
Meeting	Transport for the North Board
Subject	Strategic Transport Plan - Update on implementation advice
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1. Purpose of the Report

- 1.1 To provide an update on the development of advice to Government focused on improving the efficiency and effectiveness of implementation of the Strategic Transport Plan (STP), and to seek feedback/observations from the Board on the proposed way forward.

2. Recommendations

- 2.1 It is recommended that Board:
- a) Supports the development of advice focused on improving the efficiency and effectiveness of implementation,
 - b) Comments on the proposal to focus TfN's advice around the themes of:
 - i) System Reform
 - ii) The role of TfN in enabling and supporting implementation
 - iii) The development of a strategic (pan-regional) infrastructure pipeline

3. Context

- 3.1 Transport for the North (TfN) was established as a statutory partner to the Secretary of State in both road and rail investment processes, with responsibility for setting the objectives and priorities for strategic road and rail investment in the Transport for the North area. The draft STP is an outcome focused long-term strategic plan for the North's transport system that makes the case for investment to realise economic, environmental, and social outcomes. Implementation of those outcomes relies on a combination of statutory advice (to the Secretary of State for Transport), investment in infrastructure and services, and co-ordinated delivery at the national, regional, city-region and local level.
- 3.2 The draft STP recognises that transport investment alone will not achieve our collective vision for the North: there is a need for system reform to the way we plan, develop, and deliver transport investment if we are to transform our region. Reform is needed to simplify processes, remove inertia, and enable more decision making closer to the people and places it affects. In this way it will be possible to accelerate delivery, realise benefits sooner, and reduce the overall cost of investment. Our intention is to bring advice on implementation of the STP that (subject to Board agreement) will be submitted to the Secretary of State. This would then be used to work with the Department for Transport with the intention of building upon the devolution to date, including the use of pilots where appropriate.
- 3.3 The draft STP (Chapter Six) indicates opportunities for system reform (such as more local devolution and the need to exploit the greater flexibility possible within the appraisal system), as well as identifying the opportunities where TfN might itself support its partners in delivery of the Strategic Transport Plan. The TfN executive continues to gather feedback – through the consultation on the STP, and discussions with the Partnership Board, Scrutiny Committee and Executive

Board – that will be used to develop proposals on **what** TfN needs to deliver and **how** we reform the transport planning system. The strong and consistent message from partners is that we need to “do things differently”. We have been brigading ideas together, and this paper is intended to give Board early sight on our thinking and seek Members’ views.

- 3.4 Our ‘Transforming the North’ paper (a separate report also on today’s agenda) recognises the positives from the Network North announcement, such as the move towards more devolved, long-term funding settlements for Local Transport Authorities (LTAs). This is a step in the right direction. However, the work of the National Infrastructure Commission suggests that there is a need to go further if we are to realise the cultural shift that will enable things to be done differently.

4. System reform

- 4.1 At the heart of the draft STP is the need to connect people and places with services and opportunities – i.e. it is about being outcome focused, place based and user centred. Delivering outcomes for people and places will be made easier through greater devolution of funding and by enabling authorities to manage funding allocations as a programme of investment. The NIC has highlighted the importance of such a shift in its first and second National Infrastructure Assessments. Government bodies such as National Highways and Network Rail have benefited from the adoption of 5-year funding settlements for several years. Embedding the principle of 5-year funding settlement, supported by an indicative allocation for years 6-10 would enable authorities to plan with greater certainty, encourage investment in supply chains and transform the way in which transport planning might be integrated with the development of Local Plans.
- 4.2 Simplification of funding streams in this way would remove the cost and inertia associated with being required to secure funding through competitive bidding processes, as is often the case at present. Such an approach would also enable better management of interdependencies locally across policy areas (such as the interactions between investment in connectivity, education, health, and local growth strategies). The evidence in the Northern Powerhouse Independent Economic Review (NPIER) emphasises the need to align investment decisions across policy areas to unlock the North’s economic potential. Empowering local leaders further to align policy levers and investment together in place will increase efficiency and reduce avoidable costs.
- 4.3 Further devolution of local transport budgets must go alongside devolution of decision making too if we are to be truly transformational. We are already seeing the value such devolution can bring in Greater Manchester through the Trailblazer Deal. While the Network North document has been positive in terms of proposing further steps on the devolution journey, further reform is needed if we are to go beyond ‘allocation’ to actual ‘control’ at the local level. That means projects, schemes and interventions can be appraised and decided upon locally, using local experience and knowledge.

Developing a New Appraisal ‘Playbook’

- 4.4 Experience shows that notwithstanding more recent reforms to the HMT ‘Green Book’, the reality is that the economic assessment of investment proposals continues to dominate decision making in a nationally controlled system. At the heart of the North’s ambition is the need to use its economic potential as a catalyst for improving social inclusion and enabling truly sustainable development for the long-term. It is increasingly clear that having a ‘one size fits all’ approach puts the North at a disadvantage, and by extension undermines the desire to ‘level up’ the UK economy. After all, transport projects promoted in London and the South-East are seeking to relieve the effects of economic demand, whereas in

the North we seek to stimulate demand to unlock potential. The evidence underpinning the draft STP tells us there are huge productivity gains that could be made in the North through better connectivity and increased capacity. At TfN we have developed an Analytical Framework that better reflects the economic objectives of the North and gives credit to the wider social and environmental benefits of investment. A focus moving forward could be to use the expertise on behalf of the North to offer advice, and case studies (pilots) that would showcase how the appraisal framework can be reformed to better account for the driver, needs and potential of the North.

5. TfN's Actions and Role

- 5.1 The draft STP identified several actions for TfN to take that would support its partners in its implementation. Using the comments received through the consultation on the draft STP we've refined those actions further (captured in table 6.2 of the draft STP) with a particular focus on those issues of truly pan-regional significance, including consideration of cross-cutting matters. This includes policy areas such as: transport-related social exclusion; freight and logistics; international connectivity; rural mobility and decarbonisation. It also captures areas for further work, as previously reported to the Board, such as on the affordability of transport (from the user perspective) and the critical need to improve the bus offer given its key role in improving social inclusion. These priorities will be reflected in TfN's annual business planning and be reported upon through the new STP annual action plan.
- 5.2 More widely, as the TfN 'offer' to support LTA's work and planning continues to take shape, we are exploring other opportunities for TfN to:
- a) **Continue building and enhancing our regional evidence base**, including as guardians of the NPIER, to ensure the North has a comprehensive and robust 'observatory' of data and information to inform/influence national and pan-regional connectivity investment and associated policy areas, such as economic growth. This includes strengthening the close working with the Northern Evidence Network, NP11/future Pan Regional Partnership, as well as with the Department for Levelling Up, Housing and Communities (DLUHC).
 - b) **Utilise and expand our technical capacity & capability and analytical framework** to support local (and national) partners in their work and planning, to enable an acceleration of business case preparation and delivery pipelines (another area in which linkages with DLUHC will be important).
 - c) **Harness the powers already afforded to us (both as a statutory Sub-national Transport Body and under the Rail North Agreement) to provide more leadership and oversight** in shaping/informing national investment decisions where they are pertinent to transforming the North. For example, through:
 - The work of the Rail North Committee in terms of embedding the STP in the business planning of train operators, as well as its leadership on cross-cutting matters like station accessibility.
 - TfN's formal role as a statutory partner to the Secretary of State with responsibility for setting the objectives and priorities for strategic road and rail investment.
 - Enabling delivery of smart ticketing across authority boundaries where there is efficiency in working together to maximise shared learning and minimise duplication of effort – including utilisation of powers already devolved to TfN.

- Enhanced collaboration, via the Northern Powerhouse Rail Co-sponsorship Agreement, to strengthen the use of local knowledge and expertise in scheme design and delivery; and
- Providing thought leadership on cross-cutting matters, including the need to improve the choice available to users so as to enable mode shift.

6. Developing the Pan-regional Investment Pipeline

- 6.1 The first STP (in 2019) included an 'investment programme', a long list of schemes considered to be significant for the region. Whilst a central tenet of the evidence base assembled by TfN, and supported by the work of the NIC, is the need to invest more in the North, it is also important that any such programme is cognisant of the funding envelope for public sector investment.
- 6.2 With a Spending Review on the horizon at a time of continued pressure of public sector finances, it is important that the Board can set out an evidence-based assessment of the strategic road, rail and other policy interventions required to transform the North. Feedback received during the consultation on the draft STP has served to emphasise the importance of TfN continuing to make the case for the North at each Spending Review (and subsequent Budgets) making the development of an investment pipeline even more essential. This aspect of TfN's work takes on added importance following the decision to cancel Phases 2a and 2b of HS2, and the need to identify and make the case for the alternative investment in connectivity and capacity that would have been provided by HS2. It also aligns to the NIC's recommendation for government to work in partnership with STBs and combined authorities to develop a pipeline for inter-urban road projects over a 30 year horizon.
- 6.3 The TfN executive continues to build on work we have already done with partners to inform recent funding rounds, such as RIS3, when it comes to developing the investment pipeline. Given the importance of the next Spending Review we will engage Members and officers throughout the Spring to prepare draft advice for consideration by the Board at its June meeting.

7. Corporate Considerations

Financial Implications

- 7.1 Resources to prepare STP implementation advice will be provided via current TfN Executive and 24/25 business plan. If TfN was required to scale up its 'offer' to LTAs and other partners, there would be a need for additional funding/resource.

Resource Implications

- 7.2 Resources to prepare STP implementation advice will be provided via current TfN Executive and 24/25 business plan. If TfN was required to scale up its 'offer' to LTAs and other partners, there would be a need for additional funding/resource.

Legal Implications

- 7.3 Legal implications are included within the report. As implementation advice develops, legal advice will be sought as needed.

Risk Management and Key Issues

- 7.4 TfN's Corporate Risk Register includes a risk associated with the revised STP, and we will keep this updated as our work on implementation advice proceeds.

Environmental Implications

- 7.5 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 not stimulate the need for Strategic Environmental Assessment (SEA) or EIA.

Equality and Diversity

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

Consultations

7.7 We have been engaging with partners over the summer/autumn, in addition to the direct feedback received via the STP consultation (between May and August 2023), which has informed the proposals in this paper. We will continue to engage and work with partners to continue developing this STP implementation advice, and this will be referred to the Board as set out above.

8. Background Papers

8.1 N/A

9. Appendices

9.1 N/A