

A GUIDE TO RAIL IN THE NORTH

First final draft

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1. INTRODUCTION

This Guide is written to provide information and explanation about how the railways work in the North. The railway industry is complicated. The North, as sub-national area, has its own complex set of geographies and authority arrangements. How the railway and the North fit together have many touchpoints. 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.

This Guide has been produced following the Blake Jones Review¹ which, in response to the disastrous May 2018 timetable introduction, recommended actions to improve trust, transparency and accountability across and between all industry participants and observers so that we can all really focus on delivering for our communities and passengers.

The Guide is not intended to be read cover to cover. The sections present information in themes and some points may be replicated as they are covered in a different way at different points. The information is intended to be factual, but not comprehensive. Data is approximate and should not be cited from this source. Detail is deliberately omitted to avoid burdening the reader. For this reason, the content of this guide should not be **solely** relied on for a detailed understanding of rail in the North of England. We hope it provides readers with useful information and some helpful explanations of how things work in this complicated environment

At the heart of the railway in the North are the passengers and freight customers. Everyone involved in specifying, funding, planning, delivering and operating the railway is part of a wide community serving the people and businesses who depend on what we do. These are the people who must be in the forefront of our minds as we work together to deliver the best possible services for our communities and economy.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/818985/blake-jones-technical-report.pdf

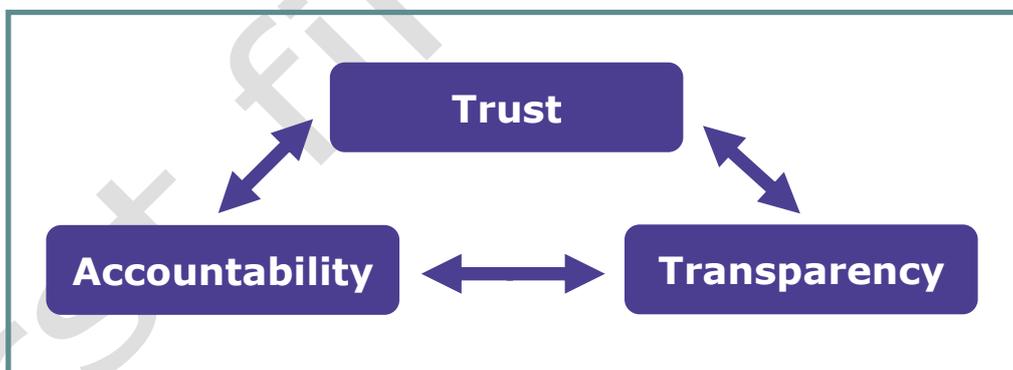
2. RELATIONSHIPS AND WORKING TOGETHER

The Blake-Jones Review

The Blake Jones review was commissioned in 2018 by the then Secretary of State for Transport and was led by Councillor Judith Blake (leader of Leeds City Council) and the then Rail Minister. It was published in 2019 jointly by the Rail Minister – Andrew Jones and Councillor Blake. The review looked at the workings of the Rail North Partnership in relation to the introduction of the May 2018 timetable. As has been examined elsewhere, the failings which resulted in May 2018 were many. Importantly, Government acknowledged that the current railway arrangements were no longer fully fit for purpose. Rail reform is on the way, with the wider Review led by Keith Williams looking at the industry in its entirety.

The Blake Jones review concluded that the arrangements in the north – particularly with respect to the Rail North Partnership – did not contribute to the May 18 situation, nor would they have been able to prevent it. Nevertheless, the review did conclude that the arrangements had not worked perfectly and recommendations were made so that these could improve.

Underpinning all the recommendations of the Blake-Jones Review is the need to improve trust, accountability and transparency between all organisations who work to specify, plan, and deliver rail services in the North of England for passengers and freight customers.



Ways of working

To support the re-establishment of trust, and to work towards greater accountability and transparency in delivering rail services in the North of England, those involved in rail in the North of England have agreed to the following ways of working. This is our commitment to passengers, freight users and the wider communities we all serve to put the users of train services at the heart of everything we do.

- Take account of all passengers and passenger interests, as well as freight customers when making decisions and setting priorities

- Reaffirm the 'Purpose' of the Rail North Partnership Agreement – namely to facilitate greater rail devolution in the North of England
- Support progress to provide greater elected member oversight of decisions affecting passengers and freight in the North of England
- Undertake early passenger consultation when possible and communicate clearly and transparently when not
- Make the case for investment and service improvements
- Advocate the efficient and sensible use of resource
- Be clear to operators, passengers and communities about how decisions and trade-offs are made
- Fully assess risks when implementing or recommending changes and actively mitigate these
- Develop a joint forward plan for decision-making on issues affecting the railways in the North of England
- Support and oversee the Rail North Partnership Contract Management team to deliver in-life franchises/service agreements
- Celebrate success and participate in positive stories and events that occur across the network

3. ORGANISATIONS INVOLVED IN RAIL IN THE NORTH

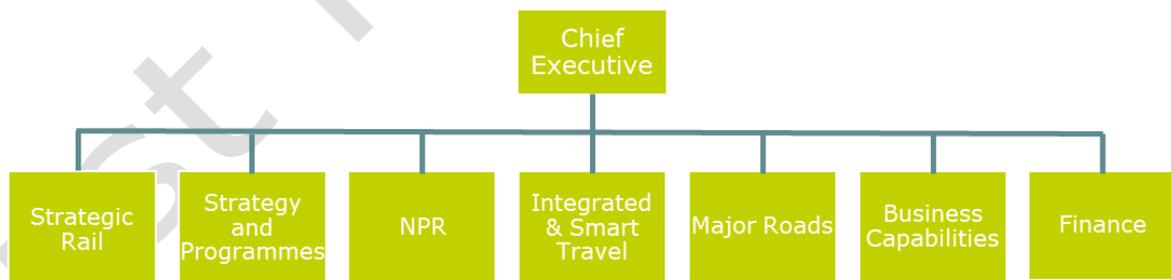
This section briefly describes each of the organisations involved in delivering rail services in the North of England. It is not intended to be comprehensive. It offers a simple summary of what each organisation does. Section 4 covers where these organisations formally meet.

Transport for the North

Transport for the North is a sub-national transport body for the North with statutory status. The Transport for the North Board is made up of the elected political and business leaders from across the region. It has been formed to transform the transport system across the North of England, providing the infrastructure needed to deliver economic growth. Transport for the North's statutory powers allows it to:

- Develop and implement a Strategic Transport Plan
- Act as 'one voice' for the North, relaying priorities to the Secretary of State
- Coordinate and deliver smart ticketing systems across the North
- Become a statutory partner in road and rail investment decisions
- Oversee (jointly with Department for Transport) franchised rail services covering the Northern and TransPennine Express franchises
- Construct new roads, with the agreement of Government and relevant highway and local authorities
- Decide on capital grants

Transport for the North is supported by a professional body of around (173) officers. For the railway, most activity is undertaken and co-ordinated by the Strategic Rail Directorate.



Transport for the North consists of representatives of the member authorities, former Rail North authorities, Local Enterprise Partnerships and Delivery Partners.

Transport for the North Partners

Members	Former Rail North Authorities
Blackburn with Darwen	Derbyshire County Council
Blackpool	Lincolnshire
Cheshire East	Nottinghamshire County Council
Cheshire West and Chester	Nottingham City Council
City of York	Staffordshire County Council
Cumbria	Stoke City Council
East Riding of Yorkshire	Local Economic Partnerships
Greater Manchester	Cheshire and Warrington
Hull	Cumbria
Lancashire	Hull and Humber
Liverpool City Region	Lancashire
North East	Leeds City Region
North of Tyne	Liverpool City Region
North East Lincolnshire	North East
North Lincolnshire	York and North Yorkshire
North Yorkshire	Sheffield City Region
Sheffield City Region	Tees Valley
Tees Valley	
Warrington	Delivery Partners
West Yorkshire	Highways Agency
	Network Rail
	HS2 Ltd

Transport for the North - Strategic Rail

The Strategic Rail team is the focus for relationships with the current railway for both operational activity and planning. The NPR team concentrates on future railways – HS2 and NPR. The Strategy and Programmes Directorate is responsible for developing the Integrated Transport Plan (ITP) which will be a proposed co-ordinated and aligned pathway for the development of the conventional and new railway services over the long term.

Prior to the formation of Transport for the North in 2018, the Strategic Rail team was part of 'Rail North Ltd' a company set up in 2014 to take the first steps towards rail devolution in the North through a partnership with the Department for Transport (DfT). This partnership undertook the specification and procurement of the transformational Northern and TransPennine Express franchises in 2015, and provision was made to jointly manage these contracts through the Rail North Partnership Board. Although well publicised problems beset both these franchises, the arrangements envisaged for the partnership have endured, albeit with modifications recommended by the Blake Jones Review.

Rail North Ltd was absorbed by Transport for the North in 2018. The main activities of the Strategic Rail Team are:

- Author and custodian of Transport for the North's Long Term Rail Strategy (LTRS)
- Representative on the Rail North Partnership Board
- Co-ordinator of TfN members Officers Reference Group – including responsibilities for consulting and garnering collective views on rail matters for Transport for the North
- Supporting member authorities on promoting and developing rail schemes and service improvements – particularly those authorities who do not have dedicated rail officers themselves
- Acting as contact point between the wider Transport for the North authorities community and the Train Operating companies – particularly the two which fall under the auspices of the Rail North Partnership Agreement - Northern and TransPennine Express
- Working with the Rail North Partnership Team on on-going contract management issues and resolving matters that emerge in the interests of passengers in the North, under the guidance of the Rail North Committee and the Rail North Partnership Board.

Department for Transport (DfT)

The has 4 key roles in relation to Rail in the North of England, namely:

- Partner with TfN in the Rail North Partnership Agreement
- Funder of Transport for the North (pending further transference of powers and devolution arrangements)
- Funder of the Northern and TransPennine Express franchises
- Client, funder and specifier of the wider railway industry – for example other passenger rail services and Network Rail

The railway industry will be undergoing reform over the coming years. The Williams Review, which was initiated in 2018 and is due to conclude at the end of 2020 was expected to result in a White Paper which will lead to legislative, regulatory and organisational change that will address the structural problems in the railway at the moment and lead to an industry better equipped to provide people-orientated, cost-effective rail services to the community in the future.

The White Paper was understandably delayed as a result of the Covid pandemic, but reform is still very much on the agenda, and TfN will continue to be engaged in developments as they emerge.

Meantime, the railway operates under existing arrangements – namely that train operating services are provided through contracts (franchises) with Train Operating Companies. These are commercial agreements for which operators are paid to deliver a specified set of outputs – notably rail services. This model was also transformed due to the impact of the Covid pandemic.

Pending any further reform, the DfT continues to client and fund Network Rail through two main mechanisms:

1. The existing 5-year periodic regulatory framework (known as 'Control Periods' – we are currently in Control Period 6 (CP6) which runs between 2019-2024.
2. Direct funding to deliver the Rail Network Enhancement Pipeline, which covers investment to deliver outputs above the renewal, maintenance and operations of the existing network covered by funding through the regulatory review process.

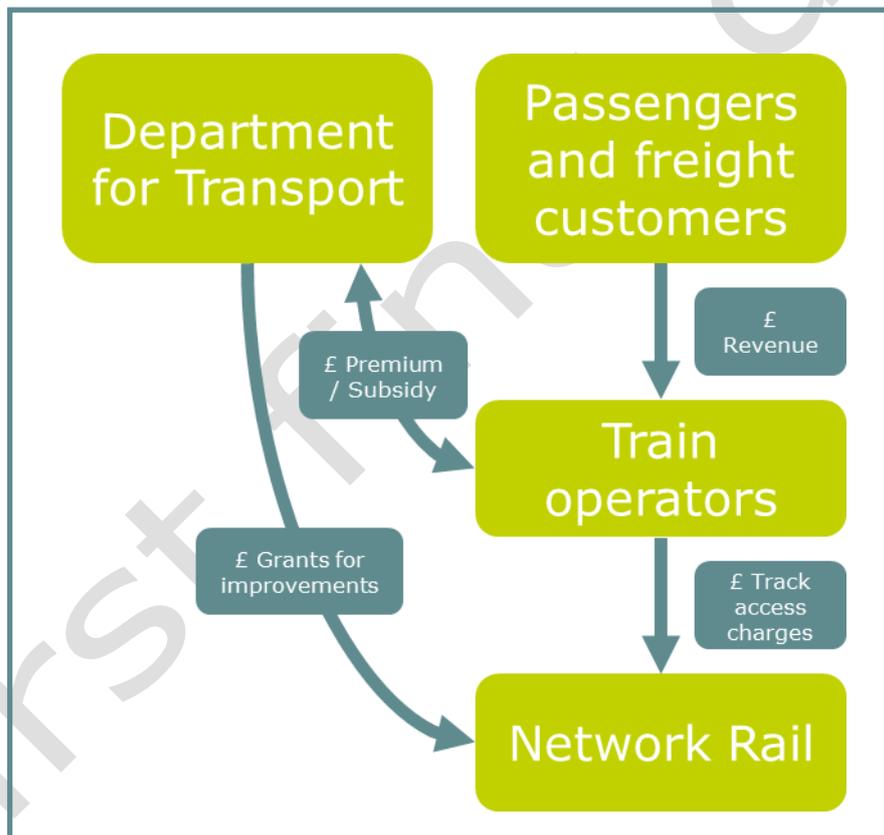
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Network Rail

Network Rail is the owner and operator of railway infrastructure in Great Britain. Network Rail has three main functions it performs in relation to the railways in the North of England.

1. Physically operating, maintaining, renewing and enhancing railway infrastructure – including signalling and train control.
2. Selling 'track access' to its customers (train operating companies, both freight and passengers) – effectively co-ordinating and managing the development of a working timetable which is the manifestation of this Sale of Track Access process.
3. Planning the development of the railway – a function in which Network Rail is required to engage with stakeholders, partners and funders.

Very simply, the flow of money in the railway is as follows:



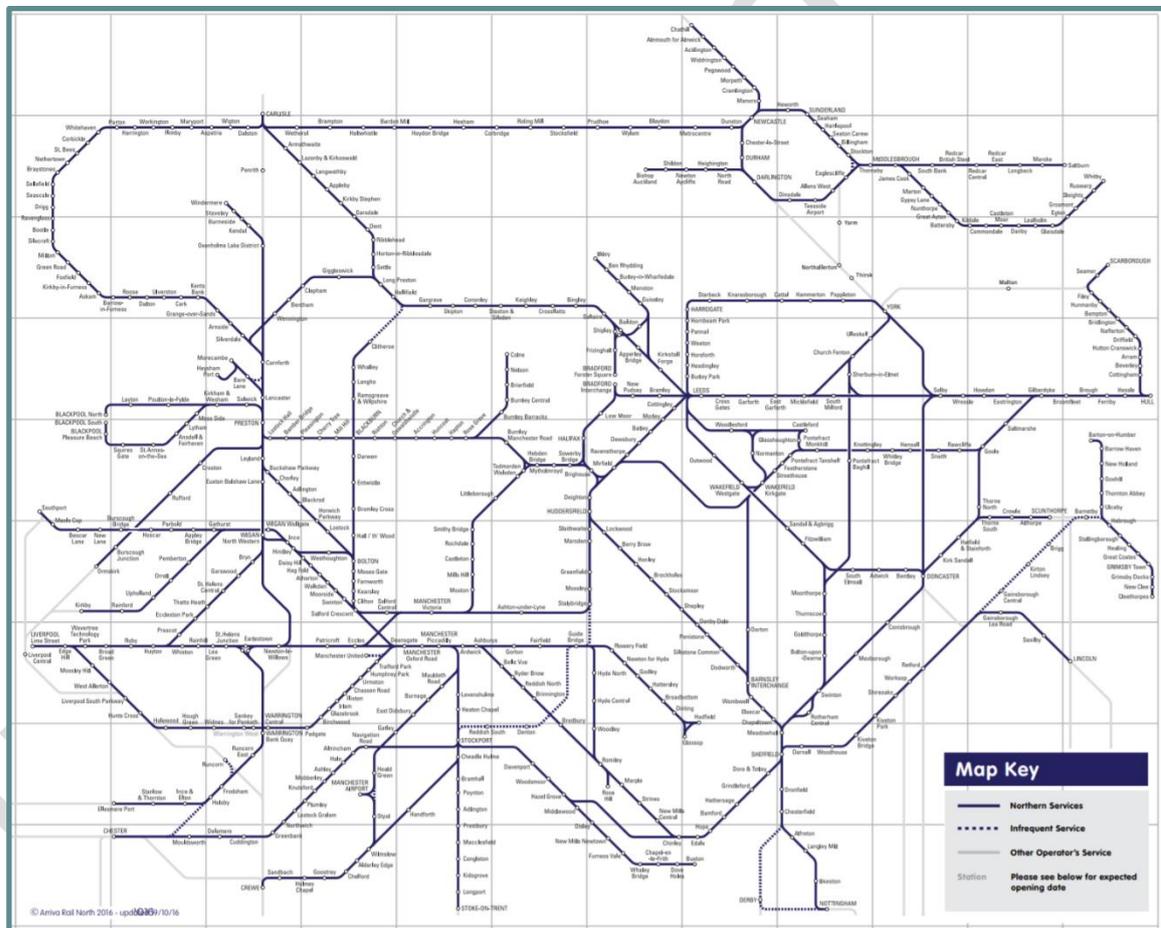
Train Operating Companies

There are two main train operators for the North of England which are jointly managed by Transport for the North and DfT through the Rail North Partnership Agreement - Northern and TransPennine Express.

Northern

Northern provides regional, urban and rural services across the entire North of England region. It operates around 2,900 services a day with 6,000 staff. There are around 100m passenger journeys a year².

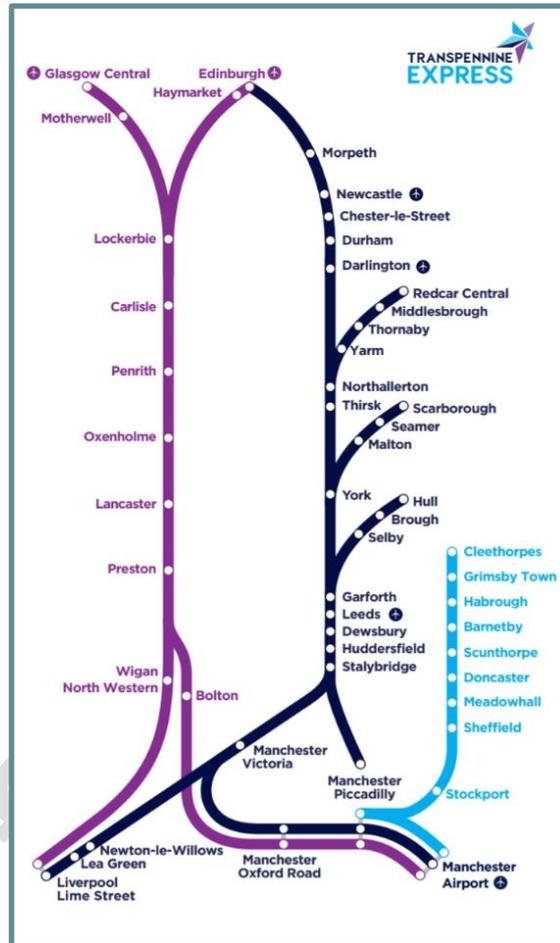
Northern Rail currently is operated by DOHL (Directly Operated Holdings Ltd) – the operator of last resort function of the Department for Transport following the financial failure of the previous franchise in early 2020.



² Stats are approximate and pre-Covid-19

TransPennine Express

TransPennine Express provides mainly regional, inter-urban services across the North of England and into Scotland. It operates around 320 services per day and employs around 1,100 staff. Pre Covid-19, around 30m journeys were made on TPE services per annum.



Other rail service operators in the North

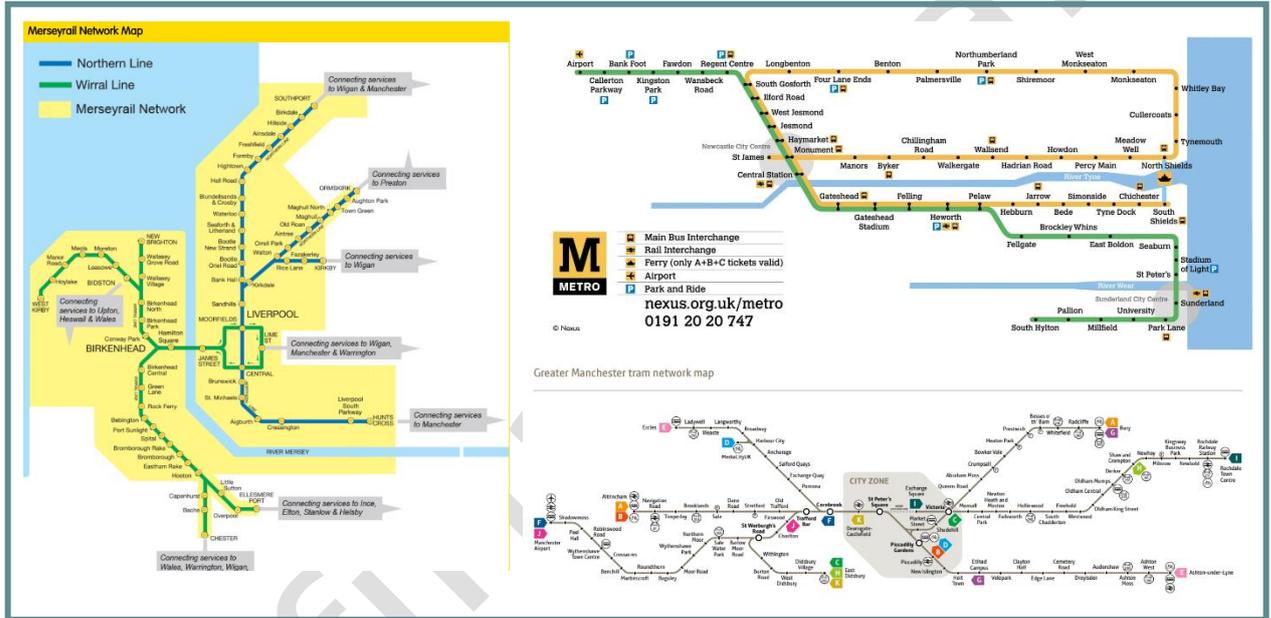
In addition to these services, communities in the North are served by several other franchises/contracted train operators, including:

- **Avanti West Coast** – services to and from London to Manchester, Crewe, Liverpool, Preston, Lancaster and other North West towns
- **LNER** – services between London, Doncaster, Leeds, York, Newcastle and other North East towns
- **East Midlands Trains** – services to and from London and Sheffield plus services between Lincolnshire and the North
- **Transport for Wales** – services from north Wales to Chester, Crewe, Manchester and Liverpool, and from south Wales to Manchester
- **London Northwestern Railway** – Services to the Liverpool and other towns in the North West to and from Birmingham/London
- **Cross-Country** – intercity services connecting towns and cities in the North on to Birmingham and the South West

There are also two open access operators (not contracted by Governments) – **Hull Trains** who runs services between London and Hull, and **Grand Central**, who run services between London, Bradford and Sunderland.

Existing locally devolved railways

The North of England has two successfully devolved rail networks – Merseyrail in the Liverpool City Region, run by Merseytravel, and the light rail Tyne and Wear Metro, run by NEXUS – the transport executive for the Tyne and Wear region.



There are also devolved tram networks in the North – notably Metrolink run by Transport for Greater Manchester which includes the use of tracks that had previously been part of the national rail network. There is a tram system in Sheffield, and a traditional tram operation in Blackpool.

Community Rail Partnerships

The Community Rail Network³ is an umbrella organisation that support the extensive network of Community Rail Partnerships, community station adoptions, and 'Friends of' groups for local stations across the country. Community Rail Partnerships (and other community rail; groups) activity promotes the importance of local railways, in terms of improving mobility and sustainable travel, community engagement and cohesion, education, learning and wellbeing.

In the north of England there is an extensive community rail network including the following establish Community Rail Partnerships.

³ <https://communityrail.org.uk/about-us/>

Community Rail Partnerships in the North of England

Yorkshire Coast
Bentham Line
Penistone Line
Settle - Carlisle
Bishop Line
Esk Valley Railway
Tyne Valley Rail
Clitheroe Line
East Lancashire
Crewe Manchester

South East Manchester
High Peak and Hope Valley
Mid-Cheshire
Cumbrian Coast
Lakes Line
South Fylde
West of Lancashire
Barton Cleethorpes
North Notts & Lincs

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4. BOARDS, COMMITTEES, GROUPS

The governance arrangements for rail in the North of England are complicated – one reason why rail reform is so important. The arrangements for Transport for the North are unique too – being the only statutory sub-national transport body. Constituent authorities of Transport for the North have different arrangements as either, unitary, county, combined authority or city region status. The geographic area of Transport for the North, being the combined areas of all the Constituent Authorities, does not conveniently align with the physical arrangements of railway assets or services. Finally, the arrangements for the management of the Northern and TransPennine Express train operators are unique – being determined through the Rail North Partnership Agreement.

Pending rail reform and longer-term restructuring of our transport network to provide further financial and legal devolution, everyone involved in Rail in the North of England must work together with arrangements that are currently in place. We are all involved in delivering the best possible rail services for passengers, freight businesses and communities with the resources available to us.

This section provides a brief overview of the key member and officer groups which are the key places for accountability, decision-making and influence.

Transport for the North Board (TfN)

The TfN Board meets at least 4 times a year. The TfN Board is made up of the elected Leaders of all the Constituent Authorities and the representatives of the LEPS across the region who are co-opted members of the Board. There are also representatives of Network Rail, Highways England and HS2. It is independently chaired. Where necessary decisions are taken by a weighted voted system set out in the Transport for the North constitution.⁴ Pending further financial and legal devolution, papers and decisions taken at TfN Board concern the adoption of transport strategy and the approval of statutory advice to the Department for Transport. Given the strong, co-ordinated and organised voice that Transport for the North has for communities and businesses in the North of England, the Board and its sub-committees also provide an important public fora for transport operators to demonstrate accountability to elected members and the people they represent.

TfN has 3 Committees:

- the Audit and Governance Committee
- the Scrutiny Committee
- the Rail North Committee

⁴ https://transportforthenorth.com/wp-content/uploads/Constitution-2019_2020-004.pdf

Except for reserved matters for the full Transport for the North Board, most immediate rail matters – including those relating to railway services, investment on the existing network and proposed rail reform – are discussed at the Rail North Committee.

Transport for the North Board meetings are conducted in public.⁵ Two agendas from previous meetings provide readers with a flavour for the items discussed the board.

TfN Board agenda 31.07.2019	
Item 0 -	TfN Board Agenda - 31.07.2019
Item 3 -	TfN Board Minutes 200619 Draft
Item 4 -	Governance Report TfN Board
Item 5 -	Annual Governance Statement
Item 6 -	Active Travel presentation
Item 8 -	Blake Jones Action Plan
TfN Board agenda 12.03.2020	
Item 0 -	TfN Board Agenda - 12.03.2020
Item 3 -	TfN Board Minutes DRAFT 08.01.2020
Item 8 -	High Speed North - Next steps
Item 9 -	Northern Powerhouse Rail Governance
Item 10 -	Monthly Operating Report
Item 11 -	Business Plan
Item 12 -	Budget Paper 202021
Item 13 -	Northern Transport Charter
Item 14 -	Decarbonisation Update

North of England Acceleration Council

The Northern Transport Acceleration Council has recently been established to provide a forum for Government and Northern elected leaders to discuss transport investment together. The driver for the Council is to provide focus for a successful economic recovery in the North of England and to accelerate planned investment that has sometimes been dogged by bureaucratic processes. Whilst the Council does not alter the statutory or legal duties of existing bodies, it does create the opportunity for streamlining and co-ordinating decision-making between different organisations more effectively.

⁵ Unless confidential or exempt information is being discussed as defined in s100A(2) or paragraph 3 of Part 1 of Schedule 12a respectively of the Local Government Act 1972 (as amended)

Rail North Committee (TfN)

The Rail North Committee was formed in 2018 following the establishment of Transport for the North. The membership of the Rail North Committee is based on Regional Groups and mirrors the membership of Rail North Ltd - a company set up to enable Local Transport Authorities in the North to be jointly involved in partnership with the Department of Transport in the management of the rail franchises following the award of the Northern and TransPennine Express contracts in 2015. Rail North Limited had a slightly wider membership than the Constituent Authorities of Transport for the North (including Staffordshire County Council, Nottinghamshire County Council, Derbyshire County Council, Lincolnshire County Council, Nottingham City Council, Stoke-on Trent City Council). These Councils have membership representation at the Rail North Committee.

Terms of Reference for the Rail North Committee

To consider and advise the Transport for the North Board on the following matters:

- *The promotion and improvement of rail services in the area of Transport for the North and the wider Rail North area; through the improvement of franchised and contracted rail services*
- *The management of the performance of obligations under the agreements let by the Secretary of State in respect of the carriage of passengers by rail;*
- *Recommending to the Transport for the North Board the Rail North Business Plan and related annual budget and any Rail North policies in so far as they related to rail franchise and contract matters*

The Rail North Committee shall actively consider and advise the Transport for the North Board on strategic issues relating to rail transport including:

- *Priorities for services and infrastructure improvement*
- *Rail devolution and reform matters*

On behalf of Transport for the North, the Rail North Committee is the only forum where rail issues affecting passengers and communities in the North of England are discussed by elected members in public unless confidentiality obligations require otherwise. This means the Rail North Committee offers rail industry partners – operators, Network Rail, and other colleagues - the chance to be held to account by the representatives of the people they serve.

Particularly in the light of an industry in need of, and awaiting reform, this Committee provides a public focal point for rail passenger and freight interests in the North of England.

Two agendas from previous meetings provides the type of items discussed by the Committee.

Rail North Committee agenda 06.03.2019	
1.0	Welcome and Apologies
2.0	Declarations of Interest
3.0	Minutes of the previous meeting
4.0	Performance Update
5.0	Exclusion of Press and Public
6.0	Franchise Strategy
7.0	Review of the Rail North Partnership
8.0	Special Compensation Scheme
9.0	Date of Next Meeting

Rail North Committee agenda 14.07.2020	
1.0	Welcome and Apologies
2.0	Declarations of interest
3.0	Minutes of the previous meeting
4.0	Rail Operations and Covid-19
5.0	Blake-Jones Review Update
6.0	Rail Reform and Devolution
7.0	Date of Next Meeting
8.0	Exclusion of the Press and Public
9.0	Northern Trains Update and 100-day Review
10.0	Manchester Recovery Task Force
11.0	Service Changes to Support Improved Reliability

The Rail North Committee provides guidance and steer to the officers of Transport for the North – particularly those in the Strategic Rail Team, and to the 3 senior officers from TfN organisations who represent TfN on the Rail North Partnership Board. Appropriate delegated authority has been made to TfN officers according to the arrangements set out in the Transport for the North Constitution⁶

Officer Reference Group (TfN)

The Officer Reference Group (ORG) is a body of officer representatives from the Rail North constituent authorities who support and service the activities of the Rail North Partnership members. They are supported by the work of the TfN Strategic Rail Team who facilitate and enable ORG. ORGs role is to:

- Review and contribute to draft Rail North Committee papers;
- Provide support to the Rail North Committee Members on matters discussed at the Committee;
- Oversee the formulation and presentation of Rail North plans
- Consult their appointing Member Authorities on rail matters
- Represent their Member Authorities in Transport for the North and rail industry working groups

⁶ https://transportfornorth.com/wp-content/uploads/Constitution-2019_2020-004.pdf

- Report back to their Rail North Committee members on this activity
- Contribute to reports to Rail North Committee on rail matters affecting the Constituent or Rail North Authorities

Every member of the Rail North Committee is represented by an official (either directly or by a partner authority), so the ORG is an important forum for ensuring strategy and issues are examined from an individual authority perspective so that a consolidated position is presented at Rail North Committee meetings.

ORG is also the forum for officers to prepare and shape the future agenda of the Rail North Committee in the light of Committee direction and guidance from the Committee Chair.

Officer Operations Group (TfN)

The Officer Operations Group (OOG) has been established to provide a forum for officers to discuss current on ongoing operational matters directly with senior Train Operating colleagues and with Network Rail. The forum began meeting weekly during the early days of the pandemic, and participants have found its immediacy and directness an effective way to ensure clear and quick communication on current matters. As the need for weekly meetings has reduced, participants have agreed to continue the forum. The revised role of OOG is therefore to:

- Provide a regular informal forum for industry partners to discuss live operational issues and challenges.
- Provide the opportunity for all operators to engage with and respond to issues affecting the North of England authorities – particularly those who have responsibility for co-ordinating services across all modes, and those who have responsibility for reporting on and communicating rail and wider transport operational matters to their elected members and communities.
- Streamline operational communication and to encourage swift and appropriate action for problems or issues that can readily be sorted out by attending parties.

Quadrant meetings and Working Groups

In addition, the authorities in the North have divided in 'Quadrants' – West (including Liverpool, Greater Manchester and surrounding authorities), Central (Leeds, Sheffield and surrounding authorities), Yorkshire and Humberside, and the North East - which is formally established as the North East Rail Management Unit. These are smaller officer groups which convene periodically to discuss specific issues affecting their area, often with operators and Network Rail in attendance.

For particular issues, ORG may commission a Working Group which may consist of subject matter experts, or officers with particular policy responsibilities, who are asked to consider a particular subject on behalf of the whole group.

The diagram below shows the regular rhythm of the Rail North Committee and its supporting fora. The meeting cycle is set around Rail North Committee meeting every three months.

Wk	RN Officers Operations Group	Quadrants and NERMU	Specialist Working Groups	RN Officers Reference Group	RNC Chair meeting	Rail North Committee	TOCs/NR to attend	Purpose of meeting
1	M						✓	Provide feedback and concerns to operators. Discuss emerging and live service and operational issues. Flag local issues and requests to operators and provide an informal forum to discuss options/solutions.
2				M				Review and comment on draft/emerging RNC papers
3	M				M		✓	RNOOG - As above Chair meeting - Discussion of RNC preliminary paper recommendations. Advice from Chair on pre-RNC briefings. Confirmation of non-member attendees at RNC meeting.
4				M		Papers issued		Strategy discussion – rail reform, long-term rail plan, devolution issues
5	M						✓	RNOOG - As above
6						M		Members review, challenge and endorsement of recommendations. Guidance and steer of future actions and agenda. Commission work for future meetings.
7	M						✓	RNOOG - As above
8				M				Strategy discussion. Confirmation of RNC actions in terms of rail reform, long-term rail plan, devolution agenda. Confirm papers and work plan for next RNC meeting.
9	M						✓	RNOOG - As above
10					M			Discussion with RNC Chair on operational matters (flagging anything to be raised or followed up for RNC). Confirming agenda and future papers for next RNC meeting.
11	M						✓	RNOOG - As above
12				M			✓	Officer strategy group with TOC/NR attendance. Consideration of Week 4 agenda items with operators, and follow-up of RNC meeting and emerging work.

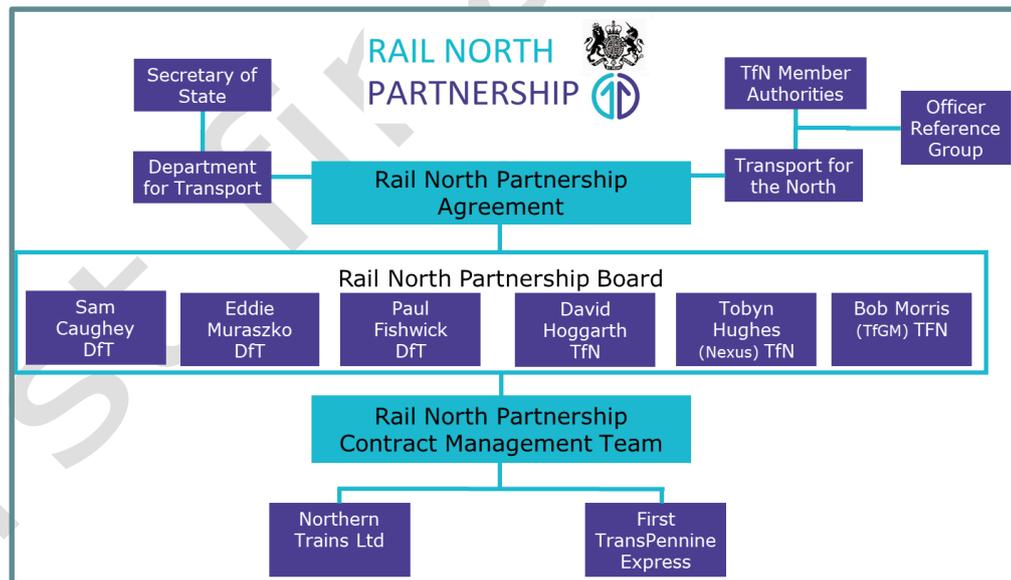
Rail North Partnership Board (TfN/DfT)

The Rail North Partnership Board was created in 2015 following the award of the transformational Northern and Transpennine Express contracts. Much has happened to the railway in the North since 2015, but it is worth remembering the ground-breaking intent of the Partnership Board. For the first time, arrangements were put in place to **jointly manage** the two train operating contracts in the North.

This was achieved legally through the Rail North Partnership Agreement. The signatories to the Rail North Partnership Agreement are Transport for the North, and the Department for Transport. As well as setting out the practical arrangements for managing the two contracts, the Agreement is designed as the first step towards intended further rail devolution in the North of England.

The Partnership Agreement specifies the creation of a board – the Rail North Partnership Board, consisting of 3 TfN senior officers, and 3 DfT senior officials. The Partnership Board provides the formal reporting and escalation line for the Contract Management Team managing the train operating contracts on a daily basis.

The following diagram sets out the arrangements for the Rail North Partnership Board.



It is worth noting that the Rail North Partnership Director (who heads the Contract management team) reports to the Rail North Partnership Board – not to the DfT or to TfN. The Rail North Partnership Director is accountable and empowered to sign changes to the train operating contracts providing decisions have been taken through decision-making protocols put in place by the two partner organisations.

Rail North Partnership budget

The Rail North Partnership Director is responsible for managing a multi-million pound annual public expenditure budget. This budget is effectively set (or baselined) at the point at which the franchise contracts were awarded. Therefore the awarding of train operating contracts (a procurement process that typically takes 18 months) are a very important process during which the service specifications and other passenger outcomes are set, and - as importantly - funded for the duration of the contract.

Contract change arrangements

As for all major public procurement contracts, changes are expected and catered for as prevailing circumstances occur. Managing this activity and ensuring the delivery of the specification contracted is the core role of the Rail North Partnership Contract Management team.

In the North of England, both train operating contracts – particularly for Northern – were subject to substantial change prior to the May 18 timetable introduction. The May 2018 timetable clearly placed further strain on the ability of the train operators to deliver the planned and originally specified outputs at the original agreed budget.

Transport for the North matters

The Rail North Partnership Agreement makes provision for certain matters for to be at the independent responsibility of TfN providing they do not result in an overall increase subsidy or costs commitment. These matters are:

	Matters for which Transport for the North is responsible within the RNPA
1	Development of and changes to the Train Service Requirement
2	Changes to train fleet
3	Assets, leases and third parties
4	Concessionary Travel, Multi Modal Ticketing Schemes and Smart Transactions
5	Performance Management and Enforcement
6	Matters relating to the deployment of Rolling Stock where this affects any TfN Party
7	Development of and changes to the Train Plan
8	Right to carry out Surveys
9	Station facilities addressed by the provisions of a relevant Franchise Agreement
10	Right to inspect e.g. surveys of stations, trains and any other passenger facility)
11	The application of fare increases to fare baskets
12	Any matter agreed to be TfN's responsibility pursuant to clause 8 (Statutory Partner Role) or 14.1 (Annual Review) of the Agreement

Reserved matters for the Secretary of State

Certain matters within the Partnership Agreement are reserved for the Secretary of State. Broadly, these matters protect the obligations of the Secretary of State with regards to overall cost/subsidy, other rail franchises or provision of rail services or obligations with regards to procurement law.

Operator of Last Resort arrangements for Northern Rail

The Operator of Last Resort took over the Northern Rail Franchise on March 1st. The OLR is governed by DOHL (Directly Operated Holdings Ltd) which is a company owned wholly by the Secretary of State. Services operate under the name 'Northern Trains Ltd'. The Rail North Partnership arrangements will remain. The Northern Trains operation operate to a 'Service Level Agreement' managed by the Rail North Partnership Team in a similar way to the previous franchise.

Emergency Measures Agreements (EMA)

The TransPennine Express Franchise Agreement (and other franchise contracts in England) were terminated shortly after the beginning of the Covid pandemic in the UK. Immediate, sustained and drastic reductions in passenger travel (and therefore revenue) put all operators in imminent risk of financial collapse. To ensure the continuity of rail services, emergency contracts have been implemented (Emergency Measures Agreements – EMAs) for franchised operators, including TransPennine Express.

The structure of the EMA contract covers similar provisions to a regular franchise. The most significant difference is that operators are not taking any revenue risk, and very little cost risk. This places considerable additional onus on the contract management teams to manage the contracts – greater scrutiny is required to ensure that costs are being managed prudently (something that would normally be in an operators commercial interest), and to ensure that revenue, and passenger growth incentives (when conditions permit) are pursued – again something that an operator taking no revenue risk is not commercially incentivised to do.

The next generation of EMAs (the first tranche will expire in Autumn 2020) are likely to adapt the existing arrangements to make medium-term provision rail services for as the country emerges from the pandemic, and perhaps incorporates enablers for longer term arrangements that are anticipated for wider rail reform.

DfT Investment Portfolio and Delivery Committee (DfT)

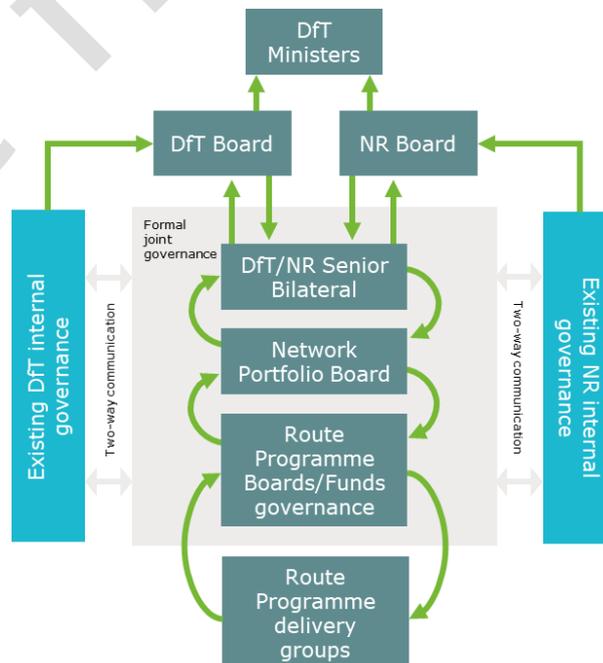
The DfT Investment Portfolio and Delivery Committee is the most senior official investment body in the department. The Committee oversees all the major investment expenditure across the whole transport portfolio, and in line with the protocols set out in *Managing Public Money*⁷, is the place that endorses or amends the final request for formal Ministerial approval.

For example, commitments to expenditure on HS2, TransPennine Route Upgrade, major rolling stock procurements, as well as each rail franchise award, will have been scrutinised by this Committee before approval being sought by the Secretary of State.

North of England Portfolio Board (DfT/NR)

Below the DfT's IPDC sits the North of England Programme Board. This Board is chaired by the DfT and oversees the entire Network Rail Enhancement Portfolio for the North of England – a portfolio being delivered by Network Rail. The Board provides change control governance for Network Rail for the portfolio of programmes and provides an opportunity for wider partner discussion about the progress, delivery and implications of changes of the portfolio.

The North of England Portfolio Board forms part of the joint governance arrangements that DfT and Network Rail have in place to manage infrastructure enhancement and delivery decisions set out in the diagram below.



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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/742188/Managing_Public_Money_MPM_2018.pdf

The Network Portfolio Board for the North is the North of England Portfolio Board, and Transport for the North is represented at this Board by the Strategic Rail Director. For the North, the route programme board is split into two – TRU Route Programme Board, and the Rest of the North of England Route Programme Board. Both these boards have Transport for the North Strategic Rail representatives. TfN Officers are also active on the Network Rail programme delivery groups (PDGs).

This joint governance is for infrastructure enhancement programmes. Whilst service specification assumptions form an important element of infrastructure investment planning, the funding and commitment to specific service levels is currently legally undertaken through train operating contracts, which are not party to this joint governance framework. Work over the last few years has been working towards better alignment of the specification of rail services and the capability and capacity of rail infrastructure, but the two are not yet perfectly aligned.

First final draft