

Transport for the North Scrutiny Committee Agenda

Date of Meeting	Thursday 04 March 2021
Time of Meeting	11.00 am
Venue	Virtual

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 Meeting To consider the approval and signature of the minutes of the meeting held on 9 December 2020 as a correct record and to consider any requests for updates on matters contained therein.	3 - 10
4.0	2021/22 Funding Update & Draft Business Planning To consider the 2021/22 Funding and Business Plan Update of the Finance Director and the Interim Strategy & Programme Director.	11 - 28
5.0	Manchester Recovery Task Force To consider the report of the Head of Rail Service Outputs.	29 - 38
6.0	TfN's Freight Strategy - Update on Activity	39 - 48

	To consider the report of the Interim Strategy and Programme Director.	
7.0	Decarbonisation Strategy To consider the report of the Interim Strategy and Programme Director.	49 - 58
8.0	Exclusion of Press & Public To resolve that the public be excluded from the meeting during consideration of Item 9 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	
9.0	Northern Powerhouse Rail Update To consider the report of the Northern Powerhouse Rail Director.	59 - 70

Scrutiny Committee Minutes

**Wednesday 09 December 2020
MS Teams**

Present:

Attendee

Cllr Paul Haslam (Chair)
 Cllr Shorrock
 Cllr Mitchell
 Cllr Laura Crane
 Cllr Andrew Cooper
 Cllr Neil Hughes
 Cllr Jones

 Cllr Sean Chaytor
 Matthew Salter
 Cllr McKinley
 Cllr Tom Furneaux
 Cllr John Davison
 Cllr Steve Parish
 Cllr Manisha Kaushik
 Cllr Stephen Fenton

Local Authority

North Yorkshire;
 Blackburn with Darwen;
 Blackpool;
 Cheshire East;
 Cheshire West & Chester;
 Cumbria;
 Greater Manchester Combined
 Authority;
 Hull;
 Lancashire;
 Liverpool City Region;
 North East Lincolnshire;
 North Lincolnshire;
 Warrington;
 West Yorkshire Combined Authority;
 York;

Officers in Attendance:

Name

Gary Rich
 Julie Openshaw
 Rosemary Lyon
 Deborah Dimock
 Jeremy Acklam
 Dawn Madin
 Iain Craven
 James Lyon
 Tim Foster

 Peter Cole

 Lucy Hudson

Job Title

Democratic Services Officer
 Head of Legal
 Legal and Democratic Services Officer
 Solicitor
 IST Director
 Director of Capabilities
 Finance Director
 Legal Assistant
 Interim Strategy & Programme
 Director
 Principal Environmental and
 Sustainability Officer
 Principal Policy Officer Freight

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

- 1.1 The Chair welcomed all in attendance and informed Members that the meeting was being streamed live.
- 1.2 Apologies were received from the Chief Executive.

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 21 October 2020 were considered and their accuracy as a correct record confirmed. There were no issues arising from the minutes. Confirmation of the minutes was proposed by Cllr Haslam and seconded by Cllr Kaushik.

Resolved:

That the minutes of the meeting held on 21 October be approved as a true and accurate record.

4. Monthly Operating Report

- 4.1 Members received the report from the Interim Strategy and Programme Director who highlighted the key elements of the report before inviting questions and comments from Members.

The Interim Strategy and Programme Director explained that at the November Transport for the North Board Members had agreed the preferred network and phasing for Northern Powerhouse Rail. This decision has now been communicated to the Secretary State in order to inform the Integrated Rail Plan. He explained that the priority for TfN is to complete the Strategic Outline Case. He explained that the integrated Rail Plan is being awaited.

He also highlighted the Comprehensive Spending review and explained whilst the Department has received its settlement, TfN has not yet had the budget confirmed for next year; however business planning has been taking place.

- 4.2 Cllr Hughes raised a number of questions on a variety of subjects including the funding situation in relation to TfN schemes, the Beeching Rail plans, Northern Transport Acceleration Council (NTAC), adaptation of

listed buildings for the IST programme and the promotion of road schemes.

In response to the funding question the Interim Policy and Planning Director explained that the point raised within the report is a concern that has been raised with the Government. He explained that some of the fiscal scenarios presented to Government by the NIC appear stringent, and once the Rail Needs Assessment has been published then this can be explored further and advice provided to Members. In relation to the Beeching question the Interim Policy and Planning Director stated that a note would be circulated to Members on this.

On the issue of NTAC he clarified that the role of the two organisations are very different.

On the Integrated and Smart Travel (IST) programme the IST Director explained that all the issues have now been resolved in relation to card validators in listed buildings. Members were informed that in order to ensure that delays were minimised validators have been placed on moveable concrete blocks whilst a permanent solution is found.

- 4.3 Cllr Davison raised the issue of KPIs and asked how success is measured in terms of things such as infrastructure constructed.

The Finance Director explained that the KPIs in the report are operating KPIs and are a measure of how the organisation is going about the tasks for the year rather than wider strategic objectives.

On the issue of KPIs the Chair asked for measurable KPIs to be included such as the number of people making modal shifts.

- 4.4 Cllr Jones requested a note on funding be circulated to Members early in the new year in order to increase Members understanding. He also requested an update on progress that had been made on schemes to alleviate congestion in the Manchester Rail Hub.

The Policy and Planning Director explained that once TfN had received clarity on the position regarding funding a note would be circulated. In response to the question on congestion in Manchester he stated that he would need to return to Members on this.

- 4.5 The Chair returned to the issue of road schemes raised by Cllr Hughes. He commented that it should not be that roads are being built for the sake of it but because there is a clear benefit for the future.

- 4.6 Cllr Chaytor stated that work on road networks may prove to be essential, whilst the Government is not investing in modal shift and getting the public using trains. He stated that buses are not effective in rural areas.

Resolved:

That the report be noted.

5. Freight Strategy

- 5.1 Members received the report of the Principal Policy Officer for Freight who highlighted key areas of the report. Following this Members were able to make comments and ask questions.

The Principal Policy Officer explained that as the strategy will underpin activity it therefore needs to be a strategy in its own right. She further explained that it would look at other TfN projects and explore how freight arguments can be strengthened in each programme.

Members were informed that consultants have highlighted a number of themes including, better East - West connectivity, connectivity to ports and the Last Mile of a delivery journey for a lorry or a van making a delivery. She explained that there is a need to see that these issues are still current and that they underpin what is wanted in the future. She stated that these are suppressing demand for freight on rail and road. She then explained to Members how suppressed demand is worked out based on current activity and what future activity they expect to see. This gives an evidence base as to what infrastructure needs to developed.

She explained that due to funding constraints there is a need to maximise what is currently in place as well as what is developing in order to make sure that cases are strong.

The Principal Policy Officer then returned to questions that were asked during her May presentation to the Scrutiny Committee. Members were given updates on the Transpennine Route Upgrade (TRU), Modelling and Data, gauge clearance, the Northern Ports and Decarbonisation.

In concluding she explained that activity in this area needs to continue to be underpinned in order to ensure that freight continues to remain an area for consideration.

- 5.2 Cllr Jones requested that the Freight and Logistics Group meet soon. He also requested early sight of the paper that will be going to the March Board for approval in order to allow Members to make comment.

The Principal Policy Officer explained that she intends to host a Freight and Logistics working group. The Chair requested further input into the strategy as it develops.

- 5.3 Cllr Hughes asked about Decarbonisation and Freight and whether transport and particularly Freight will have to make a greater contribution to achieve decarbonisation targets. He also asked if the industry is geared up to achieve it.

The Principal Policy Officer explained that the issue of decarbonisation and freight is an extremely complicated issue and is being thought about in the industry.

- 5.4 Cllr Davison believes an opportunity has been missed in emphasising the key objective of the strategy, to get as much freight as possible off the road and on to rail. He also expressed surprise that there was no mention of HS2 in the report and the benefits that this will have to freight.
- 5.5 The Chair stressed the importance of including the figures around how much freight goes on the road and how much carbon dioxide is going into the atmosphere as a result. He stated that communication is the first step in change leading to a switch in modes for freight. He also stated that in order to engage the Government on this TfN need to demonstrate how this is helping them to achieve their decarbonisation goals.
- 5.6 Cllr Fenton requested for Last Mile to be included in the strategy in its own right.

The Principal Policy Officer stated that this would be included in the Strategy.

- 5.7 Cllr Parish raised the issue of freight through Diggle.

The Principal Policy Officer explained that if the right upgrades happen with TRU and if there is investment through NPR there will hopefully be some capacity release which will allow for freight as well as passenger trains. She stated that it is the ambition to see what freight train an hour on the Diggle route.

Resolved:

That the report be noted.

6. Decarbonisation Strategy

- 6.1 Members received the report and the presentation on the Decarbonisation Strategy. Following the presentation Members were able to make comments and ask questions of the Principal Environmental and Sustainability Officer.
- 6.2 The Chair asked about timescales. The Principal Environmental and Sustainability Officer explained that the Strategy won't be adopted until October or November 2021 at the earliest due to consultation needing to take place and Board approval being required. He then highlighted areas where TfN might have a role to play in implementing the strategy. One such area is the Development of a Pan Northern Low Carbon Charging Network plan, which currently has elements of being undertaken by local

authorities. He then went on to emphasise the importance of the two dovetailing together to ensure that important points are not missed.

- 6.3 The Chair highlighted that decarbonisation needs to be "in the DNA" of everything that TfN does and that the issue needs to be considered in all reports.
- 6.4 Cllr Fenton highlighted that each Local Authority would be doing things in different ways and at different speeds. He then went on to ask about the support that TfN will provide for authorities.

The Principal Policy Environmental and sustainability Officer explained that the policy analysis will help decide what each area may need. He stated that TfN wants to produce a "policy basket" of ideas that local authorities can draw upon. He also explained to Members that TfN would like to introduce a Regional Roadmap for Decarbonisation which will help TfN understand where the challenges are at different times and allow for focus on specific areas.

He added that he would like to draw on expertise from local authorities and wants to set up a decarbonisation working group.

- 6.5 Cllr Cooper was supportive of the idea of TfN working with individual authorities in finding the right approach for each authority.

7. Exclusion of the Press and 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 of the Scrutiny Committee held on 9 December 2020 were considered.

Resolved:

That the private minutes of the Scrutiny Committee held on 9 December 2020 be approved as a correct record.

This page is intentionally left blank

Transport for the North Scrutiny Committee

Subject: 2021/22 Funding Update & Draft Business Planning

Author: Iain Craven, Finance Director
Tim Foster, Interim Programme and Strategy Director

Sponsor: Barry White, Chief Executive

Meeting Date: Thursday 4 March 2021

1. Executive Summary:

- 1.1 Transport for the North ("TfN") produces an annual Business Plan which sets out its objectives for the coming year and how they will be delivered. This plan then provides the basis for the TfN budget. The Business Plan and Budget will be presented to the TfN Board on 24 March for approval.
- 1.2 An earlier version of this report was presented to TfN Board on 18 February and the recommendations set out in paragraph 1.9 were approved. This is the first Scrutiny Committee meeting since TfN received its funding allocation letter on 4 January. The Committee's views are therefore sought on the business planning proposals set out in this report.
- 1.3 As reported to the TfN Board on 14 January, TfN received a letter from the Department for Transport ("DfT") on 4 January that set out a reduced envelope for 2021/22 in comparison to TfN's CSR submission, which included a significant cut to the current Core funding allocation and a cessation of funding for the IST programme. The timing and content of this letter mean that TfN is now undertaking a substantial revision of the planning that it had undertaken to date, to a tight timescale.
- 1.4 Further to the discussion in the 14 January Board, TfN has now agreed with DfT that it be given the flexibility to charge £2.5m of direct and allocated costs that were previously resourced from Core funding into the NPR programme, reducing the pressure on Core budgets. It is further proposed that c.£2m is released from TfN's reserves to support in-year activity in 2021/22 - £1m to cover one-off work on the Investment Programme Benefits Appraisal and a further £1m to support in year costs. Such an approach would allow TfN to deliver the programme set out in this report, whilst at the same time retaining sufficient reserves to manage a number of fundamental uncertainties. In addition, the in-year funding cut of £3m announced in January

means that TfN will need to use c.£1m of reserves in 2020/21 to support Core operations.

- 1.5 The planning for the Northern Powerhouse Rail Programme will reflect both the funding envelope provided by DfT and its role as co-client on the programme. The intention is to continue to develop business cases in line with the SOC recommendations, although this is subject to the content of the Integrated Rail Plan.
- 1.6 The 18 February TfN Board received and approved a report setting out how TfN would complete outstanding work on Phases 1 and 2 and then wind down the programme. The funding arrangements to cover the wind down costs have been discussed and agreed with the department. Consideration is currently being given to how and to what extent TfN is able to retain Core funded IST capability to support its Smart Travel objectives and those of its Constituent Authorities.
- 1.7 The key operational activities were agreed with the Board in January and we have held further discussions with the member working group on the priority areas for TfN, these include:
 - Strategic Transport Plan development, and underpinning policy development activity (e.g., Freight and Decarbonisation)
 - Investment Programme Benefits Analysis
 - Northern Transport Charter activities
 - Rail priorities (services and infrastructure)

These activities are further described in Section 4 of this report.

- 1.8 Delivery of the core TfN programme requires a significant scaling back of plans compared with the CSR submission, careful prioritisation of activity and a more efficient use of existing TfN assets. This will mean activity stopping or not progressing some planned areas of work; finding more efficient and lower cost ways of working and delivery; and actively managing budgets in year.
- 1.9 The following recommendations were approved by TfN Board on 18 February:
 1. That the TfN Board approve the funding envelope set out in paragraphs 3.4 – 3.9, and in particular the proposed use of reserves.
 2. That the Board notes and approves the use of reserves as noted in paragraph 3.2.
 3. That the Board agrees the priorities and emerging proposals for the core operational teams, NPR and IST set out in Section 4, noting the feedback from the Member Working Group.

4. That the Board notes the steps required in Section 5 to conclude business planning activity in time to agree the business plan at the meeting of the March TfN Board.
5. That, subject to appropriate break clauses being agreed, TfN confirms the IPBA support contract to allow the mobilisation of resources prior to the start of the new financial year.

2. Issue:

- 2.1 This report provides an update on the 2021/22 business planning and budgeting process. There will be an opportunity to discuss the key areas for consideration at the 4 March Scrutiny Committee meeting.

3. Funding:

- 3.1 On 4 January TfN received a funding letter from DfT. The funding included in that letter, and a comparison to both the CSR Submission, and the funding allocation for 2020/21 is set out in the following table.

TfN 2021/22 Funding Allocation	21/22 £'m	CSR Ask £'m	20/21 £'m
Core Funding	6.0 ¹	11.2	10.0 ²
IST ³	-	33.4	15.8
NPR ⁴	75.0	111.3	75.0
Developing an Investment Pipeline ⁵	-	2.0	-

1. TfN's Core funding allocation for 2021/22 will be £6m. This is a £4m reduction on the current allocation (set in 2015) and a £5.2m reduction in the Core funding requested in the CSR.
2. The balance of TfN's Core funding for 2020/21 will be reduced from £5m to £2m. This reduces the full year allocation to £7m rather than the £10m that was originally allocated.
3. Funding for the IST programme will cease, subject to completing and winding down committed activity.
4. The overall NPR allocation will be £75m, of which c.£8m will be utilised by HS2. The balance will be available for draw down by TfN, subject to the normal departmental control of detailed commitments, and will also be subject to the outcome of the Integrated Rail Plan (IRP). The discussions with the department regarding the commitment of funding for the business plan are currently ongoing.

5. No funding was received in relation to the CSR request regarding the Development of an Infrastructure Pipeline.
 6. The Rail North Partnership Grant will remain at £0.7m, subject to indexation and the need for any additional posts as identified by the Department. TfN will also receive c.£0.6m of Rail Administration Grant to help resource Strategic Rail activity.
- 3.2 The in-year cut of £3m means that the £7m of Core grant that TfN will receive in 2020/21 will be insufficient to meet its Core expenditure for the year, 5/6^{ths} of which has already been incurred. This means that c.£1.0m of reserves will need to be released to allow TfN to manage through to the end of the financial year. This will leave forecast year-end reserves at c.£5.5m. Further information regarding the reserve position is set out below.
- 3.3 Subsequent to the 14 January Board, further discussions have been held with Departmental officials. This has not resulted in any change to the previously reported IST position.
- 3.4 However, TfN has reached agreement with DfT to resource a range of costs that arise from programme activity, but which are currently Core funded, against programme budgets. This will relieve c.£2.5m of cost pressure in relation to Core funded costs, essentially reducing the impact of the reduction in Core expenditure from a cut of £4.0m to a cut of £1.5m.
- 3.5 In setting a budget envelope to inform the business planning process, we have aimed to maximise the resources available to deliver TfN's aspirations, whilst recognising the continued uncertainties faced by TfN and the potential financial challenges that arise from those uncertainties. Paragraphs 3.5-3.8 set out the proposed approach to the use of TfN's reserves that was tested in the Member Working Group meetings.
- 3.6 TfN has previously set out its Reserves Strategy in its annual budget reports. In the absence of revenue raising powers or, since 2018/19, a multi-year funding horizon, TfN has tried to manage its Medium-Term Financial Strategy (MFTS) through its reserves. The current minimum reserve is set at £2.0m. During 2020/21 the Covid pandemic, displacement of activity as a result of prioritising NPR support and cost control measures put in place to address funding uncertainty meant that instead of declining by c.£1.5m to £5.0m as originally budgeted, TfN's forecast year-end Core Grant reserves increased by £2.0m to £8.5m, before subsequently falling back to £5.5m as a result of the £3m in-year funding reduction.
- 3.7 TfN is therefore faced with a significant quantum of activity that has had to be reprogrammed from 2020/21 into future years, principally in relation to the Investment Programme Benefits Appraisal work that was delayed in Q1 of 2020/21 to allow focus on modelling for the NPR

Programme. It is intended that c£1.0m of the retained reserves is released to support the IPBA activity.

- 3.8 In addition, it is proposed that another c.£1.0m of reserves is released to support the delivery of TfN's Core activity and address transition costs. This would still leave a reserve of at least £3.5m at the end of 2021/22, by which time TfN should be able to reassess its reserves strategy in light of longer-term certainty as to its funding and role. This reserve would remain significantly in excess of the minimum set out in the Reserves Strategy, although we may consider increasing the recommended minimum in light of the ongoing uncertainty that currently exists.
- 3.9 At the same time, the uncertainty created by the funding cuts and the ongoing impact of lockdown continue to impact upon TfN's month-on-month expenditure. To the extent that specific items can be identified as having to be carried over the financial year-end into 2021/22 TfN will use the associated savings to support this work being carried out next year. At the 18 February Board meeting this was verbally reported by TfN's Finance Director to be of the order of £0.6m, and this carry forward was included in the approved budget envelope.
- 3.10 This approach would allow TfN to set a budget envelope that allows it to deliver the activity set out in Section 4. TfN will seek to achieve a balance between efficiency, effectiveness, and sustainability in the decisions that it makes in relation to delivering activity, with the overarching objecting of delivering Value for Money.

Based upon the departmental funding letter, overall TfN funding available for expenditure in 2021/22 will be as follows:

- £6.0m Core funding;
- Up to £67.0m Transport Development Funding for NPR – TfN is still in discussion with the DfT regarding the activity and resultant expenditure levels that will be funded;
- IST Programme Grant – sufficient to complete Phases 1 & 2 and to windown the programme;
- c.£1.3m Rail North Partnership and Rail Administration Grant plus additional grants to deliver Blake Jones that are still being discussed with the DfT;
- £0.4m from partner organisations for delivery of rail activity on a contracted basis;
- £0.1m rail contributions from partners; and
- Circa £2.6m of releases from Reserves to support Core expenditure.

- 3.11 TfN will provide a balanced budget, derived from the business planning process, to the 24 March Board, based on a Core budget envelope of £8.6m (i.e. the Core allocation of £6.0m and the proposed reserve releases of £2.6m).
- 3.12 It should be noted that the current in-year run rate is substantially lower than the detailed analysis provided in the August CSR submission. In particular, TfN has c.30 vacant posts against its current establishment, which is a direct result of the uncertainty over future funding and TfN's role. Consultants and temporary staff are providing cover for a significant number of these roles (particularly across our NPR and TAME teams), but a more stable environment is needed to allow proper long-term resource planning and resourcing solutions to be adopted. This cost challenge, based on a reduction from the current run rate, does not therefore fully reflect the operational challenge of delivering across the full range of member aspirations.
- 3.13 This outline funding position forms the basis of the business planning activity that is set out in Section 4. In parallel with the re-planning exercise that is being undertaken, operational teams funded through the Core allocation have been set an efficiency challenge of 10% (set prior to the exact level of programme recharges being agreed) based on the considerations set out above. Likewise, whilst support teams will undertake their final planning exercise once the operational and programme plans have been completed, they have been set a 10% efficiency target based on activity identified as discretionary during the planning that was conducted in the autumn.
- 3.14 Taking this into account, TfN is now faced with an effective cut in its Core funding of 15% on the previous year and 25% in relation to its CSR submission. As set out in Section 3, this translates into a savings target of 10% based on current 'run rates' against which business planning proposals will be considered.

4. Business Planning

- 4.1 Transport for the North initiated its 2021/22 business planning in October 2020. Consistent with previous years, an exercise has been undertaken which identified TfN's key strategic priorities and identified a common 'golden thread' from strategy to delivery that informs planning activity throughout the process. These priorities are derived from the Northern Transport Charter and were endorsed by the TfN Board on 14 January.
- 4.2 Transport for the North officers refreshed the 'golden thread' in the autumn to allow teams to begin the planning process. This exercise included confirming that the outcomes that TfN is seeking to achieve were still valid in light of the Covid-19 pandemic. Those outcomes are consistent with the themes set out in the Strategic Transport Plan. And

were approved by the Board in January as a basis for business planning:

- Transformed economic performance
 - Improved productivity
 - Enhanced inclusivity, health, and access to opportunities for all
 - Better quality of life.
- 4.3 The Northern Transport Charter then identified four main objectives that would contribute to the delivery of those outcomes. These were adopted during last year's business planning process as its objectives for the current financial year and the Board agreed should be carried forward into 2021/22:
- Championing an inclusive and sustainable North
 - Leading Strategic transport delivery
 - A long-term northern funding settlement
 - Putting Passengers first.
- 4.4 The January Board also endorsed the Key Themes around which TfN would base the next phase of its planning. These Key Themes were developed in the final months of 2020, although in the absence of a funding envelope prior to 4 January, TfN was unable to complete detailed planning. This detailed work can now be carried out based on a clearer funding envelope as set out in Section 3.
- 4.5 The teams within TfN have therefore developed plans based upon the delivery of those Key Themes. Where budgetary constraints have delayed, reduced the scope, or completely negated TfN's ability to undertake certain activity this has been identified, allowing clear choices to be made between competing proposals.
- 4.6 Per the recommendation in the January Board report, members were invited to join a Member Working Group to allow officers to consult with Transport for the North Members regarding the development of the Business Plan and Budget prior to Reports being brought to the Board for consideration and approval.
- 4.7 This Member Working Group has since been established and met in two groups (to facilitate diary management) on 8 and 9 February to consider business planning matters. The soundings taken in those meetings are reflected in the content of this report. In addition, working group meetings are scheduled for 26 February and 2 March. Any matters arising from those meetings, held after this report was circulated, will be updated to the committee on 4 March.
- 4.8 This report focuses on the activity that will be carried out by TfN's operational teams. Support team plans are to an extent dependent on the activity volumes driven from these areas, particularly Northern Powerhouse Rail which continues to constitute the bulk of TfN's transactional activity.

- 4.9 The remainder of this section sets out the approach to business planning being taken across:
- Core operational teams;
 - Northern Powerhouse Rail; and
 - Integrated and Smart Travel.
- Core Operational Teams – Key Priorities**
- 4.10 The focus of this section is TfN core operations teams that will deliver on the key priorities agreed with the Board in January:
- Strategic Transport Plan development, and underpinning policy activity (for example on decarbonisation of transport)
 - Investment Programme Benefits Analysis
 - Northern Transport Charter activities
 - Rail priorities (services and infrastructure).
- 4.11 The workstreams listed above were identified by TfN in the CSR submission to continue in its role of advising government on spending programmes. There are several “business as usual” strategy activities, which will involve several teams across the organisation. This is essentially core Transport for the North work required for the completion of medium-term deliverables – such as the refresh of the Strategic Transport Plan.
- 4.12 In light of the funding settlement we have reassessed our ability to deliver on those priorities based the cost reduction target set out in paragraph 3.14.
- 4.13 TfN can continue to deliver much of the core programme, albeit with some very significant reductions in key areas compared with the CSR submission, and careful prioritisation of activity and a more efficient use of existing TfN assets. This will mean activity stopping or not progressing some planned areas of work; finding more efficient and lower cost ways of working and delivery; and rapid reallocation of budgets in year if any work is rescheduled.
- Strategic Transport Plan Development**
- 4.14 TfN is preparing to produce a new Strategic Transport Plan. This is the start of a long-term process to update, agree and consult on a new STP which will not be adopted until early 2024. We can maintain most of the planned STP programme, with hard prioritisation of research and policy development activity, shift activities from professional services to in-house expertise and integrate with other work streams. We recommend TfN start work in 2021/22 by filling key evidence gaps as follows:

-
- Progressing our decarbonisation and freight strategies, including formal consultation and engagement processes.
 - Completing our current research projects on the visitor economy, social exclusion and user insight, and commissioning further work on health and wellbeing.
 - We will also work with the LEPs and others to update the Northern Powerhouse Independent Economic Review to reflect the economic opportunities and challenges post Covid.
 - Revisiting our Roads strategy in light of decarbonisation and future travel scenarios.
- 4.15 This means we will **not** now commission external work on developing the TfN policy positions as originally planned and will have reprogramme a number of other proposed research projects. Work on preparing the new STP itself will not start this financial year.
- Investment Programme Benefits Analysis (IPBA)**
- 4.16 At around £1m, IPBA represents a significant one-off investment in the North's evidence base. The IPBA will provide critical evidence to update the Northern Investment Programme and provide the basis for Transport for the North to provide statutory advice to the Secretary of State for Transport on strategic transport investment priorities in the North.
- 4.17 It will demonstrate for the first time, the added value of a long-term fully funded multi modal investment pipeline. The IPBA will include identification of the pipeline funding required to secure development and delivery of the right schemes at the right time.
- 4.18 Outputs from the IPBA work will include analysis of the economic, social and environmental outcomes from the investment programme, which is fundamental to identifying the transport schemes needed to achieve TfN's vision and objectives for the North. This analysis uses TfN's analytical models and data, and will form the heart of the next STP.
- 4.19 The supporting business case work will be prepared by TfN officers, drawing on existing evidence where possible and drawing on the latest Green Book guidance. This approach represents better value for money, reflects the approach taken in NPR and will ensure that the resulting business case is fully consistent with both the STP development and the Northern Transport Charter.
- 4.20 There was strong support at the Member Working Group for undertaking the IPBA programme in 2021/22and the Board subsequently confirmed that the project should now proceed.

Northern Transport Charter Activities

- 4.21 The January Board paper set out proposals for developing elements of the Northern Transport Charter from within TfN's current powers and funding envelope. This would enable TfN to make progress towards the objectives of the Charter, whilst building a track record in decision making and governance to support a future business case for further devolution of funding and powers.
- 4.22 There are a number of areas where we can make significant progress in 2021/22 whilst embedding the delivery of the Northern Transport Charter into the day to day activities of TfN. This approach is expected to involve:
- a) Developing the Northern Appraisal Framework alongside the IPBA programme to demonstrate the value of a decision-making model that balances transformational economic growth with environmental and social benefits.
 - b) Demonstrating the revised TfN decision-making model in practice, including:
 - Setting out an approach to prioritising strategic roads projects for construction to start in RIS3, and for projects to be tested for viability in RIS3 with a view to start in RIS4
 - Forming a delivery plan for NPR within any funding/timing constraints set out in the IRP
 - Forming an Independent Assurance Group to demonstrate the rigour behind TfN decisions and guide future investment decisions and prioritisation activity.
 - c) Achieving greater accountability of the railway in the North to the people of the North (through Rail North Committee)
 - Post Covid recovery to rebuild passenger confidence, increase passenger numbers and set a trajectory to mend the finances of rail services.
 - Respond to the publication of the Williams review and input into rail reform more generally.
 - Identify any short-term measures to align rail services with plans for economic recovery in towns and cities across the north.
 - d) Further development of the work already undertaken with regards to proposals for the scope and mechanics of a Northern funding settlement aligned with the emerging evidence from the IPBA work.
 - e) Exploring mechanisms for greater public participation in transport policy formulation:

-
- Opportunity to organise a Citizen's Assembly to inform complex future transport issues, such as how road use is paid for in the future. Research is underway on options and best practice. This would be a significant undertaking, potentially done jointly with other STBs, and would require additional funding from reserves if undertaken in 2021/22.
- 4.23 The Member Working Group has emphasised the need to maintain a clear and visible focus on NTC activity during 2021/22, and recommended that the NTC Member Working Group be established to steer the work programme above, with the exception of rail activity where the Rail North Committee will continue to oversee input into the Rail North Partnership. We will factor the internal support and coordination of that activity into the business plan.
- ### **Strategic Rail Priorities**
- 4.24 Our proposals for rail focus on rebuilding confidence and services post-Covid and responding to both the Integrated Rail Plan and the Williams Review with clear plans for infrastructure and services. Our work supporting scheme development activity will now be much less ambitious than our CSR submission – particularly for local schemes and freight.
- 4.25 Key priorities include:
- Shaping and responding to the Covid recovery, working strategically to outline and deliver the Roadmap to Recovery activities that will encourage passengers back to rail.
 - Integration of classic rail with HS2 & NPR for services and infrastructure after Integrated Rail Plan is published.
 - Long Term Rail Strategy Delivery Plans including journey time and reliability workstreams.
 - Continued basic support partners to accelerate the delivery of the STP outcomes and local development.
- 4.26 A number of activities identified in our CSR submission remain at risk, although we are increasingly confident that some elements of the following priorities could be funded, albeit in a more limited way than originally envisaged. The final position will be reflected in the advice to the March Board. The potential activities include:
- Early scheme development to develop the rail investment pipeline and secure a greater share of DfT's investment funding

- Delivery of fares and ticketing strategy (under consideration as part of assessing retention of an IST capability, positioned in Strategic Rail funded out of TfN's core budget)
- Roll out of LTRS Delivery Plans including Journey Times and Reliability.
- More proactive support on local scheme development for LTA partners.

Northern Powerhouse Rail

- 4.27 Detailed business planning has already been undertaken for the Northern Powerhouse Rail Programme, based on assumptions regarding the submission and approval of the proposals within the SOC. As this programme is co-cliented, this business plan has been developed with the department on the basis of the NPR Memorandum of Understanding (approved by the Board in January 2020).
- 4.28 As in 2020/21, the planned activity has been split for budget purposes between "Committed" amounts, that will be agreed with the department prior to the approval of the budget, and "Contingent" amounts, which either reflect that part of the work that TfN would like to do where detailed agreement with the co-client has not been achieved, or where it is expected that activity will be needed, but where the exact requirement and associated cost are dependent on work that is yet to be carried out.
- 4.29 It should also be noted that whilst it represents the co-clients' current best estimate, at least some elements of the plan that supports the Committed budget are subject to uncertainty related to the timing and outcome of the Integrated Rail Plan, and it is possible that this plan may need to be recast once the outcome of it is known.
- 4.30 It is currently estimated that the Committed budget for 2021/22 will be c.£49m, alongside an £18m Contingency budget.
- 4.31 The high-level plan to take forward the NPR Programme is currently as follows:
- Develop Strategy and Policy – NPR policy development and a high-level strategic business plan for all projects through to FBC.
 - Programme Business Case – Submission of a Network Strategy Report to TfN Board for approval, phasing for single route options and associated TAME model development.
 - Project Business Cases – targeted studies on new line options to support differentiation between options, reach a single route option for each corridor and station on the existing network, agree

procurement approach and undertake the process for “fast tracked” options (i.e. where a single option already exists.

- Start of Procurement – Contracts in place for OBC stage for the new line, on network and identified fast track projects.
- Long term funding envelope – Negotiate and agree RDEL and CDEL budget for NPR.

Integrated Smart Ticketing

- 4.32 In the absence of any IST funding allocation, TfN will have no resources with which to take forward the programme. There is a small amount of work required to complete Phases 1 and 2, and TfN is currently working up a plan to deliver this and the wind-down of the programme. TfN already holds sufficient IST grant to resource these activities, subsequent to which any remaining grants will be returned to the department.
- 4.33 It is recognised, however, that TfN may need to retain Smart ticketing capability to support its other policy aspirations, not least in relation to supporting the building back of public transport passenger options and the longer objectives in relation to decarbonisation.
- 4.34 Options are therefore being considered which would either maintain strategic IST capability within Strategic Rail, or would fund a small programme such as a pilot rail PAYG on a small scale or to produce business cases for contactless on light rail over the course of the next year. The costs of these options are being worked up in detail but would be c.£100k for the former and c.£500k for the latter.

5. Activity in advance of 24 March Board

- 5.1 Subsequent to the 4 March Scrutiny Committee meeting there are eight working days prior to the submission of the final draft Business Plan and Budget Report to the TfN Board for approval.
- 5.2 During that time TfN will need to complete the following activity:
 - Complete the internal review and approval of departmental business plans;
 - Produce an overarching draft TfN business plan;
 - Agree the KPIs by which progress will be monitored;
 - Agree programme budgets with the DfT;
 - Agree and draft a TfN budget Report.
- 5.3 This activity will continue to be supported by the Member Working Group.

6. Risks

- 6.1 As in previous years, the majority of TfN's proposed expenditure will sit within its programmes, and specifically NPR. This is the main driver of overall TfN expenditure, as well as being a key contributor to the demands placed upon TfN's support functions. The uncertainty with regard to the timing and substance of the IRP means that there is a risk that the programme may suffer from delays and / or the need to reconsider the required activity. TfN will continue to express programme budgets as "committed" and "contingency" as in previous years and will reassess the position once clarity with the IRP has been achieved.
- 6.2 Some of the key drivers of TfN underspends in 2020/21 will continue into the new budget year. These include uncertainty with regard to the restrictions that might be in place vis-à-vis the Covid-19 pandemic, uncertainty in relation to funding beyond the end of 2021/22 and uncertainty around policy decisions, including the IRP. Underspending in 2021/22 will carry reputational and future funding risks. The greater reliance on internal resources to deliver activity will make the cost base more predictable, but TfN will also put in place arrangements to switch funding to "reserve" activity if it becomes apparent that this is necessary during the year.
- 6.3 To further mitigate this risk was proposed to the Board that, subject to suitable break clauses being agreed, the consultancy support that has been procured to support the delivery of the IPBA (as described in Section 4 above) is confirmed immediately to allow mobilisation of resources to occur before the start of the new financial year. This was approved and has subsequently been actioned.

7. Recommendation:

- 7.1 That the Scrutiny Committee review and comment upon the priorities and emerging proposals for the operational teams and IST and NPR programmes set out in Section 4 and this report more broadly.

Appendix – Funding and Business Planning Report provided to 14 January TfN Board.

ENDS

List of Background Documents

Required Considerations

Please confirm using the yes/no options whether or not the following considerations are of relevance to this report.

Equalities:

Age	Yes	No
Disability	Yes	No
Gender Reassignment	Yes	No
Pregnancy and Maternity	Yes	No
Race	Yes	No
Religion or Belief	Yes	No
Sex	Yes	No
Sexual Orientation	Yes	No

Consideration	Comment	Responsible Officer	Director
Equalities	A full Impact assessment has not been carried out because the subject matter of the report has no Equalities impact.		Iain Craven

Environment and Sustainability

Yes	No
-----	----

Consideration	Comment	Responsible Officer	Director
Sustainability / Environment	A full impact assessment has not been carried out because the report has no direct sustainability or environmental impacts.		Iain Craven

Legal

Yes	No
-----	----

Consideration	Comment	Responsible Officer	Director
Legal	Provided TfN has regard to the need to carry out its statutory duties and obligations, setting of its business plan and budget within the available funding envelope is within the discretion of the Board.	Julie Openshaw	Dawn Madin

Finance

Yes	No
------------	----

Consideration	Comment	Responsible Officer	Director
Finance	The financial implications have been considered and are included in the report.	Paul Kelly	Iain Craven

Resource

Yes	No
------------	----

Consideration	Comment	Responsible Officer	Director
Resource	The resource implications have been considered and are included in the report. The paper setting our TfN's final budget and business plan to be presented to March meeting will fully set-out any associated resourcing implications.	Stephen Hipwell	Dawn Madin

Risk

Yes	No
-----	----

Consideration	Comment	Responsible Officer	Director
Risk	Risks relating to the funding arrangements have been outlined in the report.	Haddy Njie	Iain Craven

Consultation

Yes	No
-----	----

Consideration	Comment	Responsible Officer	Director
Consultation	A consultation process has not been carried out as it is not required for this report.		Iain Craven

This page is intentionally left blank

TfN Scrutiny Committee

Subject: Manchester Recovery Taskforce

Author: Adam Timewell, Head of Rail Service Outputs

Sponsor: David Hoggarth, Strategic Rail Director

Meeting Date: Thursday 4th March 2021

1. Purpose of the Report:

The report provides information about service change options flowing from recommendations of the Manchester Recovery Task Force. The Committee is asked to note the recommendations of the Manchester Recovery Task Force and the ongoing public consultation.

2. Executive Summary:

- 2.1 Congestion in Central Manchester has had a significant impact on performance across the North of England. The Manchester Recovery Task Force was established early 2020 and their work has progressed to develop feasible options for consideration and to assess carefully how these options will improve the overall reliability of the network as well as the impact they will have on passengers. The Task Force has produced a series of options to improve performance in the short-term pending the delivery of infrastructure in the medium to long term.
- 2.2 A public consultation commenced in early January 2021. It is seeking views from the public and stakeholders on work that has been undertaken to date by the Task Force. The consultation will inform decisions to be made in Spring 2021 on potential changes to the passenger timetable planned for May 2022.

3. Consideration:

3.1 Manchester Recovery Task Force update

The Manchester Recovery Task Force was set up in January 2020 to address the unacceptable levels of train performance impacts across the north. The Task Force - made up of industry and stakeholder representatives from the Department of Transport, Network Rail, Northern, TransPennine Express, Transport for the North and TfGM - is the first of its kind to address a congested infrastructure issue.

-
- 3.2 The Castlefield Corridor infrastructure in central Manchester had been declared 'congested' by Network Rail in 2019. The official designation of the area as 'congested' formally acknowledges that the infrastructure is not able to deliver all the train service frequency requirements being demanded of it, resulting in repeated and regular poor performance. In practice, the designation of congested infrastructure means that Network Rail must work with Train Operators and other industry partners to devise a timetable that can deliver a level of performance upon which the travelling public can reasonably depend.
- 3.3 Manchester Recovery Task Force work has worked during 2020 to develop feasible options for consideration. The options for consideration have the same objectives – namely:
- To improve train performance for everybody;
 - to maintain service levels for as many passengers as possible; and
 - to create a timetable that is based on sound principles from which it will be possible to build improvements, as infrastructure investment becomes available.
- 3.4 All options have got several essential features in common, which are:
- A reduction in frequency on the Castlefield Corridor the key 'Congested Infrastructure' constraint;
 - Better spacing of trains on the Castlefield Corridor to avoid delays knocking-on to following trains;
 - Fewer conflicts at key junctions to avoid trains crossing each other's paths;
 - Better linkage of services at Victoria to reduce trains turning around in platforms; and
 - A move towards regular 30 or 60-minute service patterns, to standardise operations and make train service patterns simpler for passengers, particularly when they need to interchange to complete their journey.

The detailed proposals are set out in Appendix 1

- 3.5 Each of the options has been assessed using two established quantitative methods:
- A rail passenger demand model, which calculates the effects on passenger numbers of changes in proposed timetables; and
 - A rail simulation model that calculates the expected amount of delay for any given timetable.
- 3.6 The initial results indicate that changing the timetable in the ways proposed can offer passenger benefits and performance benefits overall, by trading-off some direct services to destinations (including Manchester Airport) and choice of Manchester destination station for some journeys.

- 3.7 There has been consideration as to whether timetable changes are now needed, given that performance is currently higher than previously and it may take some time for passenger demand to recover from the pandemic.

The Task Force is strongly of the opinion that timetable changes, as described in section 3.4, should be pursued. There are three important reasons for this:

1. The current infrastructure cannot reliably deliver the (pre-Covid) timetable. This has not changed despite the pandemic.
2. It is sensible to plan any changes to the timetable whilst fewer people are travelling by rail.
3. Although it may take some time, it is imperative that we attract and encourage passengers back to the railway when the time is right. We must be ready for them with a robust and reliable timetable.

- 3.8 A public consultation, issued jointly by DfT and Transport for the North, commenced in early January 2021. The consultation does three things:

1. Explains the problem we are trying to solve and how the Task Force have developed the three main options and how they are being assessed.
2. Seeks views on how we make trade-offs and comments on the different options – particularly the requirements of different types of passengers, for example airport travellers vs commuters.
3. Sets out next steps.

- 3.9 During this period, the Task Force will continue to work with stakeholders, train operators and others to further develop and refine the options. In April 2021, the Task Force will produce its final recommendation to the Rail North Committee for them to endorse which, if any, of the options to progress. This will then proceed to the Department for Transport to complete the necessary approvals process.

- 3.10 In the light of this decision, Train Operators will develop a detailed complete timetable which they will then consult on with the public and other user groups, as is normal practice for proposed timetable change. This second consultation will provide an opportunity for communities to engage with operators who will endeavour to accommodate adjustments to the proposed timetable where possible. By this point the main structure of the timetable will be broadly fixed.

4. Recommendation:

- 4.1 That Scrutiny Committee make recommendations to the Rail North Committee in response to the Consultation.

Appendix

Table of proposed timetable variations

List of Background Documents:

Public Consultation Paper - <https://www.gov.uk/government/news/consultation-launched-to-improve-manchesters-railways>

Required Considerations

Equalities:

Age	Yes	No
Disability	Yes	No
Gender Reassignment	Yes	No
Pregnancy and Maternity	Yes	No
Race	Yes	No
Religion or Belief	Yes	No
Sex	Yes	No
Sexual Orientation	Yes	No

Consideration	Comment	Responsible Officer	Director
Equalities	A full Impact assessment has not been carried out but a public consultation exercise has been conducted.	Adam Timewell	David Hoggarth

Environment and Sustainability

Yes	No
-----	----

Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	The provisions of this report do not require any environmental or sustainability assessment/appraisal.	Peter Cole	Tim Foster

Legal

Yes	No
-----	----

Consideration	Comment	Responsible Officer	Director
Legal	Transport for the North Legal Team has confirmed there are no legal implications.	Deborah Dimock	Julie Openshaw

Finance

Yes	No
-----	----

Consideration	Comment	Responsible Officer	Director
Finance	Transport for the North Finance Team has confirmed there are no financial implications for Transport for the North.	Paul Kelly	Iain Craven

Resource

Yes	No
-----	----

Consideration	Comment	Responsible Officer	Director
Resource	Transport for the North HR Team has confirmed there are no direct resource implications.	Stephen Hipwell	Dawn Madin

Risk

Yes	No
-----	----

Consideration	Comment	Responsible Officer	Director
Risk	A full risk assessment is not needed for this report and therefore not carried out. However some key challenges have been identified in para 3.2	Haddy Njie	Iain Craven

Consultation

yes	
-----	--

Consideration	Comment	Responsible Officer	Director

Consultation	A public consultation exercise has been carried out.	Adam Timewell	David Hoggarth
--------------	--	---------------	----------------

This page is intentionally left blank

Routes		Dec 19	Option B5	Option B8	Option C9
Castlefield	CLC / Hope Valley	1tph Liverpool-Norwich 1tph Liverpool-Airport 1tph Airport-Cleethorpes 2tph Liverpool-Oxford Rd	1tph Liverpool-Norwich 1tph Liverpool-Airport 1tph Airport-Cleethorpes 2tph Liverpool-Oxford Rd	2tph Liverpool-Cleethorpes/Norwich 2tph Liverpool-WarringtonC 1tph WarringtonC-Oxford Rd 1tph WarringtonC-Oxford Rd (Peak)	2tph Liverpool-Cleethorpes/Norwich 2tph Liverpool-WarringtonC 1tph WarringtonC-Oxford Rd 1tph WarringtonC-Oxford Rd (Peak)
	Bolton	1tph Scotland-Airport 1tph Blackpool-Airport 1tph Blackpool-Hazel Grove 1tph Preston-Victoria 1tph Southport-Alderley	1tph Scotland-Airport 1tph Cumbria-Airport 2tph Blackpool-Hazel Grove 1tph Blackpool-Airport (Peak)	1tph Scotland-Airport 1tph Cumbria-Airport 2tph Blackpool-Alderley Edge	1tph Scotland-Airport 1tph Cumbria-Airport 2tph Blackpool-Airport 1tph Preston-Victoria (Peak)
	Chat Moss	1tph Liverpool-Crewe 1tph North Wales-Airport 1tph Cumbria-Airport	1tph Liverpool-Airport 1tph Scotland-Airport (Peak)	1tph Liverpool-Airport 1tph North Wales-Airport 1tph Wigan NW-Hazel Grove (Peak)	1tph Liverpool-Oxford Rd 1tph Wigan NW-Hazel Grove (Peak)
	Atherton				1tph Southport-Oxford Rd (Peak)
North TPE		2tph Fasts to Liverpool 2tph Fasts via Chord 2tph Hull/Hudds-Piccadilly	2tph Fasts to Liverpool 2tph Fasts via Chord 2tph Hull/Hudds-Piccadilly	2tph Fasts to Liverpool 1tph Redcar-Airport 1tph Newcastle-Victoria 2tph Hull/Hudds-Piccadilly	2tph Fasts to Liverpool 2tph Fasts via Chord (reduced to 1tph high peak only) 2tph Hull/Hudds-Piccadilly
Victoria North Side		1tph Chester-Leeds 1tph Victoria-Leeds via BDI 1tph Wigan-Leeds via DEW 1tph Wigan-Blackburn via TOD 1tph Kirkby-Victoria 1tph Rochdale-Clitheroe 1tph Rochdale-Blackburn 1tph Southport-Stalybridge 1tph Stalybridge-Man Vic 1tph Wigan-Victoria (Peak) 1tph Liverpool-Victoria (Peak)	1tph Chester-Leeds 1tph Wigan-Leeds via BDI 1tph Wigan-Leeds via DEW 1tph Kirkby-Blackburn via TOD 2tph Rochdale-Blackburn/Clitheroe 1tph Chester-Stalybridge 1tph Southport-Stalybridge 1tph Southport-Victoria 1tph Liverpool-Victoria (Peak)	2tph Victoria-Leeds via BDI 1tph Wigan-Leeds via DEW 1tph Kirkby-Blackburn via TOD 2tph Rochdale-Clitheroe 1tph Southport-Victoria 1tph Southport-Stalybridge 1tph Chester-Stalybridge 1tph Wigan-Victoria (Peak) 1tph Liverpool-Victoria (Peak)	2tph Chester-Leeds via BDI 1tph Wigan-Leeds via DEW 1tph Kirkby-Blackburn via TOD 2tph Southport-Stalybridge 2tph Rochdale-Clitheroe 1tph Liverpool-Victoria (Peak)
South Manchester		1tph Liverpool-Airport-Crewe 1tph Piccadilly-Crewe 1tph Piccadilly-Stoke 2tph Piccadilly-Buxton 1tph Piccadilly-Chester 1tph Piccadilly-Stoke (Peak) 1tph SPT-Chester (Peak) 1tph Alderley-Picc (AM)	1tph Piccadilly-Airport-Crewe 1tph Piccadilly-Stockport-Crewe 1tph Piccadilly-Alderley Edge 1tph Piccadilly-Stoke 1tph Piccadilly-Chester 1tph Piccadilly-Buxton 1tph Piccadilly-Buxton (Peak) 1tph Piccadilly-Stoke (Peak) 1tph Stockport-Chester (Peak)	1tph Piccadilly-Airport-Crewe 1tph Piccadilly-Styal-Crewe 1tph Piccadilly-Stoke 2tph Piccadilly-Buxton 1tph Piccadilly-Chester 1tph Piccadilly-Stoke (Peak) 1tph Stockport-Chester (Peak) 1tph Wigan NW-Hazel Grove (Peak)	2tph Piccadilly-Airport-Crewe 2tph Piccadilly-Alderley 1tph Piccadilly-Stoke 2tph Piccadilly-Buxton 1tph Piccadilly-Chester 1tph Piccadilly-Llandudno 1tph Piccadilly-Stoke (Peak) 1tph Hazel Grove-Wigan NW (Peak)

This page is intentionally left blank

Scrutiny Committee

Subject: TfN's Freight Strategy – Update on Activity

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

Sponsor: Tim Foster, Director of Strategy and Programmes

Meeting Date: Thursday 4 March 2021

1. Purpose of the Report:

- 1.1 This report presents an update on the progress towards developing a TfN Freight Strategy. The report is for update, to generate discussion and information.

2. Executive Summary:

- 2.1 This report presents a summary of the work done to date and a forward look of activity to develop a Freight Strategy for TfN. The TfN Freight Strategy is being developed within TfN supported by Atkins and will cover road, rail, warehousing and port activity. The draft strategy will clearly articulate the key investments in road and rail required to support a strong and growing freight and logistics sector in the North.
- 2.2 The key issues are very similar to those that were highlighted in the Enhanced Freight and Logistics Analysis report that TfN published as part of the evidence base to support the development of the Strategic Transport Plan. They are around a lack of opportunity to move freight on the railway over the Pennines, an overall lack of capacity on the North/South routes and a lack of certainty on future policy direction of fuel supply and use. Where over 90% of freight in the North is moved by road, the challenge to decarbonise the fleet of vehicles that do the movements is great as is ensuring that the road network is free flowing and resilient to challenges such as congestion and incidents.
- 2.3 The work on the draft strategy is now close to completion and will be presented to the TfN Board in March for final approval. The intention is to undertake a consultation in 2021/22 before the strategy is formally adopted.

3. Consideration:

- 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 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.

- 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.

4 Development of the TfN Freight Strategy

- 4.1 The TfN Freight Strategy is being developed within TfN supported by Atkins and will cover road, rail, warehousing and port activity. The draft strategy will clearly articulate the key investments in road and rail required to support a strong and growing freight and logistics sector in the North. In summary, the strategy will be broadly made up of 3 sections:
 - Existing freight market and policies (includes policy and literature review);
 - TfN freight aspirations (includes unconstrained demand and long list of required interventions); and
 - Potential intervention list and business case pipeline (initiatives/interventions to be modelled, results of modelling and shortlisting of interventions for the pipeline).
- 4.2 The strategy takes a multimodal approach and considers capacity 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 will be consideration of the importance of well-connected terminals that feed the main warehousing clusters of Warrington in the North West and Wakefield and Doncaster in the East.
- 4.3 The key objective of the strategy is to identify which interventions included in the TfN Investment Programme and Economic Recovery Plan that would strengthen the sector and the North's economy by

being accelerated and will set out the key road and rail priorities for TfN to take forward with partners, the industry and delivery bodies.

- 4.4 The work is also closely aligned to TfN's decarbonisation work, as well as wider industry plans for decarbonisation. 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. If you run 1 train per hour over the Pennines, you 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 free flowing more easily accessible network.
- 4.5 By 2050 it is anticipated that all HGVs will be either hydrogen fuelled or EVs. At the last Partnership Board, it was also highlighted that future autonomous vehicles may be less distance and time sensitive – therefore using existing road infrastructure better. The freight strategy will need to consider 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 need consideration within the strategy to give a balanced discussion.
- 4.6 Emerging themes from the literature reviewed to date are consistent across the 30+ papers that have been reviewed. All analyse the 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.
- 4.7 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.
- 4.8 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 will be included in the strategy to support this will be calculations based on where trains have to be held for passengers to pass or where there is time waited to use the allocated path on the network. This will show how suppressed the market really is.

4.9 The common rail themes for the north include:

- The lack of quality TransPennine freight paths with sufficient gauge clearance which will allow the largest containers to use the network. The impact of this is the lack of penetration of northern ports (Liverpool, Humber, Tyne, Tees etc). The gauge cleared TransPennine route Diggle is seen as a means to take freight traffic off the M62. This is a key theme from the latest TfN, Transport for Greater Manchester and Network Rail papers.
- Changes to road freight activity likely to be brought about by the UK exiting the European Union, changes to the way drivers from the EU can drive in the UK, pinch points and decarbonisation.
- Availability and quality of paths for accessing Trafford Park and other inter-modal termini. There is an apparent requirement for more options for additional rail linked terminal capacity on top of Trafford Park with the example of iPort Doncaster being right back up to capacity of 6 trains per day.
- Key locations on the west coast and east coast main lines such as Winwick and Doncaster require investment to support additional freight activity.
- Rail freight ambitions, excluding decarbonisation, are significantly less ambitious than for passenger network. There is a high potential for additional rail freight capacity taken in smaller steps as other improvements and enhancements are developed and delivered.

4.10 The common road themes for the North include:

- The strength of the north relies on its potential to increase multi-modality 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 port 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 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.

5. Next Steps

- 5.1 We will agree the draft strategy with TfN Board in March 2021. The work to date has been a comprehensive trawl through existing literature to ensure the recommendations we make will be recognisable to industry and partners. Any previous recommendations or policy positions from organisations such as Network Rail or Department for Transport are being checked to see if they have either been delivered or are still a priority.
- 5.2 The work on the freight strategy is being overseen by the Strategic Oversight Group comprised of TfN officers and partner officers. Additionally, consultation and engagement will be planned, where possible and appropriate, with LEPs, TfN's Major Roads Group, Officer Reference Group and the Freight and Logistics Working Group. From the private sector we will contact Ports, Freight Operating Companies, Logistics UK, Road Haulage Association, Rail Freight Group and other businesses who have a keen interest in our work. We will also make use of other networks through the Department for Transport, Network Rail and Highways England where possible.
- 5.3 Following the agreement of the draft Strategy, we envisage that a brief period of consultation will be required in the summer of 2021 before the strategy is formally adopted.
- 5.4 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.

6. Conclusion:

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

7. Recommendation:

- 7.1 It is recommended that the Committee note progress and timescales outlined in this report. A further update on progress will be presented at the meeting on the 4 March.

List of Background Documents:

There are no background papers to this report.

Required Considerations

Equalities:

Age	No
Disability	No
Gender Reassignment	No
Pregnancy and Maternity	No
Race	No
Religion or Belief	No
Sex	No
Sexual Orientation	No

Consideration	Comment	Responsible Officer	Director
Equalities	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.	Lucy Hudson	Tim Foster

Environment and Sustainability

	No
--	----

Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	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.	Lucy Hudson	Tim Foster

Legal

	No
--	----

Consideration	Comment	Responsible Officer	Director
Legal	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.	Deborah Dimock	Julie Openshaw

Finance

	No
--	----

Consideration	Comment	Responsible Officer	Director
Finance	TfN Finance Team has confirmed there are no financial implications at this current time.	Paul Kelly	Iain Craven

Resource

	No
--	----

Consideration	Comment	Responsible Officer	Director
Resource	TfN HR Team has confirmed there are no resource implications at this current time.	Stephen Hipwell	Dawn Madin

Risk

	No
--	----

Consideration	Comment	Responsible Officer	Director
----------------------	----------------	----------------------------	-----------------

Risk	A risk assessment is not required for this report.	Haddy Njie	Iain Craven
------	--	------------	-------------

Consultation

	No
--	----

Consideration	Comment	Responsible Officer	Director
Consultation	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.	Deborah Dimock	Julie Openshaw

This page is intentionally left blank

Scrutiny Committee

Subject: TfN Decarbonisation Strategy

Author: Peter Cole, Principal Environmental and Sustainability Officer

Sponsor: Tim Foster, Interim Strategy and Programme Director

Meeting Date: Thursday 4 March 2021

1. Purpose of the Report:

- 1.1 This report provides an update for members on the development of the TfN Decarbonisation Strategy.

2. Executive Summary:

- 2.1 Building on the commitment to develop a decarbonisation pathway to 2050, TfN is preparing a Decarbonisation Strategy for agreement, consultation and publication during 2021.
- 2.2 The Strategy will illustrate existing emissions from surface transport in the North, a number of future plausible emissions scenarios and an agreed regional Decarbonisation Trajectory. The strategy document will then present a policy analysis to understand the strength of policy commitment needed and the types and mix of measures that could be used for the region to bridge the policy gap.
- 2.3 The Strategy document will also include chapters on embodied carbon and climate change resilience and adaptation, as well as identifying a number of activities that TfN proposes to undertake in the short term, up to 2025. As part of the latter, we are undertaking a high-level review of the key opportunities for TfN to support clean growth opportunities and LEP strategies in the North, in relation to the decarbonisation of our transport system.
- 2.4 Engagement with Partner officers, industry, academia (in particular the Decarbon8 network) and other Sub National Transport Bodies, has been instrumental in the development of the Strategy.

3. Consideration:

- 3.1 TfN's Strategic Transport Plan committed to the development of a 'Decarbonisation Pathway to 2050' so that a zero-carbon transport network is at the heart of public policy making and future investment

decisions in the North. The draft Strategy is currently being prepared by TfN officers for agreement with members at the TfN Board in March.

- 3.2 A key element of the strategy will be an agreed end date for the whole of the North to achieve net zero emissions on surface transport. The Board have previously agreed that this should be earlier than the government's stated date of 2050.

Developing the Strategy

- 3.3 The Decarbonisation Strategy will build on the Strategic Transport Plan commitments with a holistic, pan-Northern approach to achieving net zero. Our development work has helped us define and prioritise the key areas for focus, and engagement with Partners, DecarboN8 and other STBs. The strategy will be based on the following key elements.

- 3.4 Firstly, the strategy will introduce TfN's Decarbonisation Trajectory, defining:

- What is included within the trajectory the rationale for the agreed end date and how TfN intends to use the trajectory.
- An illustration and breakdown of the region's current emissions from surface transport, and an introduction to TfN's Future Travel Scenarios. These will be combined to provide a series of plausible future baseline emission scenarios.

- 3.5 Secondly the strategy will define the 'policy gap' between each future scenario and TfN's agreed Decarbonisation Trajectory, including:

- Which existing policy commitments will need to be strengthened at both a national and local level to bridge the policy gap between a number of our plausible future travel scenarios and our required trajectory.
- What combination of new policy measures, at both a local and national level, will be needed to achieve the demand and vehicle emissions intensity objectives defined within our decarbonisation pathway under each future travel scenario.

Detailed work is currently underway to identify where national support is required as well as baskets of policy measures that could be utilized by local policy makers.

- 3.6 Within the policy section, we will also consider a number of other important elements:

- The potential co-benefits and also unintended adverse consequences associated with the main transport decarbonisation policy levers.

- TfN's approach to embodied carbon and how it will be considered within our decision making at both a strategic level and at a project level.
 - Climate change adaptation, resilience and the consideration of the impacts of climate change within our business case development including a light touch review of relevant national and local guidance.
- 3.7 Finally, the decarbonisation strategy will identify the proposed priority actions for TfN to undertake in the next few years. TfN will focus on those actions best taken at a pan-northern level that will help our Partners along their decarbonisation journey through the provision of evidence, data and implementation strategies.
- 3.8 Alongside the agreed actions for TfN will be a number of indicators to be incorporated into TfN's evolving Monitoring and Evaluation Framework, through which we can measure:
- The regions progress in terms of decarbonisation of surface transport.
 - The success of specific measures and actions committed to within the Decarbonisation Strategy.

Consideration of Clean Growth Opportunities within the North

- 3.9 A current area of focus in the development of the Strategy is to understand compatibility of the main decarbonisation policy areas with LEP strategic plans, including Local Industrial Strategies.
- 3.10 As part of this process we are also carrying out an initial high-level review of clean growth opportunities in the North and identifying the key areas and ways in which TfN can best support those opportunities.
- 3.11 It is important that our Decarbonisation Strategy is cognisant of, and where possible supports, the wide range of clean growth initiatives and opportunities that already exist in the North.

Engagement

- 3.12 Engagement with Partners, industry, other STBs and DecarboN8 have been essential in terms of shaping the Strategy, and in particular the subsequent priority actions for TfN, being developed currently. A workshop was held with Partner officers in late November to help define these actions.
- 3.13 TfN has also engaged actively with those Partners who are currently developing their own place-based trajectories and policy measures to ensure that proposed actions are complementary and to understand how best TfN can support those Partners in achieving their objectives.

-
- 3.14 The DecarboN8 network has also played an important role in helping us to define TfN's role in terms of decarbonisation, peer reviewing our evidence base and progressing early research in several areas.
- 3.15 In addition, the contents and intent of the Strategy has been informed by the substantive discussion, with Partner officers and elected members, that helped shape TfN's response to DfT's Transport Decarbonisation: Setting the Challenge consultation.

Defining the Trajectory

- 3.16 Local Authorities across the North have adopted whole economy net zero targets ranging from 2030 to 2050, with some authorities yet to develop or adopt targets. The 'starting point' for decarbonisation for different places in the North in terms of per capita emissions from transport, is similarly varied.
- 3.17 The adopted targets, costs of action, mix of solutions and pace of change in relation to the decarbonisation of transport will show significant variance between different places. A regional trajectory needs to reflect this variation and ensure it supports all our Partners.
- 3.18 The different high-level trajectory options considered in forming our recommendation include:
- Option 1 achieves a close to zero date by 2050 and assumes a Climate Change Committee consistent trajectory.
- Option 2, a more ambitious trajectory that reflects recent carbon budget analysis by the Tyndall Centre for Climate Change Research.
- 3.19 The Northern Transport Charter defines the requirement for a 'close to zero' emissions date, earlier than 2050. We are asking the Board to agree to our recommendation of adopting a provisional trajectory for surface transport emissions, in line with **Option 2**. Option 2 reflects an appropriate level of ambition whilst also being inclusive of all our Partners across the North and mindful of the varying pace of change which each can achieve.
- 3.20 It is expected that different places will have different decarbonisation trajectories and that these would be accommodated within the Northern trajectory. For example, it would be possible to reflect earlier dates set locally in some largely urban areas.
- 3.21 Our Decarbonisation Trajectory and pathways analysis will:
- Act as a benchmark for TfN's projects and programmes, allowing us to make more informed and better decisions.
 - Allow us to form evidenced based policy positions, particularly in terms of the level of national support needed.

-
- Allow us to account for longer distance journeys (that typically may be considered 'through traffic' at smaller spatial governance scales).
 - Enables us a better understanding of how best we can support Partners in achieving their own ambitions – through focussing our research, evidence gathering and lobbying.

Next Steps

- 3.22 A key task is to complete our decarbonisation pathway modelling work and our policy analysis, for which there are two main activities remaining:
- Testing the carbon reduction envelopes associated with key high-level policy actions. We have commissioned a specialist consultant who is currently assisting with this task.
 - Incorporating the latest national policy commitments following recent government announcements in relation to the phase out of internal combustion engine sales (2030) and, most recently, a 2030 whole economy carbon reduction target. This work will also need to incorporate the findings from the Climate Change Committee's 6th Carbon Budget.

The Government's Transport Decarbonisation Plan (TDP), originally due for publication in late 2020, is now due in Spring 2021. Once this is published, we will review our trajectory and pathway in light of any new/changed recommendations or assumptions.

4. Conclusion

- 4.1 The final Decarbonisation Strategy, incorporating TfN's Decarbonisation Trajectory will be presented TfN Board in March for final agreement, followed by consultation version of the document which will be presented for review.
- 4.2 Subject to the Board's agreement, the required public consultation is currently planned to commence in late May/early June 2021. We will ensure that members and partner officers have the opportunity to review consultation materials in advance of the public consultation. This version would also incorporate any late changes as a result of late publication of the governments TDP.
- 4.3 Following the public consultation, we expect to bring the final Strategy to a Board meeting in the autumn of 2021 for formal adoption.

5. Recommendation:

- 5.1 It is recommended that the Committee note the progress made and agree to TfN continuing the preparation of its Decarbonisation Strategy, utilising the recommended provisional Decarbonisation Trajectory, incorporating a close to zero date in advance of 2050 with a view to agreeing both at TfN Board in March 2021.

List of Background Documents:

There are no background papers to this report.

Equalities:

Age	Yes	No
Disability	Yes	No
Gender Reassignment	Yes	No
Pregnancy and Maternity	Yes	No
Race	Yes	No
Religion or Belief	Yes	No
Sex	Yes	No
Sexual Orientation	Yes	No

Consideration	Comment	Responsible Officer	Director
Equalities	A full Impact assessment has not been carried out because the report concerns the preparation of a Strategy, rather than endorsement of a final Strategy document. Note that the Strategy will include a commitment for further action in relation to avoiding Transport Related Social Exclusion as a result of transport decarbonisation policies.	Peter Cole	Tim Foster

Environment and Sustainability

Yes	No
-----	----

Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active	A full impact assessment has not been carried out because the report is not concerned with a subject that requires development consent	Peter Cole	Tim Foster

Travel and Wellbeing	(thus EIA is not required), and the Strategy is not likely to lead to any significant adverse effects not anticipated by the Strategic Transport Plan and the SEA that accompanied it.		
----------------------	--	--	--

Legal

Yes	No
-----	----

Consideration	Comment	Responsible Officer	Director
Legal	There are no obvious legal implications other than any addressed within the report.		

Finance

Yes	No
-----	----

Consideration	Comment	Responsible Officer	Director
Finance	TfN Finance Team has confirmed there are no financial implications.	Paul Kelly	Iain Craven

Resource

Yes	No
-----	----

Consideration	Comment	Responsible Officer	Director
Resource	The HR Team has confirmed there are no direct resourcing implications as result of this update.	Head of HR	Director of Business Capabilities

Risk

Yes	No
-----	----

Consideration	Comment	Responsible Officer	Director
Risk	A risk assessment is not required for this report.	Haddy Njie	Iain Craven

Consultation

Yes	No
-----	----

Consideration	Comment	Responsible Officer	Director
Consultation	A consultation has not been carried out but is scheduled to be undertaken during the Summer of 2021 following sign off of the Consultation Version by TfN Board.	Peter Cole	Tim Foster

This page is intentionally left blank

Agenda Item 9

By virtue of Section 100A(2) of the Local Government Act 1972 |(likelihood that confidential information would be disclosed in b)

Document is Restricted

This page is intentionally left blank