

# Rail North Committee Meeting

- Subject:** Rail Reform Matters
- Author:** Adam Timewell and David Hoggarth
- Sponsor:** David Hoggarth, Strategic Rail Director
- Meeting Date:** Wednesday 21 October 2020

## 1. Purpose of the Report:

- 1.1 This report provides an update on rail reform matters and provides an opportunity for members to discuss next steps and consider any further actions required. It covers both the local Blake Jones Review actions and the national approach to reform of the industry.

## 2. Executive Summary:

- 2.1 This report provides an update on rail reform matters including national changes to rail franchises and actions being implemented following the Blake Jones review. The paper includes a set of priorities that Transport for the North has put forward as outcomes that the North wants to secure through rail reform.
- 2.2 The paper highlights the actions taken to date including a positive meeting with Rail Minister Chris Heaton-Harris, correspondence with the Secretary of State on the Northern Transport Charter and also sets out the next steps in the short and medium term.
- 2.3 As part of the implementation of the Blake Jones actions, the report includes a new 'Guide to Rail in the North' for endorsement.

## 3. Next Steps on Rail Reform:

- 3.1 At the last meeting of the Committee, members considered a report providing an update on the rail reform agenda including the journey of rail devolution in the North of England, currently in the form of a partnership with the Department for Transport (DfT) to jointly manage the services operated by Northern Trains and TransPennine Express (TPE). Transport for the North is also a statutory partner in relation to rail investment (although the DfT retains budget and decision-making responsibility) and a consultee on other rail services within the North of England (operators other than Northern and TPE). The objectives for devolution in the North remain:

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- a) To support economic growth by delivering more rail capacity and better rail connectivity;
  - b) To improve the quality of the railways in the North, with a better offer for passengers encouraging more use; and
  - c) To deliver a more efficient railway and to secure greater value for money for the support from the public purse.
- 3.2 Given the uncertainty around the timing of the Williams Review (in the light of the emergency response to the Covid-19 pandemic), members agreed four priorities for reform which the North will be seeking under whatever form rail reform takes. These are:
- a) **Accountability to the public** – A structure that ensures the industry acts in a way that demonstrates accountability to communities in the North.
  - b) **De-centralisation** - Decision making made locally as far as possible to ensure better-informed decisions.
  - c) **Transparency** – Better sharing of information and joint working with the industry.
  - d) **Integration** – Ensuring integration of rail services with wider transport networks in local areas – working as one system (for example joined up ticketing and information).
- The latter point was added by the Committee following a suggestion at the July 2020 meeting.
- 3.3 In September 2020, DfT made a significant statement on rail reform in relation to the next stage of the Emergency Measures Recovery Agreements for rail operators. More information on the specifics of the arrangement for TPE are included in Agenda Item 7.
- 3.4 The Secretary of State's statement signalled the end of rail franchising and implemented the following changes:
- a) New 'recovery' contracts deliver government commitment to end the complicated franchising model and deliver a simpler, effective model to reform Britain's railways; and
  - b) Agreements focused on high performance targets and simplifying journeys are first steps to a network that puts passengers back in control.
- 3.5 In making the announcement, the Secretary of State acknowledged that the old model of privatisation and franchises was no longer working and set out the intention to replace it with a system that keeps the best elements of the private sector including competition

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and investment, that have helped to drive growth, but deliver strategic direction, leadership and accountability. The intention is to also secure better passenger outcomes including simplifying people's journeys, ending the uncertainty and confusion about whether you are using the right ticket or the right train company.

- 3.6 The announcement, which was supported by Keith Williams (who chaired the Williams Review), is the prelude to a white paper which will respond to his recommendations. DfT said that white paper will be published when the course of the pandemic becomes clearer.
- 3.7 The main action from the July Committee meeting was to seek a discussion with the Rail Minister covering the reform agenda and Blake Jones Actions (see below). Following that meeting there was an option to write to the Secretary of State re-affirming our commitment to reform. A meeting was held with the rail minister Rail Minister Chris Heaton-Harris, Cllr Judith Blake, Cllr Liam Robinson and officials to discuss progress on the Blake-Jones Review and future steps on rail devolution.
- 3.8 In the meeting, Councillors Blake and Robinson highlighted the strong progress that has been made implementing the recommendations to improve things for passengers. In particular, there has been a re-setting of relationships with the industry and some very positive joint working with strong local input from Transport for the North and its members.

Councillor Blake highlighted that the focus needs to be on restoring the trust of passengers, particularly in light of the Covid-19 challenges. Positive communication and better information to those travelling will be essential to reinstate trust in a railway that puts passengers first. She also highlighted that greater local input (with appropriate resources) and decision-making from the North must be an essential part of reforming the railways. This is outlined in the Northern Transport Charter, which aims to make northern growth sustainable and inclusive, and be ultimately led by those closest to communities. The minister was keen to explain his long-standing commitment to the concept of localism and devolution and how he is looking forward to building the next steps towards this.

In particular, he looks forward to receiving the outputs of TfN's current work to implement some of the Blake Jones recommendations through the proposed 'Guide to Rail in the North' and wanted the department's officials to work with TfN with impetus to finalise this.

The minister also explained how the changed circumstances of Covid-19 was providing opportunities to accelerate some of the Williams agenda, all of which remains hugely relevant. He concluded by emphasising the need for everyone to work together to build on the current exceptional levels of reliability and cleanliness to entice

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passengers back to the railway in the months and years ahead, and that initiatives such as the Passenger Promise ought to form a key part of how the railway demonstrates a totally different approach to customer experience.

- 3.9 Subsequent to the meeting, Transport for the North wrote to the Secretary of State for Transport to highlight the work on the Northern Transport Charter (led by Cllr Judith Blake) which includes the ambition for further rail devolution and the objective of 'putting passengers first'.
- 3.10 A positive response has been received from the Secretary of State which includes specific reference to rail schemes/ funding confirming that the Department will always seek to devolve the responsibility for decisions where they are convinced that this would benefit passengers, provide value to the taxpayer and support economic growth. The response also highlights that even where devolution of powers is not the best solution, the Government is committed to involving local authorities, passengers and local communities more closely in the decisions that affect them.
- 3.11 Transport for the North is now arranging a meeting with DfT officials to commence more detailed discussions on the North Transport Charter.

#### **4. Update on Blake Jones Actions:**

- 4.1 At the last meeting of the Committee, members were provided with an update on the Blake Jones Action Plan and agreed a number of recommendations to:
1. 'Close out' the Blake Jones review and embedding the implementation of the action plan, as set out in this paper;
  2. Note the development of the 'Guide to Rail North' (currently a work in progress) as a resource to explain and clarify how the railways are currently arranged and governed in the North of England;
  3. Request a joint paper to the next Rail North Committee meeting on high level strategic decisions expected over the coming five years (see section 5 of the report); and
  4. Seek a meeting with the Rail Minister to formally 'sign-off' the Blake Jones review and re-affirm commitment to a better railway in the future (covered in paragraph 3.8 above).

In addition, the Committee recommended a number of changes to Transport for the North's constitution to enact some of the Blake Jones Actions. These were agreed by Transport for the North's Board in July 2020 and have been subsequently enacted.

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### The Guide to Rail in the North

- 4.2 Led by advisor Jane Cornthwaite and with helpful input from lead officers, the Guide will shortly be completed. We will be working with officers and the Industry ensure effective distribution and implement a process for keeping the document “live” for the most up-to-date information.
- 4.3 As a reminder, this Guide was written to provide information and explanation about how the railways work in the North. This Guide aims to set out how things work together. It covers the main organisations involved, the main legal, statutory, and regulatory arrangements. It also explains how the relationships between organisations work on a day to day basis. We hope it provides readers with useful information and some helpful explanations of how things work in this complicated environment.
- 4.4 The latest version of the Guide is included as Appendix A.

### Ways of Working

- 4.5 Another key action from the Blake Jones review was to improve the ways of working between these organisations. A strong example of this has been the North of England Contingency Group which has been effectively used in coming together during crisis situations especially in recent times during the Covid-19 pandemic.
- 4.6 Taking the lessons from this group, we are looking to implement two Rail North Officer groups, Operations and Passenger Experience. These groups will look to take the local concerns and ambitions from local member groups (e.g. North East Regional Management Unit) and the strategic direction & policies from the Rail North Committee and the current Officer Reference Group. These groups would then work with the Industry to review the current issues, identify actions, and look to develop future delivery plans.
- 4.7 Terms of reference for these groups will shortly be consulted on with Member Officers and the industry.

## **5. Next Steps and Strategic Decisions:**

- 5.1 The next steps and likely strategic decisions over the coming few years are set out below. These specifically relate to rail reform matters and the broader forward plan is covered in Agenda Item 8.
- 5.2 **Short Term (next 12 months)**
- Shaping the next phase of the TransPennine Express contract and outcomes with a focus on supporting delivery of the Transpennine Route Upgrade.

- Shaping changes to the Northern specification post-Covid to reflect demand and growth forecasts.
- Initial response to the Williams White Paper.
- Continued collaboration with other devolved and part-devolved authorities to shape the rail reform agenda.

#### **Medium Term (2-5 years)**

- Development of a detailed proposition for the next stage of devolution in the light of the Williams White Paper.
- Specification for the next iteration of the Northern service contract.

### **6. Recommendations:**

- 6.1 It is recommended that the report is noted and that that members consider any further actions required in relation to the Blake Jones actions and rail reform agenda.
- 6.2 It is recommended the 'Guide to Rail in the North' (included as Appendix A) is endorsed for use with partners and stakeholders.

### **7. Appendices:**

- 7.1 Appendix 1 – Guide to Rail in the North

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**List of Background Documents:**

There are no background papers to this report.

**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

<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Equalities	A full Impact assessment has not been carried out because this does not deal with specific proposals.	Adam Timewell	David Hoggarth

**Environment and Sustainability**

Yes	No
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<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out because the report does not contain any specific new proposals.	Adam Timewell	David Hoggarth

**Legal**

Yes	No
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<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Legal	The report references changes to the TfN constitution which were agreed at the July meeting of the TfN Board. Transport for the North Legal Team has confirmed there are no legal implications from this report.	Deborah Dimock	Dawn Madin

### Finance

Yes	No
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<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Finance	There are no financial implications as a result of this report. The implications of any future amended responsibilities would be considered as part of any business case.	Paul Kelly	Iain Craven

### Resource

Yes	No
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<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Resource	The resource implications for responding to the reform agenda are being developed as part of the 2021/22 Business Plan.	Stephen Hipwell	Dawn Madin

### Risk

Yes	No
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<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Risk	A risk assessment has not been carried out. There is a risk that Transport for the North doesn't get the devolved funding and responsibilities aspired to as part of the reform agenda.	Haddy Njie	Iain Craven

### Consultation

Yes	No
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<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Consultation	There is no consultation required as the report does not present any specific new proposals.	Adam Timewell	David Hoggarth