

Transport for the North Scrutiny Committee Agenda

Date of Meeting	Thursday 09 September 2021
Time of Meeting	11.00 am
Venue	The Hacienda Suite, Holiday Inn Manchester City Centre, 25 Aytoun Street

Filming and broadcast of the meeting

Meetings of the Transport for the North are 'webcast'. These meetings are filmed and broadcast live on the Internet. If you attend this meeting you should be aware that you might be filmed and included in that transmission.

Item No.	Agenda Item	Page
1.0	Welcome & Apologies	
2.0	Declarations of Interest Members are required to declare any personal, prejudicial or disclosable pecuniary interest they may have relating to items on the agenda and state the nature of such interest.	
3.0	Minutes of the Previous Meetings To consider the approval and signature of the minutes of the meetings held on 15 April and 7 July 2021 as correct records and to consider any requests for updates on matters contained therein.	3 - 14
4.0	Appointment of the Scrutiny Committee Chair and Vice Chairs Members to appoint a Chair and a Majority and Minority Party Vice Chair to the Scrutiny Committee.	
5.0	Scrutiny Review To consider the report of the Senior Solicitor.	15 - 24

6.0	Rail Reform Matters: Responding to the White Paper To consider the report of the Strategic Rail Director.	25 - 40
7.0	Draft Freight and Logistics Strategy To consider the report of the Interim Strategy & Programme Director.	41 - 126
8.0	Strategic Transport Plan Development Programme To consider the report of the Acting Head of Policy & Strategy.	127 - 132
9.0	Spending Review Planning To consider the report of the Interim Strategy & Programme Director.	133 - 136
10.0	Monthly Operating Report To consider the Monthly Operating Report of the Interim Strategy & Programme Director.	137 - 166



Scrutiny Committee Minutes

Thursday 15 April 2021
Virtual

Present:

Attendee

Cllr Paul Haslam
Cllr Shorrock
Cllr O'Hara
Cllr Laura Crane
Cllr Neil Hughes
Cllr Jones

Cllr Sean Chaytor
County Cllr Matthew Salter
Cllr Mark Walsh
Cllr Tom Furneaux
Cllr Chris Lamb
Cllr Ashley Waters
Cllr Steve Parish
Cllr Manisha Kaushik
Cllr Stephen Fenton

Local Authority

North Yorkshire;
Blackburn with Darwen;
Blackpool;
Cheshire East;
Cumbria;
Greater Manchester Combined Authority;
Hull;
Lancashire;
North East Combined Authority;
North East Lincolnshire;
Sheffield City Region;
Tees Valley;
Warrington;
West Yorkshire Combined Authority;
York;

Officers in Attendance:

Name

Barry White
Gary Rich
Iain Craven
Tim Foster

Rosemary Lyon
Peter Molyneux
Jack Snape

Deborah Dimock

Job Title

Chief Executive
Democratic Services Officer
Finance Director
Interim Strategy & Programme Director
Legal and Democratic Services Officer
Major Roads Director
Principal Data and Analytics Modelling Officer
Solicitor

**Item
No:****Item****1. Welcome & Apologies**

- 1.1 The Chair paid tribute to His Royal Highness Prince Philip before Members observed a minutes silence in respect of His Royal Highness passing.
- 1.2 The Chair welcomed all in attendance and apologies were received from Cllr Stathers, Cllr Davison and Cllr Cooper.

2. Declarations of Interest

- 2.1 There were no declarations of interest.

3. Minutes of the Previous Meeting

- 3.1 The minutes of the meeting held on 4 March 2021 were considered and their accuracy as a correct record confirmed. The minutes were proposed by Cllr Parish and seconded by Cllr Fenton.
- 3.2 Cllr Parish highlighted a typographical error in minute 5.2 stating it should say Microsimulation rather than Micro-imulation.
- 3.3 Cllr Hughes suggested that Cllr Parish may want to clarify his comments in minute 5.2. Cllr Parish stated that the wording 'by stopping services short' should be added to the minute to clarify his comments.

Resolved:

That the minutes of the meeting held on 4 March 2021 be approved as a true and accurate record subject to the typographical error and the additional clarity provided to minute 5.2 by Cllr Parish be included.

4. Monthly Operating Report

- 4.1 Members received the Monthly Operating report from the Interim Strategy & Programme Director. He explained that the February report received by Members is the most up to date, he then provided an update on activity that has happened since the report publication. He explained that at the March Board the business plan and the budget for the current financial year were approved with the business plan now finalised and published. Members were also informed that the appointment panel has decided on a preferred candidate for Chief Executive. It was explained that this is due to be taken to a special meeting of the TfN Board on 16 April for approval.

- 4.2 Cllr Hughes referred to a number of issues in the report including, the letter sent to the Secretary of State, the Freight Modelling commission, the A66 Dualling project and virtual meetings.

The interim Strategy and Programme Director explained that TfN had yet to receive a response of substance from the Secretary of State on the Integrated Rail Plan following the letter. In relation to the A66 he stated that he would update the Committee. Regarding virtual meetings the Solicitor informed Members that Transport for the North are bound by legislation on this matter. She explained that there are however issues regarding the safety of holding large face to face meetings from June. She further explained that whilst planning is taking place for next steps from May 7 definite decisions could not be made until after the court has come to a decision regarding remote public meetings.

Cllr Chaytor highlighted that the Secretary of State for Housing, Communities and Local Government has backed the action being taken. He then went on to highlight the benefits to him of virtual meetings, he explained that prior to attending the meeting had been able to attend a meeting of his constituent authority, which he would have been unable to do if meetings were being held face to face. Cllr Chaytor suggested the possibility of hybrid meetings going forward.

- 4.3 Cllr Parish enquired as to whether there are any quick wins left on line speed.

The Interim Strategy and Planning Director explained that a number of places have been identified across the network in the North where services can be sped up as a result of tweaks to the timetable or infrastructure work. A briefing note will be issued to the Committee.

- 4.4 The Chair asked about the Build Back better Bus Strategy and how it may impact on TfN.

The Interim Strategy and Planning Director explained that the role of TfN in relation to bus travel has not been clearly defined. He highlighted the issue of getting the best out of end to end journeys and issues such as active travel, bus travel and local road networks becoming a big part of TfNs work going forward.

Resolved:

That the report be noted.

5. Corporate Governance and Scrutiny Function Review

- 5.1 Members received the report from the TfN Solicitor who highlighted the key points in the Annual Governance Statement.

- 5.2 Cllr Hughes requested a distinction between the composition and roles of the Rail North Committee and the Rail North Partnership.

The Solicitor explained that the Rail North Committee is made up of Transport for the North Board Members whilst the Rail North Partnership Board is made up of the officers from the constituent authorities and the Department for Transport.

- 5.3 The Solicitor then highlighted the key points of the Scrutiny review report and the function of the Scrutiny Committee. She proposed that a questionnaire be developed and circulated to Members of the Scrutiny Committee and the Transport for the North Board.
- 5.4 The Chair proposed that a Scrutiny panel be set up to review the function of the committee and that a report be presented to the Committee at the meeting on 4 November.
- 5.5 Members were supportive of the Chair's proposal.
- 5.6 Cllr Chaytor stated that he believed that the current Scrutiny first was the right approach but suggested that consideration needs to be given on how the Committee are going to do things.

Resolved:

- 1) That the Annual Governance Statement be received and recommended for approval.
- 2) That the report on the Scrutiny function be received and a that a consultation of members be undertaken, and a Scrutiny panel convened to review the function of the Committee.
- 3) That a report be brought back to a future meeting of the Scrutiny Committee.

6. Decarbonisation Strategy

- 6.1 Members received the report of the Interim Strategy & Programme Director who provided Members with an overview of the report and the key areas of the Strategy. The Principal Data and Analytics Modelling Officer highlighted the key areas of the report before Members asked questions and made comments on the strategy.
- 6.2 Cllr Hughes congratulated the team on an outstanding report and suggested that at the end of the consultation period the Strategy return to the Scrutiny Committee for further discussion before going to the

Board. He then went on to raise the issues of road pricing, the compatibility with LEP strategies and the fact that the figures in the strategy are based on the Government's original 80% zero carbon, which has now moved on to zero by 2050 and questioned if the strategy would be amended to reflect this.

- 6.3 The Chair raised the issue of co-ordination with other local authorities as well as LEPs. He also suggested that the issue of air quality should also be addressed.

- 6.4 On the issue of Road pricing, the Interim Strategy and Programme Director explained that the broader issue of demand management on the transport network is something that is flagged in the strategy. He explained that this is an important piece of work, however it must be robust and evidence based. He stated that TfN have a role to play in this by bringing people together and facilitating the debate.

On the issue of the assessment of LEPs he explained that this is a standalone piece of work that he been developed since the start of 2021 and has explored the emerging strands around LEPs and clean growth.

- 6.5 The Principal Data and Analytics Modelling Officer explained that the change from 80% to net zero had been built into the strategy. Prior to December 2020 the TfN trajectory was always more ambitious than the National trajectory and whilst it still remains more ambitions the gap has narrowed.

On the issue of air pollution he explained that there has been no additional modelling yet but this is something that they hope to do going forward. He explained that he believes that local authorities should lead on this issue with TfN playing into it.

- 6.6 Cllr Fenton suggested that communication could be sent to Scrutiny Committees once the consultation goes out, whilst the Chair suggested that the strategy be sent to all the Scrutiny Committees in the North before going out to public consultation. It was also suggested that it should be circulated around the LEPs as well as the Yorkshire and Humber Climate Commission.

- 6.7 The Chair informed Members that if possible the next meeting should be face to face in either Manchester or Leeds and that Members would be advised of the situation as soon as details are known.

Resolved:

That the report be noted.

7. Exclusion of Press & Public

Resolved: That the public be excluded from the meeting during consideration of Item 8 on the grounds that

- (1) It is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during such item(s), confidential information as defined in S100A(2) of the Local Government Act 1972 (as amended) would be disclosed to them in breach of the obligation of confidence; and/or
- (2) it / they involve(s) the likely disclosure of exempt information as set out in the Paragraphs [where necessary listed below] of Schedule 12A of the Local Government Act 1972 (as amended) and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

8. Part 2 Minutes of the Previous Meeting

- 8.1 The private minutes of the meeting held on 4 March 2021 were considered and their accuracy as a correct record confirmed. The minutes were proposed by Cllr Haslam and seconded by Cllr Fenton.

Resolved:

That the private minutes of the meeting held on 4 March 2021 be approved as a true and accurate record.

Scrutiny Committee Consultation Call Minutes

**Wednesday 07 July 2021
Virtual**

Present:

Attendee	Local Authority
Cllr Paul Haslam (Chair)	North Yorkshire
Cllr David O'Hara	Blackpool;
Cllr Andrew Cooper	Cheshire West & Chester;
Cllr Roger Jones	Greater Manchester Combined Authority;
Cllr Sean Chaytor	Hull;
Cllr Matthew Salter	Lancashire;
Cllr John Davison	North Lincolnshire;
Cllr Richard Wearmouth	North of Tyne Combined Authority;
Cllr Ashley Waters	Tees Valley;
Cllr Steve Parish	Warrington;
Cllr Stephen Fenton	York;

Officers in Attendance:

Name	Job Title
Gary Rich	Democratic Services Officer
Dawn Madin	Director of Business Capabilities
Julie Openshaw	Head of Legal
Tim Wood	Interim Chief Executive
Rosemary Lyon	Legal & Democratic Services Officer
Peter Molyneux	Major Roads Director
Deborah Dimock	Solicitor
David Hoggarth	Strategic Rail Director
Tim Foster	Interim Strategy & Programme Director

Item No:	Item
1.	Welcome & Apologies

- 1.1** The Chair welcomed Members to the meeting and specifically welcomed new Member Cllr Wearmouth.

- 1.2 Apologies were received from Cllr Hughes, Cllr Ferneaux, Cllr Crane and Cllr Kaushik.

2. Declarations of Interest

- 2.1 There were no Declarations of interest

3. Minutes of the Previous Meeting

- 3.1 The minutes of the meeting of the Transport for the North Scrutiny Committee held on 15 April 2021 were considered. The Chairman explained that as this is not a formal meeting of the Committee, the minutes could not be approved and were for noting only and would be presented for formal approval at the September meeting.

Resolved:

That the minutes of the Transport for the North Scrutiny Committee held on 15 April 2021 be noted.

4. Monthly Operating Report

- 4.1 Members received the Monthly Operating Report from the Interim Strategy and Programme Director who highlighted the key areas of the report before taking questions from Members on a variety of issues.
- 4.2 In relation to the Manchester Recovery Taskforce Cllr Jones expressed concern that Members are unaware of any of the proposed infrastructure changes.

The Interim Strategy and Programme Director explained that there are a number of tranches of infrastructure proposed which are linked to changes in the timetable. He further explained that the infrastructure to make the 2022 timetable work is limited and mainly involves upgrades to station platforms. He explained that the wider issue surrounds the larger infrastructure changes during the next 5 years.

- 4.3 The Interim Chief Executive explained that there are three potential tranches of work being developed in the Manchester Castlefield corridor and the surrounding areas over the next 10-15 years. He further explained that TfN is now reviewing with the DfT and Network Rail some of the alternatives in order to achieve the best outcomes. He stated that TfN has not supported a May timetable change on the East Coast Main Line.
- 4.4 Cllr Chaytor expressed concern that services along the East side of the country are being affected. He requested that pressure be applied on the Train Operating Companies to address this.

- 4.5 Cllr Salter welcomed the Stakeholder communication work particularly the social media work and requested that this continues.

In relation to train usage, Cllr Salter requested projections on returning to medium to high usage levels on the trains as the pandemic subsides.

The Interim Strategy and Programme Director explained that it is difficult to give an exact projection but the expectation is that there will be a return to something approaching previous levels during the next six months to two years. He explained that confidence and safety is vital and work is being undertaken with operators and the Department for Transport on this.

The Interim Chief Executive explained that the vast majority of people are expected to be returning to their cars due to capacity on the rail network. He highlighted the importance of investment so that capacity can be increased and passengers guaranteed a strong service pattern.

- 4.6 Cllr Chaytor highlighted the need to open some of the closed lines in order to get passengers back on the trains and requested that officers explore this.

The Interim Strategy and Programme Director stated that this will be addressed.

- 4.7 Cllr Parish requested a summary of road rail schemes.

Resolved:

That the Monthly Operating Report be noted.

5. Review of Scrutiny Function

- 5.1 Members received the report from the Solicitor who provided background and outlined the key areas of the report. She explained that there had been a low return on the questionnaire that had been circulated to Members and suggested recirculating it if Members agreed. Members were also informed that there had been no interest expressed in forming a working group to review the future role of the Scrutiny Committee.
- 5.2 Members expressed satisfaction with the current 'scrutiny first' approach. It was suggested that the Chair should be given authority to include items on the agenda not going to Board if deemed urgent.
- 5.3 Members agreed that the questionnaire should be re-circulated and that the Scrutiny Review should remain as a standing item for the next two meetings.

- 5.4 Members discussed the issue of virtual and face to face meetings. The Solicitor explained that the Constitution allows for one meeting per year face to face.

Members expressed differing views as to how they wish to proceed regarding virtual and face to face meetings and it was proposed that there should be a question included in the questionnaire on how Members wish to meet going forward.

- 5.5 The Chair raised the issue of the Government Bus Back Better proposals and suggested that officers review the work that has been done. He requested that a report be brought back to the next committee meeting.

Cllr Davison urged caution on this due to the different rural and urban issues that exist on the matter.

The interim Strategy and Programme Director stated that TfN could add some value to this area and believed that a report could be written setting out a collective approach for the North.

Resolved:

- 1) That the report be noted;
- 2) That the Scrutiny Review questionnaire be recirculated to Members;
- 3) That the Scrutiny Review be a standing item for discussion at the September and November 2021 meetings;
- 4) That a report on the Bus Back Better proposals be requested for the Scrutiny Committee at the September 2021 meeting.

6. Rail Reform Matters: Responding to the White Paper

- 6.1 The Rail Reform Matters report was received by Members. The Head of Rail Specification and Delivery then outlined the key points of the report.
- 6.2 Cllr Parish raised the issue of compensation in the event of trains being late.
- 6.3 Cllr O'Hara raised the issue of co-ordination and fare prices.
- 6.4 Cllr Jones suggested that TfN should have a role in running the local rail services in the North of England.
- 6.5 In response to Members' questions the Head of Rail Specification Delivery explained that the idea behind the creation of a single body relates to accountability and that this is the North's chance to influence future developments.

Resolved:

- 1) That the Committee notes the White Paper, and its focus on addressing the problems caused by the past fragmentation of the railway industry;

- 2) That Transport for the North continues to seek clarity from Government that the existing arrangements and statutory powers of Transport for the North are not proposed to be changed, to enable it to continue to provide a strong influence Transport for the North's future role.

7. Decarbonisation Strategy

- 7.1 Members received the presentation from the Principal Environmental and Sustainability Officer and the Senior Corporate Engagement Officer; Members were then invited to ask questions.
- 7.2 The Chair asked about the response from Local Authorities and enquired about promotional work done through Facebook, offering his assistance by promoting it via his own Facebook page.

The Senior Corporate Engagement Officer explained that all local authorities in the North have been invited to participate but he is unsure as to the level of response received as this is being collated separately.

The Senior Corporate Engagement Officer stated that he would send out links to the Chair in order that he can promote it.

- 7.3 Cllr Salter expressed concern that there was too much focus on people living in the cities and not enough attention to those living in rural areas and how they travel.

Resolved:

That the presentation be noted.

8. Northern Powerhouse Rail Update

- 8.1 The report was received by the by Members and the Interim Chief Executive highlighted the key sections of the report.

Resolved:

- 1) That the Committee notes the progress on implementing the agreed scope of work for Northern Powerhouse Rail for the financial year 2021/22, model development and the strategic outline case;
- 2) That the Committee notes the plan to review and respond to the Integrated Rail Plan.

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Meeting: Scrutiny Committee

Subject: Review of Scrutiny Function

Author: Manjit Dhillon, Senior Solicitor

Sponsor: Julie Openshaw, Head of Legal Services

Meeting Date: Thursday 9 September 2021

1. Purpose of the Report:

- 1.1 The purpose of the report is:
 - 1.1.1 To provide an update to Members on the progress of the Scrutiny Function review since the Scrutiny Committee Consultation Call Meeting on 7 July 2021.
 - 1.1.2 To report to Members on the further consultation questionnaire responses on the role of the Scrutiny function.
 - 1.1.3 To report to Members on the consultation questionnaire responses on the holding of future Scrutiny Committee and Consultation Call Meetings.
 - 1.1.4 To keep under review the need for and role of Scrutiny Panels.
 - 1.1.5 To report to Members on a recent Audit Report on Transport for the North governance.

2. Recommendations:

- 2.1 That the report be received, and the Committee considers how it wishes to further progress the review of the Scrutiny Function including consideration of whether Members require additional time to discuss and consider in full the questionnaire responses at a future Consultation Call Meeting with an option for Members to discuss any additional questions in relation to travel and attendance at meetings.
- 2.2 To consider the options for the holding of future Scrutiny Committee and Consultation Call meetings as set out at paragraph 4.6 of the report.
- 2.3 To consider the need for, and the role of, Scrutiny Panels.

- 2.4 To note and consider the recommendation from the Governance Audit Report.

3. Background

- 3.1 In accordance with one of the governance actions for 2021/22 identified in the Annual Governance Statement, reports have been presented to Scrutiny Committee on 15 April and 7 July to initiate and progress a review of the Scrutiny function. At the 7 July Scrutiny Committee Consultation Call Meeting Members were provided with information on the following areas:

- 3.1.1 Information was provided to Members on the legislative provisions contained in the Sub-national (Transport for the North) Regulations 2018 requiring the establishment of the Scrutiny Committee and on the adoption of the policy of "Scrutiny First" at the Transport for the North Shadow Board held in February 2018. The Scrutiny First policy means that proposals and decisions to be made by the Board are considered by the Scrutiny Committee first allowing it an opportunity to inform and influence the decisions of the Board as there is no power to "call in" Board decisions provided in the Transport for the North Regulations and the Constitution.
- 3.1.2 As the first stage of the review a consultation exercise was undertaken to gather Members views on how the Scrutiny function should be developed going forward as well as for general comments and recommendations for its improvements. A schedule of consultation responses was provided to the Members.
- 3.1.3 The Constitution makes provision for the Scrutiny Committee to set up Scrutiny Panels to explore issues of interest to the Committee but so far, the Committee has not done so. This provides for the Scrutiny Panel meeting could be less formal than the Scrutiny Committee and could continue to be held virtually.

4. Discussion

4.1 Further Consultation

Following the recommendation by the Committee on 7 July 2021, a consultation questionnaire was re-circulated with the agreed additional questions on the holding of future meetings. Four Members responded to the further consultation. A schedule of all the consultation responses is attached as Appendix 1 with the most recent responses shown in red.

4.2 The responses indicate similar views to those who responded to the first questionnaire with an additional comment on the holding of future meetings.

4.3 **Future Meetings**

In addition to the consultation questions on the Scrutiny function Members were also asked for their views on the holding of future meeting. There were mixed views amongst Members on future meetings being held virtually. Some Members were in favour of the Scrutiny Committee AGM being held face-to-face. Members acknowledged the advantages of more frequent face to face meetings allowing Members to meet and network before and after the meetings, however equally Members recognised the benefits of virtual meetings with savings on travel times and allowing Members the time to attend meeting with competing commitments to their respective constituent authorities. Following discussion, Members agreed that additional questions on the holding of future meeting be added to the further consultation questionnaire and seek Members views on holding of future meetings. A further consultation questionnaire was sent to Members seeking their views on the following questions:

- (a) I agree that the Scrutiny Committee should meet virtually online as a Consultation Call unless required by law to hold a physical meeting;
- (b) I agree that the Scrutiny Committee should hold 50% of its meetings online as Consultation Calls;
- (c) I agree that the Scrutiny Committee should hold all its meetings physically as face-to-face meetings;
- (d) I agree that all physical meetings should be held at a central location, either Leeds or Manchester.

4.4 The responses questions (a) to (d) are shown in the schedule attached as Appendix 1 and reflect views expressed by Members at the last meeting. Members will note that the responses to question (c) were unanimous in disagreeing that Scrutiny Committee should hold all its meetings physically as face-to-face meetings.

4.5 The legislative provisions which enabled virtual attendance at committee meetings expired on 7 May 2021. As such the requirement for Members to attend meetings in person has been reinstated. As part of the Governance report to be presented to Board on 29 September, and following a recommendation by the Members' Working Group in relation to the General Purposes Committee, Board will be recommended to approve an amendment to the Procedure Rules within the Constitution to enable Members to join formal meetings using virtual means, and speak and contribute at meetings, although this would not allow such Members' attendance to count as

part of quorum, nor would it enable such members to participate in a vote, if a vote was called for. If Board approves this amendment, that choice would also be available to members of Scrutiny Committee (and other TfN Committees) in the future, subject to the required technology being in place and available at meeting venues, should the committee wish to conduct its business in this way for some or all of its meetings. It should of course be emphasised that in order to meet the legal requirements for a formal meeting, a quorum of members actually present in person would still be required for each meeting.

- 4.6 Going forward, it is appropriate for Members to consider the options for the holding of future Scrutiny Committee and Consultation Call Meetings. Based on the Members views at the last committee meeting and the responses to the consultation questionnaire, Members are invited to consider the options below:
- 4.6.1 Hold the Scrutiny Committee AGM as face-to-face meeting in either Manchester or Leeds with remaining committee meetings to be held virtually.
 - 4.6.2 Hold more than one Scrutiny Committee meeting face to face a year. If more than one face to face meeting is required, Members are invited to indicate number(s) to assist officers with planning of face-to-face meetings.
 - 4.6.3 If Members agree to hold more than one Scrutiny Committee meeting face to face are Members comfortable with meetings continued to be held in Manchester and Leeds on rotation?
 - 4.6.4 Hold all Scrutiny Committee Consultation Call meetings virtually subject to the legal requirements set out in paragraph 4.5 above or unless required by law to hold in person meeting.

4.7 **Scrutiny Panels**

The Members discussed the likely role of Scrutiny Panels as provided for in the Constitution. The views expressed during the meeting indicated that the Members were generally satisfied with the current scrutiny process in place and commented on the need for additional time commitment from both Members and officers if Scrutiny panels were set up. There was consensus from Members for this question to remain as a standing item for consideration at the next two committee meetings and it is therefore included within this report.

4.8 **Recommendation from the Governance Audit Report**

A recent Audit Report into Transport for the North Governance has commented on the need for an audit trail showing how the recommendations made by the Scrutiny Committee are taken into account in reports to the Board. One the recommendations from the

Audit Report is that where officers pick up comments from the Scrutiny Committee consideration and then take them into account in the Strategy that is submitted for Board approval it would be helpful if the report to the Board could include the Scrutiny Committee comments and also state how they have been taken into consideration.

- 4.9 Following the Audit Report recommendation a paper was presented to members of the Senior Managers Team (SMT) to inform them of the recommendation and to seek their views on how best officers can ensure recommendations are referenced in the reports to the Board and to show how the recommendations are taken into consideration. SMT commented that whilst reports to the Board do take into account Scrutiny Committee recommendations, this could be more clearly referenced in the report along with officer considerations on how they have been taken the recommendations into account. SMT suggested the committee report template could be amended to include a separate section to reference Scrutiny Committee recommendations and for the officers to show how they have been taken into consideration. It is proposed to implement this proposal, having first sighted and gained approval from the Operating Board Team.

5. Corporate Considerations:

5.1 *Financial and Resource Implications*

The TfN HR and Finance Teams have each respectfully confirmed that there are no new financial or resourcing implications as a result of this report.

5.2 *Legal Implications*

The legal implications have been considered and are included in the report.

5.3 *Risk Management and Key Issues*

This paper does not require a risk assessment and therefore, there are no risk implications associated to the report.

5.4 *Environmental Implications*

A full impact assessment has not been carried out because the report does not propose any new strategy or service provision.

5.5 *Equality and Diversity*

A full Impact assessment has not been carried out because the report does not propose any new strategy or service provision.

5.6 ***Consultations***

No consultation has been carried since no new policies are being proposed.

6. Background Papers

6.1 None.

7. Appendices

7.1 Appendix 1 – A schedule of further consultation responses.

Appendix 1

Scrutiny Consultation Schedule of Responses.

	Question Indicate how well you agree with the following statements 1 not at all – 5 strongly Agree	1	2	3	4	5
1	I am happy with the Scrutiny First principle?	2	1	1	0 (1)	5 (3)
2	I think Scrutiny Committee should in general review all reports before they are considered by the Board?	1	1	5 (1)	0 (1)	2 (2)
3	I think the Scrutiny Committee should restrict its review to reports relating to transport strategy and investment decisions?	4 (1)	0 (1)	3 (1)	2 (1)	0
4	I think the Scrutiny Committee reviews Board reports well?	1	1	4 (2)	2 (2)	1
5	I think the Scrutiny Committee has an appropriate level of officer support at its meetings?	1	0 (1)	4 (1)	1 (2)	2
6	Comment If not, what changes would you like to see?					
7	I think the comments made by the Scrutiny Committee are acted upon by officers?	0	1	4 (3)	1 (1)	1

8	I think the comments of the Scrutiny Committee have been adequately reported to the Board?	0	1	4 (3)	0 (1)	1
9	Comment If not, what changes would you like to see?					
10	I think the Scrutiny Committee has influenced Board decisions	0	2 (1)	4 (1)	1 (1)	0
11	Comment What improvements would you like to see to the way the Scrutiny Committee operates	It shouldn't have too much power - that's the point!				
12	I would like Scrutiny Committee to identify topics for review in a Scrutiny Work Programme	1	0	2	4 (2)	2 (2)
13	I think the work programme should be carried out through the Scrutiny Committee?	0	2 (2)	2 (1)	0 (1)	4
14	I think the work programme should be carried out through a small Scrutiny Panel	2	3 (1)	2 (1)	1 (1)	0 (1)
15	I agree that the Scrutiny Committee should meet virtually online as a Consultation Call unless required by law		1		1	2

	to hold a physical meeting					
16	I agree that the Scrutiny Committee should hold 50% of its meetings online as Consultation Calls	1	1	1	1	
17	I agree that the Scrutiny Committee should hold all its meetings physically as face-to-face meetings	4				
18	I agree that all physical meetings should be held at a central location either Leeds or Manchester		1			3

Are there any other comments you would like to make?

- I can't objectively comment on the effectiveness of the committee as I'm not exposed sufficiently enough to its operation
- I thoroughly enjoy & value the work of TfN scrutiny I participate in.

- I would like to more about actual achievements on the ground with a regularly updated critical path programme that clearly shows planned and funded programmes of work, key milestones, and therefore progress & slippage.
- I have proposed that one meet a year – the AGM is hold face to face. The rest need to be online in order to get better attendance and more expertise present. The scrutiny has some very highly qualified attendees that add serious value to the conversation. They would be lost by a need to travel such distances. The spread of the area mean that members could be travelling for two hours each way for a two-hour meeting. If you work for a living as many do, then this would be financially impossible and certainly discriminatory. Or we would need to look at paying compensation for lost work if it were possible to take the time off. From time to time there might be a need to go on a field trip and hold a meeting near an area of interest!
- It shouldn't have too much power - that's the point!

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Meeting:	TfN Scrutiny Committee
Subject:	Rail Reform Matters: Responding to the White Paper
Author:	David Worsley, Head of Rail Specification & Delivery
Sponsor:	David Hoggarth, Strategic Rail Director
Meeting Date:	Thursday 9 September 2021

1. Purpose of the Report:

- 1.1 This report provides an overview of how Transport for the North is responding to the Williams-Shapps White Paper, and how we are seeking to work collaboratively with the industry and transition team. This approach will form the basis of a report to the September 2021 Board meeting.
- 1.2 Committee Members are asked to note the proposed approach of emphasising four key pillars for the future role of Transport for the North and are invited to comment upon these and the more specific aspects of our proposed response (as detailed in the report below).

2. Recommendations:

- 2.1 That the Committee notes that Transport for the North's proposed response is based around the four pillars set out in the report.
- 2.2 That the Committee provides any further comment needed to strengthen the narrative for Transport for the North's vision of the future and the case for change.

3. Main Issues:

- 3.1 Transport for the North is working with advisors to draft a document which will provide a formal response to the Government's White Paper, *Great British Railways: The Williams-Shapps Plan for Rail*. A number of inputs were provided which were reflected in this document, including:
 - Transport for the North's Members' stated priorities for future governance of the railway industry (accountability, decentralisation, transparency and integration);
 - Transport for the North's assessments of strengths it can offer to partner with the railway industry (e.g. as the sole body concerned with long-term pan-regional intermodal planning, focus on east-west connectivity, Transport for the North's Analytical Framework, the existing governance of the Rail North Partnership); and

The results of a previous consultation exercise with officers from our partner authorities, at which they outlined a “central scenario” for how it could reasonably be expected rail devolution and the delivery of major investment programmes would proceed over the next few decades.

- 3.2 A draft response document was produced in which it was suggested that Transport for the North propose that four key elements (or pillars) should constitute its future relationship with Great British Railways (GBR).
- 3.3 The four pillars suggested are:
- 1) Transport for the North as a strategic partner for Great British Railways;
 - 2) Transport for the North as the lead on multi-modal strategy and investment priorities for the North;
 - 3) Transport for the North as the provider of evidence and analysis; and
 - 4) Transport for the North as the single voice for northern authorities acting as the link between local devolution, integration and GBR’s regions.

It should be noted that key aspects of this proposition include:

- The parts of Transport for the North’s revised *Strategic Transport Plan* which deal with rail and the elements of GBR’s future Whole Industry Strategic Plan which concern the North should be substantially the same; and
- The decarbonisation plans of Transport for the North and GBR should be closely aligned.

Background

- 3.4 The Department for Transport’s White Paper entitled *Great British Railways: The Williams-Shapps Plan for Rail* was published on Thursday 20 May 2021. It is the culmination of Keith Williams’ review of the industry, initiated following the May 2018 timetable problems and the reversion of the East Coast franchise to directly operated status.
- 3.5 The White Paper proposed the creation of a new body, Great British Railways, which will combine all of the functions of Network Rail with some powers transferred from the Department for Transport and the Rail Delivery Group. The key purpose of GBR is to provide a single focus of accountability in the railway industry. Train services will be provided by private operators under the terms of Passenger Service Contracts (PSCs). Although GBR will have significant control over

timetabling and fares policy, the White Paper leaves open the possibility that local and regional authorities will have some power in the new structure. (More information about the contents of the White Paper can be found in Appendix 1.)

3.6 Prior to the publication of the White Paper, Transport for the North's Members had set out their own priorities for Transport for the North's future role in the railway industry drawing on the Blake Jones Review produced in the aftermath of the May 2018 problems. These are:

- **Accountability to the public:** A structure ensuring the industry acts for Northern communities;
- **Decentralisation:** Decision-making made locally to ensure better-informed decisions;
- **Transparency:** Better sharing of information and joint working; and
- **Integration:** Working as one intermodal system (e.g. joined-up ticketing and information).

3.7 In the months leading up to the publication of the White Paper, Transport for the North also undertook a consultation exercise with officers from our partner authorities. This led to the development of a "central scenario" which is a reasonable expectation of how rail devolution and the major investment programmes will proceed. A consensus was reached that rail devolution in the North is expected to be a progressive process in which powers are gradually decentralised. It was recognised that in order for this scenario to be realised, other reforms would need to take place (such as the establishment of multi-year funding agreements between Treasury and Transport for the North in order to allow long-term planning).

3.8 Two weeks after publication of the White Paper, Transport for the North responded to the Secretary of State with our 'offer' in order to illustrate what Transport for the North can bring to the future of the railway industry. Our key strengths were listed as:

- 1) **Strategic planning at a pan-Northern level:** This is supported by our ability to give statutory advice, our democratic governance arrangements, the analytical depth underpinning our *Strategic Transport Plan* of February 2019, the STP's basis in the earlier *Northern Powerhouse Independent Economic Review*, and our relationships with local authority partners and the Northern business community (via Local Enterprise Partnerships);
- 2) **Ability to focus on East-West connectivity:** The White Paper suggests that Network Rail's current structure of radial routes meeting in London could be retained in GBR's internal structure, although it does concede that "a new regional railway across

northern England may be beneficial once Northern Powerhouse Rail transforms travel between major towns and cities across the Pennines. Transport for the North's experience in working on Trans-Pennine Route Upgrade and Northern Powerhouse Rail, along with the importance of cross-Pennine labour market agglomeration and business-to-business contact to economic vision, will ensure that we can maintain the focus on East-West connectivity;

3) Transport for the North's evidence and analysis capability:

Transport for the North's Technical Assurance, Modelling & Economics (TAME) team has developed a suite of cutting edge modelling tools, including the Northern Rail Modelling System (NoRMS), the Northern Economy & Land Use Model (NELUM), and the Northern Highway Assignment Model (NoHAM). This is supplemented by a variety of well-developed visions of possible social conditions which transport will have to serve in the award-winning *Future Travel Scenarios* (published December 2020). Together these provide cutting-edge tools to enable strategic prioritisation and support business cases, and are increasingly being used by our local partners and accepted by DfT. However, the knowledge that we can bring to the industry extends beyond this Analytical Framework to include local surveys and *ad hoc* studies for specific projects;

4) Experience in reducing costs and scheme development:

Transport for the North has a track record in providing constructive advice on project development to other parties, and robustly challenging costs. Examples of this include strengthening the business case for the Northumberland Line by arguing that a slight increase in capital expenditure could significantly reduce operating costs, whilst the linespeed improvement workstream has led to Network Rail investigating methods by which journey times could be reduced at a relatively low cost;

5) Local integration and collaboration: Transport for the North has already developed close relationships with its local authority partners and the business community (via Local Enterprise Partnerships). Just as Local Transport Authorities examine multimodal integration at their level, Transport for the North has the ability to consider the trade-offs between different modes at a regional scale. Transport for the North is also developing a closer working relationship with Network Rail through a Memorandum of Understanding and liaison meetings, and TfN has shown leadership during the crises following the May 2018 timetable difficulties and the start of the coronavirus pandemic; and

6) The existing Rail North Partnership arrangements: These have provided a template for how a statutory Sub-National

Transport Body can provide leadership at a local level and bring more democratic accountability and integration to the railway. It is envisaged that the great majority of its functions will still be highly relevant in the new system of Passenger Service Contracts and can easily evolve to meet the needs of the new structure.

The Four Pillars

- 3.9 Transport for the North's has developed a vision for a strong future role in the railway industry based around four pillars that build on the existing strengths described above, meet our Members' aspirations, and fulfil the expectations of our local partners. The full response to the White Paper will take the capabilities that form these pillars and develop them into a compelling narrative for the future, which will build a case for change in the governance of the railway to drive improved benefits for the North. The four pillars are described below.
- 3.10 **1st Pillar – Transport for the North as a strategic partner for Great British Railways:** Given its existing capabilities, pre-existing relationships and the level of cohesion and trust that Transport for the North has built with Northern stakeholders, Transport for the North is well-placed to assist GBR in understanding the diverse requirements of the North, both from an operational and strategic perspective. GBR will also have specific powers and skills that can complement those of Transport for the North. There is therefore a strong case that Transport for the North can collaborate together with GBR on strategic issues through a formal relationship, and that GBR can deliver the rail element of Transport for the North's *Strategic Transport Plan*. It should be noted that Transport for the North's ability to be a strategic partner is not based purely on our capabilities in investment prioritisation, but also can be or has been demonstrated in crisis management (e.g post May 2018), timetable planning and spatial planning.
- 3.11 **2nd Pillar – Transport for the North as the lead on the multi-modal strategy and investment priorities for the North:** Transport for the North can assess both preliminary funding requests and potential new projects to ensure that they adequately and appropriately fulfil the needs of Northern communities as a whole. Transport for the North can examine projects and proposals to avoid duplication and assess the role of different modes in meeting the overall transport task. In order to ensure effective prioritisation, Transport for the North will need greater budgetary oversight, in order to ensure that annual priorities are in line with available allocations at a given point in time.
- 3.12 **3rd Pillar - Transport for the North as a body as provider of evidence, data and strategic insights:** This will in turn inform evidence-based policy, enable information sharing (both between local authorities and with GBR) and break down silos between

organisations. It will help avoid fragmentation particularly where bodies have overlapping boundaries and remits. Transport for the North's ability to provide technical support to local projects will shorten the timescales for project development, thereby reducing costs and realising benefits sooner. Crucially, Transport for the North can provide continuity in the evidence and knowledge base for the industry, mitigating the problem of lost wisdom when other organisations dissolve or restructure.

- 3.13 **4th Pillar – Transport for the North’s role as a single voice for Northern authorities**, working with both small and larger devolved authorities and stakeholders to clarify, prioritise and bring to the fore the collective needs of various communities in the North. Transport for the North can act as the link between GBR and authorities at different stages of devolution particularly during the transition period. This will include providing a voice for communities and authorities who do not traditionally have strong buy-in from or interaction with central government. By using its convening power, Transport for the North can also bring stakeholders together to push against inertia in the system and move initiatives forward.

Supporting Narrative

- 3.14 In order to build on the four pillars, strengthen the case for change, and develop the narrative for the vision of the future, some additional points will be made in the full response document. The key elements that will be emphasised are:
- As GBR will be concerned with rail across the whole of Great Britain, and Transport for the North is concerned with all surface modes in the North of England, the area of overlapping concern should be aligned through ensuring that the Northern element of GBR’s Whole Industry Strategic Plan and the rail element of Transport for the North’s *Strategic Transport Plan* are substantially the same document;
 - Transport for the North and GBR will thus be able to build a strong mutually interdependent relationship, in which Transport for the North can help GBR develop the Whole Industry Strategic Plan, whilst GBR can deliver the rail element of Transport for the North’s Strategic Transport Plan;
 - The oversight Transport for the North bring to operations through the Rail North Partnership can be built-upon for the new system of Passenger Service Contracts;
 - In some fields, it would be possible to devolve powers to local bodies more rapidly than the general reorganisation of the rail industry would imply. Local management of stations and their environs is one such area;
 - GBR and Transport for the North will not only collaborate on transport planning in the 30-year timescale (through the WISP and

the STP), but will also co-ordinate their contributions to the decarbonisation agenda over the same time period;

- Smart ticketing remains a priority for the North. Transport for the North can draw on knowledge and experience from the previous Integrated and Smart Travel Programme and work with operators and local authorities to identify pilot projects and opportunities to integrate rail products with other modes including buses.
- Transport for the North can act as the holder of the regional evidence base, allowing our Analytical Framework and Appraisal Framework to act as the uniform standard for developing proposals; and
- Transport for the North will be able to reduce the cost of infrastructure not only by providing a robust cost challenge and sharing its insights, but by helping to co-ordinate enhancements with renewals workbanks and saving duplication of access and preparatory work (as demonstrated by the linespeed improvement programme).

3.15 Transport for the North's core strengths which can form the foundation of our future role include:

- Our Analytical Framework will underpin an Appraisal Framework, which will standardise and thus speed up decision-making and project development across the North, enabling quicker realisation of benefits;
- Ultimately the success of levelling up and transformational growth will be measured in terms of land use change, and Transport for the North are in an ideal position with NELUM to forecast and monitor that; and
- Our convening and collaborating roles include work with Local Enterprise Partnerships and thus the business community and also building relationships with adjacent areas including Transport Scotland, Transport for Wales and Midlands Connect.

3.16 A dedicated Northern Region in GBR would ensure maximum alignment. In 2016, the Government-sponsored Shaw Report: The future shape and financing of Network Rail recommended the creation of a Network Rail route for the North on the basis that it would bring a greater focus on improving the connectivity and performance of the rail network in the region. The White Paper suggests that "For example, a new regional railway across northern England may be beneficial once Northern Powerhouse Rail transforms travel between major towns and cities across the Pennines." Transport for the North will continue to make the case for a dedicated Northern Region to be implemented as quickly as possible. The industry structural change that will flow from the White Paper is likely to be the least disruptive way of implementing this.

- 3.17 Any additional funding required to implement the proposals set out in this report would need to be provided by government/GBR as part of the creation of the new industry structure and this would need to be considered as part of the next steps.

Next Steps

- 3.18 Papers are being presented to both Scrutiny and Rail North Committees for comment.
- 3.19 It is Intended that a final version of Transport for the North's response to the White Paper will be available for approval at Transport for the North Board on 29th September 2021.

4. Corporate Considerations:

Financial and Resource Implications

- 4.1 There are no immediate financial implications for TfN. Future financial implications are referenced in the report
- 4.2 Dependant on the implementation of the GBR Target Operating model there may be structural, resource and skills implications for Transport for the North – this will be kept under review and the Committee appraised as these matters evolve.

Legal Implications

- 4.3 Transport for the North Legal Team has confirmed there are no apparent legal implications.

Risk Management and Key Issues

- 4.4 There are no risk implications arising from this report and thus a risk assessment is not required.

Environmental Implications

- 4.5 A full impact assessment has not been carried out because it is not required for this report.

Equality and Diversity

- 4.6 A full Impact assessment has not been carried out because it is not required for this report.

Consultations

- 4.7 Transport for the North's partners have been informally consulted on our response to the Williams-Shapps Plan, and will have the opportunity to provide further input to the case for change.

5. Background Papers

5.1 There are no background papers to this report.

6. Appendices

6.1 Appendix 1: Summary of White Paper

Glossary of terms, abbreviations and acronyms used (*if applicable*)

Please include any technical abbreviations and acronyms used in the report in this section. (Please see examples below.) This will provide an easy reference point for the reader for any abbreviations and acronyms that are used in the report.

GBR – Great British Railways

PSC – Passenger Service Contracts

STP – Strategic Transport Plan

TAME - Technical Assurance, Modelling & Economics

NELUM - Northern Economy & Land Use Model

NoRMS - Northern Rail Modelling System

NoHAM - Northern Highway Assignment Model

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Appendix 1

Further Information

The document is split in to 8 chapters. Further key details which have emerged from study of these chapters are covered here as supporting information:

Chapter 1: The Railways since Privatisation

Although praising the increase in services, higher passenger numbers, improved rolling stock and eventual improvement in safety during the privatised era, the report admits that the fragmentation of the industry has led to inefficiency in many areas (e.g. through duplication). Collaboration between organisations is poor, fares have increased 48% in real terms since 1997, performance has been erratic, and the privatisation has not been accepted by the public. In particular, poor cost control from Network Rail has prevented improvements. Simplification of the industry and better alignment of the incentives of the bodies involved is seen as the key to ending an adversarial blame culture. Great British Railways will therefore “be made up of regional railways that are locally rooted and accountable, with new culture and incentives focused on serving customers”.

Chapter 2: Our Commitment to Rail

It is noted that the government is still committed to HS2, direct London to Middlesbrough services, the Northumberland Line, and that in “northern England, Manchester’s railways are being unblocked . . .” It is promised that the Integrated Rail Plan will be published soon, and that the “government’s priority for the future is to level up rail services and other public transport services in rest of the country to the high standards already set in the capital”. Helping rail to recover from the pandemic will include the flexible season tickets but also a “major effort to develop rail’s leisure market further and help to attract new passengers to the railways”.

Chapter 3: Integrating the Railways

The McNulty report from a decade ago identified “the lack of whole-system thinking and adversarial relationships as key reasons for high costs, poor value and inefficiency”, but this has not been rectified. The key goal is that “Great British Railways will bring together the whole system and perform a role for rail services similar to the one Transport for London has in the capital. It will own the railways across Great Britain and run them as an integrated system to common goals, set out in this white paper and in the future by Ministers.”

GBR will be required to develop a 30-year plan, in addition to the current 5-year plans, and will incorporate functions from DfT and Rail Delivery Group as well as Network Rail. GBR will be accountable for punctuality, efficiency and safety, and

also take the revenue risk. In order to improve passenger focus, GBR "will need to include meaningful numbers of people in middle and senior management roles with substantial experience outside Network Rail, including in some cases from outside the rail and transport industry altogether; and more people with retail and customer relationship experience". Expect cost savings from integration and deduplication are £1.5 billion per year.

GBR will be accountable to the Secretary of State for Transport in a manner similar to TfL's accountability to the Mayor of London. However, in order to boost local accountability, "Great British Railways will be made up of powerful regional divisions, with budgets and delivery held at the local level, not just nationally". Passenger Service Contracts and other procurement will be managed locally. There will be five regional divisions, initially matching Network Rail's current structures, so the North of England would still be split between Eastern and North West & Central regions.

Chapter 4: Replacing Franchising

The government has a legal responsibility to keep franchised services in operation, and introduced emergency measures that kept the trains running for key workers, assuming full responsibility for cost and revenue across all 14 national franchises. A new role for operators is now needed to restore a focus on providing high-quality services for passengers, encouraging people to travel by train and running services more efficiently. Franchising will therefore be replaced by new Passenger Service Contracts. Use of a concession model to contract with private partners to operate trains has been more successful than franchising in enabling operators to be held to account for running trains on time, delivering passenger satisfaction and controlling costs.

GBR will specify the timetables, branding, most fares and other aspects of the service and agree a fee with the competitively-procured passenger service operator to provide the service to this specification. Operators will take cost risk but will need to balance that with service quality, in order to be efficient while also meeting the needs of passengers. National Rail Contracts will succeed the emergency agreements and act as stepping stones towards the new Passenger Service Contracts. They will include incentives to drive revenue growth and the flexibility to 'switch on' further revenue growth measures when conditions allow.

Great British Railways' regional divisions and their commercial partners will also push each other to help people back onto rail, working together on areas such as marketing. Revenue incentives will be built into contracts to grow passenger numbers, foster a culture of innovation and introduce efficiencies. In some areas, including city regions, local leaders will become directly involved in shaping and drawing up contracts, through partnerships with Great British Railways' regional divisions. Each contract will require and incentivise operators to co-operate and work collaboratively with Great British Railways and its other partners, including other transport services, to enable more convenient connections between long-distance and local services and joint working during

disruption or emergencies. The length of contracts will also vary. On some parts of the network, longer contracts than those used under franchising may be adopted to support major investment programmes or the delivery of significant changes for passengers.

Chapter 5: A New Deal for Passengers

The long-term vision is for 'turn up and go' railways, seamlessly connected with other transport services. Accessibility should be improved, and the compensation regime simplified. The nine key requirements of passengers are that the railways should be: Safe, Accessible, Seamless, Connected, Reliable, Comfortable, Informed, Affordable, Trusted.

GBR will be responsible for ticketing across the country, with digital tickets encouraged for regional, long-distance, and frequent journeys. The commercial freedom of some operators will most likely be limited to advance purchase tickets. The role of stations in the community will be modernised, to cater for on-demand shopping collection, small-scale freight, and public services such as education, training and health and wellbeing services.

Chapter 6: Unleashing the Private Sector's Potential

The government wants to ensure the new model takes the very best of the private sector – innovation, an unrelenting focus on quality, outstanding customer service – and harness it under the single guiding mind of the public sector. It is anticipated that GBR will support a more open, innovative system with shared data, new forms of competition and opportunities for new ideas to flourish and scale-up to benefit passengers, freight customers, the economy and taxpayer. It is argued that the railways will not become more efficient, modern, and innovative without the involvement of the private sector, including the extensive supply chain, freight market, funders and passenger operators and rolling stock companies.

Critical safeguards will be introduced to ensure freight operators receive fair access to the network. ORR will act as an appeals body for operators or applicants to ensure that Great British Railways applies policies, including track access and charging, fairly. GBR will have statutory duty to promote rail freight, and government will work with the market to consider vital network enhancements that increase capacity for freight or help to grow the rail freight market; this could be helpful for our freight aspirations in the North.

Reforms are envisaged to create a culture in the sector where every organisation, public or private, is aligned and incentivised to achieve high levels of performance, from train build and maintenance to service dispatch, that will get trains running on time across the network. Teams will be empowered locally to work collaboratively with private partners to do the right thing for passengers and freight customers. They will also improve engagement with local businesses and communities, including through creating new opportunities for local partners

and businesses to play a greater role in shaping investments in their area. Integrated local teams within Great British Railways' regional divisions will push forward design and delivery with their partners, supported by new incentives that encourage innovation, partnership, and collaboration.

Chapter 7: Accelerating Innovation and Modernisation

It is argued that real opportunities to improve services for passengers and freight customers through new technology have been consistently missed so rail needs to innovate and accelerate change if it is to remain relevant. A modern rail network requires an ambitious approach to decarbonisation, climate change adaptation and data driven transformation, by becoming more outcome focused and forward thinking and by balancing competing priorities carefully. The railways need to better understand their customers and speed up delivery of projects.

Electrification of the network will be expanded, and alternative technologies such as hydrogen and battery power will help to achieve zero emissions from trains and reduce air pollution. Rail is the only form of transport currently capable of moving both people and heavy goods in a zero-carbon way. Electrification is likely to be the main way of decarbonising the majority of the network, and the electrification of Leeds to Manchester is a key part of that, whilst battery and hydrogen-powered trains will be trialled for passenger routes where conventional electrification is an uneconomic solution. Railways need to encourage a shift away from planes, cars and lorries; become the best option for long-distance travel; and improve the whole journey experience. This includes making it easier to get to and from stations by walking, cycling or other public transport, charging points at rural stations, modernising fares to compete with air travel and improving freight connectivity through interchanges and links with freeports. This will require close working with local and devolved administrations.

Open data compiled by GBR and partners will improve transparency, trust, and innovation. An 'open by default' approach to data will be introduced, with common frameworks and standards across the sector created. Open data will make it easier for partners to provide new services such as: end-to-end journey planning; 'find my seat' features; and personalised travel offers, like free coffee when delayed. Great British Railways will become the primary public funder of RD&I initiatives across the sector, delivering priorities set by Ministers. Stronger links with centres of industry and private sector innovators will be a core part of the new RD&I system. Great British Railways' regional divisions, working more closely with local partners, will lead delivery of RD&I projects to focus them on the needs of passengers and freight customers.

Lessons learnt from the government's Project SPEED (Swift, Pragmatic, Efficient Enhancement Delivery) will be rolled out across the industry, in order to streamline the decision-making process, and strip out unnecessary complexity from planning processes through system-wide reform in conjunction with other government departments. These benefits will be realised by changing ways of

working across the whole rail sector. There are 11 cross-cutting themes that have been identified from a set of pilot projects. These focus on identifying opportunities for simplification and efficiency.

Chapter 8: Empowering Rail's People

A new joined-up, cross-sector training and skills offer will support people at every career stage to develop skills and bring in experience from outside the rail sector. The fragmented structure of the railways impedes effective leadership at both organisational and individual levels and limits the opportunity for whole-system, efficient solutions. To tackle this, a sustained programme to invest in skills, training and leadership across the rail sector will foster greater collaboration and openness to innovation and new technology and so support vital long-term productivity improvements. A virtual leadership academy will be established; the academy will professionalise and standardise the skills offer across the entire sector, bringing together commercial, technology and passenger service experience.

Great British Railways will work with the sector to develop a system-wide workforce plan, and support industry-wide co-ordination of driver training and take steps to ensure that operators can recruit and retain talent in a way that is sustainable for the whole sector. Diversity across the sector will be improved through the inclusion of stretching measures in contracts to actively promote and increase recruitment and retention of a diverse workforce. Comprehensive data on productivity and pay will be collected and published by ORR, which will report on the data and compare it with that of other sectors and labour markets.

ENDS

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Meeting: TfN Scrutiny Committee

Subject: Draft Freight and Logistics Strategy

Author: Lucy Hudson, Principal Policy Officer: Freight and Logistics

Sponsor: Tim Foster, Interim Strategy and Programme Director

Meeting Date: Thursday 9th September 2021

1. Purpose of the Report:

- 1.1 The draft Freight and Logistics Strategy has been developed within Transport for the North (TfN) and covers road, rail, warehousing and port activity. The draft strategy clearly articulates the key investments in road and rail required to support a strong and growing freight and logistics sector in the North.
- 1.2 Following discussion with TfN Board members in July, TfN is now preparing to develop the draft strategy for consultation with the public and stakeholders during the autumn before seeking final approval for the Strategy at the Board meeting planned for the 24 November.
- 1.3 Input from Scrutiny Members and discussions at Committee have been invaluable in developing the draft strategy. The meeting on the 9 is a further opportunity to review the draft and advise officers before the document is finalised for consultation.

2. Recommendations:

- 2.1 Members are asked to review the draft strategy and provide comments during the meeting on 9 September.

3. Corporate Considerations:

3.1 *Financial and Resource Implications*

TfN's HR and Finance Teams have each respectfully confirmed that there are no new financial or resource implications as a result of this report.

3.2 *Legal Implications*

The TfN Legal Team confirm that there are no new legal implications for TfN as a result of this report.

3.3 ***Risk Management and Key Issues***

The paper does not require a risk assessment and therefore, there are no new risk implications.

3.4 ***Environmental Implications***

This report does not constitute or influence a plan or programme which sets the framework for future development consents of projects listed in the Environmental Impact Assessment (EIA) Directive and therefore does stimulate the need for Strategic Environmental Assessment (SEA) or EIA.

The Freight and Logistics Strategy has been developed alongside TfN's Decarbonisation Strategy and is supportive of the aims and objectives of this Strategy.

3.5 ***Equality and Diversity***

An equality and diversity impact assessment has not been undertaken. The development and operation of freight and logistics projects and operations, have the potential to lead to uneven distributional impacts and it will be important that the appropriate level of equalities impact assessment is undertaken where legislated. The results of the current Transport Related Social Exclusion (TRSE) workstream being undertaken by TfN will allow TfN and its partners to better understand the distribution and causes of TRSE in the North.

3.6 ***Consultations***

Extensive consultation with partner officers, members and stakeholders have informed the development of the draft strategy. A non-statutory consultation is being prepared.

4. ***Background Papers***

4.1 TfN CEO Consultation Call paper 27 July 2021

4.2 Draft Freight and Logistics Strategy

5. ***Appendices***

5.1 None

Glossary of terms, abbreviations and acronyms used

Please include any technical abbreviations and acronyms used in the report in this section.

- EIA Environmental Impact Assessment
SEA Strategic Environmental Assessment
TRSE Transport Related Social Exclusion
TfN Transport for the North

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Meeting: Transport for the North Chief Executive Consultation Call (Board)

Subject: Freight Strategy

Author: Lucy Hudson, Principal Policy Officer Freight and Logistics

Sponsor: Tim Foster, Strategy and Programme Director

Meeting Date: Tuesday , 27 July 2021

1. Purpose of the Report:

- 1.1 To provide members with the draft TfN Freight and Logistics Strategy and next steps, as well as seeking agreement to move to the consultation stage.

2. Recommendations:

- 2.1 It is recommended that the Board agree to move to external consultation stage.

3. Main Issues:

- 3.1 Freight was considered as a holistic part of the Strategic Transport Plan. It was informed by evidence from industry and the TfN 'Enhanced Freight and Logistics Analysis'. Following progress made on developing the business case for Northern Powerhouse Rail, work on the Strategic Development Corridors and the TfN Investment Programme, the next step is to produce a Freight a Logistics Strategy that will enable Board to agree strategic freight priorities for TfN and then be clear with industry and partners on how to take specific projects and programmes forward.

- 3.2 In April 2019, the National Infrastructure Commission published evidence drawn together by Vivid Economics on the Value of Freight. They reported that 'the cost of the UK freight system is equivalent to around 4% of GDP. We estimate that the UK spends up to £80 billion per year on road freight, rail freight and warehousing. Of this, road freight accounts for around £38 billion; rail freight for around £1 billion; and warehousing for £20-38 billion. Labour costs make up around one third of road freight and warehousing costs.'

- 3.3 The freight and logistics sector is therefore a considerable section of the UK economy, and was identified as a key enabling capability in the Northern Powerhouse Independent Economic Review. The sector represents a huge opportunity for the North given that over 33% of

goods enter through the Northern ports and 25% of GB freight starts in the North and the same proportion of journeys end in the North.

Development of the TfN Freight and Logistics Strategy

- 3.4 The TfN Freight and Logistics Strategy has been developed within TfN supported by Atkins and covers road, rail, warehousing, inland waterway and port activity. The draft strategy will clearly articulate the key investments required and how TfN can play its role in supporting a strong and growing freight and logistics sector in the North. In summary, the strategy consists of the following sections:
- Our networks;
 - Our objectives;
 - Road and Rail considerations;
 - Future role of TfN analysis; and
 - Delivery of the Strategy and Recommendations.
- 3.5 There is the opportunity to re-shape the economy of the North to be more productive, efficient, and sustainable while at the same time improving the environment, health and wellbeing of the people living and working in the North. Delivering an efficient multi-modal freight network, that is integrated across all modes, is key to delivering against this and meeting the needs of industry, the economy, other transport users and the environment.
- 3.6 In planning such a network it is clear that interventions on the rail network cannot be considered in isolation of the highway network or vice versa. Rail freight is often dependent on road for distribution from rail heads, while removing freight from the strategic road network has widespread benefits for all users.
- 3.7 Building on studies and analysis undertaken by ourselves and bodies such as DfT, Network Rail, and Highways England, the aim of the Strategy is to undertake an overarching analysis of freight requirements across road, rail, port and inland waterways in the TfN area, identify key constraints or challenges on the existing networks, and provide a list of possible areas of work including developing business cases for interventions and policy solutions that will best support economic growth and decarbonisation. The strategy also sets out the key objectives for consideration within the context of TfN's role and articulates our policy positions in terms of Freight and Logistics.
- 3.8 The three main issues for road and rail are similar: network capacity and capability, terminal availability, and decarbonisation. However, they require different policy and investment responses.
- 3.9 The strategy takes a multimodal approach and considers capacity and capability constraints on the networks by using demand information generated by the modelling and analysis tools developed at TfN. In

terms of road and rail there is consideration of the importance of well-connected terminals, particularly those that feed the main warehousing clusters of, for example Warrington in the North West and Wakefield and Doncaster in the East.

- 3.10 The key driver of the Freight and Logistics Strategy is to accelerate our Investment Programme interventions that would best support the strengthening of the North's economy and accelerate the move to zero carbon in line with the draft TfN Decarbonisation Strategy .
- 3.11 Additionally, it identifies the freight and logistics objectives TfN needs to deliver the strategy effectively which will inform the review and revision of the Strategic Transport Plan and Investment Programme published in 2019.
- 3.12 Set in the context of the Northern Transport Charter ambitions of Championing and Inclusive and Sustainable North, securing a Long-term Northern Funding Settlement, putting the North's rail passengers first and leading Strategic Transport delivery, this first TfN Freight and Logistics Strategy will move the debate forward on supporting the ambitions that will enhance the North's economic strength and ambition.
- 3.13 The work is also closely aligned to TfN's decarbonisation agenda, as well as wider industry plans for the adoption of zero carbon. Gauge clearance and electrification of key rail routes can play a significant role in modal shift of road freight-based containers onto the railway making a positive contribution to decarbonisation of freight by over 76% reduction in emissions from current HGV fuels. Each freight train we currently have on the network contains a mix of both 20- and 40-foot containers. The average number of containers is about 50 per train. Running one train per hour over the Pennines could save over 10,000 lorry journeys a week. That's the equivalent number of lorries that leave the Port of Immingham per day. It's also the same number as the Port of Dover handles. Contrasting the media reporting of both ports suggests the North has a much more freely flowing and easily accessible network.
- 3.14 By 2050 it is anticipated that all HGVs will be either hydrogen fuelled or Electric Vehicles. As we have previously highlighted to the Board, future autonomous vehicles may be less distance and time sensitive – therefore utilising existing road infrastructure more efficiently. The freight strategy considers this future scenario as it may be 'green' road freight and 'green autonomous' road freight will be the most important future consideration. Green vehicles still produce pollution damaging to health, noise and congestion including emitting what is known as embodied carbon – particulates released from the tyres and road surface and other vehicle parts from use. This also needs consideration within the strategy to give a balanced discussion.

- 3.15 Emerging themes from the evidence review show a high degree of consistency. All the analyse confirms recent trends that, despite the decline of coal traffic, there has been strong growth in intermodal and construction traffic over the last two decades. This trend continues in the consistent and strong future demand growth forecast across documents from TfN, Network Rail and Transport for Greater Manchester who have all recently published freight forecasts.
- 3.16 There is strong policy support for rail freight as contributing towards decarbonisation and reducing road-based congestion if more freight was moved by rail. There is also mention that enhanced rail freight activity makes a healthy contribution towards economic efficiency from the Department for Transport, Network Rail and the Rail Freight Group among others. Some benefits would be more pronounced with further electrification. The current electrified network too limited for further electrification of freight services as there would need to be significant industry investment in electric or bi-mode (diesel and electric) engines. There is no suggestion from literature that the market is inefficient.
- 3.17 Most of the reviewed reports concentrate on capacity congestion points and network restrictions over and above lack of electrification for freight on the railway. The evidence of capacity constraints is largely anecdotal, but it is reinforced by slower than historic journey times that make rail less competitive. The analysis that is included in the strategy to support this is based on calculations where trains have to be held for passengers to pass or where there is time where freight trains have to wait to use the allocated path on the network. This shows how suppressed the market really is at key locations but also where the existing capacity will actually support expected growth in the market.
- 3.18 The key recommendations within the Transport for the North Freight and Logistics Strategy are as follows:
1. Continue working on proposed TfN highways schemes and programmes as previously published in the TfN Investment Programme and subsequent studies ensuring the freight dimension is advocated strongly within the Strategic Case. This includes partner led schemes – adding support where required;
 2. To develop policy support levers for the development of new freight warehouse location clusters in the North - particularly (1) where supported by more detailed forecasting of the warehousing market across all modes, (2) where such terminals are rail connected and (3) where such terminals are not on the same rail line as Trafford Park or existing rail terminals to increase the opportunity for modal shift from road haulage to rail;
 3. To ensure High Speed 2 Phase 2b and Northern Powerhouse Rail supports the existing freight traffic and releases capacity and

capability for existing freight and freight growth. This should focus on those route sections where capacity is likely to be constrained which includes the West Coast Mainline north of Golborne, Midland Mainline through Sheffield area, East Coast mainline 2 track section via Durham and the routes across Manchester. Additionally, it should include areas of opportunity. This may require the development of alternative freight priority routes which would need to be examined closely once the Northern Powerhouse Rail routes are agreed to ensure existing rights remain unaffected;

4. Detailed consultation to understand the demand forecasts within the business case for the Trans Pennine Route Upgrade option which includes freight gauge enhancement and that the network capacity for the forecast extra traffic is reserved;
5. Development of a more detailed programme with Network Rail for decarbonisation of rail freight and electrification investment. This work should establish the timings required for investment in electrification to meet the Paris Agreement especially if freight is diverted onto alternative lines so that the level of programme urgency is known;
6. Develop plans for recommended locations for rail connected warehousing working alongside partners and their emerging timescales for Local Plans with particular recognition of any changes to the planning regime soon to be implemented;
7. Remain actively engaged in using and analysing emerging evidence of the effects of Brexit, Covid 19 and other recent economic shocks. Understand and communicate how this affects the movements of freight on an East-West and North-South basis, how demand for and access to ports changes and potential change in uses of freight terminals including distribution centres. This should then be utilised in business case development and the refreshed TfN Strategic Transport Plan; and
8. Develop a suite of policy related interventions relating to air quality, impacts of urban delivery on consolidation/distribution centre locations, detailed understanding of road freight movements including vans, heavy and light good vehicles and Smart Motorways and future uses of infrastructure.

Next Steps

- 3.19 The work on the freight strategy is being overseen by the Strategic Oversight Group comprised of TfN officers and partner officers. The Freight and Logistics Working Group have received the draft Strategy for comment and have shared additional case studies and localised detail for inclusion. There was strong feedback that there needed to be more focus on Decarbonisation and the objectives and recommendations needed to be viewed through the ‘zero carbon lens’.

We have amended the draft strategy in light of this strong feedback and held some discussions on a one to one basis where requested.

- 3.20 Following the agreement of the draft Strategy, we envisage that a brief period of public consultation will be required in the autumn of 2021 before the strategy is formally adopted by the Board. We will engage directly with Ports, Freight Operating Companies, Logistics UK, Road Haulage Association, Rail Freight Group, Local Enterprise Partnerships, representative businesses organisations and individual businesses where appropriate. We will also make use of other networks through the Department for Transport, Network Rail and Highways England where possible.
- 3.21 Given the importance of rail to the Strategy there is a clear interdependency with the Integrated Rail Plan. TfN has delayed finalising the strategy with the Board in the expectation of the IRP being published this summer. We now recommend moving to consultation in the autumn, irrespective of whether the IRP has been published, with the recommendations offering sufficient flexibility to respond to the IRP. The strategy sets out TfN's strategic role in securing investment, ensuring enough flexibility to respond to Government policy and advice changes in the future.
- 3.22 Following the approval process, the intention is to further develop the priority areas and secure investment through industry processes. This will provide certainty to partners and industry on TfN's position on freight and logistics investment in the North's transport network. This activity is factored into TfN's business plan.

Conclusion

- 3.23 Delivery of a Freight and Logistics Strategy is an important step in TfN's development. It will demonstrate how TfN understands the needs of the sector and supports making the case for investment in the transport network over and above the needs of the passenger.

4. Corporate Considerations:

Financial and Resource Implications

- 4.1 TfN Finance Team has confirmed there are no financial implications at this current time.
- TfN HR Team has confirmed there are no resource implications at this current time.

Legal Implications

- 4.2 Work on the Freight Strategy follows from the Strategic Transport Plan, which is a key function of TfN within the Sub-national Transport Body (Transport for the North) Regulations 2018.

Risk Management and Key Issues

- 4.3 A risk assessment is not required for this report.

Environmental Implications

- 4.4 A full impact assessment has not been carried out at the current time because the strategy is not at an advanced enough stage of development.

Equality and Diversity

- 4.5 A full impact assessment has not been carried out at the current time because the strategy is not at an advanced enough stage of development.

Consultations

- 4.6 A public consultation has not been carried because the report does not propose any new strategy or service provision at this current time. Planned consultation will commence at an appropriate time.

5. Background Papers

- 5.1 There are no background papers to this report.

6. Appendices

- 6.1 The Freight Strategy is included as an appendix.

Glossary of terms, abbreviations and acronyms used (if applicable)

- | | |
|--------|--------------------------|
| a) TfN | Transport for the North |
| b) GDP | Gross Domestic Product |
| c) DfT | Department for Transport |
| d) IRP | Integrated Rail Plan |

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Title

Transport for the North Draft Freight and Logistics Strategy

TfN Board version

July 2021



Executive Summary

The freight and logistics sector represents a key part of the North's economy, both today and in the future. By 2050 it could be worth over £30bn and employ more than 500,000 people, providing the backbone for economic growth across a range of sectors.

The sector represents a huge opportunity for the North given that over 33% of goods enter through the Northern ports and 25% of GB freight starts in the North and the same proportion of journeys end in the North.

We need an efficient multi-modal freight network, that is integrated across all modes, is key to delivering these objectives and meeting the needs of industry, the economy, other transport users and the environment will allow the economy of the North to be more productive, efficient and sustainable while at the same time improving the environment, health and wellbeing.

The aim of this strategy is to undertake an overarching analysis of freight requirements across both road, rail, port and inland waterways in the TfN region, identify key constraints or challenges on the existing networks, and provide a list of possible areas of work including developing business cases for interventions and policy solutions that will best support economic growth and decarbonisation.

The strategy also sets out the key objectives for consideration within the context of TfN's activity and role and articulates key policy positions in terms of Freight and Logistics in our Strategic Transport Plan.

TfN will work with partners, government, delivery bodies and the industry to deliver the following objectives:

- Reduce the number of incidences of unplanned closures of Major Road Network routes leading to severe journey delay. Prioritise measures that tackle journey reliability and congestion, and support less polluting and more energy efficient movement of goods on the transport Network.
- Maximise the utilisation of rail, inland waterways and local distribution hubs to improve efficiency and support the modal shift of goods from road to rail; Improve the multi-modal North-South and East-West connectivity across the North; and optimise efficient flow of goods on the MRN and railway through improved flow of traffic and supported by technology.

- Maximise the economic development opportunities through a range of areas, including the clean growth opportunity flowing out of freeports, clean industrial clusters and the first mile freight that flows out of ports; support the planning and development of well-connected warehousing and consolidation sites, as well as exploring the benefits of regional freight consolidation and distribution networks.

Decarbonisation of the freight network is a fundamental part of our strategy, building on the TfN Decarbonisation Strategy currently out for consultation. Reduce the impact of air pollution and noise from freight movements on the health of local communities; and increase electrification of rail network, and decarbonisation of road haulage through increased share of zero and low emission fuels.

Freight by road accounts for 90% of all tonnage moved in the North including first and last mile deliveries. Continuing to improve the network and decarbonise the fleet is vital in the short – medium term recognising that the electrification of the rail network will take until 2040 at the earliest.

This strategy provides the underpinning rationale for the key road and rail investments included in the TfN Strategic Transport Plan and supporting investment programme. These include port related gauge enhancements and access for the Port of Hull, Immingham, Port Salford, Liverpool and Teesport. Also reference to warehousing development sites such as Parkside. Additionally, there is reference to WCML enhancements and the need for a gauge cleared route along the East West axis across the North.

The highways improvement schemes within the TfN STP are needed to enhance strategic connections across the North, and to improve the capacity, connectivity, resilience and access to major conurbations, economic centres and industry & logistics clusters, international gateways and intermodal terminals across the region to support economic growth and competitiveness of the northern region. These include A1 and M6 connectivity and dualling schemes, port access work both locally to the ports and wider connecting infrastructure such as the A66 and A1079 and river crossings, access to airports such as Carlisle Lake District and Liverpool John Lennon, M62 improvements which currently connect warehouse clusters and improvements that connect the North to other areas such as the A15 into Lincolnshire and the A19.

TfN will work with government, delivery bodies and the industry to ensure that these schemes and programmes are taken forward as part of the Northern Investment Programme, expanding the use TfN's policy and analytical capability in support of this important agenda.

TfN Freight and Logistics Strategy – Draft Consultation Version

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1 Foreword

Global pandemics. Nothing focuses the minds of people more than an emergency. And where does all the loo roll come from.

Strangely, from an outsider's perspective, the unexpected hero of the Covid 19 response was the Freight and Logistics industry. Moving food, medicines, making deliveries, ferrying vaccines and generally enabling lives to be preserved, the Cinderella of the transport world definitely arrived at the ball.

Set against this and other recent economic events now is the ideal time for Transport for the North to set out our stall on Freight and Logistics. How we support the ongoing delivery of our Strategic Transport Plan¹ is critical. Our Board have held the industry in high regard throughout the development of the organisation. Having a single document to detail the sector and our focused activity will help industry and government understand the value that we are adding. We have road, rail, inland waterway, air and coastal assets that all drive economic growth.

The importance of having the right networks that are resilient and accessible to both people and freight is paramount. The impetus to decarbonise has never been so high. The drive to reduce the carbon impacts of freight and logistics runs through this strategy and works hand in glove with the TfN Decarbonisation Strategy.

We call for a strong, resilient electrified rail network and certainty on fuelling infrastructure including hydrogen and battery options on the road network to support the move to greener transport.

We set out the following consultation version of this strategy for the people and businesses of the North to understand where we are as an area and review our set of recommendations that we propose to work to. The industry has never been more important globally and we need to cement the North's role in the sector growth.

Challenge us to push the boundaries and we will work with partners and businesses within the North to underpin change and deliver increased prosperity. Levelling up is crucial to the success of the UK, now more than ever.

¹ <https://transportforthenorth.com/reports/strategic-transport-plan-2019/> Accessed June 2021

2 About the TfN Freight and Logistics Strategy

This is the first pan Northern Freight and Logistics Strategy. It builds on the outputs of our Strategic Transport Plan in developing a multimodal freight strategy for the North of England that can meet the current and future requirements of the North.

The future of the North is rapidly changing. There are widespread demographic changes in population, employment and economic prosperity. Together with the impacts of Brexit, Covid, technological change, future distribution of housing and jobs, changes in our shopping habits and policies on decarbonisation, will all have a profound impact on the future shape and requirements of the freight and logistics industries.

While these impacts present some uncertainty about future requirements, they also present an opportunity to re-shape the economy of the North to be more productive, efficient and sustainable while at the same time improving the environment, health and wellbeing. Delivering an efficient multi-modal freight network, that is integrated across all modes, is key to delivering these objectives and meeting the needs of industry, the economy, other transport users and the environment.

In planning such a network it is clear that interventions on the rail network cannot be considered in isolation of the highway network or vice versa. Rail freight is often dependent on road for distribution from rail heads, while removing freight from the strategic road network has widespread benefits for all users.

Building on studies and analysis undertaken by ourselves and bodies such as DfT, Network Rail, and Highways England, the aim of this Strategy is to undertake an overarching analysis of freight requirements across both road, rail, port and inland waterways in the TfN region, identify key constraints or challenges on the existing networks, and provide a list of possible areas of work including developing business cases for interventions and policy solutions that will best support economic growth and decarbonisation. The strategy also sets out the key objectives for consideration within the context of TfN's activity and role and articulates our policy positions in terms of Freight and Logistics.

This strategy covers road, rail and waterborne freight linking to port and warehousing opportunities. It is based on an examination of existing policy documents, an extensive survey of existing evidence, workshops held with areas of industry, detailed rail capacity modelling and further

analysis. This is particularly relevant where the modelling cannot address the issues raised in existing evidence.

The three main issues for road and rail are similar: network capacity and capability, terminal availability and decarbonisation. However, they require different policy and investment responses.

While most of the responsibility for policy implementation lies with national and local government, TfN operates at a geographical and institutional level that allows us to facilitate a regional approach to assessing measures and research.

TfN is also uniquely placed to assist our partners in the development of business cases using our advanced data and modelling analysis skill set. We have already shared modelling tools with other sub national transport bodies. This is possible because once the way of working something out is set out in code, it is easy to swap the data sources in and out to apply the code to different areas. This is the way we can help our partners to obtain enhanced evidence, data platforms and intelligence to inform bespoke local and regional strategies in future. This can in turn support national policies to take account of spatial and social variation.

3 Why a strategy now?

The North is a place of economic opportunity, renowned for its natural beauty, heritage, culture and innovation. Transport for the North's ground-breaking piece of economic research the 'Northern Powerhouse Independent Economic Review²' published in 2016 identified Freight and Logistics as a key enabling sector to underpin the growth of the North's economy. The freight and logistics sector is a key part of the North's economy, both today and in the future. By 2050 it could be worth over £30bn and employ more than 500,000 people.

The North has particular strengths in freight, logistics and warehousing. Reflecting its unique geography, the North is well served by seaports. Immingham – with bulk handling, Roll-On Roll-Off and Lift-On Lift-Off capability – is the largest seaport in the UK by tonnage. The North of England also accounts for a substantial proportion of British freight transport, in particular rail, with 56% of total rail freight lifted to, from or within the region.

² <https://www.transportforthenorth.com/wp-content/uploads/Northern-Powerhouse-Independent-Economic-Review-Executive-Summary.pdf> Accessed June 2021

Combined, the North's logistics assets have the potential to provide increasingly important capacity for the UK, especially in the context of growing levels of trade entering the UK via ports.

Future investment in the North's transport network must be considered within the context of the UK's productivity challenge, the long-term opportunities for a more inclusive and balanced UK and Northern economy, and critically the need for rapid and concerted action on reducing transport carbon emissions.

Decarbonisation has become a global priority. As science and political will converged, greater importance of reducing carbon emissions has been placed on all areas of society, not just the freight and logistics sector. When the STP was published decarbonisation had emerged as a key area of activity. Now TfN has grown and developed as an organisation, and with significant Member support, decarbonisation is now a key strategic priority and the TfN Decarbonisation Strategy³ and Freight and Logistics Strategy have been developed together to ensure consistency.

There remains a role for Government to be clear on the ways in which the transport sector achieves decarbonisation. We need to capitalise on a rolling programme of electrification, the innovative work on hydrogen fuelling in the North East, the growth in offshore wind on the East and West Coasts.

Freight was considered as an integral part of the Strategic Transport Plan published in February 2019. It was informed by evidence from industry and the TfN 'Enhanced Freight and Logistics Analysis⁴'. Following progress made on developing the business case for Northern Powerhouse Rail⁵, work on the Strategic Development Corridors⁶ and the TfN Investment Programme⁷, the next step is to produce a Freight Strategy that will enable Board to agree strategic freight priorities for TfN and then be clear with industry and partners on how to take freight projects and programmes forward.

This freight and logistics strategy has a multimodal focus which means it considers road, rail, maritime and inland waterways networks. The nature and profile of the activity at TfN has meant that rail does take up a large proportion of this freight and logistics strategy. This is because work on the Northern Powerhouse Rail business case, the Rail North Partnership

³ <https://transportforthenorth.com/decarbonisation/> Accessed June 2021

⁴ <https://transportforthenorth.com/wp-content/uploads/Freight-and-Logistics-Enhanced-Analysis-Report.pdf>
Accessed June 2021

⁵ <https://transportforthenorth.com/northern-powerhouse-rail/> Accessed June 2021

⁶ <https://transportforthenorth.com/strategic-development-corridors/> Accessed June 2021

⁷ <https://transportforthenorth.com/investment-programme/> Accessed June 2021

and Strategic Rail at TfN is significant. Additionally, the rail freight operators have a well-established set of rights to access the rail network. This means that there has to be a significant understanding of freight on the railway and how programmes of investment impact on this and how we build and sustain the relationships needed to secure the success of the programmes we are championing in the North. The main rail benefit comes from the opportunity that modal shift from road to rail presents in terms of decarbonisation.

Fully integrating the recommendations of the Williams Shapps Plan for Rail⁸ published in May 2021 is key to securing the modal mix we are striving for. The value of freight services and the access they have to the rail network has been clearly identified.

Great British Railways will have statutory duty to promote rail freight and sets out how the government will work with the market to secure investments in the network. In turn, this will offer certainty to the freight market so that investments in engines and rolling stock can be planned at the right place at the right time. The example of securing investment at Ely will enable the North to gain benefits too, so our approach to rail investment will always need to be seen in a national context. This is an example where both TfN and Transport for the South East have both recognised the need for investment and have supported this through the Strategic Freight Network Steering Group on behalf of the Sub National Transport Bodies.

We will work with GBR and Government when it sets a growth target for rail freight and embeds freight firmly into strategic decision making. This is a huge step forward but does not diminish our aspirations for sustainable decarbonised road freight growth.

Freight by road accounts for 90% of all tonnage moved in the North including first and last mile deliveries. Continuing to improve the network and decarbonise the fleet is vital in the short – medium term as we recognise that mass electrification of rail won't happen until 2040 at the earliest. There will be an urgent need for the Freight and Logistics industry to liaise closely with both local and regional planners to plan network changes that will accommodate the shift to decarbonised streets. This has happened successfully in cities such as Rotterdam and Amsterdam. Consistent education over more than 30 years and planned changes to road layouts over time have enabled greater and safer cycle usage and integration in the cities.

In summary, the strategy consists of the following sections:

⁸ [Great British Railways: Williams-Shapps plan for rail - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/great-british-railways-williams-shapps-plan-for-rail) Accessed June 2021

- Our networks;
- Our objectives;
- Road and Rail considerations;
- Future role of TfN analysis; and
- Delivery of the Strategy and Recommendations.

3.1 Key objectives

The key objective of the Freight and Logistics Strategy is to accelerate our Investment Programme interventions that would best support the strengthening of the North's economy. Additionally, to set out how we can accelerate the move to zero carbon that is within TfN's gift. We have already published a consultation version of our Decarbonisation Strategy which sets out the trajectory towards zero carbon.

Additionally, to identify the policy positions TfN needs to develop to deliver the strategy effectively which will inform the review and revision of the Strategic Transport Plan and Investment Programme published in 2019.

Set in the context of the Northern Transport Charter ambitions of Championing and Inclusive and Sustainable North, securing a Long-term Northern Funding Settlement, putting the North's rail passengers first and leading Strategic Transport delivery this strategy will move the debate forward on supporting the ambitions that will enhance the North's economic strength and ambition.

3.2 Freeports

The 2021 Budget announced the locations of eight freeports in England. The Freeports of Humber, Liverpool City Region and Teesside are in the TfN area. The benefits of the other freeport arrangements further south will be felt within the North as the other freeport areas play a significant role in the economy of the North by trade activity.

Where the ports of the North have not been awarded freeport status, we will continue to champion the infrastructure needs and any development opportunities that sits within TfN's remit to do. The Government's approach to Freeports is that they generate opportunity for economic growth. We do not want to see the decline of other port activity if companies are indeed swayed to move to such a port by the tax and other economic benefits freeports offer. This is an issue we will watch with great interest.

3.3 Importance of the freight and logistics sector in the North

In 2016 Transport for the North published the ground-breaking Northern Powerhouse Economic Review. The review identified that the GVA in the North was 25% below the national average which is a significant gap in productivity. This meant that there was an opportunity to articulate the need for investment in the North in a different way – to maximise the productivity of the whole of the UK which would contribute a stronger economic offer for UK PLC.

The prime economic sectors of advanced manufacturing, health innovation, energy and digital were identified as key to the North's success. To support these sectors, Freight and Logistics was identified as an enabling sector alongside finance and professional services and education. This identification of freight as a key enabler was the catalyst for the work on freight and logistics at TfN and the networks and investment needed in the North to close the productivity gap.

The review also identified that it was not the lack of diversity of sector activity in the North but that the difference in productivity within each sector that matters more. There was also a lack of business to business sharing and development of expertise. Whilst this is not fixed easily, as relationships develop across TfN programmes we ourselves can be a catalyst to help change this position.

The freight and logistics sector activity in the North is significant. With high levels of major port and warehousing activity and the clear desire articulated by Members to see the networks strengthened to support the growth of these areas, TfN invested heavily in understanding the pan Northern impact of the sector. This gave freight and logistics prominence in strategy development and the publication of the Enhanced Freight and Logistics Analysis supported the development of the Strategic Transport Plan.

Northern Powerhouse Independent Economic Review

The 2016 Northern Powerhouse Independent Economic Review (NPIER) identified freight as one of the North's key enabling capabilities, playing a vital role in delivering transformational economic growth across the region. This transformational growth will deliver an additional £100 billion in GVA and an extra 850,000 jobs in the North by 2050.

The past experience in the logistics sector has been growth at a slightly faster rate than in the wider economy. The sectoral composition of the North in a transformational growth scenario implies trends that both reduce and boost the demand for logistics: lesser importance on heavy freight imports and exports (and for the future a greater reliance on more sustainable modes, notably rail and water-borne) and supply chain imports associated with those sectors; greater importance of imports of consumer goods and high-value (including air) freight.

Under the transformational scenario, the net effect of these changes are assumed to keep the logistics sector's growth above that of the Northern economy, whilst productivity growth within logistics in the North is assumed to be at a similar or slightly faster rate than in the UK economy as a whole.

Following on from the publication of STP and Investment Programme in 2019, freight requirements have been a key consideration within TfN's Strategic Development Corridors and subsequent work on the Investment Programme Benefits Analysis.

Given its high profile nature and the additional importance of decarbonisation and how the themes interact, it is timely to see this strategy published and ensure the sector itself, Northern Leaders and Government clearly understands and appreciates the Northern priorities we identify and wish to see delivered.

In April 2019, the National Infrastructure Commission published evidence drawn together by Vivid Economics on the Value of Freight⁹. They reported that 'the cost of the UK freight system is equivalent to around 4% of GDP. We estimate that the UK spends up to £80 billion per year on road freight, rail freight and warehousing. Of this, road freight accounts for around £38 billion; rail freight for around £1 billion; and warehousing for £20-38 billion. Labour costs make up around one third of road freight and warehousing costs.'

⁹ <https://nic.org.uk/studies-reports/uk-freight/the-value-of-freight/> Accessed June 2021

The sector represents a huge opportunity for the North given that over 33% of goods enter through the Northern ports and 25% of GB freight starts in the North and the same proportion of journeys end in the North. However, there is some evidence that constraints in the freight network, nationally, cause inefficiencies. These include a shortage of warehouse capacity (especially rail connected warehousing), the inability of rail to carry containers east-west across the Pennines or elsewhere in the North and the disproportionate reliance on the ports in the South (even when roll on roll off traffic is excluded). This is because the North's rail network cannot fit the containers on it as the tunnels and bridges are not big enough in places. This is known as 'gauge clearance' and the North would like to see the largest gauge, W12 being delivered on the network where possible.

By taking a multimodal approach, and using demand information generated by the modelling and analysis tools developed at TfN, we can consider capacity constraints on the whole network. In terms of road and rail there will be consideration of the importance of well-connected terminals that feed the warehousing clusters of, for example, Warrington in the North West and Wakefield and Doncaster in the East all of which are constantly evolving and securing new business.

3.4 TfN Future Travel Scenarios Background

TfN's Future Travel Scenarios (published December 2020)¹⁰ apply a comprehensive consideration of the economic, environmental, social, spatial and technological future uncertainties which will influence how people, businesses and goods interact with the transport network in the future.

The Future Travel Scenarios places a greater on factors that are external to TfN's direct control, acting as 'reference cases' with which we can test the performance of TfN strategies and policies in pursuing our vision and objectives. The factors explored during this work are categorised as:

1. Growth in the population and economy;
2. Spatial planning policy and economic distribution;
3. National policy on environment and sustainability;
4. Technological change and advancement; and
5. Social and behavioural change.

Our approach opens up these factors and their complex interactions with travel demand and land-use, with the aim of inserting them into the heart

¹⁰ <https://transportforthenorth.com/future-travel-scenarios/>

of our long-term planning and decision making. This enhanced understanding provides a mechanism which will ensure we are robust, resilient and agile to wide-ranging and cross-sector uncertainties, and we can approach future uncertainty with confidence.

The Future Travel Scenarios were developed in partnership with Local Authority partners, national delivery partners and academic experts and informed by local strategies and priorities.

Our Future Travel Scenarios will form an integral part of TfN's decision-making processes. In conjunction with our Analytical Framework and Appraisal Framework, they will be used to test and refine TfN transport strategies, policies and programmes so that we support transport interventions, solutions and policy measures that meet our objectives across a range of futures.

Our four TfN future travel scenarios are summarised below:

Just About Managing - What if society continues to develop in line with existing trends?

- This scenario sees a state of inertia, although this should not be taken as neutral. It sees a future where people do not alter their behaviours much from today, or give up certain luxuries, although there is a gradual continued trend towards virtual interaction. Economic growth continues at a moderate rate, but it is largely consumption-led and unequal, lacking agility and vulnerable to shocks. This scenario is led by markets, without much increase in political direction, with its biggest driver being economic.

Digitally Distributed - What if society achieves our transformational growth outcomes by using technological solutions to create connection and agglomeration across towns and cities?

- This scenario sees a future where digital and technological advances accelerate, transforming how we work, travel and live. In general, we embrace these technological changes and the move towards a distributed, service-based transport system. Long-term climate change targets are met, but there is slow progress in the short-term due to a general preference for individualised mobility over traditional public transport. This scenario is led by technology, with the biggest drivers being technical advances and a willingness to embrace mobility-as-a-service and shared mobility in the long-term.

Prioritised Places - What if society becomes more focused on place, place-making and community than growth or connectivity?

- This scenario sees a significant shift in political and economic direction to ensure that no place is left behind. Every area, including cities, towns and rural and coastal areas, has a bespoke local economic strategy, supported by investment in local assets, specialisms and economic and social infrastructure. Community, localism and place-making across the North is applied to build a sense of local identity to improve local economies. There is a focus on work-life balance and social equity within and between places. This scenario is led by a change in priorities, with its biggest driver being the push for a fairer redistribution of economic prosperity.

Urban Zero Carbon - What if society achieves transformational growth outcomes by using policy intervention to maximise energy-efficient city growth?

- This scenario sees a significant shift in public attitudes towards action on climate change, and strong national Government response to meet it. There is a boost to economic productivity to levels consistent with the NPIER, primarily through a combination of urban agglomeration and place-making. Transport users demand and embrace publicly available transit and active travel options, as there is a blurring of the line between 'public' and 'private' with increasing shared mobility systems online. This scenario is led by attitudes to climate action and urban place-making, with the biggest drivers being strong Government policy and trends of urban densification.

TfN's Future Travel Scenarios Report¹¹ provides a comprehensive overview of the process undertaken to develop the new Future Travel Scenarios. It also delves into the contextual factors underlying each scenario, resulting stats and figures, and explores the expected implications of each future state.

¹¹ [TfN Future Scenarios Report FULL FINAL V2.pdf \(transportforthenorth.com\)](https://transportforthenorth.com) Accessed June 2021

4 The North's Freight and Logistics network

The North of England's transport network is extensive and encompasses rail, road, inland waterways, sea and air infrastructure in addition to a significant volume of warehousing, particularly around Liverpool, Manchester and Leeds.

The transport infrastructure supports a Northern population of over 15.5 million people¹², and prior to the impact of Covid-19 7.4 million jobs¹³, covering over 38,000 square kilometres of land¹⁴. The North of England contributes over £364 billion GVA towards the UK economy¹⁵.

Freight accounts for 9% of the country's GDP and supports every industry with access to goods and services. In the UK, a total of c1.65 billion tonnes of freight are lifted by all modes per annum. Over a third of freight tonnes lifted comes from the Northern Ports covering both international and domestic traffic.

The North boasts a wealth of freight assets that grant the North a strong multimodal freight capability. These include:

- Eleven major ports (three with provisional Freeport status) in addition to other smaller ports located on the Tyne, Tees, Humber and Mersey as well as in Lancashire, Cumbria and Northumberland;
- Seven international airports including Liverpool John Lennon, Leeds-Bradford, Doncaster-Sheffield, Humberside, Durham Tees Valley and Newcastle in addition to the major international airport at Manchester;
- Three Strategic Rail Freight Interchanges (SRFIs – distribution centres with intermodal terminals) at Ditton, Wakefield and Selby with more emerging;
- Five further Intermodal Terminals at Trafford Park, Leeds, Garston, Doncaster and Widnes;
- A Strategic Road Network focused on the M62/M60/M56 and A66/69 East-West corridors and the M6 and M1/A1 North-South corridors;
- A strategic rail network principally comprising of the West Coast Main Line, East Coast Main Line and Midland Main Lines that connect the North of England to the South and the Transpennine routes; and

¹² Office for National Statistics (2021), '*Estimates of the population for the UK, England and Wales, Scotland and Northern Ireland: Mid-2020: 2021 local authority boundaries*'. [Accessible [here](#)]

¹³ Labour Force Survey (Jan-Mar 2020), May 2021, ONS [Accessible [here](#)]. The most recent data (Jan-Mar 2021) indicates that employment across the North is around 7.2 million.

¹⁴ Office for National Statistics (2021), '*Estimates of the population for the UK, England and Wales, Scotland and Northern Ireland: Mid-2020: 2021 local authority boundaries*'. [Accessible [here](#)]

¹⁵ Office for National Statistics (2021), '*Regional Gross Value Added (balanced) by industry: all ITL regions*' [Accessible [here](#)]

- A significant amount of distribution centre capacity.

Despite these assets being available, many are not being fully utilised due to a number of reasons such as lack of joined up infrastructure or attractive alternative logistics solutions. Gaps in connectivity prevail that urgently require investment; 80% of road freight in the North is domestic traffic, most of which is short haul (making it difficult to justify the use of rail on commercial or efficiency grounds), which places a heavy burden on the strategic road network.

4.1 The North's Road Freight Network

The Strategic Road Network (SRN) in the North of England covers many of the region's large economic centres. North-South routes are provided through the M6 between Carlisle and Rugby, providing a vital link through the west of the region, and the A1 (M) between Newcastle close to Doncaster through the east of the region. The M1 links Leeds to London and provides a key route into and out of the North.

East-West routes are provided primarily through the M62 as the central corridor between Liverpool in the west and close to Hull in the east.

Additional routes include:

- M56 between Manchester and the Welsh Border near Chester
- M58 between the M6 at Wigan to the north of Liverpool close to the Port;
- M57 links the M58 and M62 and provides an eastern bypass to Liverpool;
- M53 links Liverpool to the M56 via the Wirral;
- M60 forming the Manchester Ring Road;
- M65 between Preston and Colne;
- M18 links the M1 near Rotherham to the M62 to the west of Goole;
- M180 connects the M18 north of Doncaster to the A180 west of Grimsby and Immingham;
- A628/A616 is the main strategic freight route between South Yorkshire and Greater Manchester;
- A69 links Carlisle and Newcastle; and
- A66 provides a strategic route between Penrith (M6) to Scotch Corner on the A1 (M).

MRN map to be added

4.2 Road issues

The key considerations for the network include capacity to fit all the forecast growth on the network and any constraints this then highlights. The reliability and resilience of the network is also challenging with the ability to recover from planned and unplanned events critical to the economic success of the North as a whole.

Key areas of the highway network where constraints are forecast to impact road freight include the East West Trans-Pennine movement on the M62, A66 from Tees Valley to Penrith – particularly vulnerable to weather conditions and the subject of a major programme of investment led by Highways England. North-South connections on the M1 around Sheffield, A1 West of Doncaster, A1 Newcastle - Gateshead Western Bypass, the M6 in Cheshire and Warrington and the A19 in the Tees Valley and North East. The particular pinch point occurs at the Tees crossing which requires investment and has a clearly articulated and well understood Business Case.

Other areas of investment with significant freight benefits include access to 'constrained' ports for example the A5036 to the Port of Liverpool and A63 to the Port of Hull, both schemes within the Highway England RIS2 Programme; road and rail access to Parkside in St Helens and schemes being considered within the RIS3 Pipeline, for example A1 Doncaster – Darrington and M1/M62 Lofthouse interchange. . In terms of freight connectivity, the access to and from Intermodal Terminals for example at Trafford Park, Leeds, Garston, Doncaster iPort Rail and Widnes and International Airports particularly Manchester and Newcastle also requires attention. Most of these areas are particular examples where a pan-Northern view on the investments needed are helpful in developing business cases for investment.

Linked to the topic of decarbonisation are the concerns around air quality in major urban centres. Clean Air Zones (CAZ) with targeted actions to improve air quality and reduce significant levels of air pollution have been proposed in Greater Manchester, Leeds, Bradford, Newcastle and Sheffield. There is a push to consider different ways of making deliveries in urban areas using e cargo bikes and zero emission vehicles as an example. This can be difficult as the road infrastructure needs to meet the needs of all vehicles. Where cities across Europe have embraced the benefits of more localised deliveries, it is built upon decades of policy change and spatial planning policy development that delivers infrastructure to maximise the benefits to the zero carbon road user rather than the petrol or diesel vehicle. It is also worth clarifying that there will always be a role for lorries and rail services to bring goods into city centres to restock shops and other establishments. One lorry can

carry the equivalent of 20 van loads so bigger lorries can indeed be better in some circumstances.

Road will remain the main modal choice for freight due to the existing popularity of the network, ease of access, lack of rail capacity and the long timescales and high costs associated with creating new rail capacity. Having said this, we would expect that after 2040 a greater percentage share of freight will be carried by our rail network. Reflecting this, TfN's Decarbonisation Strategy has targeted rail traction decarbonisation in the North by 2040 (in line with Network Rail's Traction Network Decarbonisation Strategy).

Our Decarbonisation target of near zero emissions by 2045 means that the road fleet needs to be decarbonised by then too. The route to decarbonising our road freight vehicles is still unsure, although is likely to be a mix of hydrogen and battery electric solutions. TfN's Decarbonisation Strategy has laid out a number of recommendations to expedite the decarbonisation of our road freight, including the testing and trialling of new vehicle and refuelling technologies in the North, data democratisation (i.e. making fuel/driving efficiency data available to all) and the aggregation of zero emission vehicle orders to prove a market for vehicle manufacturers in the North.

4.3 The North's Rail Freight Network

The North of England has an extensive rail network ranging from faster main lines to rural branch lines and freight-only lines into and out of ports for example.

The main north-south rail routes include:

- West Coast Main Line (WCML) from Scotland / Liverpool and Manchester to London Euston through the North of England via Crewe;
- East Coast Main Line (ECML) from Scotland / Newcastle / Leeds / Middlesbrough / Hull / York / Darlington to London Kings Cross through the North of England via Doncaster; and
- Midland Main Line (MML) from Sheffield to London St Pancras.

There are also a number of other routes throughout the North of England which are used for the movement of freight. There are others which have the capability but lack capacity or space needed to fit additional trains on. The current routes used include:

- Diggle Route from Manchester to Leeds via Stalybridge and Huddersfield;
- Calder Valley Route from Manchester to Leeds via Rochdale, Halifax and Bradford;
- Hope Valley Route from Manchester to Sheffield via Marple and Chinley
- Leeds to Carnforth via Wennington;
- Leeds to Carlisle via Settle and Appleby;
- Blackburn, Hellifield, to Carlisle via Settle and Appleby;
- Chat Moss Route from Liverpool to Manchester via St Helens and Newton-le-Willows;
- CLC route from Liverpool to Manchester via Warrington;
- Cumbrian Coast Line from Carlisle to Barrow-In-Furness and Lancaster via Workington and Whitehaven;
- Durham Coast Line from Newcastle to Middlesbrough via Sunderland and Hartlepool;
- Tees Valley Line from Saltburn via Darlington to Middlesbrough and Redcar; and
- Cleethorpes line from Cleethorpes to the Doncaster via Grimsby, Immingham and Scunthorpe.

4.4 Rail issues

Network capacity is the key issue for rail. It is a challenge in terms of the capacity of the network to accommodate either more trains reliably or flexibility around where the trains travel to or from and in terms of gauge which drives the ability to handle intermodal traffic both on the existing network and for new journeys. Robust timetables are also needed for freight certainty so the network works as a whole system rather than disjointed.

Evidence gathered for this report suggests that just less than half freight paths are used in total, however that is not the case on routes or at times where capacity is constrained, for example, on the Castlefield corridor in Manchester. There is little or no spare capacity over the four key freight bottlenecks identified by the network capacity modelling for this report - other than at night. These include the WCML north of Golborne, ECML two track section through Durham, Midland Mainline through Sheffield and

across Manchester. The work has showed that rail freight end to end train times already suffer from significant additional time in order to be squeezed onto the network.

Manchester

There is a particular problem in the Manchester area, where all the former main freight lines that avoided the city centre have been closed. That has left most freight trains having to go through the city centre, either through Victoria or along the Castlefield corridor through Piccadilly and Oxford Road which is the only route to the Trafford Park freight terminal. However, the whole network in central Manchester is severely congested which causes extremely high levels of delays to train services, giving Manchester 20% of the locations with the worst train delays in Britain. As a result, Network Rail has formally designated the Castlefield corridor as 'Congested Infrastructure', one of only 3 locations in Britain to have been so designated.

TfN is working with DfT and Network Rail to identify what enhancements are needed to rail infrastructure in and around Manchester to enable services to operate reliably and to cater for future growth. That work is focussed on passenger services, though freight services would also benefit from any reduction in delays on the network. In addition, TfN is working on a Network Gaps Delivery Plan to set out priorities for new or re-instated sections of line in the North, as part of which consideration is being given to possibilities in south Manchester that could enable freight trains to access Trafford Park without having to go through central Manchester.

4.5 The North's Freeports

The 2021 Budget announced the locations of eight freeports in England. The Freeports of Humber, Liverpool City Region and Teesside are in the TfN area. The benefits of the other freeport arrangements will be felt within the North as the other freeport areas play a significant role in the economy of the North by trade activity.

The eight locations are:

- East Midlands Airport;
- Felixstowe & Harwich;
- Humber;
- Liverpool City Region;
- Plymouth and South Devon;

- Solent;
- Teesside; and
- Thames.

As more clarity on the arrangements emerge TfN will support the delivery of initiatives where this sits within the remits we have agreed with Government. The current Freeport policy has three objectives set out below:

- establish Freeports as national hubs for global trade and investment across the UK;
- promote regeneration and job creation; and
- create hotbeds for innovation.

The policy areas above are reliant on good transport links to enable their delivery so we will continue to articulate the priorities set out within our STP and associated Investment Programme to aid delivery.

A range of benefits will be available to freeports in the following policy areas:

- Customs
- Tax. This includes measures on:
 - Stamp Duty Land Tax (SDLT) Relief
 - Enhanced Structures and Buildings Allowance
 - Enhanced Capital Allowances
 - Employer National Insurance Contributions Relief
 - Business rates
- Planning
- Regeneration and infrastructure: successful bidders will be able to access a share of £175 million of seed capital funding, depending on the submission of an outline business case (OBC).¹⁹
- Innovation

Now the successful freeport areas have been announced by the Government, the identified locations will draw together an Outline Business Case for the regeneration funding available in line with the Green Book. Transport for the North commits to add value and support to this process where this sits within our role.

4.6 The North's Port network

Short Sea Shipping (SSS) is the maritime transport of goods over relatively short distances on routes, such as Liverpool to Dublin and Immingham to Rotterdam, whereas Deep Sea Shipping (DSS) refers to the maritime transport of goods on intercontinental routes, crossing oceans.

The primary driver for growth in terms of shipping is intermodal container freight on both SSS and DSS routes. This is reflected in the 2050 forecast although the more predominant intermodal flows are focused on the southern ports, such as London Gateway, Southampton and Felixstowe, where extensive facilities for handling large container vessels have been created.

The Port of Liverpool has however invested over £400 million in the creation of a new deep-water container terminal that will enable two 13,500 TEU vessels to call at one time and hopes to attract regular container ship calls to boost the port's intermodal throughput.

SSS transports the larger volume of cargo into the Northern ports with imports exceeding exports. DSS tend to be focused on large vessels making one call in the UK on global loop routes. Currently some of intermodal freight brought into Europe by DSS services is fed into ports such as Rotterdam with smaller feeder vessels and SSS services transporting it as both accompanied and un-accompanied freight to the Northern ports. The intermodal freight that is transported via the southern UK ports generally travels to and from the North of England by rail into and out of intermodal terminals such as Trafford Park in Manchester for onward "last mile" distribution by road.

The Humber ports dominate the shipping volumes mainly because there are three significant ports (Hull, Immingham and Grimsby) located on the Humber Estuary. The majority of the freight handled by the Humber ports arrives via SSS routes. There is however also significant DSS services into and out of the Humber.

The Mersey ports are evenly balanced between SSS and DSS with aspirations of future growth in DSS services via the new container berth known as "Liverpool 2". Liverpool has developed a strong network of short sea shipping routes and is a major short sea shipping hub for the Irish Sea area with ro-ro ferry services to the Isle of Man, Dublin and Belfast (key operators including Stena Line, Seatruck Ferries, P&O Ferries and Isle of Man Steam Packet) and lo-lo container feeder services to Dublin, Belfast, Cork and Glasgow and from English Channel Ports (including Southampton, Rotterdam, Antwerp and Le Havre) for example. These feeder services to the English Channel Ports connect Liverpool to deep sea container services to the Far East, India, Africa and South America. Peel Ports also operate the innovative container ship service from the Port of Liverpool along the Manchester Ship Canal.

The Tees ports handle mainly SSS services and primarily import freight with Tyne & Wear ports handling smaller mixed volumes. Lancashire ports

handle only SSS services and the ports in Cumbria handle a small amount of SSS services.

4.7 The North's Port surface access

The landside facilities for the distribution of goods to and from the Northern Ports is imperative to increasing their attractiveness and ensuring freight is moved efficiently across the network.

Many of the Northern Ports are located in urban areas such as Liverpool within the city itself and therefore any increase in vehicle flows in particular on the local road network will have a negative impact on air quality with resulting congestion impacting on the operational cost of transport.

Many of the ports feature both road and rail access, however, often routes to join the major transport networks are slow and unreliable. Again, this reduces the competitiveness of the Northern ports.

Providing infrastructure to allow freight to be transported to and from the ports effectively is imperative. A good example of where the North falls short in this regard currently is the Biomass traffic that is brought into the UK through the Port of Liverpool for onward transport by rail to the Drax site at Selby. The route that trains take between the two points is not direct and often takes a considerable amount of time at low speeds due to capacity concerns (related to train weight and pathing constraints) on the east-west routes between Liverpool and Yorkshire. Delivery of a gauge cleared route for full sized containers by rail on standard wagons and capable of carrying longer heavier trains is what we are looking to see delivered on the TransPennine Route Upgrade on an East West basis. Delivery of the programme would save over 170 miles for a return road journey which will benefit the environment as well as the freight industry.

The Port of Hull's rail connection has recently been upgraded to W10 gauge clearance to enable the movement of containers by rail to and from the port. Immingham, Teesport and Liverpool (restricted train lengths) also have the ability to handle containers by rail.

Similarly the gauge cleared route from Immingham to the East Coast Mainline along the South Humber rail line has been delivered. This was jointly funded by the Humber LEP, North Lincolnshire Council and Network Rail – a very successful project working across many partners. ABP are working closely with their customers to attract trade activity into the area and a significant draw for companies is the ability to put containers onto the railway. The challenge is accommodating additional freight capacity onto the East Coast Mainline in a timely and sustainable manner.

4.8 Drax Case Study

At present four out of eight turbines at Drax currently burn biomass and take an average of 38 trains per week with the majority of routes coming from Immingham. This is because the route to Immingham is available and the port has good storage and train loading capacity. Liverpool developed a biomass handling facility to improve the resilience of supply should the alternative ports Drax uses flood. With the facility available at Liverpool there is a desire to load more at there and move it by rail to Drax. The routing issues and journey times mean that the wagons needed are unavailable. This is because of the length of time they would be in use for each leg of the journey.

At present, very few of these trains run via Diggle, mainly on nights, as there are no paths. They run via the longer and slower Calder Valley route through Cheshire on their trip from Liverpool. They take seven hours or so for the 100 miles total trip by road.

When turbine units 5 and 6 come on line, the demand for more biomass trains will increase too and they will be sourced from the most efficient loading and unloading port facility as well as where the freight company can source the best paths to maximise both the driver's time as well as the asset. When units 7 and 8 come on then one could expect a very significant increase on/pressure on the railway. Whilst the demand for intermodal paths grows the Rail Freight Group have suggested that the available hourly Diggle freight path could be used for Biomass in the initial absence of containers. Therefore, there is a desire to see the Diggle route being able to accommodate 2600 tonne trains hauled by two Class 66 and all able to fit on the tracks and infrastructure at the same time.

4.9 The North's Inland Waterway Network

There is a network of inland waterways within the North of England. The major waterways concerned with the movement of freight are the Manchester Ship Canal and the Aire Calder Navigation which also includes the River Humber and River Ouse.

The Manchester Ship Canal stretches from the Mersey at Liverpool up towards Salford in Manchester. Ships and barges regularly use the Manchester Ship Canal to transport goods to and from ports at Runcorn, Warrington, Irlam and Salford.

There are proposals for new and enhanced port terminals along the Manchester Ship Canal such as Port Wirral (Eastham / Ellesmere Port Docks), Port Cheshire (Bridgewater Paper Mills), Port Ince (Protos Energy Park), Port Weston, Port Runcorn, Port Warrington, Port Irlam and Port Salford.

There are challenges in terms of infrastructure on the route with key crossings being closed to vehicles as ships pass through the canal. This can often lead to localised congestion.

The Aire and Calder Navigation is accessed from the Humber Estuary and River Ouse at Goole and runs west towards Leeds. There are numerous barges in use on the canal that transfer bulk goods from the Ports on the Humber such as Immingham and Grimsby.

Development is underway on the Aire and Calder Navigation, focused around providing more space for the deliveries of bulk materials related to construction, however there are infrastructure constraints on the canal in terms on bridge heights for example, which limit the size of vessels that can use it. The opportunities this presents the owners and managers of the waterways are being explored. The Humber Ports and the Canals and Rivers Trust (CRT) are continuing to investigate the potential to increase traffic on the Aire and Calder Navigation to generate more freight to and from the Humber.

4.10 The North's Multimodal Freight Flows

The North's freight traffic is carried by road, rail, maritime and air. Inland waterway and air carry very small percentages of overall volumes in the north. TfN recognises that there are opportunities as outlined above.

The key transport infrastructure in the north of England is presented in Figure 1

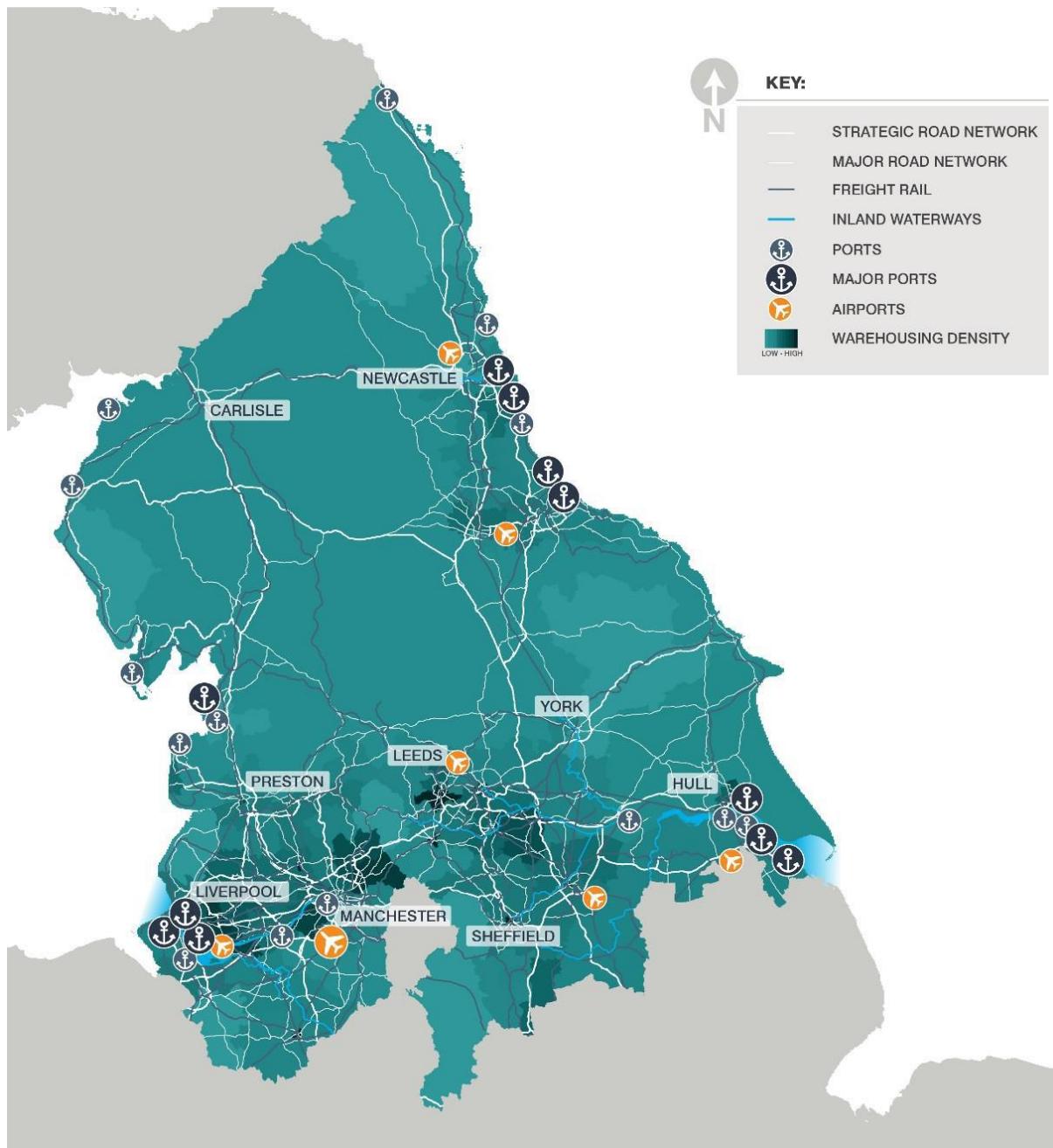


Figure 1: Key Transport Infrastructure - North of England

The UK handles large volumes of imports and exports at various seaports. There are three major port clusters in the North of England: Liverpool, Hull and Immingham, and Tyne and Wear. These ports generate traffic to/from inland terminals and warehouses within the North and beyond. These tend to handle short-sea traffic. In addition, large volumes of freight destined for the North comes the major deep-sea ports in southern England: Felixstowe, Southampton and London Gateway.

The other generators of freight traffic are inland distribution centres, terminals and warehouses. These are scattered across the country for

onward distribution to end customers (e.g. retailers, households, or business users of commodities such as construction sites and factories). In the North, areas of high warehousing density are usually urban clusters, particularly around Manchester, Liverpool, Leeds and the wider Yorkshire region.

Main commodity groups carried by road and rail freight include:

- Intermodal Container
- Construction
- Metals
- Automotive
- Petroleum
- Foodstuffs and household delivery

Freight flows in the North of England can be divided into two main directions, north-south and east-west

Key flows	Main rail routes	Main road routes
North-South	WCML (Crewe – Carlisle)	M6
	ECML (Doncaster – Newcastle)	A1 (M) (especially York and Newcastle)
	MML (south of Sheffield)	M1 (south of Sheffield)
East-West	North Transpennine Line (via Diggle)	M62 (between Liverpool and Hull)
	Calder Valley Line (via Rochdale)	A69 (between Carlisle and Newcastle)
	Copy Pit Line (via Burnley)	A66 (between Penrith and Scotch Corner)
	Hope Valley Line (via Edale)	

All the listed north-south routes are very busy across both road and rail, carrying both traffic to/from or within the North and significant Anglo-Scottish traffic (much of which through the North). The WCML and M6 both carry very high freight volumes south of Warrington.

For east-west traffic, there is currently relatively little rail traffic. There is at present no gauge-cleared route suitable for container traffic. The small number of trains that run are for Construction Aggregates and Biomass.

The busiest east-west road corridor for freight is the M62. The A69 and A66 carry lower volumes but HGVs and LGVs account for a large percentage of overall traffic on these routes. The A616 and A628 which provides a route to Manchester known more popularly as Woodhead can be affected on multiple occasions throughout the winter. Due to the Pennines topography, these are the only main east-west routes with a lack of suitable alternatives and are susceptible to disruptions. The beast from the East in early 2018 brought extreme temperatures and heavy snowfall to the UK. At one point it was not possible to travel on an East West basis by road due to snow, accidents and closures. Although an extreme event that isn't traditionally planned for in the UK climate, it is worth noting and provides a sobering reminder of the importance of resilient and reliable connectivity. One of the hardest hit industries was the logistics industry as it tried its hardest to

The choice of road versus rail for freight is typically driven by cost. This cost evaluation needs to take account of both haulage costs and indirect costs such as the construction of terminals. Using rail typically involves building a rail terminal which is often larger and more costly than the road equivalent, and where that is the case, the operator will need to include these (extra) capital costs in their calculations.

Road haulage does have typically high economic costs in terms of pollution, highway damage, congestion and noise. The actual body that pay for these costs ends up being the Highway Authority and not the haulier. In rail terms there are less costs absorbed by Councils and more absorbed by the freight operator. This is why the Freight Facilities Grants run by DfT were popular.

Historically bulk cargoes such as construction materials and coal for power stations have been the main commodities of rail. Coal has declined with the shift in power generation to renewables and the earlier "dash for gas". Until recently, other heavy industries had not filled the gap left by coal. In part that is because there is less heavy industry in the UK economy but also because of the gradual shift in power generation. Where offshore wind has grown, the infrastructure required is port side and near the shore.

This in effect removes coal's primary need for rail freight. Construction materials continue to be moved across the UK with the importance of the Peak District quarries increasing. With the limit of lorry movements restricted by the Peak District National Park, the train loads of aggregates have almost doubled. Where a c2400 tonne of aggregates left the Peaks to Wembley twice a week, now 1 train of c4000 tonnes works now. This is a huge argument for the attraction of modal shift and also highlights the

industry's held belief that moving more on bigger trains is possible – even on paths that were designed for much lighter trains.

However, increasingly with the rise in volume of consumer goods and specialised manufacturing (in the UK and globally) and with more rail-served warehousing sites, with terminals built across the country, the total volume and the proportion of intermodal containers and fast-moving consumer goods travelling by rail has also risen. This trend is expected to continue.

Within any one commodity group the comparison of road versus rail costs will vary by journey:

Distance: Because road costs per extra kilometre are higher than rail costs per extra kilometre, rail is typically more viable (higher mode share) over longer distances than over short distances.

Cargo quantities: Rail is normally not well-suited to small cargo volumes because it takes some time to build up enough freight to warrant running a train. This leads to infrequent and large deliveries (often inconvenient for the customer), and can lead to under-utilised railway assets.

Rail-connected: If there are rail terminals at both the cargo generator and the cargo consumer, then this removes the need for a local road haul between cargo generator/consumer and rail terminals – thus significantly reducing the costs of using rail

It is often difficult to define mode share by commodity because commodity definitions between modes are often difficult to harmonise.

4.11 Future Freight Growth

The growth of freight in the future is heavily attributed to the increasing number of national distribution centres (NDC) and regional distribution centres (RDC) in line with the growth in online retailing and the move towards next-day delivery of a wide variety of goods. In 2050, more NDCs are forecast within Central England, which are predicted to supply RDCs in both the North of England and in Scotland. This also results in longer length of haul by road freight, reflected by an increase in the domestic average length of haul from 93 km in 2016 to 130 km in 2050¹⁶.

Tyneside and Tees Valley in the North East have seen a significant take up of logistics and distribution space, although this has not been on the same vast scale as the major established UK logistics parks in the Midlands, South East and North West of England. These northern key logistics hubs are often based on historical geographies, some of which

¹⁶ Enhanced Freight and Logistics Analysis Report, TfN, January 2018

have connections with ports and airports (such as Newcastle International Airport and associated pharmaceutical industry) while others have developed independently.

There are several key logistics centres that serve a wide variety of commodities that are moved around, to, from, within the northern trans Pennines, including fast-moving consumer goods (FMCG), construction and support for the energy supply chain. Across the Northern trans Pennines freight is mainly moved on the road network since there are no significant intermodal locations in this region, as well as the absence of gauge clearance and capacity on rail.

In the West and Wales region, covering the areas of the Liverpool City Region, the Manchester City Region, Cheshire and North Wales, there has been significant growth in recent years in energy, health innovation and advanced manufacturing industries. The recent investment in a deep-water container terminal, Liverpool2 also reflects the aspiration of the region to increase its freight potential.

Along the Southern Pennines corridor there is a significant business and industrial presence, with a strong advance manufacturing clustered in Sheffield, to add to Manchester's and Liverpool's specialised materials and manufacturing centres.

GB Railfreight Case Study

GB Railfreight investigated route planning for W10 gauge. The new University of Hull software for timetable planning was used. This was developed by the Liverpool to Humber Optimisation of Freight Transport (LHOFT¹⁷) project. GB Railfreight inputted a request for a W10-gauge flow from Immingham to Trafford Park and it showed the most direct route was via Diggle and that would be the route you'd choose to be best commercially was properly gauge-cleared and had the capacity during the day. The next best option that is currently W10 gauge-cleared is the route crossing across Lichfield to Burton to Chesterfield which is far further.

The Diggle route is 117 miles and the Lichfield to Burton to Chesterfield route is 205 miles. That is an additional 176 miles for the journey there and back using the second route. Both legs would be loaded with containers as this is what the Ports and operators need and want as the market is there. That means that there would be an additional 'variable track access charge' ie 'a bill' for the extra 176 miles of journey. That doesn't include the additional driver hours it would take or the fuel the train would use either.

¹⁷[LHOFT \(hull.ac.uk\)](http://LHOFT(hull.ac.uk)) Accessed June 2021

This example clearly shows why Transport for the North and our freight industry colleagues have repeatedly called for improvements in the Diggle route through the TransPennine Route Upgrade. There is demand from operators to run the trains fully loaded and they have said that they would make this sort of flow work. There are currently very limited examples of companies showcasing and demonstrating that they would be able to make it work because Diggle is not gauge-cleared and doesn't have the capacity available to showcase the opportunity. This is also why all the modelling shows no container flows – because they are currently impossible to run. This is why the economics for this flow just do not work at the present time and needs investment in the full TransPennine Route Upgrade as soon as possible.

5 Defining our freight and logistics objectives

TfN's Strategic Transport Plan sets out the importance of moving goods across the North and freight is fully embedded into the TfN Investment Programme published alongside the STP. This section defines the proposed objectives of a multimodal freight strategy that can meet both the current and future needs of the North of England. These freight specific objectives build on the wider objectives of TfN, DfT, local authorities, Highways England, Network Rail and other key delivery partners. The objectives are presented to be modally agnostic, and are therefore equally relevant to road, rail and waterborne freight.

5.1 TfN's strategic transport objectives

The Strategic Transport Plan (STP) sets out the evidence on how improved transport connectivity will deliver greater prosperity and a better quality of life for citizens in the North of England.

The STP sets out TfN's vision:

"A thriving North of England, where world class transport supports sustainable economic growth, excellent quality of life and improved opportunities for all."

Supporting this vision are four pan-Northern transport objectives, which inform the development of the STP and TfN's work programmes:

- Increasing efficiency, reliability and resilience on the transport system;
- Transforming economic performance;
- Improving inclusivity, health and access for opportunities for all; and
- Promoting and supporting the built and natural environment.

These objectives align closely with the five foundations of productivity set out in the Government's Industrial Strategy as well as helping achieve Governments commitments to 'levelling up' and 'building back better'..

To realise the benefits of agglomeration and economic mass, the North requires faster, more efficient, reliable and sustainable journeys on the road and rail networks. Yet these existing networks have a number of challenges.

Over the last two decades, the North's railway has experienced substantial growth in passenger numbers despite a legacy of underinvestment. Much of that growth has been accommodated within pre-existing capacity, but this is no longer possible on many routes, and

most of the North's key rail hubs are now at capacity. The North's rail network lacks sufficient capacity for growth and is severely constrained by on-train congestion, low journey speeds and poor punctuality. Evidence for this can be found in the increasing difficulty of securing new or competitive paths for freight.

During the initial phases of the Covid 19 lockdown, rail passenger numbers fell sharply as people who were not key workers remained at home. The number of passenger trains that ran on the network reduced to reflect this and freight services increased. The main area of more efficient running was the ability to run longer trains because the freight trains didn't have to repeatedly wait for passenger services to pass in shorter loops that cannot hold trains that are 775m long. This increased the number of containers that were able to move key supplies of food, medical and personal protective equipment to various rail connected destinations. Also, trains could move at higher speeds because they could maintain a faster speed for longer. Large heavy freight trains take a similar amount of time to stop as any passenger or lighter freight service. But they do take longer to accelerate meaning vital time maintaining speed is beneficial instead of starting and stopping.

Where there are established freight services planned into the timetable, it was much easier to achieve the improvements quickly to respond to the needs of customers during the pandemic. The problems are more concentrated for newer freight flows rather than those which have been allocated for many years as the timetables they fit within are much more congested than many years ago.

Covid 19 presented network opportunities for the rail and freight operating companies. As we reported to the Rail North Committee from the Rail North Partnership, prior to Covid 19, Northern Rail's on-time train performance levels were 54.2% of all trains arriving on time and grew to over 77% during the pandemic. Similarly, TransPennine Express had only 37.5% of trains arriving on time and rose to 72% during the pandemic. This is mainly due to a less congested network because the recent increases in service levels have already led to small declines in performance. Further increases following the 3rd lockdown could also lead to a decrease as the volume of trains on the network, the increase in passengers travelling and an increase in dwell time reduces the timeliness of services.

Similarly, East-West road connectivity is also a significant barrier for future growth in the North, and a key constraint to agglomeration and transforming the North's economy. Currently the M62 is the only motorway standard East-West road link across the Pennines between Derby in the Midlands and Edinburgh in Scotland. Road capacity across the Pennines is hindered by the absence of a gauge cleared route for rail

container traffic which therefore has to use road even though intermodal is now the largest and fastest area of rail traffic growth. The flows could make their way through Midlands or Scotland to achieve rail market growth but the fuel and handling costs would be extremely high making the journeys too expensive. Other major arteries, including the M1, M6, M56 and A1 (South Yorkshire) corridors, are also already heavily congested and are acting as major barriers to transforming the North's economy.

A key priority of TfN's Strategic Transport Plan is to support economic growth that is inclusive and sustainable. This means investing in strategic transport improvements that ensure that all areas of opportunity are connected, and that communities are not disconnected and further isolated. It also means protecting and renewing the high-quality natural environment in the North, which is already an asset and a reason why many people and businesses chose to live in and visit the North.

TfN's ambition is to push harder and faster towards zero emissions from its surface transport network than current Government policies and proposals. To this end, TfN are publishing a Decarbonisation Strategy alongside the Freight and Logistics Strategy. Both documents will be subjected to consultation.

This freight and logistics strategy reflects the objectives of TfN's Decarbonisation Strategy, firstly in achieving close to zero emissions from our surface transport system by 2045, and secondly in optimising the social and economic benefits from clean growth opportunities in the North.

It is clear from the suite of pre agreed TfN policy documents that Northern leaders believe rail should be encouraged to deliver TfN policy objectives on the economy, transport efficiency, and health, inclusivity and decarbonisation. Capacity and gauge clearance for Trans-Pennine freight and rail electrification are specially mentioned.

6 Proposed TfN Freight objectives

The following objectives are outlined for delivery across TfN, partners, Government, other sub national transport bodies and the private sector. They are set out to show how varied the sector is and it is important to note that no single organisation could deliver the whole suite on their own. TfN's role will be to coordinate activity and encourage partners to work together.

TfN pan-Northern Transport Objectives	(Proposed) Freight Objectives
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<p>Increasing efficiency, reliability, integration, and resilience in the transport system</p>	<p>Reduce the number of incidences of unplanned closures of Major Road Network routes leading to severe journey delay;</p> <p>Prioritise measures that tackle journey reliability and congestion, and support less polluting and more energy efficient movement of goods on the transport Network;</p> <p>Maximise the utilisation of rail, inland waterways and local distribution hubs to improve efficiency and support the modal shift of goods from road to rail;</p> <p>Improve the multi-modal North-South and East-West connectivity across the North; and</p>
<p>Transforming economic performance</p>	<p>Optimise efficient flow of goods on the MRN and railway through improved flow of traffic and supported by technology;</p> <p>Increase freight data availability through developing accessible tools;</p> <p>Maximising the clean growth opportunity flowing out of freeports, clean industrial clusters and the first mile freight that flows out of ports.</p> <p>Work with partners within the new planning remit to support the planning and development of well connected warehousing and consolidation sites;</p> <p>Work with Partners and the private sector to explore the benefits of regional freight consolidation and distribution networks.</p>

Improving inclusivity, health, and access to opportunities for all	<p>Reduce the impact of air pollution and noise from freight movements on the health of local communities; and</p> <p>Support our partners at a national and local level in delivering safer roads and railways.</p>
Promoting and enhancing the built, historic, and natural environment	<p>Reduce carbon emissions and other Green House Gas emissions in the freight and logistics sector;</p> <p>Increase electrification of rail network, and decarbonisation of road haulage through increased share of zero and low emission fuels.</p>

It should be noted that there are objectives outlined above which are mutually beneficial to each other but some mean that trade offs will be required. As we progress with applying the strategy these will be continually debated, recognising changes in national or regional priorities.

6.1 Supporting the delivery of the Long-Term Rail Strategy

The Long-Term Rail Strategy¹⁸ (LTRS) formed a significant part of the evidence that informed the Strategic Transport Plan when an updated draft was released in January 2018. There was significant engagement on the content with partners and the private sector when it was drafted and forms the basis for our Strategic Rail activity.

The LTRS sets out a complementary, compelling and tangible set of Conditional Outputs required to realise the TfN Vision. It includes deliverables which support the achievement of the objectives, but which are subject to further assessment of deliverability, affordability and value for money.

Through the Conditional Outputs, it is intended to deliver:

- A step-change in connectivity;
- Provision of capacity within the infrastructure and train services to cater for growth;
- A rail network which customers will find easy to access and use;
- A railway which supports the communities it serves; and

¹⁸ [Long-Term-Rail-Strategy_TfN.pdf \(transportforthenorth.com\)](https://transportforthenorth.com/long-term-rail-strategy/) Accessed June 2021

- Enhanced cost-effectiveness of running the railway.

These changes can be summarised around five key themes summarised below:

Connectivity:

- Reduce journey times between the North's economic and freight centres, and between these centres and international gateways.
- Reduce journey times between the North's economic and freight centres and key centres across the UK

Capacity:

Provide the infrastructure capacity and capability to increase the permissible speed, weight, gauge and length of freight trains to cater for proven existing demand and for evidenced future demand.

Customer:

- Increase the Right-Time punctuality of passenger and freight services in the North.
- Decrease the percentage of cancelled passenger and freight services in the North

Communities:

- Improve air quality and reduce CO₂ and other harmful emissions both on and about the railway estate and in wider society through modal shift to rail.

Cost Effectiveness:

- Reduce the cost per passenger mile and per freight tonne km of services in the North.
- Grow the net revenue generated by the North's passenger and freight railway whilst delivering high-quality services and inclusivity

6.2 TfN's Long Term Rail Strategy Desirable Minimum standards for Freight

The 'Desirable Minimum Standards' were agreed as part of the first LTRS and stayed in place in January 2018. There were three that related to freight and logistics. It should be recognised that the standards were agreed to be ambitious and delivered by 2050. The contents of this strategy set out how the action we take as TfN can enhance delivery of the standards. They are set out below for reference:

5) The North's rail network to accommodate the evolving needs of the freight market – supporting longer and heavier trains, increased path availability and additional gauge clearance

11) The five major ports in the North (Hull, the Humber Ports, Liverpool, Teesport, and Tyne) to be served by rail with gauge clearance allowing the latest generation of intermodal containers to be carried on standard wagons and weight capability enabling trains to operate unrestricted at the highest speed appropriate for the load

12) Improve the average speed of freight services in the North by 50% over the next 10 years (by 2028)

7 Existing Evidence

A review was carried out of the available strategies and plans for the UK as well as for the North specifically. This includes documents from Network Rail, Highways England, Department for Transport and other partners including Local Authorities. The benefit of closely analysing the available documents are that they show a consulted view of the freight and transport world that TfN can review progress against as well as providing with an initial list of interventions and programmes that either have been delivered or require delivering.

7.1 Key rail emerging themes

Several themes emerged from the rail literature review and industry consultation. These range from macroeconomic narrative to issues relating to policy areas (e.g. balance of freight and passenger markets in rail planning and policy development, and the dynamics between freight and the planning system), to identification of specific network locations needing intervention. A summary of themes is provided below:

- Despite the decline of coal traffic in the last decade, there has been strong growth in intermodal and construction (including aggregates) traffic in the last two decades. There is consistently strong future demand growth forecasts across documents from TfN and Network Rail.
- There is strong policy support for rail freight contributing towards decarbonisation and the net zero agenda as well as reducing congestion on the roads especially on the North/South and East/West key freight corridors.

- Rail freight is also recognised as a contributory factor towards overall economic efficiency, as evidenced by documents by DfT, NR, Rail Freight Group and others. Some benefits would be more pronounced with further electrification of the rail network – the current electrified network is too limited for widespread adoption of electric rail freight
- There is no suggestion from the evidence that has been reviewed that the market is inefficient – i.e. no concerns that freight enhancements could disproportionately benefit a single operator due to current market dominance
- The evidence suggests that the largest constraint is rail network capacity congestion and network pinch points over and above lack of electrification for freight. Evidence of capacity constraints tend to be largely anecdotal, but this is usually evidenced by slower than historic / theoretically optimal journey times as is apparent in Working Train Timetables (WTTs). Research undertaken for this strategy shows that the current freight trains could be 23% faster if the network operated without holding freight trains in certain places either in loops or behind other services. This is making rail less competitive.

Common themes in the north include:

- The dual lack of quality TransPennine freight paths and routes with sufficient gauge clearance for intermodal traffic – this is thought to be the main contributing factor to the lack of penetration of northern ports (Liverpool, Humber, Tyne, Tees). Provision of a gauge cleared TransPennine rail route is the simplest means to take road freight traffic off M62, widely documented from a range of TfN and TfGM documents and onto rail.
- Restricted availability and quality of paths for accessing Trafford Park and other inter-modal termini included in the TfGM Rail Strategy discuss options for additional rail linked terminal capacity on top of Trafford Park as well as options for improving existing rail network to Trafford Park
- Overall lack of data sharing between freight and logistics companies means it is more complex to evidence the benefits investment in infrastructure brings, meaning business cases still rely on passenger information to build in benefits
- Key locations for congestion are on the West Coast and East Coast Main Lines such as Winwick Junction and around Doncaster
- As we previously referenced in the Enhanced Freight and Logistics Analysis, there is continued emphasis of the importance of additional rail-connected warehousing and distribution sites that minimise the distance and impact of onward ‘last-mile’ distribution by road, and the importance of the planning system to support the development of such facilities.

7.2 Recent and Forecast Growth Trends

There are several common themes in terms of recent commodity trends. Documents by Network Rail, TfN, TfGM and the RFG all mention the following three broad trends:

- Decline of coal traffic
- Growth of intermodal container traffic, especially from Felixstowe, Southampton and London Gateway
- Growth of construction traffic, namely aggregates from quarries.

Most freight forecasts have adopted a similar methodology – using the Great Britain Freight Model (GBFM) developed by MDST, with varying input assumptions. While forecasts vary, they all predict ongoing growth in intermodal and construction traffic, and other commodities staying relatively constant.

7.3 Key emerging Road themes

The common road themes for the North include:

- The strength of the north relies on its potential to increase multimodality with prospect of a shift from road to rail being one of the priorities in the agenda.
- The North's eleven ports can play an equally important role in the intermodal domain, and expand their market share dependent on the accessibility constraints both on the road and rail sphere being resolved.
- Impact of Brexit on southern ports might open an opportunity to increase the activity on Northern ports, which may result in additional pressure in the road network.
- Congestion and reliability are the main issues experienced by road freight in the Northern road network, particularly in the East-West connection due to limited capacity of the current infrastructure.
- The freight market in the North is heavily dominated by road with 87% of the tonne kilometres transported.
- Freight market in the North is expected to grow by over 30% until 2050 across all modes.
- There has been considerable recent growth in light goods traffic, driven by increases in online delivery. Cleaner, well integrated and more efficient last mile freight movements are a priority, particularly in urban areas.
- There are very few road enhancement schemes with a primary objective of supporting freight – the business case for most road enhancements is driven by time savings of individuals. This is unlike

some rail enhancements which can in some cases be almost exclusively driven by the needs of freight.

7.4 Network Congestion - Road

The key issue for road freight is network congestion. On all highway routes road freight is a minority user even though over 90% of the North's freight is moved on the road network. However, there is no existing appetite for building freight only highways or converting existing highways to freight only.

Road enhancement schemes are considered as part of a wider business case that is usually dominated by non-freight road traffic benefits. The highway schemes are for all different vehicles and are not solely proposed as freight schemes. However, TfN included some schemes within the initial Investment Programme that were freight schemes. Now there has been amendments to the Green Book process, the building of business cases is more heavily focused on developing the 'strategic' case for investment. This helps freight and logistics schemes increase their chance of securing public funding.

Key areas of the highway network where constraints are forecast to impact road freight include:

East West Trans-Pennine movement on:

- M62
- A66 from Tees Valley to Penrith – particularly vulnerable to weather conditions

North-South connection through:

- M1 around Sheffield
- A1 east of Doncaster
- A1 Newcastle - Gateshead Western Bypass
- A19 in the Tees Valley and North East – particular pinch point at Tees crossing
- M6 in Cheshire and Warrington

Access to 'constrained' ports:

- A5036 to the Port of Liverpool
- A63 to the Port of Hull

Freight connectivity

- Access to and from Intermodal Terminals (at Trafford Park, Leeds, Garston, Doncaster iPort Rail and Widnes) and International Airports (particularly Manchester and Newcastle)

River and estuary crossings

- Connectivity between major distribution centres and sensitive industrial clusters

Major Road Network:

- Air quality interventions in major urban centres
- Growth of last-mile distribution including to all newly allocated Freeports

7.5 Warehousing and Highway terminal issues:

One issue that has become an issue of greater importance is the requirement for warehousing. There is a shortage of freight warehousing caused by changes to the type of goods being carried and logistics operations more generally. This means that there is less demand for bulk industrial goods to be moved by road and more demand for more local distribution centres. These will house things like food shopping and items people order more frequently to reduce the journey times between the warehouse and the person who has bought the item. This is causing increasing levels of warehouses being rented. Without increasing the availability of this warehousing economic activity risks moving to locations where the rental price and locations are right but the journeys the delivery vans make will be longer.

When we consider the proliferation of Amazon warehouses over the last 10 years, the company has invested over £23 billion¹⁹ in UK markets in warehouse and fulfilment centres. This has caused significant changes to the road use around those areas, something that Amazon has noticed. As future plans are developed, we are aware of initial testing of rail connections to some Amazon sites and also the growth in the electrification of their fleet of delivery vehicles. Amazon procure sites with utmost secrecy – even with those that are making assessments of viability on their behalf. We will continue to watch and learn about the impact such large companies have on areas within the North and use this knowledge to recommend the shape of future growth to the best of our ability.

However, if TfN were to support investment in new warehousing through policy and other interventions as a stand-alone initiative this would risk only entrenching existing highway freight modal dominance.

¹⁹ [About our Fulfilment Centres \(aboutamazon.co.uk\)](http://aboutamazon.co.uk) Accessed June 2021

Therefore, we will work with local authorities in support of greater logistics warehousing but also seek that such warehousing should (by default) be also rail connected where possible and appropriate for the nature of the business. This will be a challenge for the market but, as has been seen in recent developments at iPort Doncaster and with Kraft-Heinz there is a market led appetite for modal shift to and from warehousing locations. This policy recommendation will be reviewed once the future of the Planning regime is published by Government.



UK Intermodal Terminals

Rail Network Capacity:

Network capacity is also the key issue for rail. It is a challenge in terms of the capacity of the network to accommodate either more trains reliably or flexibility around where the trains travel to or from and in terms of gauge which drives the ability to handle intermodal traffic both on the existing network and for new journeys.

The DfT Rail Freight Strategy²⁰ from 2016 and current and emerging thinking from both Network Rail and TfN, emphasises the need to use the existing freight paths efficiently. There are existing market incentives for operators to do so, for example to ensure that trains are loaded towards the maximum loading of goods or containers and maximum lengths on the routes they travel on. This is unlikely to create the extra paths that will be required to accommodate the unsuppressed demand that underpins DfT's and Network Rail's own rail freight forecasts.

There is also a concern in the rail freight industry, which has been expressed at recent Network Rail workshops, that efficient paths may become a euphemism for "less" freight paths with freed capacity being reserved for passenger traffic. There is much debate about freight operators having capacity that they do not use. The argument for this from freight operators is that they need the flexibility to enable them to serve different locations on different days and at different times to meet their customer needs, building as much flex as they can. This helps grow the rail market in the longer term so journeys can have a little flex on the rail – a right which haulage companies simply have.

While evidence gathered for this report by counting trains on a sample of running days suggests that less than half freight paths are used, that is not the case on routes where capacity is constrained. For example, the area around Manchester. There is little or no spare capacity over the four key freight bottlenecks identified by the network capacity modelling for this report. These include the West Coast mainline north of Golborne, East Coast mainline two track section through Durham, Midland Mainline through Sheffield and across Manchester. The work has showed that rail freight end to end train times already suffer from significant additional time in order to squeeze onto the network.

For new rail freight journeys, achieving a timetable slot on the network is currently challenging. **19%** of the end-to-end journey time for the average freight train journey is made up of congestion-related delays. If you removed the delays, then journeys would be 23% faster for all the

²⁰

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/552492/rail-freight-strategy.pdf Accessed June 2021

existing services. Even doing this on the existing network (with no enhancements and investments) decreases average journey cost by nearly 8%. This cost reduction increases the attractiveness and therefore the demand for rail freight by **6.4%** nationally. This does not include the demand for routes where the infrastructure is not capable of carrying intermodal traffic, this is just for the existing market today.

This means that new journey opportunities for rail freight are more expensive and marginalised. The ultimate impact in the current climate is for shipping companies to use road transport over rail freight as it is free at the point of access onto the network and all key routes are provided through the MRN.

Government is investing heavily in rail with High Speed 2 (HS2) and building the case for Northern Powerhouse Rail which is comparatively more than road investment on a cost per tonne/passenger basis. In addition, to help rebalance the British economy, HS2 is often referenced as having freight capacity benefits. HS2 have stated: "By putting direct inter-city passenger services on dedicated high-speed lines, Britain's new high-speed railway, High Speed 2, will create more capacity on the existing railway for Britain's growing rail freight sector. As a result of enabling more freight by rail, HS2 will help deliver more of what Britain needs in a more sustainable way, as it will assist in removing thousands of lorries off our roads, reduce carbon emissions and make our motorways safer." ([Freightmas and HS2 | High Speed 2](#)).

HS2 will reduce journey times between the North and London. It will also, once the full network is built, reduce the demand of intercity trains for paths on the West Coast, East Coast and Midland mainlines which will free capacity for freight on parts of those lines.

Gauge enhancements

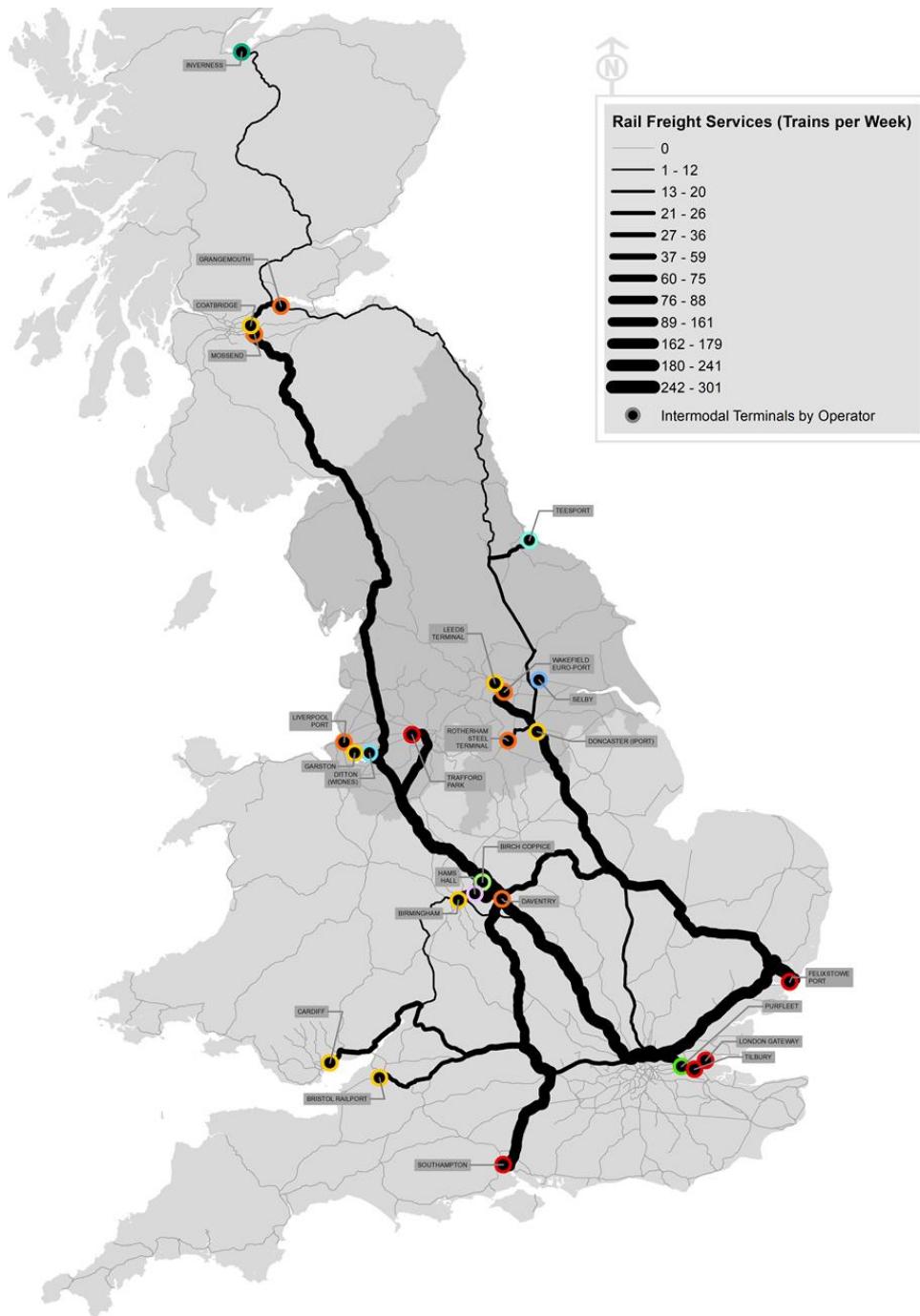
Capacity for rail is usually expressed in terms of train frequency but for freight gauge clearance is also an issue. This means how tall and wide the bridges and tunnels are and whether certain containers can safely travel under and through them. The North suffers from the fact that intermodal container services cannot physically fit across the Pennines on an east-west basis because the tunnels are too small. This means that ports and industries in the east cannot use rail for container traffic needing to move to/from the west and visa-versa.

The ports in the West and in the East face different markets Liverpool is strong in the North America market and Hull and Immingham in the

Shortsea European market and are served by different shipping services. These Northern ports are less able to serve their natural hinterland. Teesport has developed a regular container service to Doncaster by rail despite fierce road competition. This service benefits TeesPort, Doncaster and the communities on the A1. An additional service from TeesPort to the North-West should be economic to operate by rail because of the longer distance and the opportunity to spread TeesPort's rail investment costs over more traffic. However, no such service operates over this route because the trains would have to run via Litchfield. The extra distance makes rail uncompetitive. Container traffic flow on this route is likely therefore to be road based or enter/leave Britain via another east coast port. This impacts on the efficiency of the economy of the North as well its environment.

Network Rail is testing two technical solutions – one requires a smaller level of investment in infrastructure but the use of "low liner" wagons. Some stakeholders oppose the use of "low liner" wagons (1) because of their lower carrying capacity both per wagon and over a given length because of the extra space required to accommodate the shape of the wagon and (2) because such wagons would need to be built and are thought by some stakeholders to be more expensive to maintain.

The balance of approach needs to be carefully considered. Given the levelling up agenda our position is clear – that we seek assurance that we will have a fully gauge cleared route to allow freight to move on an East West basis connecting our major Freeport complexes. Understanding the alternatives is necessary but given that Southern routes have had the investment, and growth has then been seen, it is critical that the North receives the same opportunity.



UK Intermodal Rail Services per week (2 way)

Highway and rail connected terminals

The North has few rail fed connected terminals – particularly west of the Pennines. The dominant position of Trafford Park is both evidence of the desire for rail terminals in the North-West and the lack of alternatives. This makes capacity issues all the greater as Trafford Park sits close to Manchester city centre on some of the busiest rail lines in the North.

Alternative terminals on different lines may reduce the network capacity impact of intermodal freight through Manchester.

This concern about the lack of terminals is not a new issue as there is a policy position within the STP for TfN to work with Partners and the private sector to explore the benefits of regional freight consolidation and distribution networks, and network of construction consolidation centres.

TfN recommends that we could play a role in determining the best locations to develop warehousing – particularly where the opportunity for rail connection exists. If agreed by partners this could form evidence for the generation of new Local Plans once the planning policy arrangements are released by Government.

Decarbonisation:

One of the other key issues for freight is decarbonisation. Whilst the current emissions for freight do not form the largest emitter of the transport sector, they are never the less significant and the proportions will alter as other areas decarbonise.

Highway freight decarbonisation:

Central government has yet to set out a single strategy on how road freight will decarbonise. The expectation is that a combination of technology shifts, grants and taxes will encourage highway freight users to shift to electric or hydrogen vehicles. Freight is generally expressed as part of a wider approach to highways despite the obvious higher scale of the technical challenge of decarbonising freight vehicles. However, the current quickest and simplest way of decarbonising road freight is to send more by rail which even with diesel traction is 76% lower in terms of carbon emissions per tonne km. It is worth bearing in mind that rail is not yet carbon neutral either with significant distances of electrification to take place to help that to happen. Overall, it will be for the road freight sector to decarbonise and design the ability for each decarbonised vehicle to be able to carry loads that diesel vehicles can.

Rail freight decarbonisation:

NPR and other initiatives supported by TfN seek for more of the rail network in the North to be electrified. Network Rail has issued an interim programme business case for its Traction Decarbonisation Network Strategy. However, there is no certainty of funding for electrification of the wider network – and the routes used most by freight traffic (excepting sections of the Midland Mainline) tend to be lower priorities than routes

used by frequent passenger services. Network capacity issues may also drive freight onto alternative routes to the West and East Coast mainline that currently have a still less pressing case for electrification investment.

It has been suggested that hydrogen or battery operation may allow freight to be decarbonised without investment in network electrification equipment and supply. However, the power required of freight locomotives is very much larger than for passenger vehicles, and no technical solution has been proposed that will not compromise the performance of freight – thus making rail freight both less capable and more expensive.

TfN will continue to work with Network Rail and DfT to ensure certainty around the investment in electrification of the rail network. That will help industry understand the plans and timelines so they can respond with providing investment in their rolling stock that matches the delivery of the electrification work. This will offer some security so the freight operators can plan to invest in the appropriate engines that match the infrastructure.

8 Decarbonisation and electrification of freight

According to the latest DfT Transport Statistics Great Britain 2020²¹, GHG emissions resulting from freight movement, which include HGVs, vans and domestic shipping account for 37% of total domestic transport emissions. Van movements have seen a particular intensification, with a doubling of van traffic since 1990 increasing van emissions by 67% comparing to 1990s levels.

With GHG emissions related to congestion as well as vehicle traffic, areas which are already constrained or showing signs of congestion, such as those identified in the Enhanced Freight and Logistics Analysis Report, including the M62, M6 and A1(M) will produce increased emissions of GHG unless interventions are undertaken.

8.1 Decarbonisation targets

In July 2018 the DfT published The Road to Zero²² strategy setting out a commitment to end the sale of new conventional petrol and diesel cars and vans by 2040 and laying out steps to decarbonise road transport including freight with the aim of achieving almost every van and car to be zero emission.

In June 2019 the UK Government made the legally binding commitment to achieve net zero greenhouse gas (GHG) emissions by 2050 and in April 2021 stated their intention to align with the Climate Change Committee's sixth carbon budget, including a 78% reduction in whole economy emissions by 2035. In 2020, DfT has brought the date to end the sale of petrol and diesel cars and vans forward to 2030, or earlier if a faster transition appears feasible.

As a starting point to developing the policy that will form the Transport Decarbonisation Plan, DfT has published in 2020 the 'Decarbonising transport: setting the challenge'²³ which set the direction of travel, at a high level, in terms of the focus of policies and priority areas likely to be included in the governments Transport Decarbonisation Strategy.

²¹ Transport Statistics Great Britain: 2020 summary, Department for Transport (DfT), published on 17 December 2020

²² The Road to Zero, Department for Transport (DfT), July 2018, ([The Road to Zero \(publishing.service.gov.uk\)](https://www.gov.uk/government/publications/the-road-to-zero-strategy))

²³ Decarbonising transport: setting the challenge, Department for Transport (DfT), March 2020, [Decarbonising Transport: Setting the Challenge \(publishing.service.gov.uk\)](https://www.gov.uk/government/publications/decarbonising-transport-setting-the-challenge)

Within its Strategic Transport Plan (STP), TfN committed to the development of a Northern Decarbonisation Pathway to 2050, to support meeting the national net zero pathway. TfN's response to DfT's 'Decarbonising transport: setting the challenge' was one of the first steps that TfN undertook to support developing the coordinated National Transport decarbonisation Plan. In this response TfN identified key messages and recommendations to be considered by the government:

- The need for a quantified national pathway to net zero for transport by 2050, and a clear functional policy framework.
- The need for certainty on the role of national and local government, as well as STBs and the private sector.
- The need for a clear decision on road user charging for all roads.
- The need to develop an inclusive decarbonised transport solution for those living in dispersed communities.
- That government should utilise the evidence base being prepared by TfN and other STBs.
- That the North is awarded an equitable share of any funding for the trialling and development of emerging technologies.

Following this first examination of the decarbonisation challenges, TfN has developed the TfN's Decarbonisation Strategy, which sets TfN's decarbonisation trajectory, estimates the future baseline emissions under each Future Travel Scenario²⁴ and explores the likely level of policy commitment required to bridge the gap between the forecast emissions under the Future Travel Scenarios and the required emissions under the Decarbonisation Trajectory (known as Policy Gap). The result of this analysis forms TfN's Decarbonisation Pathways and provides the focus for related policy recommendations and TfN's priority decarbonisation actions to 2025.

The measures cover both passenger and freight movement and fall under three broad themes:

1. Zero Emissions Vehicles and a shift towards smaller cars
2. Demand management
3. Improvements to conventional vehicle efficiency

Under each theme, TfN has prepared a package of policies and actions, including specifically in relation to freight, that can support addressing the policy gaps at different levels of responsibility: nationally, by the Government, locally, by TfN Partners and regionally by TfN.

8.2 Decarbonisation challenges

²⁴ Further detail on what the future travel scenarios consist presented in Chapter 5, section 'Future scenarios and uncertainty'

The NIC report²⁵ emphasises the importance of regulatory certainty and consistency in driving positive innovative changes in the freight and logistics sector. A regulatory framework that sets out policies that consider and encourage technological advancements is fundamental to achieving the net-zero pathway. Uncertainty on future freight regulations, such as the type of alternative fuels technology to adopt, creates significant challenges for both freight industry and planning of infrastructure.

While the technology for zero emissions cars is well advanced, there is more uncertainty about the optimal technology for zero emissions HGVs. This provides a significant challenge for meeting sales targets for zero emissions HGVs that TfN has set out for the next 25 years, presented in the table below.

Table 1: TfN's Decarbonisation Strategy pathway

		2025	2030	2035	2040	2045
ZEV share of sales	Cars	55%	100%	100%	100%	100%
	Vans	40%	100%	100%	100%	100%
	HGVs	26%	44%	72%	100%	100%
Rail decarbonisation	Co2 reduction on baseline	0%	25%	75%	100%	100%

Hydrogen powered delivery vehicles which emit no tailpipe GHG nor any other harmful exhaust gases, are likely to have a crucial role in achieving the carbon targets. However, there are several barriers and challenges, ranging from providing adequate refuelling infrastructure to funding support, production technology and cost. Technology trial projects would provide essential evidence for the feasibility of different HGV technologies. With the support of robust strategies that promote the adoption of alternative fuelled freight vehicles (decarbonisation strategies, funding, aligned strategic transport plans) and by gathering evidence through demonstrators there is an opportunity to raise the confidence of HGVs fleet owners and leverage regional partnerships in the North to purchase zero emission HGVs in bulk.

Within the North, many Local Authorities have already taken action to drive the change towards alternative fuel with EV Charging initiatives to reduce carbon emissions; however most of the initiatives are focused on private vehicle users since there is still a lot of uncertainty about the optimal technology for zero emission HGVs.

²⁵ Future of Freight – Interim Report, National Infrastructure Commission (NIC), December 2018

A priority activity identified within TfN's Decarbonisation Strategy is to undertake or facilitate a pan-northern hydrogen transport refuelling strategy, to provide a 'look-ahead' of what an effective hydrogen refuelling network for the north could look like, servicing both HGVs and rail. Taking into account factors related to the supply and transport of hydrogen, as well as the spatial requirements of refuelling facilities, the study would provide an important part of the evidence base upon which both policy makers and freight operators can begin to make future investment decisions.

Although freight operators are already strongly incentivised towards efficiency, some opportunities for improvement, particularly in relation to reducing vehicle mileage and increasing vehicle efficiency are missed due to barriers in terms of information sharing between operators. Data democratisation measures, would ensure that all freight operators both large and small would again be able to make operational and investment decision based on robust and current evidence.

Last mile freight deliveries using active modes can also contribute to achieving the national net zero goal. Utilisation of cargo and e-cargo-bikes can help deliver low or zero carbon delivery networks, alongside demand management measures such as promoting and incentivising the use of green shipping options by both shippers and consumers.

Freight consolidation at different stages of the transport chain, from the procurement to the last-mile delivery, also gives an opportunity to reduce carbon emissions. By optimising the parcels transported in each vehicle and using the vehicle capacity more efficiently it is possible to reduce the number of goods vehicles trips which leads to a reduction in carbon emissions and congestion, by potentially removing a number of vehicles from the road network. Micro-consolidation centres can also make the use of cargo and e-cargo bikes more effective.

9 Road freight interventions and measures

Potential road freight interventions range from road freight policies focused on air quality, decarbonisation, safety and efficiency to physical improvements of the road network infrastructure. This section examines each of these areas and pulls where appropriate on a number of the undertakings within TfN's Decarbonisation Strategy to ensure that both strategies are completely aligned.

9.1 Potential detailed road freight policies and measures:

- A thorough assessment is recommended to be undertaken on air quality across the TfN region to measure the adverse impact that the increasing number of freight movements is likely to have on the northern population;
- Work with local authorities to facilitate innovative urban delivery trials focused on the use of active and electric modes to deliver parcels in the urban environment (cargo-bikes, e-cargo bikes, portering);
- Work with local authorities to assess the opportunity of introducing consolidation centres (ranging from micro to regional consolidation centres) to reduce the number of freight trips in urban centres, where air quality and congestion is particularly challenging;
- Assessment of current HGV parking provision and provide suitable parking sites to meet the current and future demand (ensuring future proof solutions in line with alternative fuels uptake);
- Introduction of Smart and connected road networks that link Major Road Network routes and distribution centres and warehouses (complementing the highways' improvement measures proposed in the Road Investment Programme) to monitor traffic levels, improve incident management, provide better customer information and increase journey time reliability;
- Examine the potential of introducing HGV only lanes on strategic road corridors; and
- Detailed data collection of freight movements at corridor level but also in urban centres.
- Working with and influencing government to support information democratisation schemes that make the latest information on the best efficiency schemes and technology advice available to everyone.
- Work with local authority partners and Highways England to facilitate large ZEV truck trials in high traffic corridors in the North.
- Support partners to aggregate large orders of ZEV vans and trucks across the North, to signal to manufacturers that the regional demand is present.
- Exploring the potential for our partners (ports, local authorities and delivery authorities) to work together to deliver effective 'port to port' multi-modal, hydrogen and/or electric refuelling corridors across our region.
- Research on appropriate place-based low carbon, urban freight (last-mile) solutions in the North.
- Supporting a pan-northern hydrogen transport refuelling study, providing a 'look-ahead' as to what an effective refuelling network would look like, to be used as evidence by policy makers and freight operators in their investment decisions.

- Engaging with emerging hydrogen partnerships in the North to support the development of a viable business case for hydrogen for first mile freight applications and provide confidence to the supply chain.
- Developing a regional ZEV charging framework, including coverage of the Major Road Network and interaction with local needs and networks. This includes consideration of the needs of cars, vans and HGVs.
- Increasing awareness of fuel-efficient driving styles.

9.2 Road freight decarbonisation

TfN's decarbonisation strategy states that:

1. In order to shift towards Zero Emission Vehicles (ZEV) TfN should invest in Technology demonstration projects to provide evidence for the feasibility of different HGV technologies and the necessary infrastructure to support them. Specific measures include:
 - Develop a pan-northern, low-carbon charging infrastructure plan, to ensure effective consideration of longer, trans-boundary road trips; including consideration of a charge point procurement framework for use by partners and the identification of optimal locations for high-power charging hubs across the North, with input from local authorities and the Distribution Network Operators (DNOs);
 - Work with local authority partners and Highways England to facilitate large ZEV truck trials in high traffic corridors in the North; and
 - Work with local authorities and freight stakeholders to help aggregate large orders of ZEV vans and trucks across the North.
2. TfN will work with the government to support information democratisation schemes that make the latest information on the best efficiency schemes and technology, available to everyone.
3. Through TfN's policy positions and communication and engagement activities, TfN can work with partners to increase public awareness of fuel efficient driving styles and the associated environmental and financial benefits.
4. Undertake or support a pan-northern hydrogen transport refuelling study. Provide confidence to users about the future path of the technology, in particular with regards to priority application, e.g. hard to electrify rail services and long-haul HGVs.
5. Developing and supporting partnerships to consider port-to-port, multi-modal, zero carbon freight corridors, optimising the economic

benefits that our freeports and clean maritime clusters can generate for our region.

9.3 Physical solutions to enhance the road of the infrastructure

The list of major schemes identified in TfN's Road Investment programme consists of highways improvement schemes to enhance strategic connections across the North, and to improve the capacity, connectivity, resilience and access to major conurbations, economic centres and industry & logistics clusters, international gateways and intermodal terminals across the region to support economic growth and competitiveness of the northern region. These include A1 and M6 connectivity and dualling schemes, port access work both locally to the ports and wider connecting infrastructure such as the A66 and A1079 and river crossings, access to airports such as Carlisle Lake District and Liverpool John Lennon, M62 improvements which currently connect warehouse clusters and improvements that connect the North to other areas such as the A15 into Lincolnshire and the A19.

The schemes proposed in TfN's Road Investment Programme provide a significant contribution to addressing the network issues identified in the TfN Strategic Development Corridor studies. The suite of schemes aims to improve the East-West and North-South transport connectivity, particularly in terms of journey time reliability and capacity, vital to link relatively closely located northern economic clusters.

10 Key rail interventions

10.1 Network locations recommended for further analysis

Like road, there are a number of rail freight investment schemes and programmes highlighted within the TfN Investment Programme. These include port related gauge enhancements and access for the Port of Hull, Port Salford, Liverpool and Teesport. Also reference to warehousing development sites such as Parkside. Additionally, there is reference to WCML enhancements and the need for a gauge cleared route along the East West axis across the North.

The need to understand the Castlefield corridor and the northern section of the East Coast mainline including the need for potential line re-openings to reduce congestion.

Further work to address the needs for the schemes and programmes highlighted above is referenced within the recommendations of the Strategy and will form a key part of the required work we undertake across TfN as we progress.

11 Freight Future Scenarios

The strategy so far has been developed using suites of existing evidence and analysis. We have ambitious plans to grow and improve the modelling and analysis capability within TfN to support and develop the way we build business cases.

The following sections detail how we will mobilise the activity. Using TfN's Future Travel Scenarios as a starting point, we have undertaken further work to produce forecasts of freight movements associated with potential changes in future land-use, economic growth and different policy outcomes.

11.1 Evidence of Freight Future Scenarios

TfN commissioned MDS Transmodal (MDST) to undertake a freight future scenarios study in 2020. The study takes the land use and qualitative definitions of individual scenarios specified by TfN and applies them within the Great Britain Freight Model (GBFM) to provide quantitative assessments of the distribution of economic activity, economic growth, road network performance and technological take-up.

The freight measure options that are used to structure the assumptions of the four future scenarios include:

- Carbon pricing, which reflects a policy environment that encourages the use of "greener" transport and leads to differential increases in fuel costs across modes;
- Road pricing, which leads to increased road costs, varying by road type;
- Autonomous vehicles, which leads to differential rates of uptake through time across modes generating mode specific reductions in vehicle operating costs;
- Warehousing, which defines whether or not new warehousing location is increasingly concentrated around railheads in the future
- Brexit impact, means additional costs of trading with the EU on customs checks, cabotage and drivers' wages; and

- Larger ships, showing the trend towards larger vessels especially on longer sea crossings.

Population growth differs by area type to reflect different spatial planning measures seen across our 4 TfN Future Travel Scenarios. Scenario Prioritised Places has the highest growth in rural area, indicating a fair redistribution of economic activities across all types of areas. The assumptions made for employment, GVA and population growth are all specified by TfN and consistent with the car future travel scenarios assumptions.

Table 2 provides a summary of freight measure assumptions made for each future scenario.

Table 2 Summary of Freight Future Scenarios Model Assumptions

Scenario/input	Just about managing (JAM)	Prioritised places (PP)	Digitally distributed (DD)	Urban Zero Carbon (UZC)
Population	As provided by TfN			
Employment	As provided by TfN			
GVA/head	As provided by TfN			
Labour cost	As implied by TfN's GVA / head nationally			
Fuel	WebTAG			
Carbon pricing	zero	zero	£1/litre eq.	£1/litre eq.
Road pricing	zero	Non-user costs added to user costs	zero	Non-user costs added to user costs
Autonomous vehicles	moderate	low	high	moderate
Land use	Neutral	Rail based	Neutral	Rail based
Road network performance	Base year HGV distance and time skims retained for future scenarios			
Brexit	Extra £100 on all driver-accompanied HGV ferry services			
Larger ships	Larger ships on longer crossings			

Key findings from the study are:

- Road is likely to continue to be the most heavily used freight mode in the UK, however, all four freight future scenarios have shown a certain degree of mode shift from road to rail comparing to the current baseline situation. Just About Managing sees a future that is

led by markets without much increase in political direction, economic growth continues at a moderate rate. It therefore has the least mode shift among all freight future scenarios.

- Digitally Distributed is driven by technical advances and has a high uptake of autonomous vehicles. Freight takes advantage of lower road operating costs and therefore has the second least mode shift from road to rail.
- Urban Zero Carbon is led by attitudes to climate action and urban place-making, it shows sees Government policy in embracing publicly available transit and active modes. It therefore shows the highest mode shift to rail. Table 3 provides a summary of key observations from the freight scenarios modelling work. In comparison to a 5.9% rail Tonnes KMs mode share in 2018, Just About Managing (JAM), Prioritised Places (PP), Digitally Distributed (DD) and Urban Zero Carbon (UZC) have a rail mode share of 6.2%, 12.7%, 7.7% and 14.8% respectively for year 2050.

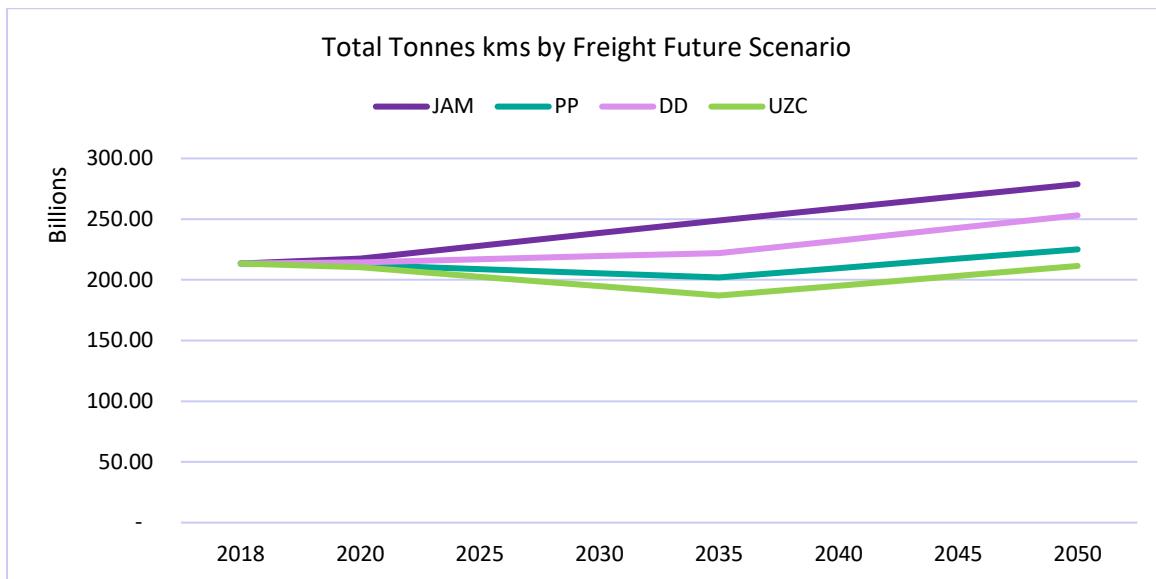
Table 3 Freight Future Scenarios Modelling Output Summary, Year 2050

Population	Road Pricing and Land Use	Autonomous Vehicles	HGV PCUs	HGV PCU kms	Tonnes	Tonnes kms	Rail Modal Split
2018	-	-	-	-	-	-	5.9%
JAM	+	Neutral	Moderate	● 7.4% ● 33.7% ● 6.1% ● 31.1%	6.2%		
PP	+	Non-user costs added to user costs and rail based land use	Low	● 9.4% ● 11.7% ● 7.1% ● 13.7%	12.7%		
DD	++	Neutral	High	● 8.7% ● 23.1% ● 6.7% ● 20.8%	7.7%		
UZC	++	Non-user costs added to user costs and rail based land use	Moderate	● 10.5% ● 5.9% ● 7.6% ● 9.4%	14.8%		

2018 - 2050 output analysis

- Scenario UZC has the most significant reduction in HGV PCU KMs comparing to scenario JAM (a decrease of 27.8%). This is a result of having the highest road costs as a measure of decarbonisation policies which come to the fore. The high road freight costs have led to longer distance freight demand switching from road to rail, it has also encouraged relatively rapid growth of shorter distance hauls.
- Total tonnes KMs shown in Figure 2 refer to all road freight including domestic road, European and non-European inland freight through ports. Scenario JAM shows the highest tonnes KMs with steady growth from 2018. Although scenarios DD and UZC have assumed the highest population growth which means more goods movements in these scenarios, carbon pricing has dampened down the freight traffic in a greater scale and therefore led to lower tonnes KMs comparing to scenario JAM.

Figure 2 Total Road Freight Tonnes KMs for All Freight Future Scenarios



- Table 4 provides a summary of rail freight tonnes demand by commodity category. It shows a significant growth in intermodal rail freight demand particularly in scenario UZC. This is due to several assumptions favouring rail over road in this scenario.
- Likewise, there is a large growth in construction materials demand in scenario UZC. This is also due to the rail-favouring assumptions made for this scenario, and an assumed growth in the market as the market sees an increase in the use of “super-quarries” carrying aggregates over long distances by rail, at the expense of local quarries typically served by road.
- Catering for this rail freight demand would take a large investment in terminals and wagons, and would require sufficient capacity to be available on the network.

**Table 4 Rail freight tonnes demand by commodity category
(Annual million tonnes)**

	201 6/ 201 7	203 5 1_J AM	203 5 2_P P	203 5 3_D D	203 5 4_U ZC	205 0 1_J AM	205 0 2_P P	205 0 3_D D	205 0 4_U ZC
Intermodal	19.0 7	28.6 7	71.6 6	35.0 9	84.8 4	39.1 6	98.6 9	46.5 9	115. 17
ESI Coal	6.28								
Biomass	6.47	7.52	7.56	7.75	7.74	7.52	7.61	8.10	8.05
Waste	1.23	1.23	1.22	1.25	1.25	1.23	1.22	1.28	1.29

Construction materials	23.5	22.1	41.9	31.9	42.0	35.4	58.1	41.2	60.5
Spoil (construction)	0.74	0.44	1.30	1.06	1.30	1.12	1.66	1.35	1.69
Petroleum	4.71	4.71	5.30	5.04	5.42	4.92	5.42	5.27	5.64
Chemicals	0.90	0.88	1.05	0.98	1.09	0.94	1.10	1.05	1.17
Industrial Minerals	1.34	1.18	1.85	1.56	1.87	1.48	1.92	1.71	1.97
Metals	7.44	6.94	9.86	7.84	10.0	7.99	10.0	8.64	10.5
Automotive	0.45	0.48	0.55	0.52	0.59	0.50	0.55	0.53	0.60
Iron Ore	4.26	4.26	4.28	4.39	4.39	4.26	4.30	4.59	4.58
Coal Other	1.95	1.95	1.96	2.00	1.99	1.95	1.96	2.06	2.05
Other	0.33	0.41	0.68	0.43	0.72	0.43	0.68	0.45	0.74
Empty returns for containers carrying bulks	0.41	0.42	0.44	0.43	0.46	0.42	0.44	0.44	0.47
Engineering	6.66	6.66	6.65	6.71	6.71	6.66	6.65	6.78	6.78
Grand Total	85.7	87.9	156.	107.	170.	113.	200.	130.	221.
	9	2	34	04	46	98	44	09	30

- Taking M62 corridor as an example, Table 5 shows a summary of road and rail tonnes KMs for each freight future scenario. With limited rail freight network and facilities, rail freight mode share is dramatically low. There is also no opportunity for a greater mode shift from road to rail. It implies that without adequate rail infrastructure in place, there would be relatively limited space for the exogenous policy interference to take effect for the purpose of encouraging model shift from road to rail.

Table 5 Road and Rail Freight Demand for Future Scenarios – M62 Corridor

	Tonnes_km road	Tonnes_km rail	Rail modal split
2018	8,168,354,747	41,336,675	0.50%
2035 JAM	8,372,585,961	56,554,386	0.67%

2035 PP	9,208,706,338	149,326,691	1.60%
2035 DD	8,515,862,272	58,151,472	0.68%
2035 UZC	9,329,308,134	177,979,248	1.87%
2050 JAM	8,402,562,014	60,600,598	0.72%
2050 PP	9,532,439,376	245,551,796	2.51%
2050 DD	8,622,432,842	63,378,171	0.73%
2050 UZC	9,807,220,365	295,309,568	2.92%

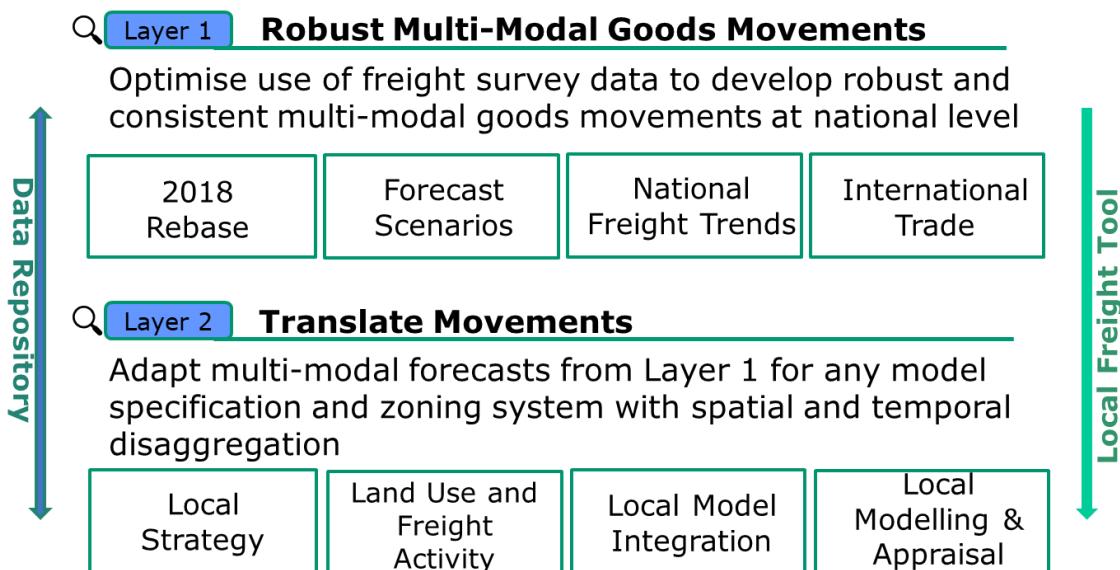
12 TfN Freight Modelling and Analysis

12.1 Freight Analysis Strategy

Over the past years, TfN worked on developing the freight modelling and analysis evidence to support TfN's Strategic Transport Plan and Northern Transport Charter. The focus has been to improve the quality of freight data and models, assess the multi-modal freight impacts and the freight factors external to the transport investment.

TfN has been creating an environment for local freight planning, modelling and appraisal, as well as building robust and consistent freight analysis for the North. TfN's Technical Assurance, Modelling and Economics (TAME) team has identified a two-layer freight modelling and analysis strategy as shown in Figure 3.

Figure 3 TfN Freight Modelling and Analysis Strategy



Layer 1 focuses on developing robust multi-modal annual movements. This layer maps a strong foundation for the local freight analysis for the North. Layer 2 undertakes freight analysis at the regional and below regional level. The freight data and models are integrated with the other TfN Analytical Framework models in this layer to support TfN Investment Programme studies and freight analysis requirements in the North.

12.2 TfN Freight Models

TfN is developing its freight modelling and appraisal capacity and aims to build a holistic freight analysis eco-system to support TfN investment programmes and freight strategy studies. TfN also has the objective of supporting freight analysis requirements from Local Authority Partners and the other stakeholders, promoting efficiency and collaboration across public sector activities.

The models enable the multi-modal freight assessment across road, rail and maritime, allowing more focused temporal, spatial and logistical advances to be made. Table 6 lists the freight models that are used in TfN.

Table 6 TfN Freight Models

Model Name	Owner	Model Description
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Great Britain Freight Model (GBFM)	MDS Transmodal	<ul style="list-style-type: none"> • Strategic four-stage freight model • Multi-modal (rail, road and water) freight choice model • Inclusion of domestic, European and non-European route choice and demand integration • Capable of comprehensive forecasting scenario testing
Local Freight Tool	Transport for the North (TfN)	<ul style="list-style-type: none"> • Annual tonnes to local freight traffic conversion by GV vehicle type and road type with spatial and temporal refinement • A dedicated van modelling tool (NLGV) • Dealing with misalignment of forecasting demand between different models • Flexibility of zoning and cost conversion
Freight Meta-Model	Transport for the North (TfN)	<ul style="list-style-type: none"> • Interpolation of freight forecasting demand for a range of policy query / dimensions • Current policy dimensions include unified change in road cost, population and employment growth and warehousing growth • Current development to take account of potential spatial variations
TfN Freight Data Repository (prototype stage)	Transport for the North (TfN)	<ul style="list-style-type: none"> • Open-source multi-modal freight data collection • Modelled data visualisation demonstrating more detailed spatial granularity • Online and offline data requests

In July 2020, TfN commissioned MDS Transmodal (MDST) to deliver a 2018 version of the GBFM model. The model adopted the most up to date input data for road, rail and maritime and focused on improving the accuracy of the output data and the robustness of the conversion process used in the model. This new model version has been installed on a TfN server.

The Local Freight Tool and Freight Meta-Model build an interface to translate the mainline GB freight activities and annual freight demand into a format that can be used for the local freight policy analysis. The Local Freight Tool focuses on improving the spatial and temporal accuracy of the annual tonnage to local freight traffic conversion process. The Freight

Meta-Model is a policy scenario testing tool, which interpolates freight forecasting demand for a series of policy dimensions.

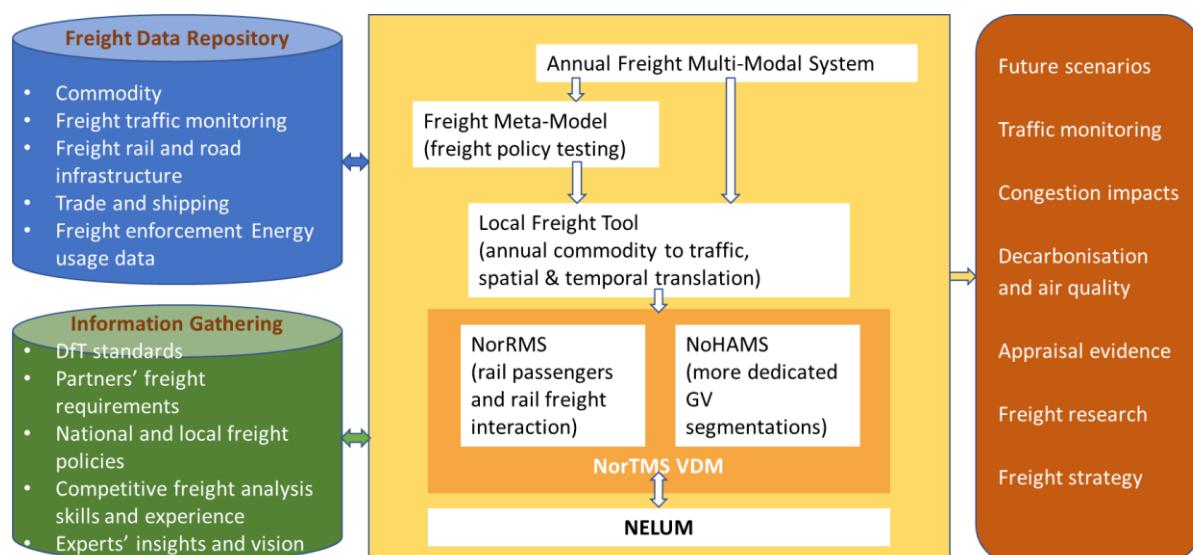
The Freight Data Repository is a collection of structural freight data that is presented in a data monitoring and maintenance system. During the development discovery stage, TfN has identified a number of key freight data challenges, including:

- The general lack of detailed freight data, both in terms of the specific origins / destinations, freight routes taken, position in the supply-chain and commodities carried;
- Data ‘patchiness’ and the lack of depth/inconsistency of data across regions, modes and sectors;
- Over reliance on small sample/data set sizes to accurately represent the wider freight system (and deficiencies in accuracy / relevance as result of this in existing key data sets); and
- The lack of consistent data models and standards; and the ability to usefully link data sets between different sectors and freight transport modes.

The Freight Data Repository aims to tackle the freight data challenges, deliver a convenient approach for users to easily search, query and download open source data. The Freight Data Repository also maintains the freight demand and traffic data produced using TfN models. The modelled data provides more disaggregated segmentations in terms of vehicle type, area type, spatial distribution and time profile.

Figure 4 provides a high-level overview of TfN freight analysis operating model.

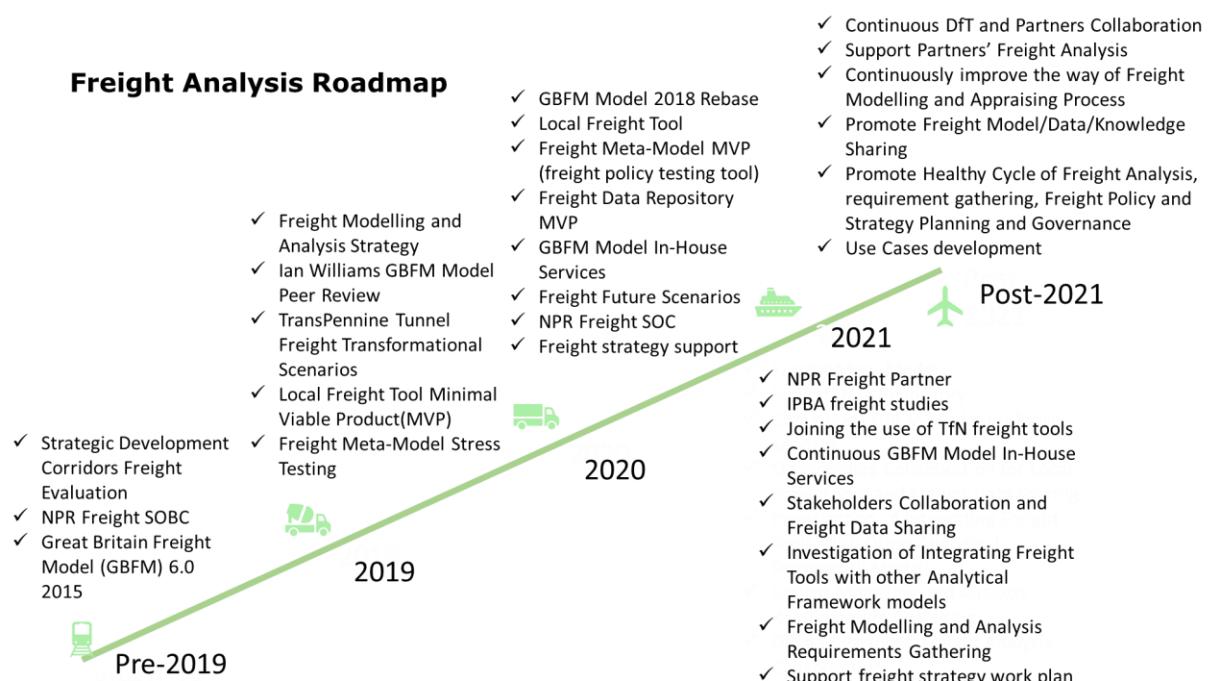
Figure 4 TfN Freight Analysis Operating Model



12.3 TfN Freight Analysis

TfN is working collaboratively with internal and external stakeholders and delivers evidence base to support freight economic and environmental studies. Figure 5 provides a summary of TfN modelling and analysis activities. In the coming year, TfN will continuously upgrade its freight models and promote its freight analysis on a wider spectrum. TfN will focus on the freight analysis pipeline being identified through TfN Freight Strategy and work closely with partners to deliver multi-modal freight business cases.

Figure 5 TfN Freight Modelling and Analysis Activities



13 How will we deliver this Freight and Logistics Strategy?

Currently, as was the position when we launched the Strategic Transport Plan in 2019, the role of TfN is to provide Statutory advice to government on key investments in infrastructure related to the North. This strategy sits very much within the spirit of that. However, work on the Northern Transport Charter by the Board outlines the vision that would enable TfN to have a greater role in decision making and funding allocation.

In the current climate TfN will continue to be active in the right places to support the development of Freight and Logistics programmes of work that will benefit the North. This involves working closely with the Department for Transport's teams and helping them join up activity where possible. This involves the data and analysis activity, ports and maritime, freight grants and the Future of Freight.

We also work closely with Network Rail on securing investment in freight schemes that benefit the North. This also includes supporting schemes that provide better access to the North through improving the network that sits outside our boundary. A key example of this is work at Ely will help improve journey times of flows from Felixstowe to the North West, vastly improving the viability of the journeys made.

This is a crucial point, the freight and logistics outlook for the North is significantly different to that of passengers. There are journeys that travel through the North, those that start, those that end and those that stay within the North. All these journeys need to be carefully considered so that the experience of freight operators is coherent, smooth and reliable to ensure we maximise investment opportunities for the area.

The team working on setting up Great British Railways has pleasingly already contacted areas of TfN, including for Freight. As the organisation is set up and develops, we expect to play a leading role in securing investment for the North of England to ensure the new organisation's name lives up to its ambition.

Work progressing on the Investment Programme Benefits Analysis puts TfN in a sound and powerful position to understand the benefits of how the Investment Programme can be delivered and broadly the best sequence the activity should be done in. There are rail and road schemes within that work that are stand alone freight schemes.

Work planned by the TAME team at TfN includes looking at how best to appraise a freight scheme using the new tools and understanding we have developed. This will allow stronger Strategic Cases to be developed in line with the Government's recently reviewed Green Book. It will also help

those projects where freight benefits as well as passengers and will be able to better articulate these. All adding value to the development of stronger business cases that will help drive the Levelling Up ambition that Government has for the North.

13.1 Recommendations and Governance

The key recommendations presented to Board to approve for the Transport for the North Freight and Logistics Strategy are set out below. They will be discussed and approved for consultation by TfN Board. Then there will be opportunity for the people active in the sector to contribute further through the consultation.

Whilst the consultation is progressed, TfN will begin work on the freight analysis and strengthening business cases as this is a key priority and has already been agreed within the TfN Business Plan for this year.

It must be noted that these recommendations remain draft until approved as a final version by TfN Board in Autumn 2021. Once agreed, they will be turned into an action plan that will be monitored by the TfN Strategic Oversight Group, supported by the TfN Freight and Logistics Working Group as required.

The proposed Freight and Logistics Strategy recommendations are:

1. Continue working on proposed TfN highways schemes and programmes as previously published in the TfN Investment Programme and subsequent studies ensuring the freight dimension is advocated strongly within the Strategic and Economic Case. TfN is continuing to improve methods for appraising user and non-user benefits that freight brings to the economy. This includes partner led schemes – adding support where required;
2. To develop policy levers that support the development of new freight warehouse location clusters in the North. Particularly,
 - a. where there is more detailed forecasting of the warehousing market across all modes showing opportunity for the North;
 - b. where such terminals are rail connected; and
 - c. where such terminals are not on the same rail line as Trafford Park or existing rail terminals to increase the opportunity for modal shift from road haulage to rail;

3. To ensure Northern Powerhouse Rail supports the existing freight traffic and enhances capacity and capability for existing freight and freight growth. This should focus on those route sections where capacity is likely to be constrained which includes the West Coast Mainline north of Golborne, Midland Mainline through Sheffield area, East Coast mainline 2 track section via Durham and the routes across Manchester. Additionally, it should include areas of opportunity. This may require the development of alternative freight priority routes which would need to be examined closely with industry once the Northern Powerhouse Rail routes are agreed to ensure existing rights remain unaffected;
4. To undertake detailed consultation to understand the demand forecasts within the business case for the Trans Pennine Route Upgrade option which includes freight gauge enhancement and that the network capacity for the forecast extra traffic is reserved;
5. To support the developing approach to decarbonising rail freight as outlined in TfN's Decarbonisation Strategy. This includes working with Network Rail, freight operating companies and train operating companies to ensure:
 - a. we understand the need for incremental electrification of freight;
 - b. influence government to fund a core network for electrification (inc. freight paths and the need to electrify node to note (e.g. into ports);
 - c. there is sufficient capacity to allow freight traffic to run directly from origin to destination and with minimum dwell times in loops and on the network, reducing emissions from existing diesel trains; and
 - d. that there is ongoing and successful development of alternative low carbon technology for freight locomotives with support from national government.
6. TfN's Decarbonisation Strategy has a key action to facilitate and develop partnerships to achieve port to port zero-carbon multimodal corridors. We aim to capitalise on two areas: firstly the freeport status of a number of our ports and the tax and customs benefits the status brings to the ports and their hinterlands, secondly, the potential to both produce and use green fuels in these locations for fuel intensive industry clusters but also for the first mile freight that flows out of and into our ports including HGVs, rail and maritime. We will liaise with industry to develop the best model for this with initial discussions with the Northern Ports and existing clean growth partnerships.

7. Underpinned by detailed analysis from the TAME activity, develop a suite of policy related interventions relating to air quality, impacts of urban delivery on consolidation/distribution centre locations, detailed understanding of road freight movements including vans, heavy and light good vehicles and Smart Motorways, micro-consolidation, green shipping options, freight efficiency and use of e-cargo bikes and future uses of infrastructure. This will support and further the Northern element of the DfT's Future of Freight work.
8. Work across the TAME and Strategy Teams at TfN with the Department for Transport in developing the Data Discovery project. This will encourage data democratisation which will lead onto increased levels of freight efficiency, reduced emissions and will enable partners to access more freight data that will strengthen and enhance business cases that include a freight and logistics element.
9. Develop plans for recommended locations for rail connected warehousing working alongside partners and their emerging timescales for Local Plans with particular recognition of any changes to the planning regime soon to be implemented;
10. Remain actively engaged in using and analysing emerging evidence of the effects of Brexit, Covid 19 and other recent economic shocks. Understand and communicate how this affects the movements of freight on an East-West and North-South basis, how demand for and access to ports changes and potential change in uses of freight terminals including distribution centres. This should then be utilised in business case development and the refreshed TfN Strategic Transport Plan.

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Meeting: TfN Scrutiny Committee

Subject: Strategic Transport Plan Development Programme

Author: Lucy Jacques, Acting Head of Policy and Strategy

Sponsor: Tim Foster, Interim Strategy and Programme Director

Meeting Date: Thursday 9th September 2021

1. Purpose of the Report:

- 1.1 Development of the Strategic Transport Plan (STP) programme.

2. Recommendations:

- 2.1 The committee is asked to note the proposed programme to develop, consult and agree on a new STP by 2024.

3. Main Issues:

- 3.1 TfN has a statutory duty to produce a Strategic Transport Plan on behalf of the North of England. The first Strategic Transport Plan was adopted by the TfN Board in Feb 2019. The frequency at which the STP should be updated is not specified in TfN Regulations or the TfN Constitution, but a five-year cycle timed to align to industry processes was considered appropriate.

- 3.2 Given the long lead in time to prepare, consult and finally adopt a statutory plan, the TfN Business Plan committed to producing a high-level plan and agreeing that with the TfN Board in the autumn of 2021. At the TfN Board meeting in September, the Board will be asked to confirm TfN should establish a defined programme towards the next STP with the objective of adopting a new Plan in spring 2024. A more detail period of planning and preparation will commence in the second half of 2022/23, as part of TfN's usual business planning activity.

- 3.3 The development of the STP will be a key priority for the organisation over the next three business years, requiring careful planning, coordination and extensive engagement with both members, stakeholders and government. We envisage that the Committee will play a key role in supporting and scrutinising the programme and would welcome an initial discussion with the Committee at the meeting on the 9 September.

Producing a new Strategic Transport Plan

- 3.4 The completion of the STP in 2019 was a major milestone for TfN and the STP has provided a powerful articulation of the North's vision and ambition to transform connectivity for the benefit of both people and business. The next STP will need to match the vision of the original Plan, building on the very significant development work undertaken since 2019. In particular TfN has:
- a) Strengthened our policy positions in a range of areas (for example decarbonisation) and been used to provide statutory advice to government (for example on the Integrated Rail Plan and Union Connectivity Review).
 - b) Further expanded our evidence base across a range of areas to support the strategic and economic case for transport investment in the North.
 - c) The design and development of Northern Powerhouse Rail is considerably more developed.
 - d) Completed development of the TfN analytical and appraisal framework, developing bespoke tools that improve TfN and our partners business cases.
- 3.5 In addition, a number of major building blocks are planned or in progress. In 2022, we will need to finalise the evidence base and agree how the strategic objectives (the "Why?" section) and substance of the STP needs to be updated to reflect:
- a) The economic assessment of the Investment Programme being undertaken this financial year,
 - b) The refresh of the Northern Powerhouse Independent Economic Review, currently being scoped with the NP11.
 - c) Key research programmes including Transport Related Social Exclusion (TRSE), Visitor Economy and Transport, and Health & Wellbeing
 - d) Decarbonisation Strategy and Clean Mobility Visions
 - e) TfN's Freight & Logistics Strategy,
 - f) Further development of the Northern Transport Charter.
- 3.6 The new STP will also need to respond flexibly to external developments (including most critically the nature of the recovery from the pandemic), as well as changes in national policy expected over the next two years. Remaining uncertainty over key government transport policies that will shift the context in which we operate and will have a direct impact on the **What** and **How** sections of the STP, for example:
- a) The Integrated Rail Plan and Union Connectivity Review, both expected to be published in 2021.
 - b) The Levelling Up White Paper, expected this autumn.

- c) Establishment of Great British Railways (GBR) and other reforms under the Williams-Shapps Plan for rail.
 - 3.7 In agreeing the programme with the Board we will seek initial steer on which elements of the 2019 STP should be retained and where a new approach is required.
- Programme timeline and governance arrangements**
- 3.8 We will propose the Board agree a target date of spring 2024 for the adoption of a new STP. This reflects both the time required to undertake a significant update and the importance of setting clear priorities for key road and rail programmes for the second half of the 2020s.
 - 3.9 The previous STP programme took around 18 months, including significant time for consultation and governance. Completing the new STP may be a quicker process, but we need to factor in time to undertake a full consultation with the public, revise the draft in response and then seek Board approval to adopt the Plan.
 - 3.10 Ensuring the programme to revise the STP is realistic and achievable, starting now we have sufficient time to produce a new draft version (by spring/summer 2023), agree through governance and consult the public in 2023. The consultation response and adoption process will take at least 6 months (suggesting a final adoption date of spring 2024).
 - 3.11 The STP programme will help guide and prioritise policy development, research and analysis within TfN over the next three business years. The technical detail and scope of the activity will need to be scaled to TfN's overall funding level and agreed with the Board through the business plan for 2022/23. We will need to carefully manage uncertainties and external dependencies and create a flexible plan that can respond to events. We also need to align to government and partner activities as well as industry processes, particularly the creation of Great British Railways.
 - 3.12 The day-to-day management of the programme will be overseen by TfN's Head of Policy & Strategy with TfN's Strategy & Programme Director acting as the Senior Responsible Officer (SRO). TfN will continue to work with partner officers to manage the roadmap on an ongoing basis but with regular updates provided to the TfN Board to seek sign off to the evidence base and key policies as they are developed. More regular progress will be reported through the TfN monthly operating report.

Engagement activities

- 3.13 Continued Stakeholder engagement will be critical to success of the programme. To support this an internal stakeholder mapping exercise

is being developed to understand existing relationships between TfN colleagues and partners as well as government departments. We have held initial discussions with DfT officials on the proposed approach.

- 3.14 Following initial review we will then undertake some wider engagement primarily with officers initialling to explore options to enhance existing relationships and fill any gaps. In 2022 we will commence wider stakeholder engagement to seek early steers from key partner bodies and organisations.

4. Corporate Considerations:

Financial and Resource Implications

- 4.1 Experience of preparing the STP that was approved in 2019 indicates that there are significant costs associated with this process. This will be taken into account in TfN's Comprehensive Spending Review (CSR) submission, although the exact funding that will be allocated will be dependent on TfN's overall financial position post-CSR.

The human resource implications associated with preparing the next STP will be fully considered and worked through as part of forthcoming business planning cycles aligned to TfN's overall financial position post-CSR.

Legal Implications

- 4.2 The statutory obligations on TfN under the Local Transport Act 2008 as amended by Cities and Local Government Devolution Act 2016 in preparation of the STP will be kept under review to ensure the STP is legally sound and complies with the legal requirements.

Risk Management and Key Issues

- 4.3 This paper does not require a risk assessment. TfN's Corporate Risk Register includes risks associated to the continual embedment of the 2019 Strategic Transport Plan (STP). TfN will undertake a risk assessment during the development of the new STP.

Environmental Implications

- 4.4 The need for an Integrated Sustainability Appraisal (ISA) to accompany the STP, and the extent to which changes to the existing ISA may be required is currently being considered by TfN's Legal team.

Equality and Diversity

- 4.5 The need for an Equality Impact Assessment to accompany the STP is currently being considered by TfN's Legal team. The results of the current Transport Related Social Exclusion workstream being

undertaken by TfN will allow TfN and its partners to better understand the distribution and causes of TRSE in the North, and will form an important part of the evidence base for the STP.

Consultations

- 4.6 A consultation is not required at this time.

5. Background Papers

- 5.1 None

6. Appendices

- 6.1 None

Glossary of terms, abbreviations and acronyms used (if applicable)

Please include any technical abbreviations and acronyms used in the report in this section. (Please see examples below.) This will provide an easy reference point for the reader for any abbreviations and acronyms that are used in the report.

Strategic Transport Plan – STP

Great British Railways – GBR

Transport Related Social Exclusion - TRSE

Senior Responsible Officer – SRO

Comprehensive Spending Review - CSR



Meeting:	TfN Scrutiny Committee
Subject:	Spending Review Planning
Author:	Tim Foster, Strategy and Programme Director and Iain Craven, Finance Director
Sponsor:	Martin Tugwell, Chief Executive
Meeting Date:	Thursday 9 th September 2021

1. Purpose of the Report:

- 1.1 The Government has said that it will hold a spending review (SR21) later this year. The scope and timetable for the spending review are not known at the time of preparing papers for Committee.
- 1.2 As in previous years, TfN will be required to submit a bid for funding and the organisation's funding allocation for the next financial year and subsequent financial years will continue to be determined by DfT. This therefore means that TfN is required to align its processes with Departmental timelines and requirements.
- 1.3 Given the uncertainty around infrastructure investment, the Government's fiscal position and the uncertainty over TfN's future role, officers have commenced preparatory planning work.

2. Recommendations:

- 2.1 This report is for noting. A verbal update on the latest known position will be provided at the Committee on 9 September.

3. Main Issues:

- 3.1 At the March Budget Statement, the Chancellor indicated his intention to hold a spending review later in 2021. No further detail on scope or timing is currently available and had been expected in July. The 2020 process was announced by the Chancellor on 21 July 2021, with TfN's submission requested by DfT in early September 2021. The earliest that a spending review could now be announced is early September.
- 3.2 The Board has agreed the following objectives for a successful SR21 outcome:
 - Progressing the Northern Infrastructure Pipeline and key infrastructure asks to support the economic recovery, building from the projects identified in the TfN Economic Recovery, including:

- a. Continuing to accelerate Northern transport projects already close to delivery where work can start during the current Parliament.
 - b. Securing commitment to developing core infrastructure to be delivered after 2025 with a strong focus on rail, freight, decarbonisation and local connectivity.
 - c. Securing commitment to Northern Powerhouse Rail (NPR) and HS2 and other major schemes if not already confirmed through the Integrated Rail Plan.
 - d. An agreed approach with DfT (and with Government) on opportunities for wider collaboration on transport decisions, building on the collaborative approach we are pursuing on the Manchester rail network.
 - e. Securing clear commitment in the Levelling Up White Paper to further devolution of transport funding and powers in line with the Northern Transport Charter.
 - f. Ensuring TfN has sufficient resource to deliver its core mission to make the case for transformational, sustainable and inclusive pan Northern transport investment. Securing the future of the organisation through a multi-year settlement for TfN would enable us to plan our work with certainty and move to a more efficient operating model.
- 3.3 Officers have continued to make progress against these priorities and develop the spending review submission. In line with the Board's approach, TfN intends to present an overarching financial submission that is based on the delivery of the Strategic Transport Plan and the associated investment pipeline that includes programmes and projects from across the North, including NPR.
- 3.4 However, planning specific activities has been challenging given the ongoing uncertainty on the publication of the Integrated Rail Plan and the timetable for the spending review. The core component of the spending review submission will need to be determined by the requirements set by Her Majesty's Treasury and DfT. Once those details are known, TfN officers will develop the more detailed proposals for the Board to consider.
- 3.5 Officers are also developing external communication plans alongside the formal submission. This will be integrated with the communications plan set out in the paper on the Northern Transport Charter to be agreed at the Board in September.

4. Corporate Considerations:

Financial and Resource Implications

- 4.1 The TfN HR Team have confirmed that the resource implications have been considered and set-out within the report.
- 4.2 The TfN Finance Team has confirmed that there are no new financial implications as a result of this report.

Legal Implications

- 4.3 The TfN Legal Team confirm that there are no new legal implications for TfN as a result of this report.

Risk Management and Key Issues

- 4.4 This paper does not require a risk assessment, however, TfN's Corporate Risk Register consists of risks associated to the Comprehensive Spending Review.

Environmental Implications

- 4.5 There are no new environmental implications for TfN as a result of this report.

Equality and Diversity

- 4.6 There are no new equality and diversity implications for TfN as a result of this report.

Consultations

- 4.7 A consultation is not required at this time.

5. Background Papers

- 5.1 None

6. Appendices

- 6.1 None

Glossary of terms, abbreviations and acronyms used (if applicable)

Please include any technical abbreviations and acronyms used in the report in this section. (Please see examples below.) This will provide an easy reference point for the reader for any abbreviations and acronyms that are used in the report.

TfN – Transport for the North

DFT – Department for Transport

HMT – HM Treasury

Transport for the North

Monthly Operating Report

July 2021



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Introduction

Summary from the Chief Executive

A core focus in July has been working through the Manchester Recovery Task Force to seek solutions that address the concerns of the Rail North Committee with regard to the proposed service changes for the December 2022 timetable: the intention being to seek the inclusion of those solutions in the next round of consultation later this autumn. At the same time TfN has made strong representation to ministers on behalf of members and passengers, setting out the importance of having an agreed programme of work that gives confidence to rail users that a longer-term solution remains a priority. Discussions with ministers remain ongoing.

TfN and the Rail North partnership continue to work with the industry to support the recovery of rail services following the lifting of restrictions on 19 July 2021 and will be supporting recovery messaging from September.

Government has now confirmed that the Integrated Rail Plan (IRP) will not be published until September at the earliest. The delay to the Integrated Rail Plan (IRP) means that there is increased risk of delays and additional costs for both the Transpennine Route Upgrade (TRU) and Northern Powerhouse Rail (NPR) programmes. We informed TfN Board that the completion of the NPR Strategic Outline Case (SOC) and associated activities is likely to take at least six months from receipt of the IRP. Work continues across the Northern Powerhouse Rail programme in preparation for delivery of the SOC.

Work on the Investment Programme Benefits Analysis (IPBA) programme continues. The project team is continuing to develop the Gateway Project Review (GPR) report, which summarises work completed so far and provides recommendations for post-GPR work. The GPR report will be considered at the Strategic Oversight Group (SOG) meeting in September, along with the Investment Programme Scheduling Refinement Report.

Approval to consult on the TfN Freight and Logistics Strategy was delegated to the Interim Chief Executive Tim Wood at the Board Consultation Meeting on 29 July 2021. Work is currently under way to plan the consultation process and update the draft. The public consultation on TfN's Decarbonisation Strategy will continue until 31 August 2021 as planned. Work also continues around the revised Strategic Transport Plan (STP), the Pan-Northern Electric Vehicle Charging Infrastructure Framework, and embedding the Northern Transport Charter (NTC), while final outputs from the Visitor Economy and Transport in the North of England study are now available, and planning for projects including the Clean Mobility Visions project and the Health & Wellbeing research project also continues.

Operational departments continue to support projects and programmes across TfN. This month's report includes the annual Treasury Management Review, which can be found within the Financial Performance section.

Northern Powerhouse Rail (NPR)

Monthly Summary

TfN was informed on 19 July by the Department for Transport (DfT) that the Integrated Rail Plan (IRP) would not be published prior to Parliamentary recess, which started on 22 July, and no revised publication date was given.. Pending publication of the IRP, work continues across the programme that will ensure it is in a strong position for delivery of the Strategic Outline Case (SOC) after publication of the IRP and project Outline Business Cases (OBCs) which will then follow. The completion of the SOC and associated activities is likely to take at least six months from receipt of the IRP.

Activity Update

Infrastructure

The Manchester–Sheffield design and cost opportunities review achieved its objectives, which were to identify potential solutions that cost less than £3bn and £2.5bn (without electrification) and understand impacts on journey times. Follow-on work is now being planned, leading to co-client instruction. Phase 1 of the Leeds–Hull ground investigations was completed on 12 July. The resultant factual (data) report is now being prepared and is forecast to be delivered on 13 August. The interpretive report, which, based on the survey data, will confirm the opportunities that exist in reducing the currently allocated risk related costs, will then follow in October. Schedule improvements have been made by Network Rail (NR) in relation to the delivery of GRIP 2 (completion of NR feasibility stage) across corridors. The majority of scope will be delivered by the end of the calendar year.

Technical Assurance, Modelling and Economics (TAME)

DfT colleagues have confirmed their satisfaction with the performance of the latest update of Northern Rail Modelling System (NoRMS) iteration 2; written confirmation is expected in due course in the form of an Analytical Assurance Statement. Development on the Northern Economic Land Use Model (NeLUM) version 3 has progressed well in the month and is due for review by TfN and DfT in September. NeLUM and NoRMS are the key pillars of data production for the SOC and remain on schedule to be available to the programme at the point IRP is published and SOC delivery requirements confirmed.

Commercial Management

The cost model option tool has been developed and prepared in anticipation of the publication of the IRP. It provides relative costs for each corridor and a detailed analysis of the network costs to identify key cost drivers and where efforts should be focused. The cost model is able to provide various costing options which will ultimately be dictated by the content of the IRP.

Business Case

Further work has been completed on the ‘SOC evidence directory’, which is a single repository of sources that have been used in the development of the SOC for each case. Additionally, work has commenced on the collation of evidence for ‘NPR shortlisting history’ to provide a clear audit trail in one document of how decisions have been made to date.

Risks

Risk Summary	Summary of Mitigating Measures	KPI
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<p>IRP delay and impact to co-client ability to agree 2021/22 scope</p> <p>As a result of the programme's dependency on the publication of the IRP, the co-clients are unable to agree that all of the activity set out in the TfN Business Plan for 2021/22 should be taken forward. Further, continued delay may lead to a review of current instructed scope to ensure the programme reduces risk to abortive work and ensures value for money is maintained. This could result in delays to proposed programme activity for 21/22 and beyond, as well as impacts on commissioning and mobilising programme teams to deliver work in 21/22 and readiness for delivery in future years (e.g., OBC, FBC).</p>	<ol style="list-style-type: none"> 1. Following the publication of the IRP, review scope between co-clients with a view to instructing on-hold items. 2. Ongoing discussions at a senior level regarding scope that can start in the absence of IRP. 3. Review impact of delays on each work package's ability to reach single option and develop response plan. 4. Paper to be presented to programme board requesting that co-clients instruct commencement of OBC/FBC preparation activity. 	9, 10
<p>IRP conclusions and decision-making</p> <p>IRP conclusions may impact SOC if recommendations on funding, phasing and/or route option specification are different from those agreed by TfN Board. This may result in partners not accepting the conclusions, which may impact ways of working as well as importing delays to SOC update and submission to TfN Board and Government.</p>	<ol style="list-style-type: none"> 1. IRP response team has been created. A rapid review of the IRP to take place to understand impact on the SOC and 21/22 Business Plan. Engagement with partner organisations on proposed programme team activity to take place for post-IRP review. 2. Work is underway on scope activity that has been agreed between co-clients. 3. Scenario planning is underway to understand the implications of IRP scenarios on NPR and the SOC. 	7-10
<p>Transpennine Route Upgrade (TRU) integration There is a risk that the NPR programme may become misaligned from the TRU programme if there is a lack of integration between the programmes such as irregular communication channels/forums, and if there is no/minimal reciprocal representation within each programme's governance. This may result in avoidable costs and delays as a consequence of duplication of effort, rework and strategic misalignment. In addition, the lack of integration may lead to missed opportunities for cross-programme assurance.</p>	<ol style="list-style-type: none"> 1. Escalation to be tracked at the NPR delivery team meeting (Level-0 board). 2. Review NR TRU representation at governance groups following publication of the IRP. 3. Review information shared by NR TRU and raise further requests to NR following this. 4. Prepare a proposal for how we integrate with NR TRU for agreement at senior TfN/NR level – at least monthly. 5. Initial meeting held between NPR and TRU directors. This is to become a monthly occurrence. 	7, 8
<p>Leak of sensitive information</p> <p>Programme sensitive information may be leaked ahead of formal publication or when there was no intention for the information to be made public. This may lead to reputational damage to TfN and NPR, inefficient use of resource time to manage queries, creation of misinformation which could stop programme decisions being made, and erode collaborative working between co-clients.</p>	<ol style="list-style-type: none"> 1. TfN has in place Confidentiality Agreements with Constituent Authorities i 2. The Codes of Conduct for Constituent Authorities (CA) make provision to the circumstances in which information may be disclosed. Each CA will have its own Officer Code of Conduct and/or Disciplinary Policy which have similar provisions to TfN's, dealing with the treatment of confidential information. 3. Employees have been reminded that TfN's Disciplinary Policy defines misuse of information as gross misconduct. 	

Programme and Look Ahead

TfN Board

The timing and content of briefings to TfN Board will be shaped by the eventual publication of the Integrated Rail Plan.

Investment Programme

Monthly Summary

Work is ongoing on the Investment Programme Benefits Analysis (IPBA) project. This commission is critical to understanding the economic, social and environmental benefits of the TfN Investment Programme. The analysis will use DfT's conventional growth scenario, and TfN's four Future Travel Scenarios, to assess the Investment Programme against three different funding strategies. This work will enable TfN to make a strong evidence-based case for transport investment and provide a clear picture of the potential impact of the Investment Programme on carbon emissions.

Activity Update

- The pre-Gateway Project Review (GPR) modelling work is now complete.
- The Forecasting Impact Report, which summarises the modelling work to date, is being drafted for consideration by the Technical Assurance Group on 16 September 2021.
- The project team is continuing to develop the GPR report, which summarises the work completed so far, and gives recommendations for the post-GPR work. The GPR report will be considered at SOG on 2 September 2021.
- The Investment Programme Scheduling Refinement Report is being drafted for consideration at SOG on 2 September 2021. This report considers the early model outputs to identify if the delivery of any schemes could be re-profiled between delivery periods.
- The team is continuing to monitor and manage the project risks, including ensuring a suitable level of engagement from partners.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
Managing interdependencies – Risk: The completion of deliverables relies on inputs from several parties. There is a risk that delays to these inputs could hinder the delivery and assurance of key products. This could result in additional costs, programme delays, and not meeting the commitments set in TfN's 2021/22 Business Plan, which could damage TfN's reputation.	1. Dedicated TfN resources in place to manage information on interdependencies. 2. Technical inception meeting agreed arrangements with the supplier to identify any outstanding interdependency challenges. Actions to be filtered through to weekly calls action log.	12
Variable Demand Modelling (VDM) – Risk: The VDM may override the policy drivers for the Future Travel Scenarios where forecast travel demand exceeds capacity. This may result in an unrealistic modal shift that does not reflect the intended policy drivers. This could provide conflicting results and conclusions.	1. A meeting to be set up between TfN and the supplier to understand the VDM process and model limitations and agreed a way forward. 2. Consultants to complete 'test' runs prior to the Gateway Project Review to understand the scale of the potential risk	12

Programme and Look Ahead

- The project team will monitor and prepare for the potential impact of the Integrated Rail Plan on the IPBA programme. The timing and scale of the impact is unknown.
- The project team will produce the Investment Programme Scheduling Refinement Report, Forecast Impact Report and Gateway Project Review report, for consideration in September.
- Freight modelling, by supplier MDST, will be commenced for completion by the end of September.

Major Road Network (MRN)

Monthly Summary

The Electric Vehicle Charging Infrastructure (EVCI) Framework commission has been awarded to Element Energy and WSP Ltd and an inception meeting held. Work on the Mobile Device Data project is on schedule, with the delivery of the 2020 dataset monitoring performance of the MRN and initial data outputs due in early August. The team is providing input and feedback to Highways England (HE) to support the ongoing development of the Strategic Road Network (SRN) Route Strategies and Road Investment Strategy (RIS)3 programme.

Activity Update

- An initial draft of the updated Major Roads Report (MRR) has been circulated to partners and feedback is due 8 August 2021.
- The Mobile Device Data project, which will provide TfN with a 2020 dataset on the performance of the MRN for the North, is running on schedule with the initial six months of data due in early August.
- A proposal for the development of a TfN multi-modal hub policy position has been developed and shared with partners, with a review of best practice and call for evidence from partners now underway.
- Now that the Department for Transport has published its decarbonisation plan, the risk relating to the consequential delay of the Major Roads Report publication has now been closed.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
Risk: Major Roads Network 1 (MRN1), 2020-2025 – There is a risk of lack of clarity around any decisions made regarding the proposed road investments for MRN1, which could lead to reputational risk and partners having less confidence in TfN.	<ol style="list-style-type: none">1. DfT to present regular updates at the Major Roads Group.2. To schedule a meeting with DfT's Acceleration Unit to discuss progress of schemes submitted as part of TfN's Economic Recovery Plan.3. Contact DfT for further information if partners do not receive adequate information around the decision-making process.4. Include the MRN1 proposed road investments in TfN's 2021 Comprehensive Spending Review submission.	18
Risk: EVCI stakeholder expectations – If there is any misalignment of objectives or miscommunication with key stakeholders, there is a risk that their expectations of the project might not be met. This could lead to reputational risk, poor partner relations, and project outputs that are not applied effectively.	<ol style="list-style-type: none">1. EVCI Steering Group has been set up and scheduled for 16 August to test and feedback on outputs.2. Ensure significant partner engagement during project conception stage and TfN governance sign offs.3. Engagement with the DfT and the Office for Zero Electric Vehicles to ensure clear understanding of how this work can support the national agenda and actions.4. The suppliers are to support the partner agreement of inputs to the modelling tool.5. The team is seeking new avenues to promote the work, including National Grid and the Energy Saving Trust (a delivery body for Government regarding electric vehicles).	17

	6. TfN's advice presented to Transport Select Committee included the Zero Emission Vehicles published on 28 July.	
Risk: Mobile data outputs under-utilised - If partners do not have sufficient resources to utilise the MRN mobile datasets, or they do not find use in the outputs, there is a risk that the project outputs may be under-utilised. The value of the work may not be understood and likely to make further bids for future dataset projects more challenging.	<ol style="list-style-type: none"> 1. Develop a dashboard that will demonstrate the project outputs and examples of use for the data. 2. Provide support and training to partners including recorded webinars and step by step guidance. 3. Use the mobile dataset to strengthen the TfN evidence base for future Major Road Network intervention bids. 4. Atkins to present the outputs and outcomes of the project to the Major Roads Group, and produce an executive summary set of slides for sharing. 	14

Programme and Look Ahead

- Highways England has asked TfN to support the statutory public consultation events for the A66 dualling project, which will take place in autumn 2021. This includes advice on the approach and input into stakeholder communications.
- The first EVCI steering group has been scheduled for 16 August 2021.
- Owen Wilson, the Major Roads Strategy Manager, will be presenting at a webinar to Waterfront Conference on Transport Development in the North of England.

Strategic Rail

Monthly Summary

The publication of the Williams-Shapps White Paper in May 2021 creates both risks and opportunities for TfN which have been outlined in reports to TfN Board, Rail North Committee, and Scrutiny Committee. The team is preparing a more detailed response setting out a proposition for the North and the case for change. This will be presented to the TfN Board on 29 September. A core focus in July has been Central Manchester congestion – progressing the proposed service changes for December 2022 through Rail North Committee and a TfN Board discussion in parallel with ensuring that TfN has greater influence on the investment choices to unlock service enhancements. The team has worked with DfT to demonstrate the strong strategic case for investment and the evidence that TfN brings to the business case.

Activity Update

Rail Operations

The full lifting of restrictions took place on 19 July, including relaxing the legal requirement to wear masks and social distance on trains. Passenger demand has levelled off following growth seen in recent weeks, with Northern reporting demand at the end of July of 55% of pre-Covid levels. TransPennine Express (TPE) has seen an increase to 52%. The operational focus remains on working with the industry to support the recovery and TfN will be supporting the recovery messaging from September.

Rail Investment

The delay to the Integrated Rail Plan (IRP) has created a significant risk to Transpennine Route Upgrade (TRU) programme development, design, and delivery. Discussions on the programme business case, including the 'end state solution', can only be determined once the IRP is published. Delay could prohibit effective management of a programme of this size, delay development of outstanding programme options as well as delivery of the early benefits as the more mature elements of the programme seek commitment to deliver. Work is progressing well on options for freight including full gauge clearance to accommodate larger freight containers in line with TfN's strategic advice.

An industry workshop on the Castlefield Corridor took place on 30 July where the team presented the case for including a full analysis of the benefits of including Platforms 15/16 at Piccadilly in the programme. A workstream is underway to produce the required assessment.

The team has developed a TfN Stations Strategy and report on this issue was submitted to the TfN Board in July and was received well.

On 29 July the DfT's Infrastructure Board approved £500k funding from the Rail Network Enhancement Pipeline (RNEP) for 22 Theoretical Line Speed Improvement route studies to be undertaken by Network Rail (NR). The process has been developed by TfN in collaboration with NR. While Ministerial and Treasury approval is awaited, work is underway with DfT and NR to agree the detailed remit for the studies. This is the first time that TfN has been directly responsible for securing funding through RNEP for NR.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
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<p>Risk: Proposed timetable changes on the East Coast Main Line (ECML) in May 2022 and Manchester in December 2022 might impact on local connectivity, thereby reducing choice for passengers. On the ECML, there is a risk of reduction in East-West connectivity to facilitate an additional North-South service from Newcastle to London. Furthermore, and in relation to Manchester, a new timetable is likely to reduce services to improve performance on the routes through Manchester putting pressure on some services and stopping patterns as there is currently no commitment to infrastructure works to restore services in the future.</p>	<ol style="list-style-type: none"> 1. TfN has responded to the consultation for the ECML calling for the timetable to be delayed and calling for an independent review of the changes following Covid-19. 2. TfN has appointed a consultant to explore how regional services that would be lost can be restored. 3. A collaboration between DfT and TfN to develop a roadmap of investment to support further capacity on the ECML. 4. Regarding Manchester, a letter has been issued to the DfT supporting the timetable change on the understanding that an infrastructure plan will follow. 	1
<p>Risk: The long-term effect of Covid-19 on viability of train services. The lifting of restrictions on travel is likely to continue to affect the time it will take for the industry to recover to pre-Covid-19 levels. This may impact on the future of train service investment decisions which might affect TfN's ability to achieve its ambition for the North of England.</p>	<ol style="list-style-type: none"> 1. TfN has commissioned an agency to support messaging and communications to reinforce industry promotion of safe use of public transport in line with Government guidelines. 2. Rail North Committee has endorsed a Roadmap to Recovery. The team is working with train companies identifying ticketing/marketing/offers to rebuild confidence, attract passengers back, and entice new passengers when appropriate and Northern has begun a multichannel campaign from 19 July 2021. 	1
<p>Risk: TRU fit with the wider investment strategy in the North. There is a risk that the IRP reopens discussion on existing government commitments to the main 'building blocks' including both legs of HS2 Phase 2b, NPR and TRU. Delivery of TfN's STP might be impacted. Severe adverse reputational impact for TfN and pressure from partners.</p>	<ol style="list-style-type: none"> 1. Strategic Rail, Strategy & Programmes and NPR to continue to work together to identify potential integration between TRU, NPR and HS2 and understand how they best interface with other's programmes across the North (Manchester, Leeds/Sheffield/York etc). 2. TfN to continue to challenge the cost of major scheme projects and support the development of complementary and independent interventions on the classic network that can be delivered early subject to a suitable business case. 	6

Programme and Look Ahead

- Working through the Rail North Committee and TfN Board, continue to consider the outcome of the Manchester Recovery Task Force consultation.
- Support, monitor and assist the industry to rebuild services, passenger demand and confidence.
- Continue to prepare the detailed response to the Williams-Shapps Plan for Rail by late summer 2021.
- Develop proposals for addressing network gaps linked to the Long-Term Rail Strategy (LTRS) and produce the next stage of the TfN Stations Strategy.
- Continue to support the TfN response to the anticipated Integrated Rail Plan.
- Continue to work closely with DfT and Network Rail to secure successful delivery of the TRU project objectives.
- Work with DfT and NR on the detailed remit and funding mechanism following securing funding for TfN's line speed improvement programme.
- Continue to work with NR to assess three interventions to improve resilience and reliability of the rail network.

Operations Summary

Monthly Introduction

TfN operational teams include teams and departments that are key to our success as a Sub-national Transport Body and the completion of our authority-wide KPIs, but who are not responsible for the completion of individual projects or programmes. These teams provide support for programmes through specialist skills and knowledge in their relevant areas. Teams included under the operations section include the Stakeholder Engagement & Communications Team (SECT), Finance, Procurement & Risk, Strategy & Policy, and Technical Assurance, Modelling & Economics (TAME). Other teams within TfN may also be referenced under this section when they undertake important activities relevant to the pursuit of TfN's success and wider goals.

Activity Update

Summary updates on key actions from TfN operational teams are as follows:

Stakeholder Engagement & Communications Team (SECT)

- The SECT has promoted TfN's activity proactively across external and internal channels, and directly to key stakeholders, throughout the month.
- Promotion of the Decarbonisation Strategy continued, with three online consultation events held and a number of media opportunities secured, including op-eds, feature articles, and response pieces. Efforts will continue, particularly across social media, in the final few weeks of the consultation.
- July's Board meeting gathered a great deal of interest, with a number of news outlets covering the discussions on NPR, the IRP, and timetables.
- Pre-Board meetings were held with civic and LEP members.
- Both David Hoggarth and Tim Wood were interviewed on GB News.
- TfN's response to the DfT's Transport Decarbonisation Plan was published and the team responded to a number of media enquiries.
- The appointments of Martin Tugwell and Cllr Gittins were promoted via a press release and website/social media activity at the end of the month, as well as through internal communications. A number of media opportunities for Martin are now being considered for during his first few weeks.
- Podcast recordings continue, with episodes featuring Cllr Gittins and Tim Wood created to be published in August.
- Internally, the main focus remains on the reopening of our offices and the move to hybrid working, with all channels being used to ensure colleagues are up to date. Planning is under way for TfN Live in September, which will be our first in-person staff event since January 2020.

- Planning is also under way for the TfN conference in September.
- Work continued on arranging meetings for the new CEO as part of his stakeholder schedule.
- Board updates were provided on a number of topics, including Manchester Recovery Task Force, DfT's Transport Decarbonisation Plan, and the IRP delay.
- TfN supported a Transport Across the North APPG session with Sir Peter Hendy.
- Individual meetings were held with members of the MWG on the Northern Transport Charter.

Finance & Procurement

- The team is working closely with all directorates and programmes to manage the procurement pipeline and is seeking opportunities to expedite activity where possible.
- Budget Revision 1, which is closely aligned to the original budget, was approved by the TfN Board and preparatory work in advance of the expected Comprehensive Spending Review has commenced. Audit fieldwork for the 2020/21 Statutory Accounts is in the process of concluding and the accounts were presented in draft at the July Audit & Governance Committee consultative call.
- TfN's new risk management software, Predict, has been successfully implemented and rolled out.

Legal & Democratic

- The 9 June 2021 and 29 July 2021 Board dates took place as "consultation meetings" to allow the Interim Chief Executive to use delegated powers to make any necessary decisions, as permitted by the Constitution, owing to the difficulty in arranging face-to-face meetings and competing legal requirements given the developing pandemic situation. The 29 September 2021 meeting will need to be a face-to-face meeting with public attendance provided for, and is scheduled to be held at Manchester Town Hall. The Scrutiny Committee meeting on 9 September 2021 and the Audit & Governance meeting on 16 September 2021 (which needs to recommend the approval of the 2020/21 accounts to the TfN Board) will also be conducted as "in person" meetings. Members will continue to be kept fully informed of future arrangements. The Government's response to the recent consultation on future ways of working for public meetings is awaited.
- The TfN Modern.Gov website, system and "restricted app" are fully embedded and a new report template and system for report preparation was trialled for the 27 July 2021 Board Consultation meeting. Use of the system will be further extended during coming months.
- The team continues to support procurement and governance and provide general legal advice across a wide range of areas within TfN.

Strategy & Policy

- The public consultation on TfN's Decarbonisation Strategy is ongoing and will run until the 31 August 2021. In addition to the previously identified engagement events and media activities, three regional webinars, open to the general public, were also held during July. A review of responses submitted so far ('week 8 update') will be carried out at the beginning of August to allow us an early view on any issues starting to arise out of the consultation.
- Initial work on the early activities set out in the Strategy has continued, including Pan-Northern Electric Vehicle Charging Infrastructure Framework (led by TfN's Major Roads Team), Clean Growth Visions (focusing on developing evidence-based demand management narratives), consideration of embodied carbon assessment processes on our projects, and facilitating a partnership examining hydrogen refuelling networks (through the North of England Hydrogen Forum).
- Work on the Freight & Logistics Strategy has continued. Approval to consult on the TfN Freight & Logistics Strategy was delegated to the Interim CEO Tim Wood at the Board Meeting on 27 July. Work is currently underway to plan and design the consultation process and update the consultation draft with implications arising from DfT's Transport Decarbonisation Plan and some outstanding partner comments. We plan to seek Board approval for the strategy following the summer/autumn consultation.
- Work continues to develop a programme for revising and adopting a new Strategic Transport Plan (STP) for publication in February 2024. The activity in July focused on preparing a first draft of the proposed programme and timeline which will be shared with partners for comment in August 2021 for initial feedback before being used to collate a paper outlining a proposed plan for discussion at TfN Executive Board and Board in September.
- Work continues at pace to embed the principles of the Northern Transport Charter (NTC) across TfN. In July 2021 this included facilitating a series of one-to-one sessions with the Member Working Group to discuss the proposals for piloting a TfN Citizens Assembly and/or Panel, establishing an Independent Advisory Group to provide advice to Board on specific topics when required, and plans to explore principles for potential weighting of the Investment Programme. The feedback from these sessions with Members then shaped a paper that was presented, and with TfN Board support, delegated for approval by the Interim CEO on 29 July 2021.
- Strategy colleagues have also begun scoping work to develop and agree a policy position statement outlining TfN's role in supporting partners' spatial planning.

Economics & Research

- Work continues on the TfN research programme linked to the Strategic Transport Plan evidence base, including an in-depth review of STP evidence requirements in preparation for STP drafting.

- Final outputs from the Visitor Economy and Transport in the North of England study are now available. The study sets out the importance of the visitor economy sector for the North and provides recommendations for transport solutions which can support the sustainable recovery and future growth of the sector. The team is liaising with the SECT team to plan the publication of the report, in alignment with other related activity at TfN such as the development of the Rail Tourism Action Plan led by TfN's Strategic Rail team.
- User Insight into Pan-Northern Travel (Phase 3) study is now in the report drafting stage. The study will provide insights from business owners on recent and potential future commuting patterns, business-related travel, and demand for transport of goods. The study will also develop a typology of business transport needs, behaviours and attitudes and explore the potential impact of transport investments on the North's business community. The study is expected to be completed in September 2021.
- In July, the supplier for the commissioned Transport-Related Social Exclusion (TRSE) research project proposed five areas for primary data collection, based on the outputs of secondary data analysis. Following discussions with the supplier on a revised methodology, delivery of the final results of this project is now expected in September 2021.
- The descriptive and focused coding stages for the qualitative TRSE research project has been completed by the Economics & Research Team. The findings from this analysis will be detailed in a report produced by the end of August.
- The scope for the Clean Mobility Visions project has been finalised, and a detailed work plan for the first phase of the project has been developed. The final scope reflects areas of interest from colleagues in Major Roads.
- Further revisions have been undertaken on the scope for the Health & Wellbeing research project. The commissioning processes for this project will begin in August.
- Work on defining TfN's role in promoting environmental net gain and enhancing natural capital continues, with a presentation to partners being given to the Strategic Oversight Group on 29 June.
- Working with consultants, the team has begun development of the next steps for the Northern Powerhouse Independent Economic Review, including internal requirements gathering, development of consultation materials and collaborative discussions with the NP11.

TAME (Technical Assurance, Modelling & Economics)

- The Northern Transport Modelling System (NorTMS) Development Partner Contract has commenced and a list of the work packages to be completed has been finalised. A package of early model improvements for the NorTMS model has been agreed.
- Revised time and cost estimates have been shared with DfT for representing the HS2 do-minimum in NoRMS, with the work now underway.
- The Northern Economy and Land Use Model (NELUM) Version 3 calibration work is continuing and an initial review of outputs to date indicates

progress is good. A lessons learned review on the delays to this workstream has been conducted.

- The first batch of the NorTMS development partner Tranche Four tasks have been approved and are underway. The first sprint planning meeting has taken place.
- TAME staff continue to support the IPBA with various activities including technical management of the work programme, preparation of Future Travel Scenario matrices, and further improvements to strategic assignment models.
- The Wider Economic and Social Impacts Partner (WESIP) contract inception meeting has taken place. Initial outputs have been defined and regular meetings set up.
- The Stations Analysis Partner onboarding is complete and technical sessions have been held including a workshop to discuss hub sift criteria for Liverpool station options.
- The Rail Business Case Partner contract with Mott MacDonald has commenced. The suppliers will be working with TAME and the Strategic Rail teams, and using the Analytical Framework to assemble Rail Business Case and complete general rail analytical work.
- The NPR Freight Partner Contract Invitation to Tender has now gone out. It is expected that the contract will commence in September.
- TAME support for TfN's decarbonisation work programme continues, with updates to the NoCarb modelling tool following publication of the DfT's Transport Decarbonisation Plan, and a new project to develop a tool for modelling Electric Vehicle Charging Infrastructure.
- There will be a minor delay to the TAME Analyst Support Partner contract which will result in consultancy contracts being extended to provide continuity of service.

Financial Performance

Financial Update

Summary

Expenditure incurred in July 2021: £4.24m

Variance to monthly budget: Underspend of £0.62m (13%)

Year-to-date (YTD) expenditure incurred: £18.75m

Underspend to date: £1.32m (7%)

Headlines

- July 2021 actuals have been monitored against the 2021/22 budget. At the initial quarterly budget revision, the base budget was maintained, a reprofiling exercise is currently underway to reflect approved virements and adjust expenditure profiles.
- The underspend in the month and year-to-date are principally driven by programme activity.
- Core underspend is driven by the timing of discrete activities and is expected to catch up, principally office refurbishment (in progress) and TfN conference (postponed to September).

Programmes:

- Expenditure of £3.67m represents an underspend of £0.51m (12%) in the month.
- Year-to-date expenditure of £16.08m is £0.95m behind budget (6%).

Integrated & Smart Travel:

- Programme-wide expenditure of £0.03m in the month represents an underspend of £0.01m. YTD expenditure of £0.91m remains under budget by £0.22m (19%).
 - As at the end of July, residual Phase 1 activity was still outstanding with final costs from Northern and Merseytravel pending.
 - With minimal activity outstanding, savings of £0.25m against the budget to close the programme are expected.

Northern Powerhouse Rail

- Expenditure of £3.57m represents an underspend of £0.49m (12%) in the month. YTD expenditure of £14.87m is £0.69m under budget (4%).
 - Underspend is driven by lower Business Case support costs following the postponement of the SOC submission. Underspend in this area will continue to accrue as a result of the further delay to the publication of the IRP highlighted in the NPR section of this report.
 - NR expenditure on design and survey work continues to be ahead of budget on a year-to-date basis.

IPBA (Investment Programme Benefits Analysis)

- Expenditure of £0.07m in the month is £0.01m under budget (15%). YTD expenditure of £0.28m is £0.04m under budget (13%), this is driven by the freight modelling work. This has been reprofiled following technical discussions and refinement of scope and work has now commenced in August.

Operations:

Rail Operations

- Expenditure in the month of £0.19m is £0.06m (23%) under budget. YTD expenditure of £0.77m is £0.15m under budget (16%).
 - Underspend is driven by vacancies funded from both discrete and core grant. Core underspend generated from vacancies is managed via the budget virement process or redeployed to allow for interim contractors to fulfil vacant roles.
 - Further underspend in relation to professional services expenditure, £0.03m YTD, has been reprofiled within the year, with several contracts currently being finalised.

Operational Areas

- Expenditure of £0.38m in the month is an underspend of £0.06m (13%). YTD expenditure of £1.90m is £0.22m under budget (10%), driven by the following:
 - £0.05m underspend in accommodation related to the refurbishment of the Leeds offices. Work is progressing well and on schedule to complete in August.
 - £0.04m underspend in SECT, largely due to the postponement of the TfN Annual Conference from June to September.
 - £0.09 underspend on professional services in the Strategy & Policy and Major Roads area. Several contracts have now commenced and expenditure is expected to accelerate in the months ahead.

Expenditure Control

- Through the monthly budget virement process, new opportunities identified as supportive of the delivery of the 2021/22 Business Plan are reviewed by OBT. No new activities were approved in July.

Activity Dashboard

TRANSPORT FOR THE NORTH FINANCE DASHBOARD				PERIOD BUDGET CYCLE	4 BASE BUDGET	JULY 2020/21			
PERIOD ACTUALS VERSUS BUDGET									
	Actuals £m	Budget £m	Var. £m	Var. %					
Integrated and Smart Ticketing	£0.03	£0.04	£0.01	21%					
Northern Powerhouse Rail	£3.57	£4.06	£0.49	12%					
IPBA	£0.07	£0.08	£0.01	15%					
Programmes	£3.67	£4.18	£0.51	12%					
Rail Operations	£0.19	£0.25	£0.06	23%					
Operational Areas	£0.38	£0.44	£0.06	13%					
	£4.24	£4.86	£0.62	13%					
PERIOD ACTUALS VERSUS BUDGET: PROGRAMMES									
	Actuals £m	Budget £m	Var. £m	Var. %					
IST: Phase 1	£0.01	£0.01	£0.00	-9%					
IST: Phase 2	£0.00	£0.01	£0.01	67%					
IST: Programme	£0.01	£0.01	£0.00	3%					
Northern Powerhouse Rail	£3.57	£4.06	£0.49	12%					
IPBA	£0.07	£0.08	£0.01	15%					
	£3.67	£4.18	£0.51	12%					
YEAR TO-DATE ACTUALS VERSUS BUDGET									
	Actuals £m	Budget £m	Var. £m	Var. %					
Integrated and Smart Ticketing	£0.94	£1.16	£0.22	19%					
Northern Powerhouse Rail	£14.87	£15.56	£0.69	4%					
IPBA	£0.28	£0.32	£0.04	13%					
Programmes	£16.08	£17.04	£0.95	6%					
Rail Operations	£0.77	£0.92	£0.15	16%					
Operational Areas	£1.90	£2.12	£0.22	10%					
	£18.75	£20.07	£1.32	7%					
YEAR TO-DATE ACTUALS VERSUS FORECAST TO OUTTURN (BASE BUDGET)									
	Actuals £m	F/cast £m	Var. £m	Var. %					
Integrated and Smart Ticketing	£0.94	£1.52	£0.58	38%					
Northern Powerhouse Rail	£14.87	£48.48	£33.61	69%					
IPBA	£0.28	£0.89	£0.62	69%					
Programmes	£16.08	£50.90	£34.81	68%					
Rail Operations	£0.77	£3.16	£2.39	76%					
Operational Areas	£1.90	£6.43	£4.53	70%					
	£18.75	£60.48	£41.73	69%					
FUNDING YEAR TO DATE				FUNDING FORECASTS TO OUTTURN (BASE BUDGET)					
Funding Stream	Actuals £m	Budget £m	Var. £m	Var. %	Actuals £m	Budget £m	Var. £m	Var. %	
TDF - Rail	£14.87	£15.56	£0.69	4%	TDF - Rail	£14.87	£48.48	£33.61	69%
IST - Capital and Revenue	£0.94	£1.16	£0.22	19%	IST - Capital and Revenue	£0.94	£1.52	£0.58	38%
Core Grant	£2.41	£2.79	£0.37	13%	Core Grant	£2.41	£8.86	£6.45	73%
Rail North Grant & Contributions	£0.45	£0.46	£0.01	2%	Rail North Grant & Contributions	£0.45	£1.29	£0.84	65%
Trading Income	£0.08	£0.11	£0.03	25%	Trading Income	£0.08	£0.33	£0.25	75%
	£18.75	£20.07	£1.32	7%		£18.75	£60.48	£41.73	69%

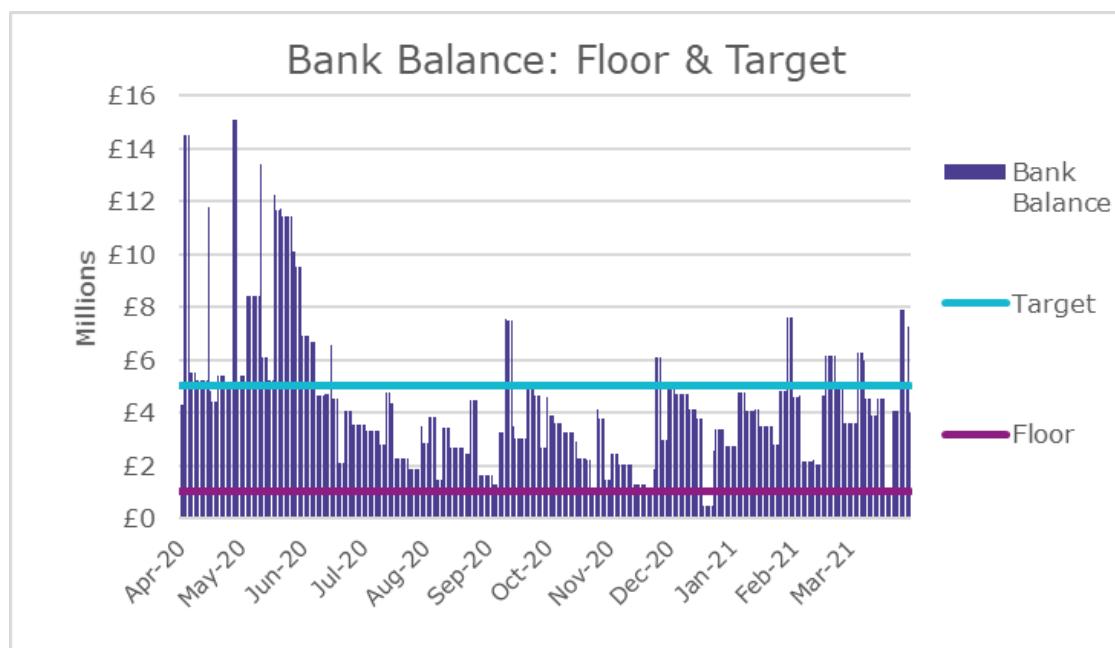
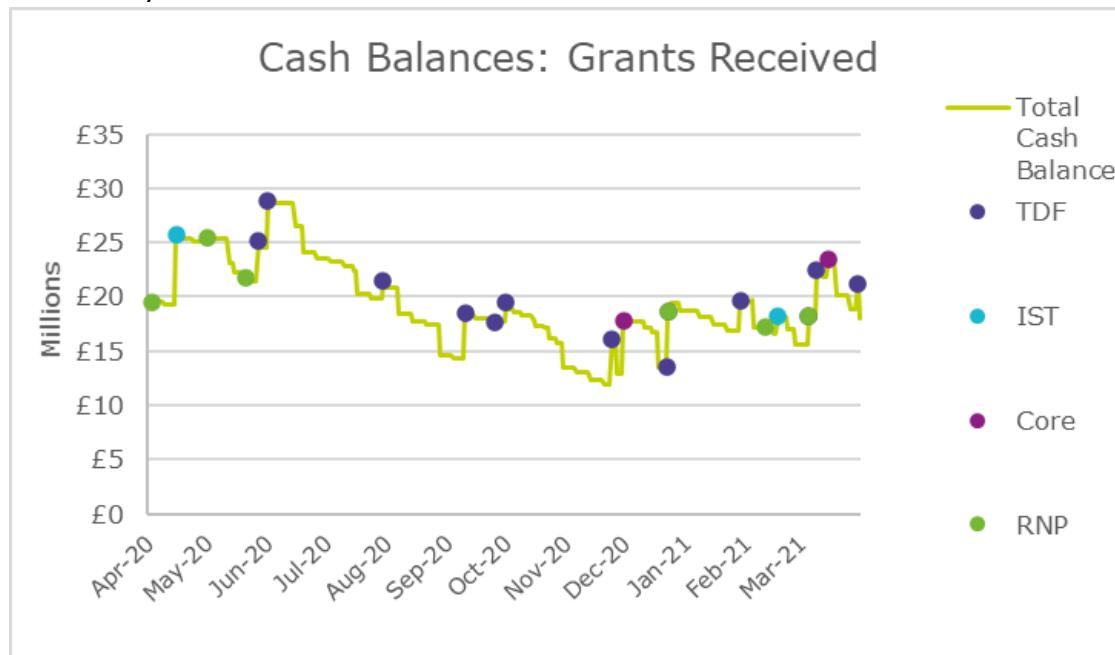
Treasury Management Annual Review

TfN continues to operate in compliance with its Treasury Management Strategy as approved by the Board.

Treasury Management is governed by a hierarchy of considerations:

1. Security;
2. Liquidity; and
3. Yield.

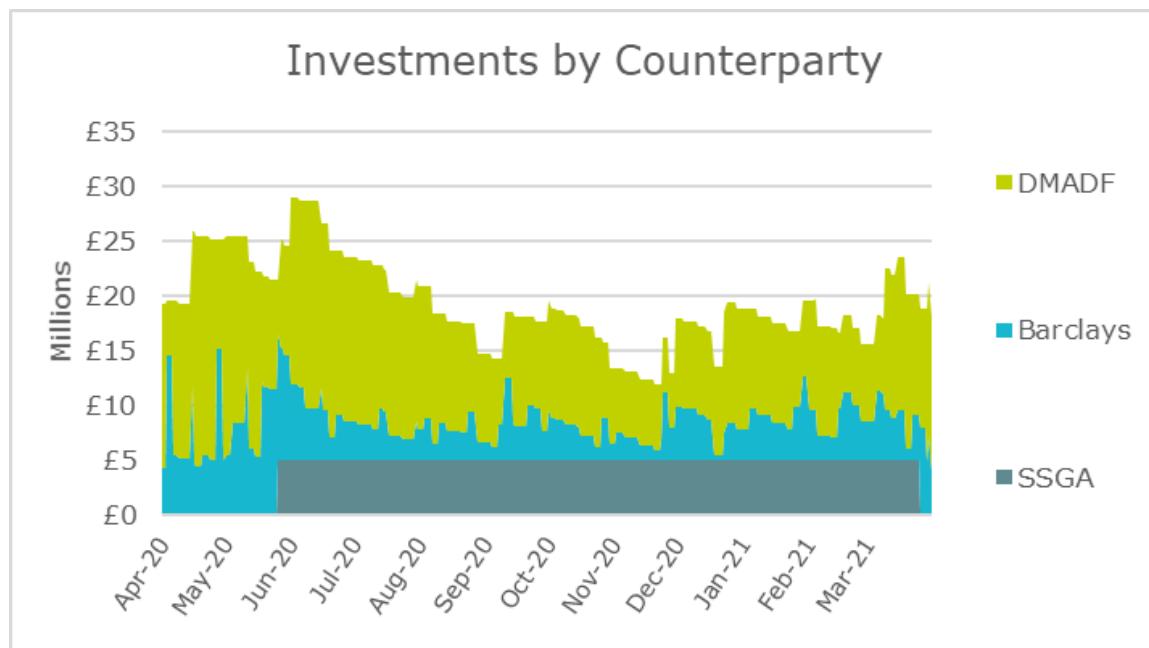
The following charts summarise the cash balances and investment decisions over the year to 31 March 2021.

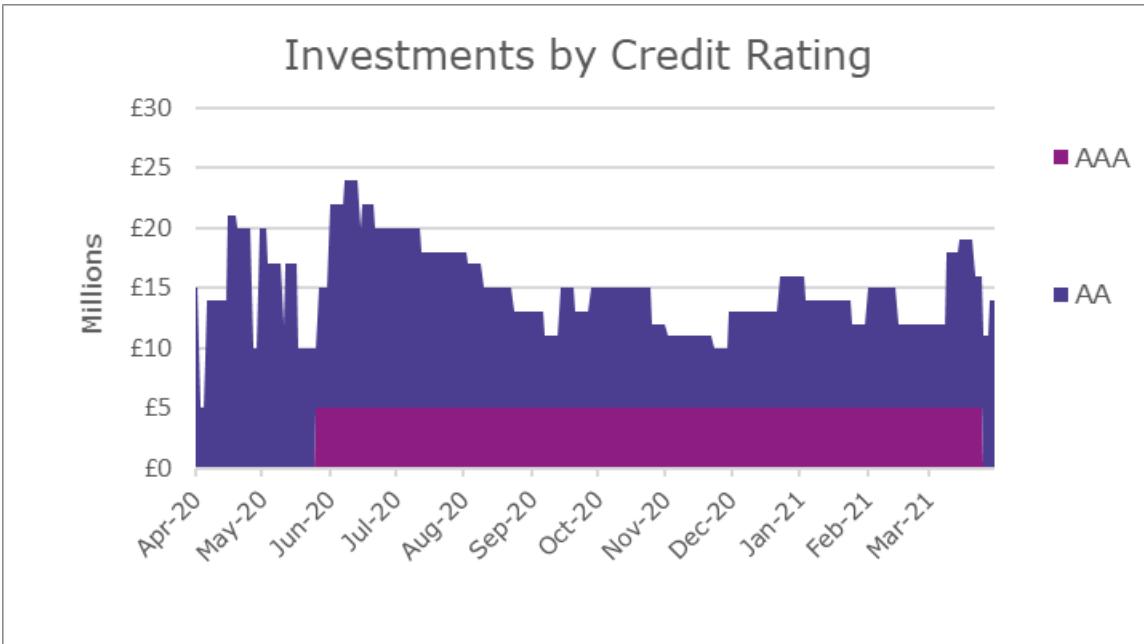


These graphs show the cash balances at each month end and the various grants received under TfN's Grant Funding Agreements with DfT. These sums were then utilised to meet TfN expenditure to deliver its business plan. TfN's inability to access credit means that it generally seeks to receive grants from DfT at the point at or before expenditure is committed. The time lag between costs being incurred and invoices being received and paid can lead to there being a considerable time period between grant receipt (cash in) and the relevant expenditure (cash out).

TfN accounts on an accruals basis which would see cash outflows in the month, at the earliest, following the month of the accounting entry. This can result in material cash balances at a period end.

TfN endeavours to retain a sum no greater than £5m with any one counterparty (other than with the DMO as described below). The timing of grant receipts is not always guaranteed and cashflows are prepared on a prudent basis, ie excluding grant receipts. This prudent approach, that allows TfN to meet its obligations, can result in short term balances exceeding £5m with Barclays. Upon receipt these grants are then built into subsequent investment decisions.





The graphs above show the two counterparties where funds have been deposited in the year (and the residual operational balance with Barclays) and their relative credit rating. With the exception of £5m held in a low risk money market fund, all other deposits were held with the UK Debt Management Office ("DMO") and Barclays (our operational bank). The DMO is a government body that provides low risk cash management options whilst saving interest costs for central government.

Yields in the year have been very low (c0.1%) and in isolated instances the yield was negative. The Treasury Management policy places investment security and liquidity over yield in the hierarchy of considerations. This approach limits the risk of default on TfN's cash deposit decisions.

Human Resources Update

Salaried Establishment as at **5 August 2021**

Established Permanent/Fixed-term Posts

Area	Permanent Posts (Over 2 years)	Fixed-term Posts (Up to 2 Years)	Total Establishment
CEO Office	2 (2.00 FTE)	-	2 (2.00 FTE)
Support Services	25 (25.00 FTE)	2 (2.00 FTE)	27 (27.00 FTE)
Operational & Delivery	73 (71.84 FTE)	18 (18.00 FTE)	91 (89.84 FTE)
Rail North Partnership (Hosted)	13 (13.00 FTE)	3 (3.00 FTE)	16 (16.00 FTE)
Total Establishment	113 (111.84 FTE)	23 (23.00 FTE)	136 (134.84 FTE)
<hr/>			
Strength (in post)	104 (102.84 FTE)	15 (15.00 FTE)	119 (117.84 FTE)
Appointed (start date pending)	2 (2.00 FTE)	1 (1.00 FTE)	3 (3.00 FTE)
Active/Pending Recruitment	1 (1.00 FTE)	1 (1.00 FTE)	2 (2.00 FTE)
Vacant – On-hold	6 (6.00 FTE)	6 (6.00 FTE)	12 (12.00 FTE)

Agency/Consultancy Resource – Covering Vacant Established Posts

Area	Posts (FTE's)
Support Services	2 Post (2.00 FTE)
Operational & Delivery	9 Posts (9.00 FTE)
Total	11 Posts (11.00 FTE)

Consultancy Resource – Contracts for Service (TDF Funded)

Area	Current Strength Posts (FTE's)	Year-End FY21/22 Projected Posts (FTE)
Support Services	0 Post (0.00 FTE)	0 Post (0.00 FTE)
Operational & Delivery – NPR	47 Posts (47.00 FTE)	101 Posts (101.00 FTE)
Total	47 Posts (47.00 FTE)	101 Posts (101.00 FTE)

The above are all NPR related posts and due to the nature of the funding (one-year only) and technical skills required, have been engaged via the contract for service route. Further roles (circa 54 posts) are anticipated to be brought in throughout the forthcoming year, with actual plans for this resource to be finalised once the IRP reports and a revised date for the submission of the NPR SOC is agreed.

Resourcing Update – For Information

TfN Board & Partnership Board Chair – John Cridland – retired from his role following the TfN Board Meeting on 27 July 2021. A paper will be presented to the TfN Board in September for members to consider the approach to appointing a successor.

TfN Offices – our Manchester and Leeds offices both re-opened on Monday 2 August 2021 and have been physically re-designed (Leeds office from mid-September) to support and underpin our new hybrid ways of working.

HR Metrics – 2021/22 Year-To-Date:

Corporate Sickness Level:	1.3%
Employment Policy Application:	0%
Rolling 12 Month - Employee Turnover (Voluntary Leavers):	18.6%
% of Employees from an Ethnic Minority Background:	13%
% of Employees declaring a Disability:	12%
Gender Mix - % of Female Employees:	38%
	62%

KPIs

Key Performance Indicators

Transport for the North's Key Performance Indicators (KPIs) are outlined in the published Business Plan for 2021-22. The below table outlines the programme and organisational KPIs and provides a summary of the year-end position.

Key	Number of KPIs with this status
Achieved (complete)	0
On Track (in progress, no delays)	14
In Progress (in progress, may become delayed)	7
Delay (has missed a key deadline)	1
Delay BTYE – delayed beyond this year end	0
Not Started	4

Area	KPI	Detail	Progress	Status
Strategic Rail	1	Demonstrate clear Northern input in supporting and developing return to rail initiatives across the North to rebuild passenger numbers and aid economic recovery. March 2022	On Track Messaging and communications will continue to promote safe use of public transport. The team is working with train operating companies identifying ticketing/marketing/offers to rebuild confidence, attract passengers back, and entice new passengers when appropriate.	On Track
Strategic Rail	2	Deliver plans for rail hub enhancements around two major stations to maximise the potential of the network. October 2021/February 2022	On Track Work has continued on developing a Strategic Outline Business Case for a radical plan for Leeds Station, with the delivery of an economic case by Atkins.	On Track
Strategic Rail	3	Demonstrate meaningful and beneficial engagement for the North on rail reform within three months of publication of the Williams White Paper. September 2021	On Track A support partner has been engaged and work has begun on producing a draft proposition for the rail industry in the North.	On Track
Strategic Rail	4	Further embed the TfN rail journey time improvement initiative with Network Rail to deliver better reliability on at least two rail routes during 2021/22. March 2022	On Track Network Rail is now fully engaged with the Theoretical Line Speed process and is progressing the delivery of the York–Scarborough and Darlington–Bishop Auckland findings. Implementation is expected by March 2022.	On Track
Strategic Rail	5	Pursue the digital transformation of fares, ticketing and information	Delay A scoping report for this programme was prepared by the Integrated & Smart	Delay

		through collaboration and the development of business cases across the North and/or through national rail reform. March 2022	Travel (IST) team as part of the project closedown. An appointment has been made to the Head of Digital Strategy and a start date of October 2021 agreed, but this may delay some of the outputs beyond March 2022.
Strategic Rail	6	Continue to use TfN's existing powers and role in the Rail North Partnership to deliver the best outcomes for passengers, within the financial and legacy infrastructure constraints, by influencing train operators and major programmes including TRU and Central Manchester. March 2022	On Track
Northern Powerhouse Rail	7	Completion and submission of the Strategic Outline Case, timescale to be agreed following publication of the Government's Integrated Rail Plan. TBC post-IRP	In Progress
Northern Powerhouse Rail	8	Reconfirm NPR phasing plan in response to Government's Integrated Rail Plan. TBC post-IRP	Not Started
Northern Powerhouse Rail	9	Complete initial survey work and commence OBC on early accelerated projects to start construction in FY 2024/25. September 2021	In Progress
Northern Powerhouse Rail	10	Initiate additional survey work and commence Outline Business Case on early accelerated projects to enable delivery partners to start construction in 24/25. January 2022	Not Started
Northern Powerhouse Rail	11	Agree NPR governance arrangements with DfT as programme transitions to the next stage. TBC post-IRP	Not Started
Investment Programme Benefits Analysis	12	Commission the Investment Programme Benefit Analysis work and deliver the programme up to the Gateway Review. September 2021.	On Track
Investment Programme Benefits Analysis	13	Subject to Gateway Review, complete work on the Investment Programme Benefit Analysis which will be used as the evidence	On Track

		base for the next STP. March 2022		
Major Roads	14	Produce a robust evidence base monitoring performance and types of journey on the MRN. This will support analysis of the impacts of Covid-19 to monitor and evaluate outcomes including changes in travel patterns and behaviours. October 2021	On Track	
Major Roads	15	Publish the updated Major Roads Report, following DfT publication of the national Transport Decarbonisation Plan and TfN's Decarbonisation Strategy. October 2021	In Progress	
Major Roads	16	Use our evidence base to work with Highways England and DfT to identify TfN's priorities to be considered as part of DfT's Road Investment Strategy 3. March 2022	In Progress	
Major Roads	17	Work with our partners and DfT to scope out how TfN can best support plans for an integrated electric vehicle and/or hydrogen charging infrastructure network, supporting all communities in the adoption of low and zero emission vehicles. March 2022	On Track	
Major Roads	18	Continue to work with DfT's Acceleration Unit to ensure their awareness of the schemes identified in TfN's Economic Recovery Plan for their consideration of accelerating delivery. March 2022	In Progress	
Strategy, Policy and Research	19	Consult on the draft Decarbonisation Strategy and seek adoption by the TfN Board in autumn 2021. November 2021	On Track	
	20		On Track	

Strategy, Policy and Research		Agree a plan to adopt a new Strategic Transport Plan by 2024, and commence a new Northern Powerhouse Independent Economic Review (NPIER) programme as a first step. October 2021	Work continues to map out a roadmap to a revised STP for publication in February 2024. July activities have focused on preparing a presentation outlining the proposed programme ready for circulation with partners for early feedback in August 2021.
Strategy, Policy and Research	21	Progress the advanced prioritisation mechanisms set out in the Northern Transport Charter, including analytical tools to allow prioritisation on a wider basis (economic, social, and decarbonisation) and independent assurance arrangements. March 2022	On Track TfN Board agreed to the NTC development plan at July 2021 board, including the progression of advanced prioritisation mechanisms and independent assurance arrangements.
Strategy, Policy and Research	22	Consult and adopt the TfN Freight & Logistics Strategy and work with the industry to agree implementation arrangements. December 2021	On Track TfN Board agreed for the strategy to progress to consultation.
Strategy, Policy and Research	23	Provide input into the final stages of the Union Connectivity Review and respond on its publication. September 2021	In Progress TfN submitted a formal response into the Call for Evidence in December 2020. Following that, contact has been made with the team supporting the review to understand any emerging findings and how TfN can support. A response is awaited.
Corporate	24	Develop and provide a Comprehensive Spending Review submission to Government. In line with timetable set by Government	In Progress TfN officers continue to prepare for an autumn Spending Review and have agreed a high-level approach with the TfN Board. Timetable for the Spending Review is yet to be published.
Corporate	25	Feed into emerging procurement practice as the UK's current 'EU style' regime is updated and look at opportunities to further increase social value. March 2022	Not Started Not started. Will begin once revised procurement guidance starts to emerge.
Corporate	26	Implement and further develop the agreed new Ways of Working, to include physical office design, office and remote working, corporate and constitutional meetings and IT strategy. Within three months of return to office	On Track Subject to emerging Government guidance on the lifting of current lockdown/social distancing restrictions, TfN remains on-track to fully implement its agreed new Ways of Working and reopen both offices in early August 2021. The physical re-design of the Manchester office will be fully complete by the end of July and this will be followed by the Leeds office by the end of September.



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