DEPARTMENT FOR TRANSPORT (DfT) BOARD MINUTES
DfTB(11)46

Date: Friday 9 September 2011
Time: 0930-1230
Venue: H3, Great Minster House

Attendees

Chair: The Rt Hon Philip Hammond MP
(Secretary of State)

Apologies
Sam Laidlaw
Sally Davis

Board Members: The Rt Hon Theresa Villiers MP
(Minister of State)
Norman Baker MP
Lin Homer
Richard Hatfield
Steve Gooding
Clare Moriarty
Lucy Chadwick

Attendees for Papers:
Tracey Waltho
David Brown
**** (Strategic Finance Manager)
Valerie Vaughan-Dick
Jonathan Sharrock
Adam Simmons
Nick Bisson
**** (Rail Funding Policy Adviser)

Non-Executive Board Members
Ed Smith
Alan Cook

Other Attendees
**** (Board Secretary)
**** (Private Secretary to the
Permanent Secretary)
Richard Bruce

**** denotes names of non-SCS staff, which
have been redacted in accordance with DfT’s
publication policy.

Item 1: Minutes and Actions

1. The minutes were agreed of the 20 June meeting to consider 2010-11
Resource Accounts and the meeting of 1 July.

Item 2: Update on Current Issues

2. The Secretary of State updated the Board on discussions in relation to the
Thameslink procurement decision and outlined the ongoing work that was
being conducted following that decision, including how other EU nations
applied procurement rules and how the longer term strategic
consequences of procurements could best be considered. The Secretary
of State said that the procurement issue was a topic that could be covered
by non executive board members at their wider joint NEBM’s meeting.

Action: Board Secretariat, Clare Moriarty

The names of non-SCS staff have been redacted in accordance with DfT’s publication policy.
3. Clare Moriarty updated the board on recent operational issues at DVLA and GCDA, and also updated the Board on the ongoing work on the Shared Services Future programme. The Secretary of State asked for an update on the Invitation To Tender that the DVLA was shortly due to publish with respect to its counter services.

   Action: Clare Moriarty

4. Steve Gooding updated the board on two national network incidents that occurred over the summer period that resulted in significant disruption and the work that was being undertaken to learn lessons and review response processes as a result.

   Item 3: Corporate Planning

5. Tracey Waltho introduced the paper to the Board and outlined a new Corporate Planning process covering the short term (1-5 years), medium term (5-10 years) and long term (10+ years) periods and how this was being developed and could then be continuously reviewed.

6. The Secretary of State noted that, while future manifestos would determine the detail of the 5-10 year and 10+ year plans, it was clearly advantageous to consider transport policy areas for which cross-party consensus would be needed due to the long-term nature of their impact and delivery timescales. On that basis, The Secretary of State agreed that planning was needed out to a possible 25 year time horizon.

7. Norman Baker agreed with this approach but asked that, in developing the plans, a reliable cost analysis was conducted on all the proposals to ensure that they were affordable.

8. The Board agreed with the propositions in the paper and tasked Tracey and the corporate planning team with taking the work forward.

   Action: Tracey Waltho

   Item 4: Performance Report (as at 31 July 2011)

9. Valerie Vaughan-Dick introduced her paper to the board, and informed them that a Single Supplementary Estimate would need to be sent to HMT before the end of the year that included options for how to deal with the projected underspend.

10. Clare Moriarty noted that the Department was in discussion with HMT about options for dealing with the underspend in the context of the Growth Review. Corporate Group was placing a major focus on forecasting and would be holding officials to account on the quality of their forecasts.

11. The Secretary of State noted that the projected underspend reflected a variety of factors, with a sizeable element being intentionally left uncommitted to allow for contingency funding, including any future needs arising out of possible severe winter weather incidents. The Secretary of

The names of non-SCS staff have been redacted in accordance with DfT’s publication policy.
State and Lin Homer raised the issue of needing to communicate properly the ongoing need for this contingency funding in order that it was not eroded.

12. The Secretary of State discussed the nature of the Regional Growth Fund and flagged that DfT may need additional funding flexibility in future years to cope with the flexible profiling of spend that businesses may request.

13. The Secretary of State raised the issue of the projected cash-flow position for Crossrail in the initial years. Clare Moriarty mentioned that similar issues would arise for other projects and should be factored into VfM assessment and planning. The Secretary of State asked that future periodic reviews of performance include a committed cash-flow report that gave visibility of such issues.

14. The Secretary of State and Alan Cook agreed that the design of future road projects should be considered as an option for dealing with the underspend.

   Action: Valerie Vaughan-Dick

**Item 5: Update on Olympic and Paralympic Games**  
DfTB(11)44

15. Jonathan Sharrock introduced the paper. Following the introduction Ed Smith asked for a copy of the NAO report and Jonathan Sharrock said that he would forward that together with a copy of the report to the Major Projects Authority in November

   Action: Jonathan Sharrock

16. Norman Baker asked what work had been done on scenario planning for potential incidents that may disrupt the games. Jonathan Sharrock informed the Board that TfL had been commissioned to devise and plan for different scenarios during different periods of the Games. Lin Homer mentioned that HA was also doing a similar round of planning.

17. The Secretary of State said that, from his Home Affairs (Olympic & Paralympic Games) meetings, he felt the planning was going well but that there seemed to be some differing viewpoints on what was an acceptable level of disruption during the Games and that additional work was needed to manage the stakeholder expectation of what was expected in terms of service levels.

18. Lucy Chadwick mentioned that there may be some broader cross-departmental resource issues in the build-up to the games due to the fact that a number of officials from across the Department had been drafted in as volunteers for the Department’s work during that period.

The names of non-SCS staff have been redacted in accordance with DfT’s publication policy.
Item 6: Rail Overview

19. Nick Bisson delivered an oral update to the Board on the various aspects of Rail policy and how they interacted with each other.

20. In discussion the following points were raised:

- the proposed Rail Command Paper would be about creating structures that would align interests to both improve the overall management of the railways and also drive down costs.

- aspects of the paper that involved increasing the power to Local Enterprise Partnerships and Local Authorities, or that involved reviewing fares or involved the role of the Regulator may need to be consulted upon.

- The timing of the paper may have implications for hitting Business Plan targets.

Item 7: Rail Periodic Review

21. **** introduced the paper to the Board and outlined the proposals for the governance of the HLOS process.

22. In discussion the need to disaggregate the spending on maintenance and enhancement and the need to have a greater accuracy of costs was raised.

23. Lin Homer asked that the issue of governance be taken away and considered alongside the Governance review work and the corporate planning work.

**Action: Governance Division**

24. The Secretary of State made the point that the Statement of Funds Available (SoFA) will need to be set as a part of a standalone process with HMT, but that better alignment with Spending Review processes is something that we may wish to seek in the future.

Other issues

25. Lin Homer raised the need to conduct a Board Effectiveness Review and that someone may come into observe a future Board meeting to provide feedback.

Board Secretariat
9 September 2011