traffic should be removed from the NLL during peak periods, which could be assisted by improving the cross-country routes. However, it is likely to be difficult to achieve financial support from TfL for improving the cross-country freight route in light of severe funding constraints. The TfL view is that much can be achieved from shifting a small number of peak freight services at negligible cost. It is also important to recognise the need for freight traffic to access London in order to support construction.</p>

	<p>Developments at Old Oak Common will have a huge impact on Crossrail and the Overground, and more immediately developments at Earls Court will worsen existing challenges on the West London Line.</p> <p>Welsh Government requested material on the economic impact of rail investment. TfL agreed to send material regarding the Jubilee and East London Line extensions, which have had significant impacts on modal shift, and have driven the development of areas such as Southwark, Canary Wharf and Dalston. It is recognised that whilst historically rail investment has focused on meeting demand, there is now more of an appreciation of the need to stimulate demand. Conventional transport business case assessment only suited to incremental improvements and would not be appropriate for schemes like the Northern Line extension to Battersea. This requires a shift in focus from a single BCR to wider measures of output, whilst maintaining a consistency of across schemes.</p> <p>‘Easier’ sites for new housing in London have already been built on, consequently there is a need for new rail lines to serve these sites.</p>
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5	TfN ambitions & priorities
	<p>Jim Bamford explained the geographical scope of Rail North, which is broadly consistent with that of TfN. The area covered has a population of 16 million, which is consistent with London and the South East, and with a similar rate of house building.</p> <p>There is an ambition for TfN to have statutory powers by the end of 2017, after which Rail North will become its ‘rail arm’. The scope of these powers is yet to be confirmed, however these are hoped to comprise a block allocation of funds for spending on roads and highways, broadly equivalent to the powers expected to be awarded to Wales. CPO powers are also expected to be awarded.</p> <p>The key purpose of TfN is to secure more funding for the North than might have been achieved otherwise (primarily through reallocation of central government funding), addressing decades of under-investment in the North of England. An existing Rail North long term rail strategy exists and is expected to become TfN strategy. Alongside DfT the organisation jointly manages two franchises. Northern Powerhouse Rail remains a key priority for TfN.</p> <p>In collaboration with Network Rail, TfN are proposing to submit a joint list of schemes for submission to IIA. However, of TfN’s four key objectives of capacity, connectivity, coherence and cost, Network Rail tends to focus on capacity. Therefore, there remains scope to explore proposals to address the remaining objectives, e.g. to address the very low average train speeds (for passenger and freight) which limit economic performance of the region. An initial target being explored is to match the off-peak car journey time on key flows.</p>

	<p>TfN has an interest in two aspects of cost-effectiveness: achieving less expensive ways of delivering schemes and operating services more efficiently. There is a desire for a North of England Ring Fenced Fund to address those of the four key objectives which would not otherwise be considered, particularly with regard to connectivity and cost effectiveness.</p> <p>Network Rail have recently completed a study to identify the interventions which would be required to deliver TfN's capacity and connectivity aspirations for the Trans-Pennine route, although it is not clear at this stage which specific interventions would be required at what stage. The Trans-Pennine Route Upgrade is expected to offer intermediate outputs to achieve the longer-term vision.</p>
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6	Campaign for Better Transport work for DfT on re-openings
	<p>Stephen Joseph set out the re-openings project being progressed by the Campaign for Better Transport on behalf of the DfT. The aim has been to shift the focus away from reopening old railway lines (where there often is not a good business case), towards expanding the railway more generally. The work aims to clarify the process for schemes to expand the railway, including case studies explaining 'success stories'. The intention is for the guidance to encourage better-developed projects to come forward for funding.</p> <p>The Campaign for Better Transport believes that it would be worthwhile to follow this work with an identification of potential priority schemes, and an assessment of funding and delivery approaches. This should be pursued in collaboration with POG members, assuming there is sufficient support for this second phase of work.</p> <p>The first phase of work is due to be published towards the end of the year and guidance on this would be appreciated, including reviews of report drafts. The first phase will consider the GRIP process and sources of finance, but more innovative sources reflecting wider benefits would be considered in phase 2. There would be benefits in linking the second phase with the alternative funding and financing work being progressed by Network Rail and RDG. The Campaign for Better Transport's associated think-tank 'Tracks' have also produced a report with SDG on transport financing.</p> <p>The importance of focusing on delivery mechanisms was highlighted, given the need to progress schemes rapidly. It can be helpful to structure mechanisms so that all parties have something to gain, for example through joint venture mechanisms.</p> <p>It is important to note that additions to the network can potentially have national as well as local benefits. An example is the Honeybourne to Stratford-upon-Avon route, which in addition to supporting local house-building could provide a new strategic route. The Leamside Line in the North East is a similar example.</p>

	<p>Rail North and Welsh Government expressed an interest in supporting the study. Any other POG members interested in contributing should contact Mark Havenhand.</p>
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In addition, the Campaign for Better Transport has found interest within DfT in non-road investments to address challenges on the road network, for example avoiding the widening of Newcastle western bypass with a new rail park and ride site. There is the potential through investing in rail to avoid significant expenditure on road schemes.

Next meeting: 16th November 2016