

Meeting: TfN Scrutiny Committee

Subject: Spending Review Planning

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Sponsor: Martin Tugwell, Chief Executive

Meeting Date: Thursday 9th September 2021

1. Purpose of the Report:

- 1.1 The Government has said that it will hold a spending review (SR21) later this year. The scope and timetable for the spending review are not known at the time of preparing papers for Committee.
- 1.2 As in previous years, TfN will be required to submit a bid for funding and the organisation's funding allocation for the next financial year and subsequent financial years will continue to be determined by DfT. This therefore means that TfN is required to align its processes with Departmental timelines and requirements.
- 1.3 Given the uncertainty around infrastructure investment, the Government's fiscal position and the uncertainty over TfN's future role, officers have commenced preparatory planning work.

2. Recommendations:

- 2.1 This report is for noting. A verbal update on the latest known position will be provided at the Committee on 9 September.

3. Main Issues:

- 3.1 At the March Budget Statement, the Chancellor indicated his intention to hold a spending review later in 2021. No further detail on scope or timing is currently available and had been expected in July. The 2020 process was announced by the Chancellor on 21 July 2021, with TfN's submission requested by DfT in early September 2021. The earliest that a spending review could now be announced is early September.
- 3.2 The Board has agreed the following objectives for a successful SR21 outcome:
- Progressing the Northern Infrastructure Pipeline and key infrastructure asks to support the economic recovery, building from the projects identified in the TfN Economic Recovery, including:

- a. Continuing to accelerate Northern transport projects already close to delivery where work can start during the current Parliament.
- b. Securing commitment to developing core infrastructure to be delivered after 2025 with a strong focus on rail, freight, decarbonisation and local connectivity.
- c. Securing commitment to Northern Powerhouse Rail (NPR) and HS2 and other major schemes if not already confirmed through the Integrated Rail Plan.
- d. An agreed approach with DfT (and with Government) on opportunities for wider collaboration on transport decisions, building on the collaborative approach we are pursuing on the Manchester rail network.
- e. Securing clear commitment in the Levelling Up White Paper to further devolution of transport funding and powers in line with the Northern Transport Charter.
- f. Ensuring TfN has sufficient resource to deliver its core mission to make the case for transformational, sustainable and inclusive pan Northern transport investment. Securing the future of the organisation through a multi-year settlement for TfN would enable us to plan our work with certainty and move to a more efficient operating model.

3.3 Officers have continued to make progress against these priorities and develop the spending review submission. In line with the Board's approach, TfN intends to present an overarching financial submission that is based on the delivery of the Strategic Transport Plan and the associated investment pipeline that includes programmes and projects from across the North, including NPR.

3.4 However, planning specific activities has been challenging given the ongoing uncertainty on the publication of the Integrated Rail Plan and the timetable for the spending review. The core component of the spending review submission will need to be determined by the requirements set by Her Majesty's Treasury and DfT. Once those details are known, TfN officers will develop the more detailed proposals for the Board to consider.

3.5 Officers are also developing external communication plans alongside the formal submission. This will be integrated with the communications plan set out in the paper on the Northern Transport Charter to be agreed at the Board in September.

4. Corporate Considerations:

Financial and Resource Implications

- 4.1 The TfN HR Team have confirmed that the resource implications have been considered and set-out within the report.
- 4.2 The TfN Finance Team has confirmed that there are no new financial implications as a result of this report.

Legal Implications

- 4.3 The TfN Legal Team confirm that there are no new legal implications for TfN as a result of this report.

Risk Management and Key Issues

- 4.4 This paper does not require a risk assessment, however, TfN's Corporate Risk Register consists of risks associated to the Comprehensive Spending Review.

Environmental Implications

- 4.5 There are no new environmental implications for TfN as a result of this report.

Equality and Diversity

- 4.6 There are no new equality and diversity implications for TfN as a result of this report.

Consultations

- 4.7 A consultation is not required at this time.

5. Background Papers

- 5.1 None

6. Appendices

- 6.1 None

Glossary of terms, abbreviations and acronyms used (*if applicable*)

Please include any technical abbreviations and acronyms used in the report in this section. (Please see examples below.) This will provide an easy reference point for the reader for any abbreviations and acronyms that are used in the report.

TfN – Transport for the North

DFT – Department for Transport

HMT – HM Treasury