

Rail North Committee Meeting

Subject: Planning for the Future

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Sponsor: David Hoggarth, Strategic Rail Director

Meeting Date: Tuesday 12 January 2021

1. Purpose of the Report:

- 1.1 The report sets out a 'roadmap to recovery' of rail services in the North of England after Covid.
- 1.2 This report provides an update on progress on business planning for 2021/22. The report also sets out an updated forward plan for future Rail North Committee meetings.

2. Executive Summary:

- 2.1 This report includes a proposed 'roadmap to recovery'. This is aimed at growing demand back whilst building on positives such as improved performance to ensure that the railway in the North of England recovers in as sustainable way as possible.
- 2.2 Strategic Rail has submitted the key priority areas that Transport for the North proposes to deliver over the forthcoming financial year for Rail. To support this a forward plan has been provided in Appendix 1.
- 2.3 The Comprehensive Spending Review was presented by the Chancellor of the Exchequer on 25th November 2020, and departmental budgets have been set. Transport for the North is currently awaiting its aggregated funding for its core functions.

3. Roadmap to Recovery:

- 3.1 The impact of Covid-19 on rail services in the North of England (and across the UK) has been severe. The travel restrictions imposed through two lockdowns and the introduction of the tier system has had a significant impact on passenger demand. During the first national lockdown, demand fell to as low as 5% of normal levels. It subsequently recovered to around 30-40% of normal levels between the two lockdowns, but further reduced in the second national lockdown (to around 20%) and increased slightly thereafter.

- 3.2 Whilst a number of iterations of the emergency timetable has sought to adjust services to better match demand (e.g from key workers) it is not possible to totally match services to demand, particularly as the need to maintain social distancing means that it is necessary for operators to provide a spread of services with sufficient capacity to allow for social distancing.
- 3.3 The financial impact of the pandemic is substantial and has potentially long-term implications for the sustainability of services. Under Emergency Measures Agreements (Northern is under Operator of Last Resort) net payments of £561m (published on gov.uk website) were made to Northern and TPE for a 6-month period. This compares to the annual (12 months) net subsidy in 2018/19 of £354m (from published accounts of the operators). If the position is replicated for the second half of 2020/21, the net subsidy cost could be over £1bn – to carry around a third of the usual passengers. This is a position replicated across the country.
- 3.4 There will be a need to keep service levels under review in the short-term and make reasonable adjustments to ensure the right balance between demand levels, connectivity levels and cost to the taxpayer is struck. This is likely to include some changes at the May 2021 timetable change. This work will continue to be overseen by Transport for the North's North of England Rail Operations Group which includes officer representation from each of the Rail North sub-regions.
- 3.5 To ensure sustainability (and reduce the taxpayer call) in the medium term it is essential that there is a clear strategy to regain passengers. This is particularly the case as industry analysis shows that some markets (such as commuter traffic where changes to home vs office working arrangements will be long lasting) will permanently change and therefore will have different requirements in terms of service levels and ticketing products etc. In order to ensure the ongoing sustainability of rail in the north it is essential that there is continued investment in services and infrastructure to support the re-building of the passenger market.
- 3.6 In addition to the obvious adverse impacts of the pandemic there have also been positive changes that are desirable to retain. A report to the July 2020 meeting of the Committee suggested that the following changes should be embraced:
- Better ways of working (reducing the overall need to travel);
 - improved technology (supporting more virtual meetings and more flexible ticketing); and
 - better collaboration (including a better working relationship between Transport for the North and the industry).

The more negative aspects to be 'rejected' were identified as:

- Poor integration and barriers to public transport usage; and

- increased car dependency (as a result of government travel advice).

At the meeting, members identified re-building passenger confidence as key to growing back demand. To date, operators have made great strides in implementing additional safety measures and communicating these measures and highlighting that the railway is open for business.

3.7 The information in the previous report has been developed into a more detailed 'roadmap to recovery' which includes a series of interventions over the next 5-years (the period over which central forecasts indicate demand will cover to previous levels). The interventions are grouped into six themes:

1. Recovery of demand and service levels.
2. Rebuilding confidence in rail travel.
3. Improved performance (maintaining and building on the new baseline).
4. Fares and ticketing (ensuring there are appropriate value for money tickets for changing markets).
5. Sustainable growth (opportunities to encourage car drivers to switch to rail).
6. Investment Pipeline (recognising the opportunity to undertake some works whilst passenger numbers are lower, but ensure that the network is in a better shape as passengers return).

3.8 Members are asked to consider the 'roadmap to recovery' and endorse the approach which will then be shared with the Rail North Partnership as Transport for the North's input to the recovery plan.

4. Draft Business Plan for 2021/22:

4.1 The strategic approach outlined in the draft business plan and budget (endorsed at the October 2020 meeting of the Committee) is for Transport for the North to use its influence to continue to push for better outcomes for passengers and the required investment in the network.

4.2 At the last meeting, the following objectives for 2021/22 were endorsed:

1. To drive accountability to deliver better passenger outcomes including maintaining and building on recent better performance.
2. To secure and implement new ways of working to provide the North with greater levels of influence over a more customer-focussed industry emerging from the Rail Reform White Paper.

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3. To secure greater levels of investment and smarter delivery of projects to support Transport for the North's strategy.
 4. Building on successes including the North of England Contingency Group, strengthen joint working with Transport for the North member authorities to make better use of local knowledge and insight.
- 4.3 The main priorities the Strategic Rail aspects of the business plan for 2021/22 were proposed to be:
1. Help to re-build demand for and confidence in rail services after the pandemic.
 2. Secure the best outcomes for North from the transition from the old franchises to the DfT's planned new contractual arrangements.
 3. Make the case for continued and enhanced investment in the North's rail services as part of the 'building back better' agenda.
 4. Refresh of the Long-Term Rail Strategy.
 5. Drive the industry to deliver improved passenger and freight customer satisfaction.
 6. Use Transport for the North's influence including statutory advice as appropriate to secure and shape infrastructure development to support the long-term strategy.
 7. Fully embed the Blake Jones Action Plan and secure appropriate resources to ensure passengers are central to decision making.
 8. Formalising and enhancing collaboration with Network Rail with an agreed programme of joint work.
 9. Support partners' development and delivery of schemes.
- 4.4 Following confirmation of Transport for the North's core funding, the draft business plan and budget will go forward to Transport for the North's Board for endorsement.
- 4.5 It should be noted that, as per the Comprehensive Spending Review (CSR) submission that has previously been provided to the Transport for the North Board, this is subject to the Department for Transport's response to our CSR Comprehensive Spending Review proposals and, depending on the outcome of that exercise, there may be a need to re-visit proposed activity. At the time of writing the outcome of the CSR submission was still awaited. A verbal update will be provided at the meeting.
- 5. Committee Forward Plan and Commissioning:**
- 5.1 A proposed Forward Plan for Committee meetings through to September 2021 is set out in Appendix 1. This will be subject to

change depending on the need to respond to events such as the timing of the expected Rail Reform White Paper.

- 5.2 The forward plan identifies several future papers such as the refresh of the Long-Term Rail Strategy, as well as papers that for short term timetable changes that Members may want to be kept updated on.

As per the Blake Jones Action principles, members are asked to consider whether they would like to commission any further papers for future meetings of the Committee.

- 5.3 Dates for future meetings of the Committee are currently as follows:

- 25 March 2021.
- 23 June 2021.
- September/October 2021 (Date TBC).

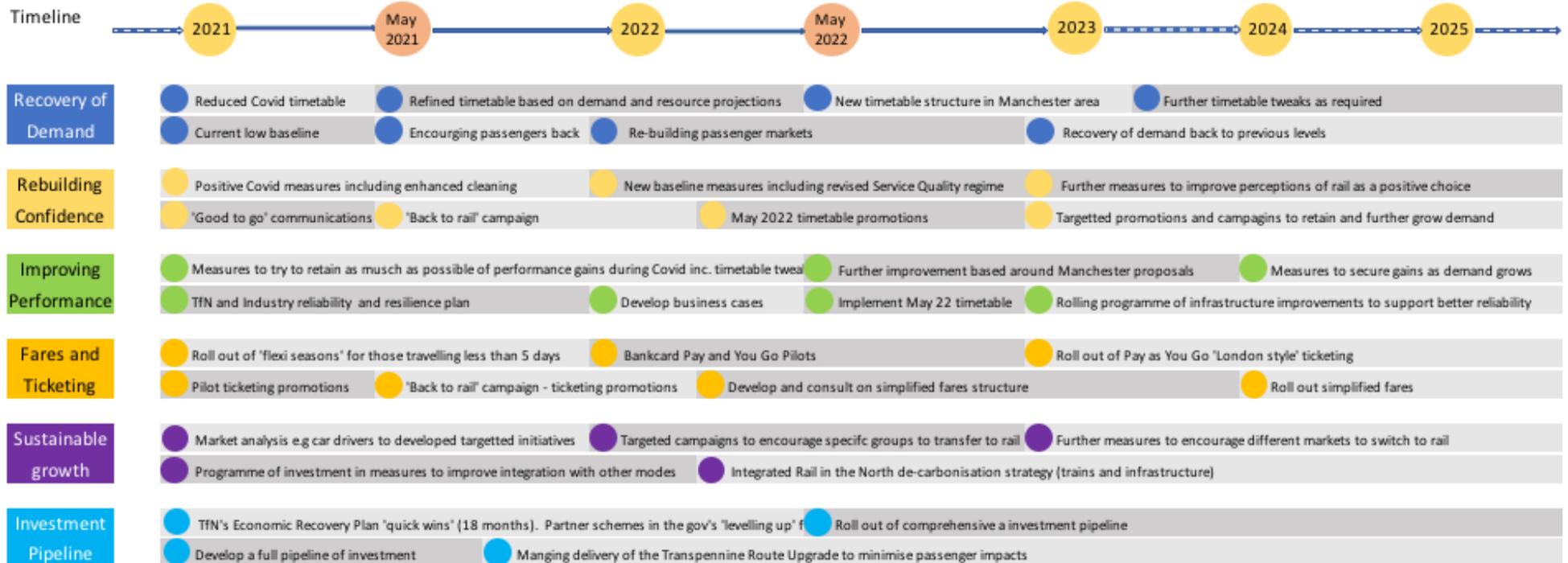
6. Recommendations:

- 6.1 The Committee is asked to endorse the 'roadmap to recovery'.
- 6.2 It is recommended that the Committee note the progress on the business plan for the upcoming financial year.
- 6.3 It is recommended that the Committee considers the proposed forward plan set out in Appendix 1 and consider any further papers they would like to commission.

7 . Appendices:

- 7.1 Appendix 1: Roadmap to Recovery
- 7.2 Appendix 2: Committee Forward Plan

Appendix 1: Roadmap to Recovery



Appendix 2: Committee Forward Plan 2021

Rail North Committee Forward Plan 2021

- ★ Update Paper: May 2021 Timetable change.
- ★ Update Paper: ECML 2022 Timetable Change.
- ★ Discussion: Decarbonisation of Rail.
- ★ Update Paper: Central Manchester 2030 services and infrastructure update.
- ★ Update Paper: Rail Reform White Paper.
- ★ Update Paper: LTRS Delivery Plans.
- ★ Update Paper: Northumberland Line Update.
- ★ Update Paper: LTRS Refresh principles.
- ★ Update Paper: Infrastructure update.
- ★ Update Paper: December 2021 Timetable change.
- ★ Update Paper: Reliability and Resilience delivery plan.

25 March 2021

23 June 2021

September 2021

◆ Decision Paper: Manchester Timetable recast option selection

◆ Decision Paper: Williams Review response

◆ Decision Paper: Central Manchester ITSS and infrastructure OBC for 2030.

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	A full Impact assessment has not been carried out because this does not deal with specific proposals.	Salim Patel	David Hoggarth

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 does not contain any specific proposals.	Salim Patel	David Hoggarth

Legal

Yes	No
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Consideration	Comment	Responsible Officer	Director
Legal	Transport for the North Legal Team has confirmed there are no new legal implications for Transport for the North as a result of this report.	Deborah Dimock	Julie Openshaw

Finance

Yes	No
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Consideration	Comment	Responsible Officer	Director
Finance	There are no direct finance implications within the report, however there is a dependency on the core funding solution to support the delivery of the business plan.	Paul Kelly	Iain Craven

Resource

Yes	No
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Consideration	Comment	Responsible Officer	Director
Resource	The resource implications are being developed as part of the 2021/22 Business Plan this will be submitted to Board in due course for approval once Transport for the North's budget settlement is known.	Stephen Hipwell	Dawn Madin

Risk

Yes	No
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Consideration	Comment	Responsible Officer	Director
Risk	A risk assessment has not been carried out.	Salim Patel	David Hoggarth

Consultation

Yes	No
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Consideration	Comment	Responsible Officer	Director
Consultation	This report forms part of the consultation on the draft business plan with Transport for the North member authorities.	Salim Patel	David Hoggarth