
Meeting: Transport for the North Board
Subject: Great British Railways: Update
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Sponsor: Martin Tugwell, Chief Executive
Meeting Date: Thursday 30 June 2022

1. Purpose of the Report:

- 1.1 This report provides an update on the implementation of rail reform in the North of England and sets out how Transport for the North will respond to the consultation on legislation to implement rail reform.

2. Recommendations:

- 2.1 It is recommended that the Board:
- a) Notes the update in this report;
 - b) Agrees to delegate to the Chief Executive in consultation with the Rail Reform Working Group the preparation of a response to the consultation on legislation to implement rail reform.

3. Main Issues:

Background

- 3.1 The Rail White Paper (published in May 2021 under the title *Great British Railways: The Williams-Shapps Plan for Rail*) set out sweeping reforms to the structure of the rail industry to improve customer focus and accountability; key elements include the bringing together of day-to-day operation and long-term planning of both train services and rail infrastructure under a single body, which will set most fares and timetables, sell tickets, and bear the revenue risk. The reforms require legislation and are unlikely to be fully implemented until 2024. 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 deeper structural change.
- 3.2 Transport for the North continues to engage with the industry, partners and the GBR Transition Team (GBRTT) to shape the way the reforms are implemented in the North; a significant part of this was our response to the Transition Team's Call for Evidence for their Whole Industry Strategic Plan, submitted on 4th February, which was partly based on input from our partners and our own previous work. This demonstrates both the advantage of the North speaking with one voice through Transport for the North and the opportunity for the railway to be more accountable to the local people it serves through 'double devolution'.
- 3.3 Following discussions with our partners and the wider industry (through Network Rail), the Board approved a set of principles to guide the implementation of rail reform in the North, underpinned by strong partnership working.
- 3.4 The main components of the proposed new partnership are:
- 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.

3.5 The process of 'double devolution' 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. Under the existing Rail North Partnership Agreement, 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 as the first step in greater local involvement within the existing Partnership structure. This would also allow the North to move quickly to realise some of the benefits ahead of formal legislation. Furthermore, Greater Manchester is one of two pilot areas for local partnership agreements with GBRTT (the other is West Midlands).

Progress Update

3.6 Transport for the North has engaged positively with the GBR Transition Team, including making a strong input to their recent call for evidence to inform the development of the 30-year rail strategy - the Whole Industry Strategic Plan (WISP). Transport for the North engaged with the Transition Team prior to submission of the response and has had follow-up discussions. A key element of Transport for the North's response is to ensure that the WISP draws on the strong evidence base and analytical framework developed by Transport for the North and takes into account wider social and environmental priorities rather than being purely financially focussed. It was further argued that some measures enacted for financial reasons historically have been false economies, as they have hampered the ability to attract new passengers and grow revenue.

3.7 GBRTT have published a summary of the responses that they received to their Call for Evidence, which ran from December 2021 to February 2022.

250 organisations and 57 individuals responded. All Sub-National Transport Bodies, including Transport for the North, submitted a response. GBRTT have identified a number of recurrent themes in the responses, all of which tie in with Transport for the North's rail priorities, namely:

- 1) The key role rail should play in decarbonising the wider transport network – aligning with Transport for the North's *Decarbonisation Strategy*;
- 2) Better integration of rail with other forms of transport – as covered in Transport for the North's *Multimodal Hubs* policy;
- 3) The need to improve accessibility and the service we offer customers – linking to Transport for the North's *Stations Strategy* and work undertaken by Rail North Partnership;
- 4) The importance of rail's role in levelling up – reflecting Transport for the North's submission;

- 5) The need for much greater efficiency – which aligns with Rail North Partnership’s role in operator business planning and Transport for the North’s concern about high infrastructure costs; and
- 6) The need to recognise that rail isn’t always the answer – which will be reflected in our “mode agnostic” approach to the *Strategic Transport Plan* refresh.

GBRTT will take this input forward in to creating a draft of their 30-year *Whole Industry Strategic Plan*, which is due to be completed by the end of 2022

3.8 Engagement has also taken place with the GBR Transition Team on the principles of reform in the North, how a new Partnership would function (as set out in paragraph 3.4), and how it would fit with the principles of ‘double devolution’. The Transition Team attended the first of Transport for the North’s Rail Reform Programme Board meetings (held on 24th May 2022) together with Network Rail and TfGM. Representatives from the Transition Team have been invited to attend the September meeting of the Board to provide an update on their programme which will provide an opportunity to discuss how the proposals will be implemented in the North.

3.9 The proposition is now being developed in more detail and will be brought to a Board meeting later in the year. A Working Group for Members of the Board (including LEPs) has been established, and the first meeting is planned for July 2022.

Consultation on Legislation to Implement Rail Reform

3.10 The Government published this consultation on 9 June 2022, this being the proposed legislative changes to implement the 2021 Williams Shapps Plan for Rail. The consultation closes on 4 August 2022. An important part of the proposed legislation is to provide for the establishment of Great British Railways, the proposed body that will manage the rail network and services on an integrated basis. The consultation document is available at:

[Williams-Shapps Plan for Rail: consultation on legislation to implement rail transformation \(print version\) \(publishing.service.gov.uk\)](#)

3.11 The consultation document notes that Transport for the North and other bodies have worked in partnership with the Department for Transport to specify contracts and play an ongoing role in the in-life management of these. It also notes the devolved network in the Liverpool City Region and the devolved powers of the Scottish and Welsh Governments. These arrangements are not proposed to be diminished however the Scottish and Welsh Governments could delegate their authority to contract services to Great British Railways if they wish.

3.12 Transport for the North will submit a substantive response to the consultation and will engage with Member authorities to inform that response. As well as commenting on the roles of Transport for the North and Member authorities, we also intend to comment on wider policy issues so that the proposed legislation covers all relevant areas.

3.13 Transport for the North needs to develop a response to the consultation for submission by 4 August 2022. It is proposed to discuss the response with the Rail Reform Working Group and for the Board to delegate authority for signing off the response to the Chief Executive.

4. Corporate Considerations

Financial Implications

- 4.1 There are no direct finance implications as a result of this report. The resource cost of work proposed to undertaken in 2022/23 is included in the draft budget also being presented to the Board at this meeting.

Resource Implications

- 4.2 There are no direct implications as a result of this report. 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 The Government has made provision for legislation associated with the Rail Reform proposals in the 2022 parliamentary session. Transport for the North will review the proposals for any implications when published and provide a further report to the Board.

Risk Management and Key Issues

- 4.4 The report relates to the corporate risk that Transport for the North could have a reduced role in the rail industry following the implementation of the Williams-Shapps review. The report refers to the mitigations that Transport for the North is taking including developing a proposition, engaging with the GBRTT and responding to the consultation on the legislation.

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. The Rail Reform Working Group will be consulted on the proposed response to the DfT's consultation.

5. Background Papers

- 5.1 There are no background papers to this report.

6. Appendices

- 6.1 There are no Appendices.

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.

DfT	Department for Transport
GBR	Great British Railways
GBRTT	Great British Railways Transition Team
TfGM	Transport for Greater Manchester
WISP	Whole Industry Strategic Plan