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<b>Meeting:</b>	Rail North Committee - Strategic Rail Director Consultation Call
<b>Subject:</b>	Transport for the North's Business Planning
<b>Author:</b>	Salim Patel, Programme Manager
<b>Sponsor:</b>	David Hoggarth, Strategic Rail Director
<b>Meeting Date:</b>	Wednesday 15 September 2021

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### **1. Purpose of the Report:**

- 1.1 This report provides an update on progress against Transport for the North's Strategic Rail Business Plan for 2021/22.
- 1.2 The report sets out (for endorsement) a planned approach to the business plan, budget and member contributions for 2022/23. Subject to Members' comments this will be developed through the usual Transport for the North Business Planning and Budget cycle.
- 1.3 The report also provides an updated forward plan for the Rail North Committee.

### **2. Recommendations:**

- 2.1 It is recommended that the Committee note progress on delivery of the business plan for 2021/22.
- 2.2 It is recommended that the Committee endorses the approach set out in the report to the 2022/23 business plan. This will be developed further as part of the Business Planning Process.
- 2.3 It is recommended that the Committee endorses the meeting forward plan.

### **3. Main Issues:**

#### **Business Plan 2021/22 Progress:**

- 3.1 The business plan for 2021/22 was set against the backdrop of a pandemic and a reduced core budget for Transport for the North. Despite this, the Strategic Rail team outlined an ambitious programme of outputs to continue to make the case for investment in the North's railways.
- 3.2 The business plan outlined six key performance indicators that the team would be measured against. These are outlined below:

Demonstrate clear added value in supporting and developing return to rail initiatives across the North to aid economic recovery.	Mar-22
Deliver plans for rail hub enhancements around two major stations to maximise the potential of the network	October 2021 & Feb 2022
Demonstrate meaningful and beneficial engagement for the North on rail reform within three months of publication of the Williams White Paper	Sep-21
Further embed the TfN rail journey time improvement initiative with Network Rail to deliver better reliability on at least two rail routes during 2021/22	Mar-22
Maximise the digital transformation of fares, ticketing and information through collaboration and the development of business cases across the North	Mar-22
Continue to use TfN's existing powers and role in Rail North Partnership to deliver the best outcomes for passengers by influencing train operators and major programmes including TRU and Central Manchester - March 2022	Mar-22

- 3.3 Progress has been good to date with the team on target to deliver the first KPI's on programme.
- 3.4 The response to the Williams-Shapps review is being developed for Transport for the North Board at the end of September 2021 for approval.
- 3.5 Delivery plans for Hubs are progressing well with one Hubs plan anticipated for delivery by early October 2021.
- 3.6 Transport for the North continues to work closely with DfT and Rail North Partnership to drive forward the Roadmap to Recovery through fares initiatives and marketing. An agency has also been commissioned to support this activity.
- 3.7 Transport for the North's line-speed increase initiative has been widely praised for its innovative approach to reducing the cost of enhancements. Transport for the North is in the process of commissioning Network Rail to complete the next stage of development on 5 routes and following initial approvals has reached agreement with DfT for it to develop a further 22 routes through the Rail Network Enhancement Programme.
- 3.8 Transport for the North continues to work closely with Network Rail and the TRU programme to influence the outputs.

- 3.9 Although Transport for the North's smart programme has now ended, development of digital and smart technologies continues to be a priority. A new Head of Digital Strategy will join the team in October 2021 to progress this work further. In particular, opportunities will be sought to pilot new products in the North and to link in with the work local authority partners are undertaking on their bus strategies.

**Proposed Priorities for 2022/23:**

- 3.10 Transport for the North's Strategic Rail Team has two core functions:
- Providing Transport for the North's direction to the Rail North Partnership to meet the terms of the Partnership Agreement including consultation with partner authorities; and
  - Overseeing delivery of the Long-Term Rail Strategy element of the Strategic Transport Plan including the rail investment programme and Statutory Advice to the Secretary of State relating to rail investment.
- 3.11 The Strategic Rail team represent Transport for the North's interests on the project and programme boards for the DfT's North of England Rail Programme. As well as prioritising the shape and focus of the rail investment pipeline in the North, working with partners, the Programme also serves as a vehicle to bring together the organisations and bodies which together drive this work and ensure that local intelligence helps shape decision-making.
- 3.12 Transport for the North is currently developing an input to the Comprehensive Spending Review and the outcome of this will determine the resources available for Transport for the North to prioritise its work. The outcome of this is unlikely to be known until later in the autumn, and Transport for the North may not receive confirmation of its funding allocation until the start of the new year.
- 3.13 In parallel, work has commenced on identifying the key focus areas and priorities for the Strategic Rail team. As per previous years, this report provides an opportunity for the Rail North Committee to comment on and shape the relevant aspects of draft priorities.
- 3.14 As the build back of services and demand continues, and changes to working practices take shape we propose the overarching aim for 2022/23:

*To use Transport for the North's influence to ensure customers are at the heart of the continued re-building of demand after the pandemic, responding to new markets and make the case for continued investment in rail services and infrastructure in the North through a strong role in the new industry structure.*

- 3.15 Within this, the following objectives are proposed for 2022/23:
1. To retain the good levels of performance seen through the pandemic and to drive accountability to deliver better passenger outcomes;
  2. To work with Great British Railways to implement the William-Shapps review and to make the case for the role of Transport for the North and its members in providing a single influential voice in the North;
  3. To secure greater levels of investment and smarter delivery of projects to support Transport for the North's strategy; and
  4. Strengthen joint working with Transport for the North member authorities to make better use of local knowledge and insight.
- 3.16 The above objectives are intended to be used to allocate the core funding available to the Strategic Rail team, noting that there is still considerable uncertainty with regard to how much funding Transport for the North will be allocated. The objectives will be developed into a set of priorities through the business planning process.

### **Resources**

- 3.17 The approach to resource allocation follows the overall approach that Transport for the North is taking. This includes a business as usual baseline based on a continuation of resources/ budget in the current financial year for the organisation as a whole. As the business plan is developed a resource base will be developed to deliver the programme across the organisation, subject to the level of funding allocated.
- 3.18 Transport for the North's CSR submission will also assume a continuation of the specific funding contribution from Department for Transport for the Rail North Partnership Management Team. It also assumes a continuation of partner contributions at current levels (subject to the usual indexation).
- 3.19 The budget currently funds eleven roles in the Strategic Rail Team in addition to modest external consultancy support and business infrastructure costs. As the role/ scope of activities has evolved (from that originally established under Rail North Ltd), the majority of the team's funding (around £1 million p.a) is now through Transport for the North's core budget and is not subject to any ringfencing. Expenditure levels are therefore dependent on the Board overall prioritisation of activities across the organisation and the funding settlement that Transport for the North receives.
- 3.20 The range of activities that can be supported through the core funding and budget include:

- Current level of influence on rail services and outputs;
- Servicing Rail North Committee and working groups to current levels (quarterly Committee meetings);
- Limited input to DfT funded major schemes including the Transpennine Route Upgrade (e.g. around access planning and information about project progress);
- Making the case for investment, including on Central Manchester and East Coast Mainline;
- Communicating information from Rail North Partnership and operators to members;
- Response to industry consultations and engagement where directly relevant to the North;
- A basic service to member authorities on their plans and priorities except where there are able to provide additional funding (e.g. the collaboration with North Yorkshire County Council on the Esk Valley project);
- Continuing programme of delivery plans and development of business cases for 1-2 projects across the North; and
- Delivery of Line-speed and reliability workstreams.

### **Member Contributions**

- 3.21 The proposed total Members contributions (as defined in Transport for the North's Franchise Management Agreement) are:
- Member Contributions: £40,828 (without indexation) 'Cash' contribution;
  - Additional Contributions: £40,828 (without indexation) 'Cash' or 'in kind' contribution; and
  - Supplemental Payments: £567,54 (without indexation) Combined Authorities/PTEs only.
- 3.22 Previously 'in kind' contributions have been permitted or the Additional Contributions in the form of staff time (for example Local Transport Authority staff working on specific projects or programmes on behalf of Transport for the North). Specific members' contributions are set out in the Franchise Management Agreement and are based on voting metrics.

## **Committee Forward Plan**

3.23 This is set out in Appendix 1.

## **4. Corporate Considerations:**

### ***Financial and Resource Implications***

4.1 The financial implications have been set out in the report, in particular the current uncertainty regarding the CSR and likely funding allocations in 2022/23.

4.2 The potential resourcing implications are set-out in the report and as detailed will be subject to the outcome of the CSR and subsequently worked through as part of the business planning process for FY2022/23.

### ***Legal Implications***

4.3 There are no legal implications for Transport for the North as a result of this report. DfT remains formal client for both services and infrastructure.

### ***Risk Management and Key Issues***

4.4 Risks in this report relate to the outputs of the CSR submission and this will be worked through as part of the business planning process.

### ***Environmental Implications***

4.5 A full impact assessment has not been carried out because it is not required for this report.

### ***Equality and Diversity***

4.6 A full Impact assessment has not been carried out because it is not required for this report.

### ***Consultations***

4.7 No public consultation required, however the final business plan will be made available publicly.

## **5. Background Papers**

5.1 There are no background papers to this report.

## **6. Appendices**

Appendix 1. Committee Meeting Forward Plan.

## Appendix 1: Forward Plan

### Rail North Committee Forward Plan

2021/22

- ★ Update Paper: TfN Business Planning
- ★ Update Paper: Comprehensive Spending Review
- ★ Update Paper: ECML 2023 proposals
- ★ Update Paper: Manchester infrastructure update

- ★ Update Paper: Committee Forward Plan 2022/23.
- ★ Update Paper: Central Manchester 2030 services and infrastructure update.
- ★ Update Paper: May 2022 Timetable change.
- ★ Update Paper: Hubs Delivery Plans.

## TBC as part of Business Planning process

December 2021

March 2022

June 2022

September 2022

- ◆ Decision Paper: TfN Business Plan Proposals

- ◆ Decision Paper: TOC Business Plans.