

# Rail North Committee

**Subject:** Rail Reform Matters

**Author:** David Hoggarth, Strategic Rail Director

**Sponsor:** David Hoggarth, Strategic Rail Director

**Meeting Date:** Tuesday 12 January 2021

## 1. Purpose of the Report:

The report provides an update on rail industry reform and the anticipated government White Paper. The report provides a summary of Transport for the North's priorities and the planned approach to responding to the White Paper. The Committee is asked to endorse the approach set out in this paper.

## 2. Executive Summary:

- 2.1 This report provides an update on Transport for the North's input to the Williams Review and highlights work underway to develop a response to the expected White Paper. The essence of Transport for the North's earlier input to the review was to improve local accountability and decision-making with Transport for the North playing a role coordinating the needs of local areas and providing oversight of services spanning the north.
- 2.2 It is proposed to develop a phased approach to greater local accountability initially focussing on the development of the current Rail North Partnership model with scope for stronger local business units in areas that want to take that approach. Transport for the North would ensure that the needs of the North as a whole are clearly represented to any new or existing strategic industry body.

## 3. Consideration:

- 3.1 Keith Williams has been undertaking a review of the rail industry and Transport for the North has made a number of inputs to the review including Transport for the North Board members' meetings with Keith Williams and several officer meetings with his review team.

In his initial responses in 2019 Keith Williams' suggested reform should be focused on 5 key areas:

- A new passenger offer;
- simplified fares and ticketing;
- an enhanced industry structure; and
- a new commercial model and improvements in leadership, skills and diversity.

3.2 The expected next step was for the government to produce a White Paper based on the review recommendations. This has been delayed by the Covid-19 crisis and the need for Department for Transport (DfT) to take immediate actions to stabilise the industry. It is however reported (at the time of writing) that publication of a White Paper is imminent. This paper therefore highlights some of the main points of Transport for the North's submissions to the review and suggests next steps which are aimed at ensuring that Transport for the North is in a good position to respond positively to the review once it is published.

3.3 During the course of 2020 the Committee has been provided with updates 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 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:

- 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.

3.4 Distilling the messages from Transport for the North's submission to the Williams Review call for evidence, the priorities were:

- Investment decisions that focus on local need and put passengers first, whether this is capacity, quality, encouraging mode shift or accessibility for a specific area;
- stronger policy alignment and a means to deliver local and sub-national goals and objectives that respond to the concerns and needs of local people;
- local accountability that will bring an end to the culture of blame;

- improved coordination and reliability; and
- a simplified network with consistency in fares and ticketing, and integration of rail services with local transport networks.

3.5 Transport for the North submitted a vision (in the form of a model) for the structure of the railway to the Williams Review. This was refined during the course of 2020 and included a consideration of how potentially different models of devolution across the North could be coordinated by Transport for the North. The principles highlighted were:

- Transport for the North can play a core role in managing localised devolution;
- Transport for the North will help allow local Transport Authorities to deliver their ambitions at their own pace;
- Transport for the North can continue to fulfil the function of service specification coordinator for all members;
- Transport for the North can provide regional oversight and coordination for cross-boundary services;
- Transport for the North will continue to work with Network Rail's Regions; and
- Transport for the North can represent local and regional interests with the national coordinating body.

3.6 Clearly the Williams Review has been impacted on the Covid-19 crisis with an immediate need to focus on amending the franchising system to deal with the impact of the pandemic. Transport for the North members therefore 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; and
- 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).

3.7 More recently, Transport for the North has started work on developing a scenario based on the expected focus of the White Paper. This would help shape Transport for the North's response to the White Paper which it is planned make following publication. Collaborative work is taking place with Transport for the North's member authorities with support from external advisors. This is focussing on:

- Identifying a phased approach based on the following 5-year milestones:
  - Up to 2025 (when demand is likely to have recovered);
  - 2030 (when Transpennine Route Upgrade is complete and the planning horizon for Central Manchester infrastructure investment);
  - 2035 (significant progress on HS2 and NPR); and
  - 2040 (assumed all new HS2 and NPR infrastructure complete with new service patterns).
- An initial focus on a Phase 2 around development of the existing Partnership (the Rail North Partnership), covering the period up to 2025 including opportunities in new service contracts being developed;
- identifying where there may be 'low hanging fruit' to further devolution aspirations whilst recognising the financial challenges of Covid-19 will limit Transport for the North's ability to take on risk. (For example Transport for the North could take greater responsibility within the existing Rail North Partnership framework with/without amendments);
- considering an option to utilise the existing model of Business Units within the Partnership Agreement to allow local areas to take on a greater role (where relevant) whilst maintaining the overall joined-up approach to the North (e.g building on the successful North East Regional Management Unit); and
- identifying any barriers to achieving this and actions to mitigate or remove the barriers.

3.8 It is likely that Network Rail will play a significant role in the new structure of the industry given the greater leadership role it has played recently. It will be imperative that Network Rail builds further on its relationship with Transport for the North to interface on a pan-Northern level and support the North deliver its strategy.

3.9 Members are invited to consider whether there are any further points they would wish to see included in the work.

#### **4. Next Steps:**

4.1 Subject to any comments from the Committee, the proposition outlined will be worked up further in close collaboration with partner authorities.

4.2 The next step is to develop an initial response once the White Paper has been published.

**5. Recommendation:**

- 5.1 The Committee is asked to note the input to date on the Williams Review and endorse the next steps set out in the report.

### 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

Consideration	Comment	Responsible Officer	Director
Equalities	There are no equalities impacts as a result of this report as it does not contain any specific proposals.	David Hoggarth	Strategic Rail Director

#### Environment and Sustainability

Yes	No
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Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out because the report is an update and does not include any specific proposals.	David Hoggarth	Strategic Rail Director

#### Legal

Yes	No
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<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Legal	Transport for the North's Legal Team has confirmed there are no legal implications.		

### **Finance**

Yes	No
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<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Finance	Transport for the North's Finance Team has confirmed there are no financial implications.	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	Transport for the North HR Team has confirmed there are no resource implications.	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	Changes as a result of the White Paper could present risks to Transport for the North's vision for a greater regional role in the development and delivery of rail services, but this has been mitigated through active	Haddy Njie	Iain Craven

	engagement with the review team.		
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**Consultation**

Yes	No
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<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Consultation	Transport for the North member authorities were consulted as part of the development of our input to the Williams Review.	David Hoggarth	Strategic Rail Director