
Meeting: Transport for the North Board

Subject: Priorities to Inform Business Planning

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1. Purpose of the Report

- 1.1 Following the Mayoral/local elections in May, and the General Election, the TfN executive has engaged with partners to begin shaping Transport for the North's (TfN) future focus. TfN continues to evolve in response to the priorities of its constituent authorities. As we look to the next round of business planning (which will focus primarily on 2025/26), an initial steer from those authorities is sought to ensure it reflects the priorities of the new Government, and the needs of the Mayoral Combined Authorities (MCAs) and Local Transport Authorities (LTAs).

2. Recommendations

- 2.1 It is recommended that the Board provides a steer on the priorities for consideration through the Business Planning process, which will take place over the autumn.

3. Background

- 3.1 The establishment of TfN as a statutory body in 2018 saw powers and responsibilities devolved by Westminster from Whitehall to the North's leadership. The devolution of functions from Whitehall was complemented by the devolution of funding that enables TfN to fulfil its statutory role working to an agenda determined by the North's collective Political leadership in the form of the TfN Board.
- 3.2 That step in the devolution agenda built upon the foundation laid by what was originally known as Rail North – now the Rail North Partnership (RNP). Under the terms of the Rail North Agreement (between TfN and the Secretary of State for Transport), the North's Political leadership has joint contractual responsibility for the specification, delivery and management of train services operated by Northern and TPE. As part of this devolution arrangement, TfN hosts the RNP team: a team containing the specialist skills required to specify, procure, and oversee the letting of contracts on behalf of public sector clients.
- 3.3 More recently, the Northern Powerhouse Rail (NPR) Co-sponsorship Agreement between the TfN Board and the Secretary of State captures the commitment between the North and the Government to continue to work collaboratively in developing and taking forward proposals for the transformation of the North's rail system. Associated with this agreement is the technical work commissioned by the Department for Transport from the TfN executive (our TAME function) that draws on the accumulated knowledge, analytical skills and tools held by TfN.

4. Realising the North's Economic Potential

- 4.1 The North's leadership has identified consistently across time that transforming the connectivity between the North's great cities and towns is fundamental to realising its economic potential. A consistent theme for the TfN Board has been that investment in the North's transport system must not only close the

productivity gap between the North and London/South-East, but it must ensure that all parts of the North realise their potential.

4.2 Transforming connectivity is critical in giving confidence to the business community, connecting them with markets and giving access to labour. Investment in improving infrastructure and services has always been seen by the North as an enabler of economic growth; an opportunity to improve access to markets domestically and internationally, and an opportunity to deliver growth that is sustainable and inclusive for the longer term.

4.3 It is in this context that TfN was established by Parliament with the specific purpose:

'To facilitate the development and implementation of transport strategies in the North in order that there is enhanced economic growth in the area.'

4.4 At the heart of TfN's work is a commitment to harness the power of shared endeavour to use investment in infrastructure and services as a means of:

- Unlocking opportunities for economic growth
- Accelerating the move towards greener transport
- Breaking down barriers to opportunities.

In this regard the ethos underpinning the work of TfN is consistent with the Government's five Missions, with the recommendations that flow from its work being both ambitious and achievable. By embedding a shared long-term vision for the North, it is possible to enable consistency in decision-making over an extended period. Greater certainty can in turn generate greater confidence within the business community to invest in the North's communities.

5. Evidence Based Decision Making

5.1 Through TfN, the North's leaders have invested in developing a publicly owned evidence base unprecedented in its scale and content. The accumulated knowledge and experience held by the TfN executive is setting standards elsewhere, with tools and models developed in the North being adopted more widely.

5.2 The evidence based has been used by the North's leadership to agree a long-term vision that is grounded in the shared understanding of:

- *Economic Opportunities* – as captured in the recently updated Northern Powerhouse Independent Economic Review (NPIER)
- *Environmental Ambition* – as captured in the Regional Transport Decarbonisation Strategy
- *Societal Barriers* – as captured in the Connecting Communities Strategy, which is the North's response to ground-breaking work on Transport Related Social Exclusion.

It should be noted that the NPIER, prepared in collaboration with the North's business community, also serves as a key building block for the work of the Convention of the North.

5.3 With the North's leadership placing greater emphasis on achieving desired outcomes, TfN's approach enables interdependencies between infrastructure investments to be identified – our work on electric vehicle charging infrastructure (EVCI) being a case in point. The extent to which TfN's evidence base is being used by other infrastructure organisations continues to grow, with the energy

sector in particular making ever greater use of what is available in developing its approach to long-term planning for generation and distribution.

- 5.4 The added value of a consistent evidence base is significant. By making it easier to deliver investment business cases – both for public and private sectors – it is possible to reduce development costs, speed up the decision-making process and accelerate the realisation of benefits.

6. The Strategic Transport Plan

- 6.1 The TfN constitution sets out TfN's role as the statutory partner of the Secretary of State, with a requirement to provide the Government with the North's advice on strategic infrastructure. In March 2024 the TfN Board adopted the revised Strategic Transport Plan (STP) and submitted it to the Secretary of State.

- 6.2 The vision adopted by the TfN Board is supported by three clear strategic ambitions that the North wants to achieve:

- *Transforming economic performance* – with the NPIER identifying the economic prize of closing the productivity gap would mean a Northern economy that is £118bn larger (per annum) by 2050
- *Rapid Decarbonisation of our transport system* – with the Regional Transport Decarbonisation Strategy setting the need to achieve near zero carbon emissions of surface transport by 2045
- *Enhancing social inclusion and health* - with our strategy focused on the need how taking 1 million residents out of the risk of being socially excluded because of the lack of access to affordable transport.

- 6.3 At the same time, the STP sets three key metrics that together define how the North will measure success:

- The share of trips made by sustainable mode (public transport and active travel) increases to 51% by 2050 (currently 36.4%)
- There is zero overall regional increase in car and taxi vehicle mileage on the North's Road network to 2045, against a baseline of 61.1 billion in 2019
- The share of freight (measured as tonne km) carried by rail trebles from 8.5% to 25.5% by 2050.

Achieving these metrics will only be possible with significant investment to improve public transport and active travel choices and through bold action in our cities and larger centres where there is greater density and therefore greater opportunity for change.

- 6.4 When it comes to implementation of the Strategic Transport Plan, the added value of TfN in support of its constituent authorities comes from being focused on:

- Issues and investment proposals that are cross boundary,
- Issues that are common to several of the constituent authorities and where there are efficiencies to be realised by working collaboratively, and
- Issues where there is a consensus amongst the constituent authorities there is added value from having a collective voice from the North.

7. Investment Programmes

- 7.1 The STP provides the long-term framework for the transformation of the North's transport system. It provides the basis for the North's leaders to ensure that the investment programmes of national networks are aligned with their ambition.

This means not only working collaboratively with national agencies such as National Highways and Network Rail to ensure that their investment programmes reflect the North's priorities, but it also means ensuring those programmes are themselves aligned to be complementary. Moreover, TfN's role in respect of the specification of the contracts for Northern and TPE, enables the TfN Board with the ability to offer a view on how best to align investment in infrastructure and services.

- 7.2 The interdependencies inherent across both the strategic rail and road networks are many and in a world in which there will always be a finite capacity, the North's leaders are well placed to join up thinking across modes when arriving at decisions on investment priorities. TfN's advice into the preparation of National Highways Road Investment Strategy has been important in this regard, as has its advice in respect of Network Rail's investment plans as set out in successive Control Periods.
- 7.3 The STP sets out the need for additional investment across the North to realise the leaders' economic ambition. However, significant pressures continue to apply nationally to the investment programmes of both National Highways and Network Rail, with it becoming increasingly difficult to maintain the current condition of existing assets.
- 7.4 A key focus for TfN is using its accumulated knowledge and tools to develop a 'Northern playbook': advice on how scheme promoters might make use of the flexibilities within HMT 'Green Book' to better reflect the wider benefits of investments in the North.

8. Implementation – incl. The TfN Offer

- 8.1 The North's Political and Business leaders have invested in building significant technical and analytical capacity (including our TAME function) which is providing direct support, when requested, to our partners (both across the North and nationally) via the TfN Offer.
- 8.2 The scope of the TfN Offer is constantly evolving as additional tools and capabilities are becoming available. Appendix 2 is the brochure for the TfN Offer at the time it was launched in September 2023, and Appendix 3 provides an overview and breakdown of the demand to date.
- 8.3 Whilst it remains early days, it is estimated that TfN has realised savings of at least c£360k by undertaking technical/analytical work through the TfN Offer. Moreover, it is conservatively estimated that the tools and capabilities produced by TfN have an added value of c£3m.
- 8.4 Making these tools available to our partners helps provide access to knowledge and skills that they might not otherwise have easy access to. Moreover, where our partners draw on the tools and capabilities to underpin their own consultancy commissions the likelihood is that the costs incurred are less than if the authority were to commission the development of their own bespoke tools.
- 8.5 TfN and its constituent authorities have access to several additional powers that were devolved to the North at the time it was established. In addition, there are opportunities under the Rail North Agreement that allow constituent authorities to specify additional services where a funding source is identifiable. Appendix 4 summarises these additional powers and the TfN executive continue to work with the constituent authorities to identify instances where these might be used to support implementation.

9 Next Steps

- 9.1 The work of TfN is cyclical: with the TfN Board adopting the revised STP in March, the next 2-3 years will see a greater focus on implementation.
- 9.2 The response from partners to the launch of the TfN Offer has highlighted the important role this has to play in supporting partners with their place-based implementation. Work to maintain and update the tools and capabilities available through the TfN Offer will be prioritised. In addition, there is work underway in the current financial year that will add further tools and capabilities.
- 9.3 The new Government has repeatedly expressed its commitment to invest in the North's rail system: TfN has a key role to play as co-sponsor to work with the DfT in defining the scope of the NPR project and in undertaking the technical work required as part of the Business Case. As the recently published Accounting Officer Note on the project has highlighted, there is a significant amount of work required to ensure that the wider benefits of the investment are captured in the business case – a piece of work that our technical capacity and capabilities can provide.
- 9.4 Notwithstanding the work that will be required as part of the rail reform, it will be essential to maintain the momentum of work underway as part of the Rail North Agreement in the meantime. Specifically, there will be a need to maintain a focus on the performance of both Northern and TPE, a need to agree the outline service specification for the next 10 years of both operators, and a need to ensure that work to procure new rolling stock is taken forward at pace.
- 9.5 The revised STP also identifies a number of activities that need to be taken forward by TfN, including monitoring and evaluation – via our STP dashboard – of progress. That evidence will offer insights to inform future priorities, as well as provide data that can be used for local growth plans and local transport plans.
- 9.6 As noted earlier in this report, the work of TfN is setting standards and being adopted more widely: the EVCI framework has been rolled out across the rest of England at the request of DfT. There will be a need to consider as part of the business planning process the extent to which there may be further opportunities for joint working with other regional bodies.
- 9.7 Since TfN was established as a statutory body it has evolved as partner requirements have changed, and to complement the leadership provided by City-Regions and Combined Authorities.
- 9.8 TfN remains an entity through which the North's Political leaders can choose to come together to secure the delivery of pan-regionally significant investment in a way that complements and supports the leadership of the MCA/LTAs within their communities. It is a body with an established governance framework and has an executive team that holds specialist technical capability upon which its member authorities can draw to supplement/support their own. Appendix 1 offers a summary of TfN's role and focus.
- 9.9 As work begins on business planning for 2025/26, it is timely to seek a steer from the Board on areas/activities that it would like to prioritise. Appendix 5 identifies some potential areas/activities, and the Board is invited to comment, and identify any additional issues it would like considered as part of the business planning process. There will be a need to prioritise activities for the year ahead given the pressures on public funding more generally.
- 9.10 The TfN executive is, in parallel, undertaking a review of its internal processes and procedures as a means of identifying efficiencies through smarter working.

10. Comments from Scrutiny Committee

- 10.1 TfN's Scrutiny Committee considered this paper and accompanying annexes at its meeting on 5 September. They were supportive of direction, noting: the success of the TfN offer and the savings this has enabled for authorities; the importance of effective public engagement to inform TfN's work, the work underway to build on arrangements we have now such as our Citizen's Panel; and the value of TfN's convening role which enables easy and efficient sharing of knowledge and expertise (which is particularly valued by smaller/newer authorities).
- 10.2 They identified some priorities (within Appendix 5) of particular importance to consider pan-regionally. This included: rural connectivity; identifying the interventions required to achieve our rail freight ambition (as set out in 6.3 above); and collaborating to encourage greater use of public transport.
- 10.3 The Committee also suggested we consider how planning reform can support better public transport connectivity, so reducing car dependency and providing more travel choices in new developments. They also suggested there would be benefit in examining 'lessons learnt' from past initiatives to create effective public/private partnerships that can enable transport infrastructure delivery in the future. We would welcome the Board's steer on these points too.

11. Corporate Considerations:

Financial Implications

- 11.1 This paper does not include any financial implications. It is seeking a steer on TfN's priorities. Following feedback, more detailed proposals and financial implications will be considered.

Resource Implications

- 11.2 As above.

Legal Implications

- 11.3 As above.

Risk Management and Key Issues

- 11.4 We have identified a corporate risk regarding the future role of TfN should there be a change in government policy and/or partner commitment.

Environmental Implications

- 11.5 This paper does not include any environmental implications. It is seeking a steer and feedback only at this stage. Following feedback, more detailed proposals and environmental implications will be considered.

Equality and Diversity

- 11.6 As above.

Consultations

- 11.7 We are undertaking consultation via TfN governance structures.

12. Background Papers

- 12.1 N/A

13. Appendices

- 13.1 Appendix 1 – TfN on a Page: Summary of role/focus
Appendix 2 – The TfN Offer Brochure
Appendix 3 – The TfN Offer Facts and Figures

Appendix 4 – TfN Powers/RNP Contractual Opportunities

Appendix 5 – Potential Areas/Activities of Opportunities

Glossary of terms, abbreviations and acronyms used

a) STP	<i>Strategic Transport Plan</i>
b) DfT	<i>Department for Transport</i>
c) EVCI	<i>Electric Vehicle Charging Infrastructure</i>
d) MCA/LTA	<i>Mayoral Combined Authority / Local Transport Authority</i>