

Written evidence submitted by the Railway Industry Association (MTP0070)

INTRODUCTION

- 1.1 This submission constitutes the response from the Railway Industry Association (RIA) to the above inquiry published by the Transport Committee in December 2020.

BACKGROUND TO RIA

- 2.1 RIA is the trade association for UK-based suppliers to the UK and world-wide railways. It has some 300 companies in membership covering all aspects of rolling stock and infrastructure supply and covering a diverse range of products and services. As well as most of the larger, multi-national companies, 60% of RIA's membership base is comprised of SMEs.
- 2.2 The Oxford Economics 2018 report shows that the UK rail sector contributes annually over £36bn Gross Value Added (GVA) to the UK economy, employs some 600,000 people and generates £11bn in tax revenues. For every £1 spent on rail, £2.20 of income is generated in the wider economy, meaning rail is not just an important sector in its own right, but it is also crucial for UK plc, its economy and connectivity. Rail has been a growing industry with the number of rail journeys expected to double in the next 25 years, along with significant growth in rail freight traffic, regardless of shocks such as the present Coronavirus crisis. The full report Oxford Economics report can be accessed [here](#).
- 2.3 RIA provides its members with extensive services, including:
- Representation of the supply industry's interests to Government, Network Rail (NR), TfL, HS2, ORR and other key stakeholders;
 - Providing opportunities for dialogue and networking between members, including several Special and Technical Interest Groups;
 - Supply chain improvement initiatives;
 - Provision of technical, commercial and political information every week;
 - Export promotional activity, through briefings, visits overseas, hosting inwards visits; and
 - Organising UK presence at exhibitions overseas.

EXECUTIVE SUMMARY

The UK has extensive experience of major rail project delivery, both new build and working on operational rail network. This is often particularly challenging as the UK rail network comprises of a mixture of historical and modern infrastructure – and runs freight and passenger services on the same network. The UK rail supply chain brings a wealth of global expertise delivering world class projects all around the world.

Our key asks are:

- **Develop 30-year rail investment plans**, underpinned by clear and democratically accountable multi-year funding settlements. Continued and accelerated investment in rail can help provide an economic recovery and achieve the Government's aim of 'building back better'. Support this with published pipelines to encourage supplier investment planning and recruitment.
- **Restore confidence in public transport** as safe, clean and green form of transport – working with rail suppliers to develop appropriate responses to the Coronavirus risks.
- **Accelerate rail projects** – Rail should be a central plank of Government plans to 'build back better'. Instead of holding off investment, we urge the Government to accelerate rail projects, which will help deliver a rail network ready for the future, providing a green low carbon mode of transport, boosting the UK's exports offer, and providing much needed employment and investment for communities across the UK.
- **Procure Zero Carbon** - include embodied carbon considerations in procurement specifications to leverage zero carbon rail fleet, infrastructure manufacturing and building capabilities.
- **Recognise the full value and potential of rail** sector to support passenger and freight connectivity, economic growth, zero carbon, levelling up, active travel and skills development, in line with new Green Book appraisal guidance.
- **Involve the rail supply chain** in the development of creative governance and co-clienting models, plans for new funding models, and the new Investment Bank. Maintain the culture of continuous learning and improvement by inviting suppliers to join Government major project training.
- **Engage suppliers early** – ensure all rail clients engage with suppliers to reduce waste and increase efficiency.
- **Once committed, do not look back.** Start survey work as soon as the political commitment is in place, and crucially, once the political support is secured, do not reopen the scheme for political review. Be ambitious – build on UK capability and recognise the potential to learn from international experience and grow UK exports.
- **Promote the culture of learning** from successful major project delivery in the UK and in other countries and include international project benchmarking in key major project considerations.
- **Fully support the proposed rail investment** to allow the supply chain to retain and invest in a skilled workforce.

CONTEXT

- 4.1 The UK has extensive experience of major rail project delivery, both new build and working on an operational rail network, which is often particularly challenging as the UK railway comprises a mixture of historical and modern infrastructure – and runs freight and passenger services on the same network. The UK rail supply chain brings a wealth of global expertise delivering world class projects all around the world.
- 4.2 Major projects are complex and transformational – and both politicians and the industry should be open about the challenges that can emerge during construction,

and the impact changing circumstances could have on opening times and cost. However, one of the strengths of the UK sector is that it is constantly striving for improvement with a culture of continuous learning.

The Transport Select Committee wants to understand what lessons can be learned and applied in the appraisal and delivery of major transport infrastructure projects. RIA's submission aims to answer some of these questions.

TRANSPORT INFRASTRUCTURE STRATEGY AND PRIORITIES

The Government's transport infrastructure strategy and priorities, include those set out in the National Infrastructure Strategy, are: i) Recovery and rebuilding the economy; ii) Levelling up the whole of the UK (including economic growth of the UK's towns, cities and regions outside London); iii) Decarbonising the economy and adapting to climate change; iv) Supporting private investment; and v) Building faster, better, and greener.

- 5.1 Whilst the Coronavirus outbreak poses a challenge to the rail supply sector, in the long term it is clear that continued and accelerated investment in rail can help provide an economic recovery and achieve the Government's aim of 'building back better'. RIA believes that the need to travel and to transport freight by rail will not go away in the next 20 to 30 years and beyond. Therefore, the network cannot be neglected until customers – including passengers and freight – return. Continuing to build and improve the network will generate jobs and investment, and deliver an even better, more connected, transport system for the future.
- 5.2 RIA supports Government's transport infrastructure priorities to build back fairer, faster, and greener, while encouraging innovation and collaborative working.
- 5.3 Rail investment, whether in infrastructure or rolling stock, is often achieved over several years. A train fleet has an average life of around 30 years and infrastructure improvements take time to be planned and delivered. RIA believes that rail projects need to be sped up as part of the Government's plans for the UK's economic recovery following the Coronavirus outbreak. The acceleration of schemes that are both 'shovel ready' (those that are ready to build) and 'shovel worthy' (those that are worth accelerating) will help to ensure a sustained programme of work that supports wider economic growth and the Government's levelling-up and connectivity agendas.
- 5.4 RIA recognises the move towards devolution of funding can be an effective way of prioritising transport asks and ensuring efficient delivery, which reflects local interests. Sub-national and regional strategic transport bodies, such as Transport for the North, Transport for Wales, and Midlands Connect, amongst others, can help to ensure that transport projects are more closely linked with local economic priorities. To be effective, however, these bodies need long term funding certainty to inform their strategic plans.
- 5.5 It is also vital that the Government builds on its economic strengths and commits to the funding and financing of East West Rail and the Cambridge-Oxford-Milton Keynes Growth Corridor, connecting Northern Powerhouse Rail and Crossrail with

HS2, and Crossrail 2. This would align with the Government's 'build, build, build' infrastructure agenda.

- 5.6 **RIA ask:** Develop 30-year rail investment plans, underpinned by clear and democratically accountable multi-year funding settlements. Continued and accelerated investment in rail can help provide an economic recovery and achieve the Government's aim of 'building back better'. Support this with published pipelines to encourage supplier investment planning and recruitment.

To what extent the coronavirus pandemic and its longer-term implications affects the necessity and cost-effectiveness of current and future major transport infrastructure projects?

- 5.7 The UK railway network has been and continues to be essential for the nation's economy. During the height of the lockdown, the rail network enabled key workers and resources to get around the country and to their places of work, and investment in the network will be essential to reboot the economy.

Whilst passenger numbers using public transport have reduced during the lockdown, before the crisis DfT statistics show that rail passenger numbers were at an all-time high, having doubled over the past 20 years – RIA expects numbers to return as restrictions are eased. To help restore confidence in public transport, the Government must be mindful of the messages it sends to the public and take a long-term approach to passenger and freight volumes, and not just base its thinking on the short-term.

- 5.8 **RIA ask:** The Government should restore confidence in public transport as safe, clean and green form of transport – working with rail suppliers to develop appropriate responses to the Coronavirus risks. With the latest developments in vaccine roll outs, RIA believes that when the pandemic comes to an end people will start travelling again – there is little concrete evidence produced to the contrary. So whilst travel patterns may change, numbers are likely to return – and so now is the time to ensure the country's railway infrastructure is ready for returning passengers. There is a possibility to use the current reduced passenger numbers as an opportunity to deliver rail infrastructure work more efficiently and avoid the usual passenger service disruptions.

- 5.9 An example of the above is the Gatwick Airport Train Station redevelopment. Construction of the new station concourse started in May 2020, as scheduled, and the station welcomed the first train in the beginning of November, marking the start of the new railway station concourse construction. Henry Smith MP (Crawley) said: "During such dark days for airports and fewer people currently travelling by train due to Covid-19 it may seem strange to celebrate upgrading Gatwick's rail station but now is the moment to build back better ensuring that as our economy recovers it does so with the infrastructure to support people and businesses. Investing to expand platform capacity and enhance the passenger experience at Gatwick is timely and I welcome this commitment."

- 5.10 **RIA ask:** Rail should be a central plank of Government plans to 'build back better'. Instead of holding off investment, we urge the Government to accelerate rail

projects, which will help deliver a rail network ready for the future, providing a green low carbon mode of transport, boosting the UK's exports offer, and providing much needed employment and investment for communities across the UK.

How major transport projects can be delivered while ensuring the Government meets its decarbonisation 2050 net-zero targets?

- 5.11 The rail supply chain includes infrastructure and system integration contractors; maintenance and upgrade companies; rolling stock, systems, components, and raw materials manufacturers; universities and research centres; professional and support services; and notified, designated, and certification bodies. These businesses are very conscious of the importance of reducing their carbon footprint and pursue initiatives to decrease embodied carbon.
- 5.12 In 2016 the International Union of Railways (UIC) released a report on the Carbon Footprint of Railway Infrastructure, highlighting that currently available carbon footprint calculators, known as Eco Tools, do not include the carbon content of the infrastructure. The report argued rail's sustainability lead could be reinforced if such tools were available, and with civil engineering companies using green procurement to reduce carbon emissions generated from building railway infrastructure.
- 5.13 In the UK, such tools are available via the Rail Safety and Standards Board (RSSB) – the Rail Carbon Tool is an online platform which enables the carbon footprint of UK rail projects to be calculated and analysed, as well as the alternative low carbon materials and low carbon solutions to be identified. This could put the UK rail industry in a leading position, internationally.
- 5.14 **RIA ask:** Procure zero carbon – include embodied carbon considerations in procurement specifications to leverage zero carbon rail fleet, infrastructure manufacturing and building capabilities. Additionally, support more collaboration between rail and road innovative technology developments and research programmes, to encourage cross industry supply chain partnerships.

APPRAISAL AND FUNDING OF TRANSPORT INFRASTRUCTURE

The effectiveness of the Government's decision-making and appraisal processes for transport infrastructure projects and any changes required to the 'Green Book'

- 6.1 RIA welcomes Government changes to the Green Book – including the strengthened role for the strategic case, full recognition of social value and updating of expectations on zero carbon including alignment with Climate Change Committee expectations. This approach should ensure that rail projects are recognised for their full value.
- 6.2 Rail investment is crucial to UK connectivity and offers three benefits, as part of economic recovery:
- **Growth:** As mentioned in section 2.2 above, rail projects generate significant investment for every £1 spent on the rail network, £2.20 is generated in the

wider economy;

- **Geography:** Rail projects support investment in all regions and nations of the UK, including areas of social deprivation where investment and regeneration is urgently needed – supporting the Government’s ‘levelling up’ agenda; and
- **Green:** Rail is a green mode of transport and investing in rail will ensure the economic recovery is also an environmentally beneficial one. Rail is the only mode with a ready solution to zero carbon long distance heavy freight and has a major role to play in modal shift.

- 6.3 For major projects to be effective, a very strong client leadership is needed. A controlling mind for each major project, that is empowered and enabled to make decisions quickly, will serve for a more effective project delivery.
- 6.4 As mentioned earlier (4.2), one of the strengths of the UK sector is that it is constantly striving for improvement with a culture of continuous learning. We need to embrace modern methods of construction, better adopt digital project delivery process and data leveraging for smart decision making.
- 6.5 **RIA ask:** Recognise the full value and potential of rail sector to support passenger and freight connectivity, economic growth, zero carbon, levelling up, active travel and skills development, in line with the new green book appraisal guidance.

OVERSIGHT, ACCOUNTABILITY AND GOVERNANCE OF TRANSPORT INFRASTRUCTURE PROJECTS

The Government’s role in the delivery of major transport infrastructure projects, including whether the DfT has sufficient skills and expertise to oversee the successful delivery of transport infrastructure.

RIA welcomes the publication of the Construction Playbook and the renewed focus on co-clienting projects. The Playbook should be applied in full to rail infrastructure projects – it recognises many of the themes RIA has consistently promoted including: investment pipelines; Early contractor engagement; the role of SMEs; whole life cost evaluation; fair and effective procurement and risk allocation policies; and profit margins which support a sustainable, innovative and productive industry.

- 7.1 RIA welcomes proposals for the new infrastructure bank and proposals to develop new co-funding models. The UK supply chain has extensive experience of private finance and funding models and investment. Government should involve the supply chain in the development of these new governance and funding models.
- 7.2 **RIA ask:** Involve the rail supply chain in the development of creative governance and co-clienting models. Build on the UK expertise and lessons learned from regulated asset base financing, performance-based build/lease/operate models and plans for the new Investment Bank to develop new co-funding models. Continue the culture of continuous learning and improvement by inviting suppliers to join Government major project training.

The relationship between the DfT and other Government departments and agencies, devolved administrations, and the private sector, in delivering major infrastructure projects.

- 7.3 During the pandemic there has been a high level of engagement and collaboration between Government, rail clients and the supply chain. Rail suppliers are very appreciative of the positive action by Network Rail (NR) to support its supply chain with, for example, prompt payment and keeping projects going wherever safe to do so, as well as initiatives such as Project SPEED where the ambition is to increase efficiency, in terms of time and cost-effectiveness.
- 7.4 One of the most significant findings of this project has been the extent to which project costs come from overheads rather than shovels in the ground. Decision making delays, excessive optioneering with over-granular accuracy all add cost. RIA welcomes the rigorous focus and honest conversations generated by NR's Project SPEED.
- 7.5 **RIA ask:** Rail clients to engage with suppliers to reduce waste and increase efficiency. More initiatives like Project SPEED are needed to make changes in both, clients and suppliers, increasing what can be delivered with the available funding, and combined with longer term planning. All this creates a more sustainable supply chain, bringing further economic and societal benefit in terms of jobs and skills.

FACTORS INFLUENCING THE COST OF TRANSPORT INFRASTRUCTURE IN THE UK

The reasons for continual high costs of major transport infrastructure projects, both past and present, and whether projects could potentially be delivered in a more cost-effective manner.

- 8.1 It is important to highlight that every year, many rail schemes in the UK are delivered to time and to budget, providing value for money for taxpayers and valuable upgrades for rail customers. With major schemes, the complexity of these projects do sometimes mean errors are made, but this is not a uniquely British problem – many other countries face the same challenges when delivering major projects.
- 8.2 The Government has put in place extensive assurance and appraisal processes for major projects to ensure a business case is in place, outlining the need for the project, options for delivering it, and the risks it might entail.
- 8.3 Planning for ranges of cost estimates and delivery dates allows avoiding unrealistic expectations and optimism bias. Specifically, avoiding cost estimates for completing major projects before securing planning permissions, access to site, ground surveys and similar. Transport schemes should consider having a shadow costing team, which is an external independent body of consultants, to calculate the costs and risks of the project.
- 8.4 The UK rail supply chain has global expertise and can share their experience and

challenge assumptions, providing a role on both, advice and assurance, eliminating “group think” and unlocking creativity. Early engagement with key suppliers is essential to incorporate design and delivery, consider systems integration from the outset, and work out technical challenges. Consider a functional approach to design, is it “good enough” instead of reaching for “gold standard”? Build out from a minimum viable product to ensure the key benefits are delivered as early as possible.

- 8.5 **RIA ask:** Once committed, do not look back. Start survey work as soon as the political commitment is in place; and once the political support is secured, try not to reopen already-agreed schemes for political review, as this simply delays the project, adds more costs, and creates uncertainty.
- 8.6 When it comes to the supply chain, ‘boom and bust’ profiles in rail work can lead to facilities shutting, skilled jobs being lost, multi-national companies moving to other sectors or overseas and SMEs struggling to find work. It is therefore vital that major rail projects are considered in relation to other work across the UK and that work is delivered in a consistent pipeline, so as to avoid the stop-start process of work that heavily impacts the rail supply chain’s delivery.

What lessons can be learned from other countries in the delivery of major transport infrastructure projects?

- 8.7 In any industry there are lessons which can be learnt from other countries, from other sectors and through competition. The rail supply chain is very good at this learning, not least because many of the major suppliers active in the UK are international companies which have chosen to invest in the UK. This learning is however two directional and RIA regularly hosts inward missions from railway administrations from around the world, seeking to understand how the UK manages to get so much from its asset base. This demand for UK expertise is reflected in the success of the UK rail consultants including NR and TfL consulting, as well as the many private sector consultants.
- 8.8 Challenging mega-projects such as Crossrail and HS2 have been catalysts for the formation of UK/International Joint Ventures to match international experience with UK domain experience.
- 8.9 International benchmarking is very valuable where reasonable data is available. With regards to electrification (See Appendix A) the RIA Electrification Cost Challenge report benchmarked electrification costs across the UK and Europe. One of the major findings was that Germany had delivered a consistent volume of electrification every year for decades and at a very efficient cost compared to the UK, which had experienced dramatic ‘boom and bust’ volume with almost no work for 20 years at one point. This is the reason why RIA call for a ‘rolling programme’ of electrification with consistent volumes.
- 8.10 Similarly, in digital signalling there have been ‘boom and bust’ volumes in the UK, with the low volume of work leading to a backlog of renewals and unit costs approximately twice the European benchmark. The Rail Sector Deal has identified how the increase in volumes necessary to deal with the renewal backlog will support increased competition and a reduction in unit cost (see **Appendix A**).

- 8.11 **RIA ask:** Promote the culture of learning from successful major project delivery in the UK and in other countries, and include international project benchmarking in key major project considerations.

TRANSPORT INFRASTRUCTURE CAPACITY AND SKILLS

The extent to which there is enough capacity and the right skills within the UK to deliver the Government's transport infrastructure plans, and options to help address shortages in transport infrastructure skills.

- 9.1 Coronavirus has defined the role of key workers across sectors from the NHS to transport. Major project delivery is dependent on the right skills and expertise. The UK has world-renowned rail professionals, from the individuals who deliver rail services and projects day to day, to the leaders, who take responsibility for oversight of the delivery of rail services and complex projects, taking personal responsibility for addressing challenges which emerge. To attract new talent and address the diversity gap in rail, we need to celebrate the achievements of these individuals more by encouraging current rail professionals and leaders to share their knowledge.
- 9.2 The recent “Back on Track” Report, published by City & Guilds and the National Skills Academy for Rail (NSAR), highlights rail industry demand based on expected investment for an additional 120,000 skilled people with a peak around 2025 and notes the ageing of (28% over 50) and lack of diversity of the current workforce.
- 9.3 RIA agrees with NSAR that this is an opportunity not a problem. It is a chance to create 120,000 well paid, well skilled new jobs. Given rail jobs tend to be distributed nationwide, it is also a huge opportunity to not only improve the industry demographics and diversity but also social mobility across the UK, both for the new rail workforce and for the wider population through the improvements in the rail service.
- 9.4 However, these new employment opportunities will not be realised if the Government does not to fully support the proposed rail investment. RIA is aware that there are concerns amongst decision makers that the existing rail supply chain may not have the capacity to take on new projects to support this growth. This is not the case, there is significant latent capacity within the industry and it is our view that a clear pipeline of work, which scales up overtime and considers specific assets appropriately, will allow the supply chain to deliver effectively. **RIA ask:** Fully support the proposed rail investment to allow the supply chain to retain and invest in a skilled workforce.

OTHER AREAS FOR CONSIDERATION

- 10.1 See Appendix A.

Appendix A: Other areas for consideration

When considering the need for major projects, the Committee should also consider the following issues:

1. **Capacity of the rail supply sector:** Compared to CP5, the volume of enhancements is significantly lower in the current control period (£17bn in CP5 compared to up to £10bn planned in CP6, now reduced to £9bn = c£57n capacity). Given that the multi-disciplinary nature of enhancements tends to tap a different supply chain to renewals, there should be confidence that the industry can deliver £1bn to £1.5bn additional volume per annum over the remaining years of CP6, subject to the availability of design. Although some of the potential resource will now be diverted to HS2, the completion of Crossrail will release a significant capability.
2. **Efficiency:** RIA recognises the need for rail to improve its efficiency – a clear pipeline of work will help facilitate this. We also recommend greater financial delegation of authority to infrastructure clients so that suppliers have clear expenditure profiles which allow them to save money by planning and deploying resources effectively. We welcome the fact that the Government's new Acceleration Unit and NR's Project SPEED is considering all planning and decision-making processes to see where overheads can be reduced and timescales shortened and also to support collaborative and efficient decision making.
3. **Levelling Up:** RIA calls for decisions to be made on the recently published National Infrastructure Commission Rail Needs Assessment and for the Publication of the Integrated Rail Plan for the North and the Midlands to support a regional renaissance for passengers, freight users and the rail supply chain. It is conservatively estimated that Northern Powerhouse Rail alone will create 10,000 new jobs in the northern rail supply sector, representing an employment uplift of 18%, and economic growth of £589m GVA. This investment will benefit many communities with lower than average levels of employment and GVA per head. Currently the North's rail supply base employs 58,000 across 300 companies, representing about 25% of the UK supply chain. These are companies that significantly contribute £3.3 billion annually to the local economy, sustaining high value jobs and covering a broad range of products and services - including complex transport research projects, infrastructure design and delivery, train manufacture and modernisation – and utilise new clean, digital and sustainable technology. These companies invest in skills and local employment and have some of the most modern and advanced facilities in the world.
4. **London should not be forgotten in this process.** Just as suppliers need forward visibility of pipeline to deliver efficiently, local and devolved transport bodies nationwide also need a clear line of sight. We therefore support an agreement on appropriate multi-year funding settlements as soon as possible. Uncertainty and delay create costs and undermine supply chain investment and capability development.
5. **Decarbonisation:** To achieve the Government's goal of decarbonising the rail network by 2050 the Government need to invest in a rolling programme of electrification that extends the frontier of the electrified rail network whilst investing in low carbon self-powered rolling stock. RIA's Electrification Cost Challenge report shows that electrification projects are already being delivered at up to half the cost of some past problem projects, notably the Great Western Electrification Programme.
6. NR recently published their interim **Traction Decarbonisation Network Strategy**, setting out plans to electrify 12,000 km of rail network by 2050 as well as a key role for hydrogen and battery technology. To achieve the plan, the Government should

extend recently completed electrification projects to avoid a hiatus in work, which would reduce capabilities in the sector, and make projects harder to deliver in future. The Government should also support plans by rail companies to invest in hydrogen and battery fleet orders. In conjunction with NR, RIA surveyed the supply chain to support the Traction Decarbonisation Network Strategy, establishing that given confidence in the robustness of the pipeline infrastructure and rolling stock suppliers were confident they could ‘ramp up’ the resources to deliver the required volumes. This is a credible assessment as the rolling stock volumes are not large and the infrastructure volumes are comparable to peaks which have been delivered historically. The opportunity provided by the decarbonisation programme is to ramp-up to a steady volume for 30-years which will drive continuous improvement and cost efficiency as is seen in Germany and elsewhere. Subject to this continuity of volume there is every reason to think an electrification programme can be delivered very cost efficiently and, as importantly, provide an apprentice employed today with 30 years of work.

7. **Digitalisation:** There are huge opportunities in the use of digitalised control (signalling) and command (traffic management) systems which offer significant opportunity to improve the service the railway provides to passengers. This investment also retains and creates high skill employment.
8. **The rollout of digital signalling** is essential. It is clear that to ‘do nothing’ is not an option in respect of the railway’s signalling systems as much of the current system needs to be renewed in the next 15 years and, if not replaced, would necessitate the removal of parts of the railway from service. In the UK a recent study has identified that digital technology is the only affordable way to deal with this backlog of signalling renewals.
9. Positively, the industry now has visibility of a forward pipeline of activity in **NR’s Long Term Deployment Plan (LTDP)**. However, the LTDP is not yet funded and shows a steep ramp up in activity in the middle of Control Period 7 around 2027, with limited digital signalling work before that point. The Rail Sector deal has identified how these volumes will increase competition and reduce both client and supplier costs to European benchmark levels. Suppliers are ready to invest in the people, plant and processes to introduce this new technology and reduce unit costs but need confidence that the plan will be funded.
10. RIA was pleased to see the Government’s commitment to the **digitalisation of the East Coast Main- line**, and to explore the **digitalisation of other projects**. The Government should commit to the fund- ing of the LTDP and to bringing work forward to support the industry becoming ‘match fit’ by 2024.
11. **Innovation:** Coronavirus has highlighted the need to deploy proven but not widely utilised technologies including effective use of data and remote monitoring equipment. These technologies can enable rail services to be more responsive to demand, enable off site working and improve the efficiency of the railway. We welcome NR HS2 funding and support for innovation. However more could be done to create an environment which incentivises and supports innovation in rolling stock and operations – for example more targeted innovation, effective use of procurement for difference and creative match funding to leverage Government rail funding. Too often rail is forgotten when it comes to wider zero carbon and air quality funding initiatives.

12. **Renewals:** Since 2017 RIA has been calling for the smoothing out of renewals workloads to ensure the industry has a smooth and consistent profile of work, unlike the ‘boom and bust’ profiles seen in previous Control Periods. At the start of CP6, a RIA survey of 28 representative members half way through Year 1 showed nearly 90% believe renewals volumes were not coming forward at the rate expected. Since then, NR has been collaborating closely with RIA members, and despite Coronavirus investment levels have broadly held up and forward visibility is improving.
13. As the Rail Supply Group’s ‘Act Now’ Report shows, there may be opportunities from **greater access to track** for suppliers whilst passenger numbers are reduced. The Government could consider more blockades or longer possessions to increase the efficiency of delivery by railway businesses. We also welcome the Act Now commitments to forward expenditure profiling and maximising the benefits of passenger data sharing for the rail system and users.
14. **UK Rail Potential: Exports and Inward Investment:** the UK rail sector currently exports over £800m a year. Many companies are global leaders bringing inward investment and looking to export from the UK. According to the Unife World Market Study 2020 the global rail supply market has grown by 3.6 % per year from the 2015–2017 period to the 2017–2019 period and now has a volume of EUR 177.2 bn per annum. This growth was driven by considerable investments in rolling stock, infrastructure and rail control.
15. Globally countries are recognising **rail as a key sector to support post-Coronavirus sustainable growth strategies**. Despite a likely dip in investment due to the Coronavirus pandemic, annual market growth of between 1 and 2.3% until 2025 is predicted, when an annual volume of approximately ER 240bn pa could be expected.
16. **Investment in UK projects** now will build capability in rail systems, infrastructure, zero carbon and digital skills which are in high demand. It will support jobs and unlock innovation and SME growth. Commitment to rail projects will ensure that we remain competitive both in terms of a growing share of the global market and in order to deliver UK investments at a competitive price. A delay in investment may risk capital and capability moving off-shore.
17. **RIA calls for early funding decisions for rail projects including the Integrated Rail Plan for the North and the Network Rail enhancement programme.** Funding commitments for digital and zero carbon investment including electrification, hydrogen and digital are needed and a stronger focus on procurement for innovation in rail in order to maintain and build on UK capability, support zero carbon, reduce the costs and increase the productivity of the railway. The Government should also recognise the potential to export this capability and expertise.