

## **Appendix A:** Co-Sponsorship Memorandum of Understanding

### **Northern Powerhouse Rail (NPR) Programme**

#### **Co-Sponsorship Memorandum of Understanding (MoU) Agreement between:**

The Secretary of State for Transport, whose primary offices are registered at Great Minster House, 33 Horseferry Road, London, SW1P 4DR (SoS)

Transport for the North, whose primary offices are registered at 4 Piccadilly Place, Manchester, M1 3BN (Transport for the North).

#### **Part A – Background**

- On 18 November 2021, the Government published its Integrated Rail Plan (IRP), a major rail investment blueprint for the North and Midlands over the subsequent three decades
- One of the central recommendations of the IRP was a change to the delivery model for Northern Powerhouse Rail (NPR). From the programme's conception in 2015 to March 2022, NPR had operated on a 'co-client' model with co-clients Department for Transport (DfT) and Transport for the North (Transport for the North) assuming joint responsibility for developing the programme and instructing NPR delivery bodies HS2 Ltd and Network Rail
- This relationship was governed by a Memorandum of Understanding (MoU) which outlined the respective roles and responsibilities of NPR co-clients as well as general working practices. The terms of this MoU formally terminated on 31 March 2022 when the NPR programme transitioned to a new delivery model
- Under the new delivery model, which became effective on 1 April 2022, a single programme client team has been embedded in DfT that is responsible for instructing NR and HS2 Ltd and is solely accountable to the Secretary of State (SoS) for Transport. Transport for the North has now formally transitioned from NPR programme co-client to co-sponsor.

#### **Part B – Role of Sponsors and Purpose of this document**

- The **Sponsors** have a critical role as part of the governance board of any project, programme or portfolio. The sponsors are accountable for ensuring that the work is governed effectively and delivers the objectives that meet identified needs
- The purpose of this agreement is to serve as a Memorandum of Understanding (MoU) between NPR co-sponsors DfT and Transport for the North, outlining the roles and responsibilities of both parties as well as presenting guidelines on working arrangements which both parties will make best endeavours to adhere to
- This document is not legally binding, but both parties agree to operate within the parameters of this agreement. Note that this reflects the current position and will be subject to review as NPR matures and responsibilities change.

## **Part C – Pre-existing agreements:**

This MoU is consistent with pre-existing Memoranda of Understanding between DfT and Transport for the North. This includes:

- MoU between the Department for Transport and Transport for the North (dated 31 July 2018): The purpose of this document is to outline the obligations, principles and working arrangements that underpin the relationship between the two parties.
- Communications MoU (May 2020): The purpose of this document is to set out clear working practices on how both parties will work openly and transparently with respect to media, press and communications.
- The NPR co-Sponsorship MoU is also consistent with Transport for the North's legal constitution as outlined in the Sub-National Transport Regulations 2018 (Transport for the North).

## **Part D – Defining the programme and scope**

### Defining the programme

- The NPR programme is a complex major rail programme that is comprised of a series of on-line upgrades to existing rail infrastructure and new high-speed lines between Liverpool, York and Newcastle (NPR '**Core**')
- The NPR 'core' network, as defined by the IRP, is comprised of two new high-speed lines from Latchford to High Legh and Manchester Piccadilly to the Standedge Area (henceforth referred to as NPR '**New Lines**') and upgrades to the existing lines between Liverpool and Latchford, Bradford to Leeds and Leeds Hub (henceforth referred to as NPR '**Upgrades**')
- Due to its scale and complexity, NPR has multiple interfaces with other major rail programmes in the North whose completion are required to make a success of the NPR programme (henceforth referred to as "NPR **Dependencies**"). This includes:
  - **HS2 Phase 2B Western Leg**: A new high-speed line between the West Midlands and Manchester International Airport and Manchester Piccadilly intersecting with NPR new line element at High Legh in Cheshire. The project is being delivered by HS2 Ltd and is sponsored by DfT
  - **Transpennine Route Upgrade (TRU)**: An upgrade programme on the Diggle line between Manchester and Leeds via Huddersfield that interfaces with the NPR new high-speed line element to the Standedge Area in West Yorkshire. The TRU represents the first phase of the NPR programme and is being delivered by Network Rail and sponsored by DfT
  - **East Coast Enhancements Programme**: An upgrade programme on the East Coast Mainline from Colton Junction to Newcastle that will allow more trains to run and delivery quicker journeys across the route. The programme of works is being delivered by Network Rail and sponsored by DfT.

### Scope of Sponsorship Agreement

- The scope of the NPR Co-Sponsorship MoU is outlined below. Broadly, activities can be grouped into four key areas – (1). NPR 'New Line' Project

Governance; (2). NPR 'Upgrade' Project Governance; (3). Integration; and (4). Analysis.

Sponsorship Agreement – Scope		
Theme	Project	Description
NPR 'New Lines'	Latchford to High Legh	Section of new high-speed line from Latchford to High Legh where it intersects with HS2 Phase 2B Western Leg
NPR 'New Lines'	Manchester Piccadilly to the Standedge Area	Section of new high-speed line from Manchester Piccadilly to the Standedge Area where it interfaces with TRU programme
NPR 'Upgrades'	Liverpool to Latchford	Upgrade of Liverpool Lime Street station, reinstatement of Fiddlers Ferry freight line and reinstatement of Warrington Bank Quay station platforms
NPR 'Upgrades'	Bradford to Leeds	Upgrade and electrification of the Calder Valley Line between Bradford Interchange and Leeds
NPR 'Upgrades'	Leeds Hub	Series of works at Leeds station to assess current and future capacity and develop any necessary interventions
Integration	Monitor integration of Constituent NPR Projects	The NPR sponsorship function will consider any integration challenges that have been escalated by the NPR programme board or raised for consideration by co-sponsors
Analysis	Supporting NPR Analytical Programme	Providing overview and considering strategic issues raised by the ASG

- The role of the NPR co-sponsors will be to check and challenge the outputs of the NPR programme board.

Specifically, this refers to:

- Project governance of the NPR 'New Lines' and NPR 'Upgrades' elements of the programme. Key activities will include reviewing and giving feedback on issues that have been escalated to the NPR Sponsor Board or considering issues that have been jointly raised by the NPR co-sponsors
- Monitoring of integration plans and challenges associated with the wider dependent NPR network (HS2/TRU/ECML) when an issue has been escalated by the NPR programme board. This will mean that Transport for the North has visibility of the key NPR interfaces despite these being delivered through different programmes with different Senior Responsible Owners (SRO's). Pursuant to the terms of reference for the NPR Sponsor Board, Transport for the North reserves the right to be able to proactively raise specific integration issues for consideration.
- Note that as the NPR dependent programmes have unique Senior Responsible Owners (SRO), it will be at the discretion of these programmes to decide what level of project information is made available to Transport for the North. The NPR SRO will commit to working closely with the SROs of the NPR dependent projects to ensure Transport for the North is presented with sufficient information to effectively deliver as NPR programme co-sponsor
- Another key role of the NPR Sponsorship Function will be to support the analytical programme and business case development. This is explained in detail in Part H (Funding and Financial Matters).

#### Future Scope

- Consistent with recommendations presented by the National Infrastructure Commission (NIC) in their Rail Needs Assessment, the IRP is taking an 'adaptive' approach to investment, setting-out a core pipeline of investment but recognising that the Government may choose to augment or alter the IRP pipeline in the future subject to clarity on how demand and economic growth will recover post COVID-19
- Any substantive changes to the scope of the NPR programme resulting from considerations outlined in the bullet above or from a significant change in Government policy will trigger an immediate review of this document subject to terms outlined in Part M ('Review Points').

#### *HS2 Touchpoints*

- There are multiple touchpoints between the NPR programme and the HS2 Phase 2B Western Leg programme that will require careful management during the subsequent phases of development and construction. This includes Crewe, Manchester Airport and Manchester Piccadilly
- Clearly, it will be important for Transport for the North to have appropriate visibility of these touchpoints to fulfil its role as NPR programme co-sponsor. As the HS2 Phase 2b: High Speed Rail (Crewe-Manchester) 2022 bill is currently being reviewed by Parliament, it is proposed that the precise working arrangement and the implications for NPR programme scope is ascertained once the bill has received Royal Assent.

### *Former NPR corridors*

- The future of former-NPR corridors including the Manchester to Sheffield and Hull corridors are currently subject to affordability and deliverability of the core IRP pipeline. These corridors will not be considered by the NPR sponsorship function unless separately remitted by the NPR SRO
- Transport for the North reserves the right to independently evaluate the case for these corridors on the strict condition that this does not draw on resource expenditure from the NPR co-sponsorship funding allocation or Grant Funding Agreement for the Technical Assurance, Modelling and Economics (TAME) analytical team (see part H)
- **Note** that the Leeds to Newcastle NPR corridor is now being considered as part of the ECML enhancements programme and the Sheffield to Leeds NPR corridor is currently being considered as part of the HS2 to Leeds Study.

## **Part E – Partnership Aims and Objectives**

The purpose of this partnership is to draw on the collective expertise of the DfT as the Department responsible for the English transport network and Transport for the North as the sub-national transport body for the North of England to develop a programme that delivers the strategic objectives of the Integrated Rail Plan (IRP), namely:

1. Improving transport for users by enhancing capacity and connectivity to meet long-term rail demand and make journeys faster, easier and more reliable
  2. Growing and levelling up the economy by creating opportunities for skills, employment, agglomeration and regeneration
  3. Reducing environmental impact by supporting decarbonisation of the rail network and accelerating modal shift for passengers and goods
  4. Ensuring value for money for the taxpayer through efficient delivery of rail infrastructure, learning lessons from past projects to ensure that schemes are delivered effectively.
- Other core aims of the partnership will be to ensure that the NPR programme is fully integrated with the wider northern major and local transport network and ensuring that it reflects central and local government policy and strategy in the region.

## **Part F – Programme Responsibilities and Governance**

The broad division of co-sponsor responsibilities is presented in the section below:

### *Department for Transport:*

- The Department is the sole NPR programme funder meaning it is responsible for setting the programme budget and providing funding for all resource and capital expenditure
- The Department is responsible for instructing and holding to account the two delivery bodies HS2 Ltd and Network Rail. This will include leading and managing the infrastructure development programme for the NPR 'New Lines' and NPR 'Upgrades' projects

- The Department is responsible for setting the overall policy and strategic direction for the NPR programme and ensuring programme alignment with other central Government Departments.

#### *Transport for the North*

- The principal role of Transport for the North will be to act as a critical friend to the Department as NPR programme client and to provide strategic advice on issues that have been escalated to the NPR Sponsor Board
- As a partner organisation representing the interest of twenty local transport authorities and eleven local enterprise partnerships the North of England, Transport for the North will be responsible for consolidating a regional view on issues that are presented for consideration. Where divergence in opinion occurs, Transport for the North will be able to give an overall perspective to the Department
- Transport for the North will be responsible for providing advice on the interface between the NPR programme and the local and regional transport network including road, rail and public transport.

#### *NPR Sponsor Board*

- The principal forum for co-sponsors to deliberate on the progress of the NPR programme is the NPR Sponsor Board, a quarterly board that is attended by senior representatives from co-sponsors (DfT and Transport for the North) and the two NPR delivery bodies (HS2 Ltd and NR)
- The central function of the NPR Sponsor Board will be to review and provide challenge on issues that have been escalated to the NPR Sponsor Board by the NPR Programme Board or to provide strategic direction on issues that have been jointly agreed for discussion by co-sponsors
- The broad objectives of the NPR Sponsor Board are to:
  - Monitor whether the strategic objectives for the NPR programme are being met and advise where there is a need for change
  - Provide advice to DfT in respect of progress in delivering overall programme
  - Provide comment on the NPR Strategic Outline Business Case (SOBC) and advise whether the strategic objectives are being met
  - Engage with, and provide, advice to other major project sponsor boards (or equivalent) in order to support delivery of a whole-network approach.
- The Terms of Reference (ToR) for the Sponsor Board, agreed by SoS for Transport and the Transport for the North Board, can be found in Appendix A.

#### *NPR Programme Board*

- The NPR Programme Board meets on a monthly basis and is attended by Senior leaders from DfT and delivery bodies HS2 Ltd and Network Rail
- The NPR Programme Board is the principal governing arm of the NPR programme and is responsible for project governance of the NPR 'New Lines' and NPR 'Upgrades' projects
- Another core function of the NPR Programme Board is to oversee and manage integration of the wider NPR dependent network. As mentioned in

**Part D**, Transport for the North will have visibility of integration of wider issues through issues that have been escalated for consideration by the NPR programme board

- Transport for the North's primary interface with the NPR programme will be through the NPR SRO or SoS. Transport for the North will not attend the NPR programme board or receive papers. Note that the NPR Sponsor Board dashboard has been designed to mirror the Programme Board dashboard with the notable omission of sensitive commercial, financial and risk information.

### **Part G – Joint Working**

- Both parties commit to a frequent dialogue in the intervening period between the quarterly NPR Sponsor Board. This will be essential for ensuring Transport for the North has regular information as to the status of the programme to fulfil its role as co-sponsor. It will also mean that Transport for the North can maintain a regular feedback loop with its partner organisations
- To effectively manage this process, the Department will designate an official in the NPR team to fulfil the role of Sponsorship Liaison Officer. This officer will be the primary contact for Transport for the North to contact and will essentially manage the relationship between co-sponsors in the intervening period between sponsor boards. Similarly, Transport for the North will designate a dedicated officer who will manage the relationship between NPR, Transport for the North partners, the Transport for the North Board and other Transport for the North governance structures
- With respect to wider partner involvement, Transport for the North represents the interests of twenty local transport authorities and eleven local enterprise partnerships in the North of England. Although, it will not possible to guarantee partner organisations similar oversight over the programme as under the co-client model, it will be important to keep them closely engaged in activity and to ensuring they are sighted on and offered chance to challenge key decision making
- In the first instance, this will be managed through materials that are presented to the NPR Sponsor Board
- As the programme transitions into the next stage of delivery, certain project activities will naturally require stakeholder input so the Department will commit to working closely with Transport for the North on its future stakeholder strategy to ensure that the relevant authorities are involved in this process
- Transport for the North partner organisations reserve the right to request meetings with the DfT on certain issues through escalation provisions outlined in **Section 1** of the NPR Sponsor Board ToR. Any request for meetings will be communicated by Transport for the North either through the NPR Sponsor Board or in the intervening period between boards.

### **Part H – Funding and Financial Matters**

- Under current arrangements, the NPR programme is wholly funded by the Department for Transport. This means that all programme costs including resource and capital expenditure will flow directly from the Department.

### *Transport for the North co-sponsorship*

- Transport for the North will receive its annual funding settlement from the Department to conduct its statutory duties which includes its role NPR programme co-sponsor. As outlined in the Memorandum of Understanding between DfT and Transport for the North (see Part C 'Pre-existing arrangements'), the Department will outline its expectations respect to the NPR programme on an annual basis in its Annual Funding letter to Transport for the North
- In accordance with Sub-National Transport Regulations 2018 (Transport for the North), future funding decisions may be taken by the constituent Transport for the North partner authorities if all authorities agree on the need for a financial contribution and the amount required
- Should a meaningful financial contribution be presented to Transport for the North which fundamentally alters the funding arrangement of the NPR programme, this would trigger a review of this Sponsorship Agreement and the role and function of the NPR Sponsor Board.

### *Grant Funding Agreement*

- A Grant Funding Agreement (GFA) (1 April 2022) for work to be undertaken by the Technical Assurance, Modelling and Economics (TAME) analytical team has been agreed between DfT and Transport for the North to support development of the NPR Strategic Outline Business Case (SOBC) and to provide modelling support on the IRP
- As outlined in the GFA, a quarterly meeting of the Analytical Steering Group (ASG) will be held to review and manage the forward work programme on behalf of the Sponsor Board. The ASG will be responsible for agreeing the scope, prioritisation and delivery arrangements of the IRP analytical programme
- If disagreements on scope, prioritisation or delivery timescales were to arise, these will first be escalated for discussion at the NPR Sponsor Board.

### **Part I – Information Sharing**

- Transport for the North will require access to information and data across the NPR programme to effectively fulfil its role as co-sponsor. Regular access to programme information will be essential for Transport for the North to help provide robust challenge
- Transport for the North will have access to relevant programme board materials as determined by the SRO. This will be provided under the confidentiality provisions of the Transport for the North/DfT partnership agreement and Transport for the North acknowledges that it will be treated as confidential unless the DfT agrees on a case-by-case basis that information need not be treated as confidential
- With respect to sharing internal documentation, the Department will share materials with Transport for the North to optimise its role as co-sponsor. The Department reserves the right to redact information if it is deemed sensitive
- It will be equally important for Transport for the North to ensure that information is shared with the Department. Such information may cover a wide range of areas including (but not limited to) communication of regional and local views from Transport for the North's varied stakeholder



engagement, ensuring that key internal board decisions are communicated to the Department and forwarding internal publications where there are potential implications for the NPR programme

- Transport for the North may, where required, share information and data received via the NPR Sponsor Board with its partner member authorities provided that it is treated as confidential by the receiving authority and an appropriate protocol is in place with partner authorities to manage that confidential information.

## **Part J - Confidentiality provisions**

- The Confidentiality Agreement covers information relating to the Northern Powerhouse Rail (NPR) programme which is marked as "*confidential*", "*official-sensitive*" or expressed to be confidential in any way. It is a requirement of DfT that only those Transport for the North partner organisations which have signed the Confidentiality Agreement or who have signed in a personal capacity will be entitled to receive confidential information covered by the Confidentiality Agreement. The purpose of the Confidentiality Agreement is to protect information in relation to the formulation and development of Government policy
- Written information which is subject to the Confidentiality Agreement will be clearly marked as such and where information is provided orally a clear statement will be made that the information is subject to the Confidentiality Agreement
- Information received by Transport for the North partner organisations may be used by officers of their Authority to enable preparation of appropriate advice. Officers may brief Members of their Authority on a need to know basis provided that suitable confidential classifications are clearly identified on the face of written information and/or signposted in any oral briefing
- For the avoidance of doubt, confidential information may not be shared with any person who is not covered by a Confidentiality Agreement
- The Transport for the North partner receiving the confidential information is responsible for protecting all information it holds and must be able to justify any decision to share information within the Authority
- The Transport for the North partner receiving the confidential information will be required to ensure that their Members and Officers follow the guidelines set out below when handling confidential information received from Transport for the North or DfT.
  - a. Confidential information must be protected from improper disclosure when it is received, stored, transmitted or disposed of
  - b. Access to confidential information must be on a need to know basis
  - c. Disclosure of confidential information must be limited to the purpose for which it is required
  - d. Recipients of confidential information must understand and respect that it is given to them in confidence
  - e. Any decision to disclose confidential information to another Member or Officer must be justified and documented
  - f. Access to rooms and offices where confidential information is stored must be controlled. Doors must be locked with keys, keypads or accessed by swipe cards. In mixed office environments measures

should be in place to prevent oversight of confidential information by unauthorised parties

- g. Confidential information should be kept in locked storage or filing places
  - h. Unwanted printouts of confidential information should be placed in confidential waste disposal bins. Discs, tapes, and printouts must be filed and locked away when not in use
  - i. Appropriate precautions should be taken when removing confidential information from the office environment and travelling with it. In particular the information should be sealed in a non-transparent container or bag and kept out of sight while travelling.
- Any request for disclosure of the information made under FOI must be referred to Transport for the North and treated in accordance with the terms of the Confidentiality Agreement.

### **Part K – Communications, Freedom of Information Requests and Environmental Impact Regulations**

- Pursuant to the terms of the Communications Memorandum of Understanding between DfT and Transport for the North, both parties commit to taking a collaborative approach to managing external communications where there is mutual interest
- As public authorities, DfT and Transport for the North are subject to the law relating to Freedom of Information Act 2000 (FOIA) and Environmental Impact Regulations 2004 (EIR) requests for information under which members of the public are entitled to request and be given information from public authorities (unless they are subject to relevant exemptions/exceptions)
- Both parties are likely to receive requests for information and in cases where forming a decision requires it, and where lawfully possible, will consult with the other party, and take into account any responses and views in determining how to respond to requests received. Each party will however be subject to the relevant law, and as legally required will be entitled to exercise its own unfettered discretion in determining responses to requests.

### **Part L – Conflict Resolution**

- Both parties commit to working collaboratively and constructively to develop the NPR 'core' network, as defined by the IRP
- Both parties agree that any divergence in opinion on the policy framework of the IRP must be handled at a political level so as not to hinder progress on NPR programme development or to obfuscate the aims of the NPR Sponsor Board
- Should a dispute arise between co-sponsors, both parties agree to working sensitively and discretely to resolve issues at a co-sponsor level, in a manner that does not bring reputational damage to the NPR programme or to the integrity of respective co-sponsoring organisations
- Where disputes cannot be resolved at co-sponsor level:
  - For *Minor* Disputes: Where co-sponsors cannot compromise on an agreed resolution to a specific issue, the Department will commit to

submitting advice to Ministers outlining the reason for the dispute and seeking an agreed way forward

- For *Major Disputes*: Should a Ministerial steer or decision be unsatisfactory to Transport for the North, Transport for the North reserves the right to submit statutory advice (in line with its statutory status) from the Transport for the North chair to the SoS for Transport.

#### **Part M – Review points**

- The terms of this MoU will be kept under constant review with formal review points administered every 12-months (from the date of signature)
- Should an event unalterably change the nature of this arrangement, a review of this agreement may be triggered in advance of a formal review point
- Note that there will be a separate timetable for administering review points of the NPR Sponsor Board