
Meeting: Scrutiny Committee
Subject: Transforming the North
Author: Martin Tugwell, Chief Executive
Sponsor:
Meeting Date: Tuesday 21st November 2023

1. Purpose of the Report

- 1.1. To consider the implications of the Government's recent policy statement 'Network North' in the context provided by Transport for the North's role to prepare and publish the Strategic Transport Plan.

2. Recommendations

- 2.1. In terms of immediate next steps, the evidence suggests the following as being appropriate and Scrutiny Committee is invited to comment on these:
- a) Advise the Secretary of State that until such time as an alternative set of proposals for improved connectivity between the North and the Midlands has been identified, the safeguarding associated with HS2 should remain in place
 - b) TfN should seek to publish the revised Strategic Transport Plan at the earliest opportunity, to ensure that the statutory framework within which specific proposals are brought forward is up to date
 - c) TfN use the Co-sponsorship arrangement for Northern Powerhouse Rail to work with the Department so as to identify and agree what changes, if any, need to be made to the NPR proposal in light of Network North
 - d) TfN should engage with the National Infrastructure Commission on their proposed rail study for the North arising out of the NIA2
 - e) TfN should engage with the Welsh Government in a discussion on the future of the North Wales Main Line
 - f) TfN should seek clarification from the Department on matters of detail arising out of the Network North document
 - g) TfN should work with its partners to identify resource implications arising from the proposals in Network North document.

3. Background

- 3.1. On 4th October the Prime Minister delivered a policy announcement, accompanied by a document entitled *Network North: Transforming British Transport*. The policy announcement confirmed the decision to cancel High Speed 2 Phases 2a and 2b. The high-speed link to the East Midlands Airport area was also cancelled.
- 3.2. At the same time the announcement set out how the funding previously identified for the delivery of HS2 Phases 2a and 2b would be ring-fenced for investment in transport improvements. Subsequent to the announcement, Government has clarified that the proposals identified in the document are suggestions and that it will be for local leaders to identify specific proposals.
- 3.3. The Network North document is clear that any proposal brought will still require assessment and consideration through the normal processes. This means that proposals will require the preparation of business cases and be able to demonstrate value for money. Experience shows that proposals put forward for

consideration in the North can struggle to make the case for investment if the traditional approach to business case development is followed.

- 3.4. It is worth noting that investment by National Highways in the Strategic Road Network will continue to be managed through the Road Investment Strategy, and that determination of the programme for 2025-2030 is reaching its final stages, with a draft RIS for that period expected to be published shortly. It is worth being aware that a number of road investments included within the agreed Major Road Network (MRN) programme are awaiting confirmation of their funding.
- 3.5. Investment in rail maintenance and renewals by Network Rail continues to be determined through the 5-year Control Period, the most recent of which (Control Period 7 – CP7) has just been finalised: this covers the period between 2024-2029. Investment in infrastructure enhancements is managed separately through the Rail Network Enhancement Programme (RNEP).
- 3.6. It is worth remembering that allocations for investment in infrastructure are ultimately set within the framework provided by Spending Reviews.
- 3.7. Reaction to the decision to cancel the latter phases of High Speed 2 has led to renewed calls as to the importance of setting infrastructure proposals within the framework provided by a long-term plan and/or framework. Commentators have emphasised the importance of such an approach in providing confidence to private sector investors to continue to make their own investments.
- 3.8. The Network North document did not specifically mention strategically important infrastructure projects that are already making their way forward into delivery – i.e. TransPennine Route Upgrade and Midland Main Line electrification. TfN will continue to work with Government to ensure these projects are delivered at pace.

4. National Context: National Infrastructure Assessment

- 4.1. The National Infrastructure Commission (NIC) is responsible for providing advice to the Government on long-term strategic infrastructure requirements. Their advice is set out to Government in the National Infrastructure Assessment (NIA), the most recent version of which (NIA2) was published earlier this autumn. Prepared within a financial envelope given to them by HMT on behalf of Government, its recommendation set out how public investment in strategic infrastructure needs to be aligned to enable sustainable economic growth.
- 4.2. The NIA2 notes that the productivity gap between the North and London/South East remains (something identified in the recently updated Northern Powerhouse Independent Economic Review – NPIER). Key messages within the NIA2 that are relevant to this discussion include:
 - A restatement of the importance of unlocking the productivity of the North's cities and towns, and the role that investment in transport has within these communities
 - A restatement of the importance of improving the connectivity between the North's cities and towns as a means of connecting people and places with services and opportunities
 - Recognition of the need to take into consideration how realising economic potential can be a catalyst for reducing the environmental impact and improving social inclusion
 - Recognition of the importance of aligning investment in strategic infrastructure across policies areas in order to deliver placed based outcomes.
- 4.3. The NIA2 was substantially complete before the publication of Network North, it was therefore prepared based on an assumption that HS2 phases 2a and 2b were to be delivered. In recognition of the Government's decision on HS2 phases 2a and 2b the NIC has identified the need for a further piece to look at the future of

the rail network in the North. The TfN executive is discussing with the NIC how this work will be taken forward.

5. Regional Context: Transport for the North

5.1. Transport for the North (TfN) was established by Government as a statutory body through which the Political and Business leaders would channel the 'Voice of the North' in respect of strategic transport issues.

5.2. The five general functions assigned by Government to TfN are:

- To prepare a transport strategy for its area
- To provide advice to the Secretary of State about the exercise of transport function in relation to its area (whether exercisable by the Secretary of State or others)
- To co-ordinate the carrying out of transport functions in relation to its areas that exercisable by different constituent authorities with a view to improving the effectiveness and efficiency in the carrying out of those functions
- If TfN considers that a transport function in relation to its area would more effectively and efficiently be carried out by TfN, to make proposals to the Secretary of State for the transfer of that function to TfN
- To make other proposals to the Secretary of State about the role and functions of TfN

In addition to these general functions, TfN's Constitution identifies several additional functions designed to complement and support its role as a statutory body.

5.3. A key focus of TfN's work recently has been the preparation and publication of a draft of the revised Strategic Transport Plan (STP). Once finalised and adopted by the TfN Board the STP will be used to provide advice to Government and to shape and inform the investment plans of national agencies, such as National Highways and Network Rail.

5.4. TfN's additional role – through the Rail North Agreement – to oversee the delivery of rail services provided by the TPE and Northern contracts, provides the opportunity to ensure the requirements of the STP are reflected in the business planning of the two operators.

5.5. The revised (draft) STP is underpinned by an extensive evidence base that ensures it reflects the needs of the North, of particular relevance to this discussion are:

- *Northern Powerhouse Independent Economic Review (NPIER)* – prepared in partnership with the NP11 and recently published, as noted above the NPIER highlights the extent to which the productivity gap between the North and London/South East remains, whilst identifying the economic potential of the North as being an additional £118bn GVA per annum by 2050
- *Decarbonisation Strategy* – sets out the scale of the challenge facing the North in pursuit of achieving nearly net zero by 2045, TfN's work on Future Travel Scenarios (which are about to be updated) highlighted that central to all plausible future scenarios was the need to double, if not treble the role of rail, whilst recognising the continued importance of investment in the North's highway infrastructure
- *Connected Communities* – building on TfN's ground-breaking work on Transport Related Social Exclusion, the key driver here is the importance of capturing the role of investment in transport within communities to enable people and businesses to realise their own potential.

The evidence base assembled by TfN, working with its partners has enabled the revised STP to identify the key infrastructure issues that need to be addressed in

order to realise the North's potential and to do so in a way that benefits its residents and businesses in a way that is sustainable for the longer-term.

- 5.6. Fundamental to the draft STP is the need to improve connectivity – both within and across the North, and between the North and the rest of the United Kingdom. Decisions in relation to investment in the UK's strategic infrastructure will continue to need to be assessed in the evidence-based context provided by the STP.
- 5.7. Increasingly the technical work undertaken by TfN, working with its partners, has highlighted the extent to which the delivery of preferred outcomes for the transport system requires alignment with investment in other strategic infrastructure networks – of which energy systems and digital infrastructure are arguably the most immediate importance.
- 5.8. The overarching focus of the revised STP is the importance of embedding an outcome-led approach that is place-based and user-centred. In parallel with its work on the STP, the TfN executive has been working with its partners to develop proposals that will improve the implementation of the STP. In both instances, the work of the Metropolitan Combined Authorities and Local Transport Authorities will be key to delivery and TfN's work in respect of implementation seeks to support their leadership in delivering place-based outcomes.

6. Delivering Transformation

- 6.1. The original STP established that transforming the North's transport infrastructure is central to realising its economic potential. And it was in this context that the original document set out the critical role that Northern Powerhouse Rail (NPR) and HS2, in combination, would have to play.
- 6.2. When the Integrated Rail Plan (IRP) was published by the Government it was seen by the TfN Board as representing progress towards that ultimate end state. In responding to its publication, the TfN Board reaffirmed the need to deliver NPR 'in full' and it welcomed the concept of an 'adaptive pipeline' as the basis on which further elements of the NPR 'in full' might be added to the core proposal set out in the IRP.
- 6.3. In a similar way the publication of the Network North document by the Government should be viewed as representing further progress toward the ultimate end state identified by TfN in the STP.
- 6.4. Aspects of the Network North document that are to be welcomed include:
 - The continuation of funding through the City Regional Sustainable Transport Scheme
 - The provision of enhanced funding for local transport proposals delivered by Local Transport Authorities
 - The extension of support for reduced fares on local bus services
 - The provision of additional funding for road maintenance.
- 6.5. And notwithstanding the lack of detail at this stage, other aspects of the Network North document to be welcomed include:
 - The support given to investing in improving rail connectivity between Liverpool and Manchester
 - The support given to a new rail station serving Bradford (identified as integral to NPR 'in full')
 - The support given to the mass transit system for West Yorkshire
 - The support given to electrification of the railway to/from Hull (previously identified by TfN as a 'quick win')
 - The support for a further round of investment in the (local authority owned) Major Road Network

- 6.6. A key issue moving forward will be to ensure that the delivery of commitments set out in the Network North maximise the opportunities presented by devolution to empower local leaders to bring forward detailed proposals. Every effort must be given to utilising existing working arrangements wherever possible. Indeed, opportunities should be taken to simplify and reduce the administrative arrangements, consistent with the need to maintain an appropriate level of accountability. In this way it should be possible to realise the benefits of investment sooner, at lower overall cost.
- 6.7. In this regard, TfN will continue to support its partners by building on the 'TfN offer' to Metropolitan Combined Authorities (MCAs) and Local Transport Authorities (LTAs) and the Department. TfN will also continue to develop its advice on implementation in parallel with the STP, with a particular focus on how to improve the efficiency and effectiveness of delivery of national funding streams, including potential system reform.

7. Unresolved Matters

- 7.1. The TfN executive has raised several questions with the Department for Transport following publication of the Network North document. The Department has indicated that it will respond to these questions as soon as possible.
- 7.2. In the meantime, there are several matters relating to specific proposals where there is a need for clarification, including but not limited to:
- *Linking the Midlands and the North* – the evidence base underpinning the STP reaffirmed the importance of improving connectivity between the North and the Midlands: it was on this basis that the STP identified the improved connectivity that was to be provided by HS2 'in full' as being important to realising the North's potential. Moving forward after Network North it is essential that the Government work with TfN and other bodies to identify alternative proposals that would deliver a similar improvement in connectivity. Until such time as there is clarity on how that might be achieved it is essential that the safeguarding associated with HS2 should remain in place.
 - *Crewe* – arguably Crewe and its environs is one of the biggest losers following the decision to cancel the latter phases of HS2. This is because the investment by HS2 would have acted as a catalyst for realising wider opportunities within Crewe and its immediate area. There is an urgent need to develop alternative proposals that would enable that potential to be realised.
 - *North Wales Main Line Electrification* – not previously identified by the rail industry as a priority for electrification, there is a need for TfN to engage with the Welsh Government as well as the Government in order to determine the priorities for investment along this corridor, including existing constraints in/around Chester Station.
 - *Manchester (Piccadilly)* – the cancellation of HS2 infrastructure serving Piccadilly Station brings with it a need to assess whether the proposal for a service level station previously put forward by Government remains the most appropriate. In addition, there remains the question of needing to consider an appropriate alternative to the Golborne Link: this work was understood to be something that HS2 was to lead on.
 - *Freight and Logistics* – a particular concern for the North is the implication for rail freight services on the West Coast Main Line, a route that is already acknowledged to be one of the most intensively utilised mixed-traffic corridors in the country and on which the limitations of the existing infrastructure are increasingly obvious.
 - *Trans Pennine Connectivity* – the Network North document identifies the importance of improving rail services between Sheffield and Manchester, an aim supported by TfN. Based on work to date a limiting factor on uplifting

service frequency remains constraints associated with the stations at either end of the route.

- *Leeds Station* – the station layout at Leeds Station remains a major bottleneck, with Leeds regularly appearing in the top 3 locations (alongside with Clapham Junction and Birmingham New Street). Proposals developed as part of the original work associated with Northern Powerhouse Rail offer potential options for consideration moving forward.
- *Leamside Line* – identified by the TfN Board as a core part of the NPR 'in full' proposal, there is a need to identify how this piece of enabling infrastructure might be taken forward into delivery at the earliest opportunity.

7.3. In addition, there are a further set of matters that flow from the Network North document which requires consideration, again, including but not limited to:

- *Scheme development* – there is a need to consider whether there is enough revenue funding (and skills) available to enable specific proposals to be developed and brought forward at pace. Such matters are particularly pertinent for many local authorities where financial pressures continue to be particularly high.
- *Investment for rail services* – TfN members, through the Rail North Committee, are particularly aware of the pressures on operators at present. The Network North document identifies ambitions for enhanced levels of service on a number of routes; there is a need for clarity as to whether the additional investment required to enable those services to run will be forthcoming.
- *Union Connectivity Review* – it is unclear how the recommendations set out in Network North relate to recommendations made by the Union Connectivity Review. This is pertinent given that progress with some specific proposals previously identified were effectively put on hold pending a series of studies.

7.4. As noted earlier in this paper, it is important that infrastructure proposals brought forward support and enable the delivery of the ambition set out in the, evidence based, STP. It is also important that in seeking to address the matters set out above, every effort is made to utilise existing working arrangements wherever possible to avoid adding bureaucracy and administrative requirements.

8. Next Steps

8.1. The funding announcements set out in Network North should be welcomed as further steps towards realising the end state set out in the Strategic Transport Plan.

8.2. However, it is important for TfN to remain focused on making the case for the step change in connectivity that would have been achieved through the delivery of HS2 and NPR 'in full'. The evidence underpinning the STP is clear in that regards as to the critical importance of improving connectivity in order to realise the North's economic potential and reduce the productivity gap with London/South East. In this regard TfN's evidence base is consistent with that of the NIC.

8.3. In terms of immediate next steps, the evidence suggests the following as being appropriate:

- a) Advise the Secretary of State that until such time as an alternative set of proposals for improved connectivity between the North and the Midlands has been identified, the safeguarding associated with HS2 should remain in place
- b) TfN should seek to publish the revised Strategic Transport Plan at the earliest opportunity, to ensure that the statutory framework within which specific proposals are brought forward is up to date

- c) TfN use the Co-sponsorship arrangement for Northern Powerhouse Rail to work with the Department so as to identify and agree what changes, if any, need to be made to the NPR proposal in light of Network North
 - d) Engage with the National Infrastructure Commission on their proposed rail study for the North arising out of the NIA2
 - e) Engage with the Welsh Government in a discussion on the future of the North Wales Main Line
 - f) Seek clarification from the Department on matters of detail arising out of the Network North document
 - g) TfN should work with its partners to identify resource implications arising from the proposals in Network North document.
- 8.4. In addition, there are issues that the TfN Board may wish to consider as part of the business planning and budget setting process for 2024/25, including:
- a) The importance of the 'TfN offer' in supporting its partners bring forward proposals for consideration
 - b) The need to develop a new 'playbook' that uses the knowledge and experience held within TfN to ensure that the appraisal system better reflects the needs and opportunities that exist within the North
 - c) The potential to harness TfN's work in support of smart ticketing and connected mobility in support of the ambitions for smart ticketing set out in Network North.

9. Corporate Considerations

Financial Implications

- 9.1. There are no direct financial implications for Transport for the North relating to this report.

Resource Implications

- 9.2. There are no direct resourcing implications to Transport for the North as a result of this report.

Legal Implications

- 9.3. Transport for the North is empowered to carry out all steps identified within the report.

Risk Management and Key Issues

- 9.4. These will be updated when the matter is referred to Board

Environmental Implications

- 9.5. This report does not constitute or influence a plan or programme which sets the framework for future development consents of projects listed in the Environmental Impact Assessment (EIA) Directive and therefore does stimulate the need for Strategic Environmental Assessment (SEA) or EIA. Addressing accessibility of public transport is a fundamental building block of inclusive transport decarbonisation, the focus for Transport for the North within its emerging STP and Decarbonisation Strategy update.

Equality and Diversity

- 9.6. A full Impact Assessment has not been carried out because it is not required for this report.

Consultations

- 9.7. This will be updated when the matter is referred to Board

10. Background Papers

There are no background papers for this report.

11. Appendices

There are no appendices for this report.

Glossary of terms, abbreviations and acronyms used

a) DfT	Department for Transport
b) NPR	Northern Powerhouse Rail
c) STP	Strategic Transport Plan
d) TfN	Transport for the North