

Meeting: Transport for the North Chief Executive Consultation Call (Board)

Subject: Northern Powerhouse Rail - Integrated Rail Plan Delay

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1. Purpose of the Report:

1.1 This report provides an update for members on the implications of a further delay to the publication of the Government's Integrated Rail Plan (IRP) on the Northern Powerhouse Rail (NPR) programme.

2. Recommendations:

2.1 Transport for the North Board members are asked to:

- **Note** that the IRP will not be published prior to parliamentary recess (starting 22 July) and will now be delayed until September 2021 at the earliest.
- **Note** that the Strategic Outline Case for NPR is now unlikely to be completed within the FY21/22 and could take 6-12 months from publication of the IRP.
- **Note** that we will continue to make progress on implementing the agreed scope of work for FY21/22 and model development, but a review of the future work programme may be likely.
- **Note** we will work across Transport for the North to understand the implications for the key deliverables and performance indicators set in our 21/22 Business Plan.

3. Main Issues:

3.1 Last winter, the Department for Transport requested the completion and submission of the Strategic Outline Case (SOC) for Northern Powerhouse Rail be delayed until after the Integrated Rail Plan has been published. It was due to be submitted in March 2021. At that time, the DfT indicated that the submission of a business case that is consistent with the government's policy and funding framework set out in the IRP would improve overall programme delivery and "allow more rapid alignment around single route options than envisaged in current plans – which assume a further twelve months work in some cases before detailed design work can begin."

- 3.2 The TfN Board agreed to the request and sought assurances that it would be appropriately consulted and involved in the development of the Integrated Rail Plan as it relates to the North.
- 3.3 The IRP, first expected by the end of 2020, will now not be published prior to the parliamentary summer recess, commencing on 22 July 2021. Publication will therefore be delayed until at least after 6 September 2021. Confirmed House of Commons recess dates, and by inference the windows for publication, to the end of the year are shown below:

	House rises	House returns
Summer	22 July	6 September
Conference	23 September	18 October
November	9 November	15 November
Christmas	16 December	4 January

- 3.4 Given the need for a government spending review this year, it is possible that the IRP could be considered as part of that review and could be published toward the end of the calendar year.
- 3.5 The scenario planning undertaken for the NPR SOC timetable for different possible IRP outcomes indicate that it will take 6-12 months to complete the SOC, dependent on the scale of difference to the base assumptions, networks and phasing already considered. It should be noted that to achieve these timescales would necessitate abridged processes and rapid mobilisation after the IRP is published. In the worst possible case, the SOC would be complete within 18 months of IRP publication.
- 3.6 Consequently, the earliest possible SOC – based on the earliest possible IRP after summer recess and the most minimal changes to modelling and the SOC drafting - would now be submitted 12 months later than previously programmed (March 2022), but potentially much later. This would in turn result in delays to the programme and start of construction, meaning that the potential gains in the programme to be made by rephasing the SOC will be outstripped by the continued delays to the IRP, delaying the step-change in connectivity, delivering transformational, clean, economic growth across the North of England brought about by Northern Powerhouse Rail.
- 3.7 We will continue to pursue the current agreed work programme of infrastructure design and development, and model development. Furthermore, we will look to work with co-clients to mitigate the delays to the programme as far as possible.
- 3.8 In January 2021, confirmation was received from the Department for Transport (DfT) that £75m had been allocated to the Northern

Powerhouse Rail programme. £8m of this amount was ringfenced for HS2. Of the remaining £67m, the TfN budget report in March 2021 included a committed allocation of £48.5m, with the balance of £18.5m constituting programme contingency. These sums are subject to detailed departmental commitment and drawdown processes. Budget revision 1 was prepared on the assumption IRP could be delivered in July and therefore the contingency sum was reduced by £14.43m to £4.09m to recognise the delay to date. It was also further acknowledged that there was a risk of further delay and the budget may be subsequently reduced further.

- 3.9 With the delays to the IRP, a review of the scope and timing of the programme is likely, and the budget implications will be summarised in budget revision 2.
- 3.10 Working with colleagues across Transport for the North, and with co-clients on the forward work programme, we will review the impact of a delayed IRP to our ability to achieve the key performance indicators and objectives set in the 2021/22 Business Plan and report at a later meeting.
- 3.11 The programme team has produced estimates of the impact of further delays to the IRP. These are dependent on both the timing and the content of the document – the former because that impacts upon the amount of time left in the financial year to act upon its direction, the latter because of the potential time it takes to review the document and agree a course of action based upon its recommendations. Clearly the further the IRP recommendations are from TfN’s proposed network, the more challenging it will be to quickly agree on a downstream work programme. As an indication, it is estimated that a delay of the IRP until November might result in a c.£10m shortfall against the committed budget, dependent on exact timing and substance.

4. Corporate Considerations:

Financial and Resource Implications

- 4.1 The financial implications are identified within the report. It is acknowledged that further work will be required for the next budget revision.

The resourcing implications of this further delay will need to be worked through, considered and addressed as part of the work re-programming highlighted and be reported to a future meeting as necessary.

Legal Implications

- 4.2 Legal implications are covered within the report.

Risk Management and Key Issues

- 4.3 The report has outlined the key risk(s) relating to the paper. Risk assessments continue to take place and additional risks can be found in the risk register.

Environmental Implications

- 4.4 A full impact assessment has not been carried out at this stage of development.

Equality and Diversity

- 4.5 A full impact assessment has not been carried out at this stage of development.

Consultations

- 4.6 A suitable consultation has been carried out with Transport for the North partners.

ENDS**Glossary of terms, abbreviations and acronyms used**

a) NPR	Northern Powerhouse Rail
b) IRP	Integrated Rail Plan
c) SOC	Strategic Outline Case
d) DfT	Department for Transport