

Finance Leaders Group – 20 January 2025 Meeting Summary

Your Finance Leaders Team

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 three key note speakers:

- Gary Devonshire, Corporate Tax Partner, PKF Smith Cooper
- Matt Scotter, Finance Director – Stadler Rail
- Ryan Over, Commercial Manager – Network Rail

Gary Devonshire, PKF Smith Cooper – Tax Update

- Summary of main tax changes including minimum wage and NICs (plus CGT, and Inheritance and pension changes)
- NI paid earlier and at a greater rate which is having significant impact on employers
- NMW with increased from between 6.7% to 18%
- Options for employers to mitigate increases can include: Pension salary sacrifice as a mechanism to contractually agree to exchange salary for pension costs
- Inheritance Tax – big shift in policy including threshold and pensions. Guidance expected in April. Suggest review IHT exposure and start planning. Options including Trusts
- Slides will be available on the members area.

Q&A

- NI mitigation approaches – planning around pension salary sacrifice, particularly with large numbers of employees. Passing costs on to customers and clients. Looking at younger recruitments rather than graduates to minimise entry level costs.
- How does this budget facilitate ‘growth’? [some debate!]

Matt Scotter, Stadler Rail – Contract Accounting

Contract accounting – long term contracts with mix of TSA and TSSSA ranging from 5 to 40 years and will look at cost modelling incorporating significant maintenance intervals. Looking to drive cost savings with maintenance regime. Explored impact of delayed delivery.

Ryan Over, Network Rail – Procurement Act

Ryan’s focus is Commercial Lead Passenger, specifically looking at ETCS with a £1bn budget.

Finance Leaders Group – 20 January 2025
Meeting Summary

Ryan spoke about the New Procurement Act 2023 which will provide greater transparency and a single platform to channel contracting requirements (Central Digital Platform). It requires public organisations to produce an 18 month pipeline of activity on the platform – minimum every 12 months (ideally 6 months) for all contracts over £2m. There are requirements around Prompt Payment and KPIs.

Note that NR will continue to use Bravo to run the procurement itself.

***Action – register on the Central Digital Platform**

Links

- <https://www.networkrail.co.uk/industry-and-commercial/supply-chain/procurement-act-2023/>
- <https://www.gov.uk/guidance/the-official-transforming-public-procurement-knowledge-drops>

Further events on Procurement Act

There are a number of Procurement Act events coming up:

DFT: <https://www.railforum.uk/events/procurement-act-2023-webinars-2/> 4th February

Cabinet Office event: <https://www.railforum.uk/events/procurement-act-2023-webinar/> 24 January

Also coming up:

UK Export Finance Forum: <https://www.railforum.uk/events/uk-trade-and-export-finance-forum/> 6th February

Next Meetings are scheduled:

Please secure your diaries and let us know of any topics / organisations or speakers that you would like to have along with us. We will notify you when these events are opened on the booking system.

- 9 June 2025 3 – 4:30 (online)
- 22 September 25 3 – 4:30 (online)

END.