

# Rail North Committee

**Subject:** Rail Reform Matters

**Author:** David Hoggarth

**Sponsor:** David Hoggarth

**Meeting Date:** 25 March 2021

## 1. Purpose of the Report:

The report provides an update on rail reform matters including preparation for the expected government White Paper and an ongoing review of the Rail North Partnership arrangements. The report is an update for members, but also provides an opportunity for the Committee to highlight priorities they wish to see included in future responses.

## 2. Executive Summary:

2.1 This report provides an update on rail reform matters relevant to Transport for the North. It includes an update on preparatory work for the anticipated Rail Reform White Paper including some key messages emerging from discussions with industry and partners.

2.2 The report also includes information on the ongoing review of the Rail North Partnership arrangements as a result of changes to service contracts flowing from the Covid 19-response. It includes a planned approach to Transport for the North's input to the new business planning process for the train operators.

## 3. Update on Transport for the North's work on Rail Reform:

### 3.1 Preparing for the White Paper

At the time of writing, the government White Paper (which has been delayed due to the Covid-19 pandemic and the need to focus in implementing emergency measures and recovery arrangements to keep services running) had not been published. It is anticipated that it will be published in the first part of 2021.

3.2 At previous meetings members agreed four priorities for reform which the North will be seeking under whatever form rail reform takes.

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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).

3.3 At the January 2021 meeting of the Committee, endorsement was given to preparatory work on Transport for the North’s response to the White Paper including the following:

- Identifying a phased approach to devolution 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.

3.4 In advance of the publication of the White Paper and following a period of huge change in railway management and operation resulting from the Covid-19 pandemic, consultants Arup, on behalf of Transport for the North, have begun to revisit the priorities for rail reform in the North with our partners and industry representatives. Some of the initial findings from these discussions indicate:

- A concern as to what the long-term impact of Covid-19 will be on local and regional economies and travel patterns nationally and across the North;
- Renewed support for an expanded role for Transport for the North specifically with pan-Northern and cross-boundary strategic decisions making responsibility;
- Greater strategic direction to be provided by Transport for the North with the ability to tackle some difficult trade-offs on behalf of the North; and
- Potential for greater local influence with regards local service planning where resources permit.

### 3.5 **Review of the Rail North Partnership Arrangements**

The first stage of devolution for the North is the current Rail North Partnership between Transport for the North and DfT. This was primarily established to jointly oversee the specification and delivery of the Northern and TransPennine Express franchises, but also includes the Long Term Rail Strategy for the North and (since April 2018) the discharging of Transport for the North's role as a statutory partner on infrastructure investment on the north's railway (Transport for the North's power to make statutory advice to the Secretary of State).

3.6 The workings of the Rail North Partnership were subject to the Blake Jones Review in the aftermath of the May 2018 timetable problems and this led to an Action Plan that the Committee has overseen implementation of.

3.7 The current review is focusing on the industry changes as a result of the covid crisis that have led to the end of the franchising process and more direct involvement from the DfT and (in the case of the North) the Rail North Partnership. In the case of Northern, it moved to operation under the Operator of Last Resort from the beginning of March 2020 and this arrangement is expected to remain in place for several years until the new arrangements set out in the White Paper are implemented (DfT has recently issued a PIN notice to extend the current arrangements for Northern for up to 5 years).

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- 3.8 The new arrangements provide both challenges and opportunities for Transport for the North. The main issues identified are:
- New contracts mean that there are more reserved matters for Secretary of State;
  - Consequently, less decisions need to be referred to Rail North Committee;
  - Greater centralisation of decisions and greater requirement for 'sign-off' by RNP/DfT; and
  - Changes to reporting/ data to Rail North Partnership Board.
- 3.9 There are also some opportunities resulting from the new arrangements. Although there will be more decisions that will require DfT approval than under the franchise system, Transport for the North does have the right to be consulted on a wide range of matters. The move to more of an annual business planning cycle for the operators means that there is potentially more opportunity for Transport for the North to shape the long-term vision for services on the North. There is also an opportunity to align more with delivery of other modes through input from local authority partners. The operator will remain responsible for delivery and staffing matters, but with strong data/ monitoring being provided back to partners.
- 3.10 The next steps are:
- Transport for the North and DfT Board representatives are working through some potential changes;
  - The Rail North Partnership Agreement will be reviewed; and
  - Proposals will be tabled at a future Rail North Committee meeting.
- 3.11 One of the critical changes is the move to annual business plans for the operators. Shaping these plans is an important future role for Transport for the North and its members. The following cycle of business planning engagement with the Committee is proposed commencing in 2021/22:
1. Consultation session with operators;
  2. Review of guidance to operators from Rail North Partnership;
  3. Review of final proposition and consultation on any priorities and/or choices to make with DfT and RNP.

This approach will ensure that Transport for the North members get to have their input at least three stages of the annual business plan process.

- 3.12 Members of the Committee are asked to consider and advise on any priorities for the ongoing review.

**4. Conclusion:**

- 4.1 The report re-confirms Transport for the North's priorities for rail reform ahead of the anticipated government White Paper with enhanced local input and accountability to the travelling public at the heart of the approach. The report also highlights the work to review the Rail North Partnership and includes a process for Committee members to input to the annual business planning process for the train operators. This will help ensure that the industry becomes more responsive to local needs and issues. The report sets out the opportunity for Transport for the North to provide stronger strategic direction with the ability to clearly articulate priorities and trade-offs on behalf of the North.

**5. Recommendation:**

- 5.1 It is recommended that the Committee notes the work on the rail reform agenda and provides any input on priorities for the review of the Rail North Partnership arrangements.

### 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 the report is an update on policy matters.		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 is an update on policy matters.		David Hoggarth

### **Legal**

Yes	No
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<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Legal	The 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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<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Finance	Transport for the North Finance Team has confirmed there are no financial implications. The Transport for the North 2021/22 budget has been compiled on a basis similar to 2020/21. Any subsequent changes, e.g. additional resources, will be addressed through periodic budget revisions.	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's HR Team has confirmed there are no direct resource implications as result of this report.	Stephen Hipwell	Dawn Madin

	Aligned to the changing nature of the rail operator management arrangements, additional resourcing requirements within the Rail North Partnership Team have been identified and presented to the DfT for consideration as part of the annual business planning cycle.		
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### **Risk**

Yes	No
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<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Risk	There is a corporate risk related to rail reform. This paper deals with one of the identified mitigations; This paper has addressed the corporate risk and its principal mitigation of preparing a response and continual to engage on this matter.	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	A consultation has not been carried out because the report does not contain any specific proposals.		David Hoggarth