

Date: 1 June 2021

The Rt. Hon. Grant Shapps

Secretary of State
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Sent by e-mail to:

DfT.Ministers@dft.gov.uk

Dear Secretary of State,

Re: TfN's Response to the Williams/Shapps Plan for Rail

I am writing on behalf of the Transport for the North (TfN) Board following the publication on Thursday 20 May of your white paper: '*Great British Railways: Williams-Shapps Plan for Rail*'.

We very much welcome the publication of the white paper which contains many things that TfN called for in our submission to the Williams Review; the bringing together of track and train; single accountability through a 'guiding mind' and the commitment to regional railways – guided by local knowledge - that deliver better outcomes for passengers. The TfN Board will consider a fuller response when it meets on the 9 June.

We share the government's recognition that this has to work for the North of England's 15 million people given the scale of the agreed, long-term investment programme needed to level up economic opportunity and rebalance the UK.

We have been reassured by Ministers' commitment to the key role that Sub-national Transport Bodies have to play in realising White Paper's potential. As the only regional statutory STB, the TfN Board is committed to working with you to advance the proposals in the paper.

Building on our existing structures, such as Rail North and our co-clienting of Northern Powerhouse Rail, we stand ready to support the establishment and work with Great British Railways (GBR) and look forward to participating in the Advisory Council.

In legislating for and funding TfN, government enabled the North to publish a statutory strategy for the North (our Strategic Transport Plan). For the first time, setting out a 30-year strategy and the infrastructure priorities need to deliver for the North's communities. By working with government, we now have a solid

foundation on which to quickly implement the opportunities set out in the White Paper.

Moving away from this principle would be a backward step not only for the railway and devolution, but also for the North of England. Instead we see clear opportunities for GBR to work with TfN, as a statutory, informed client, to deliver our adopted northern strategy.

The advantage of having GBR to provide a single guiding mind for the rail network is crystal clear. The TfN Board is ready to work with GBR moving forward as a new industry structure is established. This will build on our very clear strengths and capabilities as England's only STB with statutory powers, our unique co-client role with DfT on services (through the Rail North Partnership) and infrastructure (through NPR) and our existing strategic partnership working with both Network Rail and HS2 Ltd, and our current regulatory and oversight role with the RNC and Rail North Partnership Board (RNPB).

A new, stronger partnership between TfN and GBR would provide greater value than the current arrangements, drawing on the strength and depth of TfN's technical expertise, analytical capability, and hard-won confidence of our members, DfT, Network Rail, stakeholders, and the rail industry. This is because TfN has consistently demonstrated reach and insight right across the region, including strong collaborative cross-border relationships with the Midlands, Scotland and Wales, positioning rail investment as a driver of transformational sustainable economic growth and social opportunity.

That approach is supported by the strong contribution the Chairman of Network Rail has made to TfN Board and the strong relationship with the System Operator. By working through the TfN Board we have already demonstrated how it is possible for the overarching ambition of our Strategic Transport Plan to be fed back into the existing regional structure of Network Rail (which will also be reflected in the initial structure of GBR). So we want to build on the strong partnership working we've established with Network Rail with a clear offer from TfN to support GBR with a model for successful partnership working at a pan-regional level.

The attached paper sets out the tangible value continued investment in TfN has and will continue to provide government with the clarity on investment priorities across the North it seeks, meaning that we can help GBR deliver faster change, especially around getting passengers back on the railway after the pandemic, and assisting in the delivery of a decarbonisation strategy and economic recovery bespoke to our region. The North of England - as your government has rightly highlighted and our evidence demonstrates - is a Northern Powerhouse waiting to be ignited, helping create tens of thousands of jobs once east and west of the Pennines are fully connected.

I'm copying this letter to Chris Heaton Harris MP, the Permanent Secretary, and her senior team, as well as Sir Peter Hendy and Andrew Haines at Network Rail. I will also ensure my Board and our chairman John Cridland receive a copy.

I look forward to your response.

Yours sincerely,



Tim Wood
Interim Chief Executive

TfN's offer to Great British Rail. Six areas of unique capability and strength.

1. Strategic planning at a Pan Northern level. TfN statutory role as the owner of the strategic overview of the Norths' transport requirements is set out in legislation. The work to build TfN means we have a system already in place and agreed, with clear governance and a clear programme and evidence base behind the Strategic Transport Plan. This includes the Northern Powerhouse Independent Economic Review which sets the direction for economic growth and is agreed with the LEPs and wider northern stakeholders, as well as the Long Term Rail Strategy. Our own decarbonisation strategy is out ahead of DfT's own plan which recognises the importance of reducing emissions from longer distance trips and fully aligned with NR electrification plans.

We are already sharing that evidence with the two east and west teams developing the whole industry plans within Network Rail. We can build on that strong sense of shared goals and objectives between GBR and TfN and plans which bake in TfN evidence from the outset will be stronger and immediately recognisable to Northern stakeholders in GBR – offering seamless stakeholder buy in and a shared problem statement.

Statutory advice from the TfN Board has provided clear unambiguous advice to government on a range of major transport issues and investment decisions. We see the statutory functions of TfN playing a key role in continuing to influence and shape national decision making under the new arrangements.

We also see TfN collaborating in the sponsorship of a Northern Rail Infrastructure Pipeline – working with GBR and local partners to bring forward schemes and create stable flow of investment over next 30 years within an agreed funding envelope with DfT defined initially through the Integrated Rail Plan. Through all our development work we now have a clear agreed view of rail requirements for the North and the capability to prioritise the key interventions needed. The mechanisms required to be the sponsorship function for strategic investment decisions are already in place or currently being developed through the assessment of the TfN Northern Investment Programme. We are therefore well placed to help shape Great British Railway's 30-year strategy in the North of England.

2. East West connectivity is essential for growth and levelling up. We understand that NR will continue to be split east and west reflecting the current network and welcome the recognition that will need to change once NPR starts to come onstream. Clearly we would want to move at pace to a new pan Northern structure as soon as possible but in the interim, TfN is extremely well placed to work with GBR on the gaps and interfaces between East and West, especially on NPR, TRU and freight, building on existing collaboration and joint working with the NR SO function. Two key examples are:

- The development of NPR has balanced east and west priorities – looking at longer distance connectivity and taking a whole network approach. Our analysis of east west NPR services was a driving factor in the decision to remove the junction at Stourton from the design of Phase 2b, removing cost and complexity from the delivery of HS2. More recently the work on Sheffield Manchester options has taken that broader approach, allowing our members to take collaborative decisions about relative investment priorities.
- Similarly, TfN involvement in TRU has made a significant impact in determining the appropriate east west freight solution between Leeds and Manchester, facilitated integration between TRU and NPR and identified the linkages across the two business cases. Our emerging freight strategy and underpinning analytical work will further strengthen the case for east west freight interventions by taking a pan Northern approach. The TRU advice has helped ensure that the key outputs such as gauge cleared freight route for container traffic and full electrification remain objectives.

3. TfN’s evidence and analysis capability. TfN has developed industry leading tools and data analytics, backed by a capable in-house team. Our bespoke rail model NoRMs was developed and delivered in 2 years, and with NELUM and other tools now have a fully functional analytical framework to rival TfL, HS2 ltd etc. We are now uniquely positioned to provide the detailed pan Northern approach to business case development, particularly on the key interactions between connectivity and wider economic, social, and environmental factors. We now see TfN tools and models increasingly being used with local partners and more widely in DfT and stand ready to embed them as support to the evidence base into the new organisation. We see TfN taking on an assurance role for business case development for Northern investment schemes– building on the informal approach taken by DfT/NR to date. In particular we would highlight:

- NPR business case development – our analytical tools have transformed the economic case for Northern Powerhouse Rail and provided a robust basis for investment decisions. That’s been delivered through a strong focus on spatial detail and growth opportunities, distributional factors, and decarbonisation. The most recent iteration of our models has delivered a 30% uplift in benefits for Northern Powerhouse Rail.
- Our pioneering work on future travel scenarios and long-term rail demand modelling in the North which is already being used in continuous planning exercises and business case development with Network Rail.

4. Reducing costs and scheme development. We have developed clear capability through both NPR and Rail North on scheme development, demonstrating true meaningful collaboration, and a clear track record of working with the industry to challenge and drive down costs based on technical expertise but with a strong outcome focused approach which is the ethos of TfN. This is where co-clienting and co-sponsorship adds most value –

not in duplicating activity but ensuring strategic fit between delivering a realistic and appropriate solutions to long standing problems, driving Value for money while still remaining fully transformational.

Examples include:

- In NPR we have reduced projected costs since the original proposals without losing the clear ambition of the project, by integrating plans and sharing infrastructure with HS2, working constructively and methodologically with NR and our partners to remove unnecessary scope and challenge costings.
- Recently rigorous cost challenges led by TfN have been successful in identifying where costs can be reduced, including securing a £4bn cost reduction on initial assured costs by evidenced based challenging the pricing methodology and land and property requirements, thereby ensuring that unnecessary costs are not imported into the scheme. Robust benchmarking and challenge on design and the methodology for calculating electrification, possessions and isolations has identified potential for a further £5bn of real reduction in costs. The result is an ambitious set of proposals recognised by our partners with a stable and assured cost envelope at 50% of the original estimates. We are now working with DfT and NR to apply that approach into TRU and the work of the Manchester Recovery Task Force.
- TfN has led a new approach to significantly reducing the cost of journey time improvements which is can be utilised across the network. We are also leading on a reliability and resilience delivery plan for the North – joining up track and train and unlocking quick wins that the industry has previously been unable to get going.
- Working with the North East Authorities, TfN has driven operating cost savings on the Northumberland Line re-opening project (supporting economic regeneration) by ensuring the infrastructure is designed to support the most efficient service pattern.

5. Local integration and collaboration are the driving force of the TfN partnership. Only TfN has the capability, technical expertise and the strength of partnership working to define, agree and deliver transport solutions at scale that also deliver for local areas, fully integrated into local plans and ambitions. We have both the governance mechanisms and relationships already in place to do this and a strong track record of gaining the confidence of northern leaders through the use of industry experts.

TfN has been hugely successful in bringing together civic and business leaders from across the North to articulate our vision and priorities for NPR, ensuring that funding and strategy decisions about transport in the North are informed by local knowledge and requirements. TfN has been unanimous in its vision for NPR, rallying behind its preferred NPR network and phasing

based on systematic evidence generation, and our recommendations for the sponsorship and delivery of NPR as we move toward delivery.

Through NPR we have worked closely with local partners and the department to agree innovative plans for new station development that can maximise local economic and social benefits within national infrastructure projects. Examples include the new stations at Rotherham and Barnsley, where as well as the emerging proposals for a new Bradford station which TfN has supported an integrated approach to master planning and economic regeneration.

During Covid, TfN led the creation of a new North of England Contingency group to oversee the rapid re-design of services and was able to bring local knowledge to ensure that the service was tailored to the needs of key workers. Not only did this bring together local authority partners sealing with the crisis on the ground, but all train operators serving the North.

We already have a strong collaboration with Network Rail both as a Delivery Partner (and TfN Board member) and have recently agreed an MOU to take the collaboration to the next level with a shared development agenda.

TfN has also demonstrated how it can work effectively with local authority partners to help them accelerate projects that support local economic priorities. Examples include working with Cumbria Council on 'Powering up the Energy Coast, supporting West Yorkshire on the opening of new stations and providing Project Management Support to North Yorkshire on the developer-funded upgrade of the Esk Valley Line – supporting commuter and leisure markets.

6. The existing Rail North Partnership Arrangements. The Rail North Partnership was established in 2015 as the first of a new model of greater local involvement; the only one with a statutory Sub-National Transport Body and a template that helped establish partnerships elsewhere including the West Midlands and East Midlands. In the Rail North Partnership we have a team based in the North that has successfully navigated to the challenges of franchise failure and the ramifications of the May 2018 timetable disaster to oversee transformation of the Northern and TransPennine Express rolling stock (500 brand new carriages) and service offer with strong local input through TfN's Rail North Committee.

Since 2015 Rail North has demonstrated partnership working in practice:

- A strong and decisive response to the May 2018 timetable crisis with TfN providing local input to the emergency timetable and recovery measures
- Establishing a passenger compensation scheme in the aftermath of May 2018 that best met the needs of passengers and businesses impacted (including part time workers)

- Following calls from TfN members, jointly bringing in an independent expert to work with local partners and the industry on performance improvements
- TfN has taken a lead in the recovery post-pandemic creating a roadmap to recovery which is used to shape the work of the Rail North partnership.
- The Partnership is already joining up track and train at a local level; for example TfN made Statutory advice on two infrastructure programmes (TRU and Central Manchester) and is bringing its evidence base and modelling suite to making the strongest strategic case
- TfN members have demonstrated the ability to make tough choices where necessary including agreeing to two short term service changes in 2020 to kickstart the recovery of performance in the Manchester area.