

Finance Leaders Group

Monday 10th June 2024

Meeting summary

Chair – Steve Longmore, Finance Director, Bridgeway Consulting
Vice Chair – Mark Gadsby, Director, Fishbone Solutions
Partner – David Crump, Corporate Finance Director, PKF Smith Cooper
Rail Forum Host – Cat Appleby, Membership & Engagement Director

The Chair, Steve Longmore, and Vice Chair opened the session and we were delighted to have two key note speakers:

- John Sturgeon, Finance Director, East Midlands Railway
- Sam Turner, Finance Director, East West Railway.

East Midlands Railway (EMR) update

John's presentation (available on the members area) outlined an overview of the current EMR position, having transitioned from Franchise, to Emergency Measures Agreement, to Emergency Recovery Measures Agreement, to National Rail Contracts. He also outlined the Annual Business Planning (ABP) framework that all Train Operating Companies (TOCs) are required to submit, which has a significant timescale from start to finish. This impacts significantly on what the TOC can do in the ABP period, and is against a backdrop of an initial projected £3bn funding gap (for all TOCs / Department for Transport (DfT)) since reduced to around £1bn and where there is in the region of 85% fixed cost base. Dialogue with DfT includes 'Net subsidy Reducing Initiative' which seeks to build revenue to reduce spending gap. Industry Revenue Generating Initiatives are also being considered.

East West Railway (EWR) update

Sam introduced the EWR project and its objectives and original aspirations. The costs anticipated now are overbudget against first assessments and part of this is for risk as well as inflation and VAT. Sam went on to focus her session on affordability in rail infrastructure projects and presented findings for discussion from the Infrastructure Client Group which has evaluated infrastructure projects and identified a series of findings. Slides available on the members area.

Both presentations prompted interesting questions and observations, and this continued in both the breakout discussions and wider feedback discussion.

Next meeting

Monday 30th September 2024 (15:00 –16:30) with John Gerrard from GBR TT and (hopefully) HSBC Economist to give us a post-Election view.

Members are encouraged to advise any speakers, organisations, or topics of interest for future members. Email Cat@railforum.uk

End.

Event Partner

