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**Meeting:** Transport for the North Scrutiny Committee  
**Subject:** Rail Reform and Whole Industry Strategic Plan  
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**Sponsor:** David Hoggarth  
**Meeting Date:** Wednesday 12 January 2022

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**1. Purpose of the Report:**

- 1.1 This report summarises recent developments within the rail industry on the implementation of the government's White Paper *Great British Railways: The Williams-Shapps Plan for Rail* from May 2021. It seeks endorsement of the approach and sets out planned next steps (including detailed engagement with the Great British Railways Transition Team and Mayoral Combined Authorities).
- 1.2 This report also explains how the TfN Strategic Rail team intends to respond to one of the first activities performed by the Great British Railways Transition Team, namely their call for evidence to support their forthcoming Whole Industry Strategic Plan.

**2. Recommendations:**

- 2.1 The Scrutiny Committee is asked to:
- a) Note the progress on working with the industry on implementing the Williams-Shapps Plan in the North.
  - b) Note the approach set out in this paper including the proposal to utilise existing levers within the Rail North Partnership Agreement set out in paragraphs 3.9 to 3.10 and plans to undertake deeper discussion of the development of the new partnership with Great British Railways.
  - c) Endorse the approach to responding to the Whole Industry Strategic Plan call for evidence which is set out in paragraphs 3.14 to 3.16 and consider any further points that could be included in Transport for North's response.

**3. Main Issues:**

**Background**

- 3.1 Transport for the North has consistently identified the potential for transformation of the North's transport system to realise economic potential and economic productivity gains and used its analytical tools to demonstrate the value to the national economy. The Rail White Paper signals a radical transformation of the management of the national rail network and positions strong partnerships at regional and local levels to help achieve these goals.
- 3.2 At the last meeting of the Transport for the North Board, members endorsed an initial response to the Rail White Paper setting out a strong partnership offer to the new GBR organisation based on four pillars:
- a) Transport for the North as a strategic partner for Great British Rail;
  - b) Transport for the North as the lead on multi-modal strategy and investment priorities for the North in collaboration with local authorities;
  - c) Transport for the North as a provider of evidence, data and strategic insights; and

- d) Transport for the North as the unified voice for northern authorities and the business community, acting as the link between local devolution, multi-modal integration, Local Enterprise Partnerships and GBR's regions.

Changes to the wording of the key recommendations were requested (and resolved) in order to reflect that:

- e) Transport for the North works with local authorities in discharging its function of leading on multi-modal investment priorities; and
- f) Transport for the North provides close links to the business community through its relationship with Local Enterprise Partnerships, thereby connecting business to devolved authorities.

3.3 The White Paper set out sweeping reforms to the structure of the rail industry to improve customer focus and accountability. The reforms will require legislation and are unlikely to be fully implemented until 2023/24. However, the Government has set up a transition team headed by Andrew Haines (who is also Chief Executive of Network Rail) to oversee the changes and, where possible, deliver some of the desired outcomes ahead of structural change. Transport for the North will seek greater clarity and transparency on how the Great British Railways Transition Team will proceed, and how our local partners will be able to influence the process.

3.4 As reported to the November 2021 meeting of the Transport for the North Board, positive discussions have taken place, including a workshop involving senior Transport for the North officers and senior Network Rail staff. This collaborative work has highlighted that there is a real opportunity now for the North to take a pioneering approach by building on existing successes and evidence to harness the clear ambition of the North, together with the expertise of industry.

#### **Overview of TfN's ongoing response to the Williams-Shapps Plan**

3.5 Initial joint work on implementing the White Paper has highlighted that there are already strong building blocks in the North, including Transport for the North's *Strategic Transport Plan*, the Rail North Partnership (which is the first stage of devolution) and city regions that are well-placed to deliver on integrated local public transport. There is also some very strong joint working taking place across the industry (for example on strategic planning and future scenarios, and more responsive timetables) as well as local initiatives such as new stations and multi-modal ticketing linked to bus strategies. For this reason, there is a huge opportunity to build on this work and implement a step change across the North. The North is therefore able to move more quickly than other parts of the country, and can be a pathfinder for the reform in a way that starts to deliver tangible passenger and freight benefits sooner.

3.6 The initial discussions with Network Rail focussed on the following five themes that would form the core of the new partnership in the North:

- a) A joint Strategic Transport Plan that establishes the need for transformation of the North's transport system;
- b) Through that joint plan, identification of the role and outcomes required of the rail sector in support of realising the North's economic potential;
- c) A prioritised pipeline of investment, expressed in terms of outcomes and against which detailed interventions are developed;
- d) The principle of 'double devolution', used to empower City Regions (and other areas) in order to enable integration of services at the local level; and
- e) Decision-making at the regional and local level to be shaped by a 'profit and loss' account for the North that guides strategic choices, investment and service specification.

- 3.7 TfN's existing *Strategic Transport Plan* has benefitted from being based on the Northern Powerhouse Independent Economic Review (NPIER) and encompassing all surface modes of transport. Rail connectivity between major towns and cities is an essential part of any transformative growth scenario, and as such connections are essentially "cross-border", TfN will play a key role working with Mayoral Combined Authorities and Local Transport Authorities on developing future strategy and relations with Great British Railways. Transport for the North's multi-modal role means that it can consider rail in the overall transport mix, ensuring rail solutions are targeted where they are most beneficial. The overall goal with Theme A is envisaged as being to achieve close alignment between the rail element of TfN's refreshed *Strategic Transport Plan* and the northern element of Great British Railways' Whole Industry Strategic Plan. This will involve joint strategic planning over a 30-year timescale and the production of a 'Combined Train Service Specification' for a post-NPR end state (as detailed further in Theme B below).
- 3.8 Service specifications are currently the remit of the Rail North Partnership, which is already a joint entity between Transport for the North and DfT. DfT's role in the Rail North Partnership is expected to transfer to GBR under the White Paper, which provides a strong building block for wider partnerships and further devolution in the future (and in fact there is a specific provision for this in the Partnership Agreement). RNP will oversee the move to National Rail Contracts (including the objectives set out in the White Paper), so there is an opportunity to collaborate on these to tailor them to meet the needs of the North. This will fulfil the objective of Theme B to create a partnership that will set the required outcomes from the rail industry. A number of other elements will need to be taken into consideration, including the industry's funding envelope, acceptable subsidies, the existing powers for devolved and simplified fare-setting, smart multi-modal ticketing, and the requirements of rail freight (including the best use of freeports).
- 3.9 Theme C focuses on greater collaboration over the White Paper's vision for better integration of track and train. Rail North Partnership has long been involved in service specifications. However, Transport for the North could become more involved in the process of specifying the infrastructure which is necessary to support the aspirations for rail connectivity. The recent Manchester Recovery Task Force is an example of how this can be done, with iterative planning of options for services and infrastructure, and lessons learned here can be taken in to developing a joint pipeline of enhancements, service and rolling stock changes. This would be suitably sequenced according to anticipated funding availability, whilst also taking into account practical delivery issues and passenger disruption. The advantage of a pipeline approach alongside a clear vision for the network is that early development work can be undertaken on projects in the pipeline and schemes can be brought into the programme as and when funding becomes available.
- 3.10 The process of "double devolution" cited in Theme D is already under way in the North, with strong examples of local devolution working in practice, including the Tyne & Wear Metro (operated by Nexus) and the Merseyrail network, which is fully devolved to the Liverpool City Region. This has enabled major investment in new rolling stock in both cases, further enabling innovations such as full level boarding and battery technology. A potential future quick win highlighted is the provision (in the Rail North Partnership Agreement) for devolved Business Units. These are designed to facilitate much greater local involvement in the specification and monitoring of services. The North East authorities have already established a successful business unit (NERMU) working across the North East. The Partnership Agreement would allow this to be developed further and become

in effect a form of 'double devolution' within the Rail North framework. This could be rolled out quickly to other areas (e.g. individual city regions or groups of city regions working together) as a first step towards fully devolved responsibilities.

- 3.11 Theme E describes a "profit and loss" account to guide decision-making in the North. This supports the Northern Transport Charter's goal of securing a budget for transport in the North, by enabling a greater level of accountability with respect to how that budget would be spent and what benefits would be generated. It will build on Transport for the North's emerging Appraisal Framework and provide detail about a greater range of impacts than traditional project evaluation, incorporating modelling of (for example) environmental, sustainability, land use and social exclusion issues. This is felt to be aligned with the more flexible business case guidance in the latest Treasury *Green Book*, and can be linked back into Transport for the North's future Monitoring & Evaluation Plan. This in turn may enable more accountable access to local contributions for funding enhancements, as the benefits to specific locations could be identified more easily and subjected to post-project evaluation. Over time, the "profit and loss" account and the lessons learned within it would inform the joint strategic decisions of Transport for the North and GBR.
- 3.12 It should be noted that there are some risks to Transport for the North arising from these proposed changes to overall governance, namely:
- a) If the process of "double devolution" is undertaken ineffectively, it could result in confusion for all stakeholders; and
  - b) If TfN does not secure its relationships with DfT, Great British Railways, local authorities and other stakeholders, it could be side-lined within the new governance structure.
- 3.13 It is proposed to engage with the Mayoral Combined Authorities (in the first instance) to develop appropriate business units that are aligned with local integrated networks and provide a greater level of local oversight and accountability.

#### **Overview of TfN's response to the Whole Industry Strategic Plan call for evidence**

- 3.14 The Great British Railways Transition Team has issued a call for evidence to support the forthcoming Whole Industry Strategic Plan (WISP). This will be a 30-year plan with a number of similar objectives to TfN's own *Strategic Transport Plan*, so the call for evidence is an opportunity to draw on Transport for the North's analysis and evidence base to ensure the plans are closely aligned and draw on the same information. GBR have requested responses by 4<sup>th</sup> February 2022, and they correctly anticipate that regional stakeholders will have been working on many of the same issues themselves. It is therefore intended to use TfN's existing workstreams to inform our response to the WISP.
- 3.15 The WISP call for evidence lists five strategic objectives which will be covered and asks 19 questions which will inform these. The call for evidence document is included with this report, so the full text of the questions can be found there. The strategic objectives (and related question numbers) are:
- a) Meeting the needs of future passengers and freight customers (Questions 2a to 2d);
  - b) Ensuring rail is financially sustainable, efficient and value for money (Question 3);
  - c) Catalysing long-term economic growth (Questions 4a to 4c);
  - d) Reducing regional inequalities and improving connectivity between communities (Questions 5a to 5c);

- e) Supporting government’s environmental sustainability objectives (Questions 6a to 6c); and
- f) A summary section explaining how goals will be achieved and prioritised (Questions 1a to 1e).

3.16 Material will be drawn from the following TfN workstreams to support answers to these questions:

- a) The *Long Term Rail Strategy* involves themes related to how goals will be achieved and the trade-off between competing objectives (Questions 1a and 1b);
- b) The work of the Rail North Partnership involves themes related to financial sustainability, value for money, and passenger needs (Questions 3 and 5b);
- c) The Northern Powerhouse Rail programme has examined issues relating to Catalysing long-term economic growth (Questions 4a to 4c);
- d) The *Decarbonisation Strategy* has addressed themes concerning environmental sustainability, net zero carbon, biodiversity, pollution and new technology (Questions 6a and 6b);
- e) The work of the Technical Assurance, Modelling & Economics (TAME) team involves themes related to underlying economic factors, labour market agglomeration, the impact of CoViD-19, regional inequalities, levelling up, modal shift and decarbonisation (Questions 2a, 4a, 5a, 5c and 6a);
- f) The forthcoming Freight Strategy will address themes related to customer needs, supply chains, new technology and value for money (Questions 2c and 2d);
- g) The *Future Travel Scenarios* workstream has examined topics concerning long-term economic and social trends, environmental change and resilience (Questions 1c and 1d);
- h) The Stations Strategy involves themes related to multi-modal interchange, accessibility, value for money, long-term economic growth, local regeneration, place-making and active mode integration (Questions 1e, 2a, 2d and 4b);
- i) The Reliability & Resilience Delivery Plan will address issues relating to train performance, monitoring passenger expectations, reliability, value for money and climate resilience (Questions 2a, 2b, 2d, 6a and 6c);
- j) The Linespeed Improvement initiative involves themes related to value for money, reducing journey times, and innovative ideas (Questions 3, 4a and 4c); and
- k) TfN’s Digital Strategy will address themes related to customer satisfaction and financial sustainability (Questions 2a and 3).

#### **4. Corporate Considerations**

##### ***Financial Implications***

4.1 There are no direct finance implications as a result of this report. The extent of the work undertaken in 2022/23 will be dependent on TfN’s funding allocation and the business planning process.

##### ***Resource Implications***

4.2 Dependant on the implementation of the GBR Target Operating model there may be structural, resource and skills implications for Transport for the North. This will be kept under review and the Board appraised as this proposal evolves. The organisation recognises UNISON, should changes to our delivery model subsequently be required, full and proper consultation will be undertaken with UNISON and any employees affected.

##### ***Legal Implications***

4.3 Legal implications are covered in the report.

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

4.4 The risks arising from these activities have been identified in the report.

### ***Environmental Implications***

4.5 This report does not constitute or influence a plan or programme which sets the framework for future development consents of projects listed in the EIA Directive and therefore does stimulate the need for SEA or EIA.

### ***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 Transport for the North's partners have been informally consulted on our approach and will have the opportunity to provide further input as the proposition evolves. Transport for the North's initial response to the White Paper was considered by Transport for the North's Scrutiny and Rail North Committees.

## **5. Background Papers**

5.1 The GBR Transition Team *Whole Industry Strategic Plan: Call for Evidence Document* (published 9<sup>th</sup> December 2021) is included at Appendix 1.

## **6. Appendices**

6.1 Appendix 1 - *Whole Industry Strategic Plan: Call for Evidence Document*.

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

a)	DfT	Department for Transport
b)	EIA	Environmental Impact Assessment
c)	GBR	Great British Railways
d)	IST	Integrated & Smart Travel
e)	LTRS	<i>Long Term Rail Strategy</i> (published by TfN in January 2018)
f)	NERMU	North East Rail Management Unit
g)	NPIER	Northern Powerhouse Independent Economic Review
h)	NPR	Northern Powerhouse Rail
i)	NTC	Northern Transport Charter
j)	RNP	Rail North Partnership
k)	SEA	Strategic Environmental Assessment
l)	STP	<i>Strategic Transport Plan</i> (published by TfN in February 2019)
m)	TfN	Transport for the North
n)	TPE	TransPennine Express
o)	WISP	Whole Industry Strategic Plan