
Meeting:	Rail North Committee Consultation Call
Subject:	Rail Reform
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1. Purpose of the Report

- 1.1 To provide an update on rail reform and set out initial thinking on the North's requirements for upcoming rail reform legislation.

2. Recommendations

- 2.1 It is recommended that the Committee:
- a) Considers and comments on the approach and proposed requirements as set out in this paper.
 - b) Tasks the TfN executive to work with senior officials from TfN's constituent authorities to develop a proposition for consideration by this Committee at a future meeting.

3. Context

- 3.1 A consistent focus for the Transport for the North (TfN) Board since its establishment as a statutory body has been the shared ambition across all constituent authorities to realise the North's economic potential. Central to that ambition has been the need to transform the North's rail offer, in particular improving the connectivity (by rail) between the North's great cities and towns is central to unlocking the economic potential of the North.
- 3.2 The significance of transforming the North's rail offer and the crucial role the North's Political leaders in that ambition (working with Government) resulted in a number of powers being devolved to the North by Government. Some of those rest with TfN, some of those are exercised jointly with the Department for Transport (DfT) through the Rail North Agreement.
- 3.3 The Rail North Partnership executive team is a resource dedicated to overseeing delivering of the Rail North Agreement. Employed by TfN, but reporting jointly to both TfN and DfT, the team provides both parties with the required technical capacity and capability to specify, commission, and manage the Northern and TransPennine Express (TPE) contracts.
- 3.4 With the establishment of the Metropolitan Combined Authorities (MCAs) the ways of working have started to evolve to reflect the MCAs leadership for their city-regions. At the same time discussions at the TfN Board have reaffirmed the importance of maintaining a pan-regional perspective when it comes to rail, and the importance of ensuring that where there are choices to be made affecting the North that they are made in the North, by the North, for the North.

4. Rail Reform

- 4.1 The new Government has been clear in its commitment to rail reform. The Secretary of State has appointed Laura Shoaf as Chair of shadow Great British Railways and charged senior officials from the Department for Transport, Network Rail and the Operator of Last Resort, to take forward the work on rail reform.

- 4.2 At the same time the Secretary of State has prioritised the need to improve performance on the rail network. As this Committee has experienced, poor performance by train operators has been a long-standing frustration and so the Secretary of State's focus is very welcome. And there is a collective need to ensure that implementing structural change as part of rail reform does not inadvertently distract from the need to here and now priority of achieving a reliable and resilient railway. The on-going work of this Committee in holding train operators to account remains ever important.
- 4.3 Rail reform is aimed at reducing the fragmentation of the railway and improving services for passengers. It is the opportunity to strengthen local input and accountability and facilitate delivery of locally integrated transport networks by Mayoral Combined Authorities.
- 4.4 A degree of devolution already operates in the North in the form of the Rail North Partnership. Through collaboration between Transport for the North, the Rail North Partnership executive, train operators and Network Rail, the North has already begun to build on that existing devolution to act ahead of formal rail reform in several key areas:
- **Accessibility:** This Committee's Accessibility Task & Finish group has brought operators, Network Rail, local authorities together under one banner to tackle barriers to accessibility on the rail network. The Committee is using its role in a number of processes to prioritise accessibility improvements, including the annual business planning process for train operators, the development of the next 10-year outline service specification for Northern and TPE and the procurement of new rolling stock for both operators. In addition, it has put forward a proposal for devolution of "Access for All" to the North.
 - **Place-based approach:** Through the establishment of place-based area task forces (an output from the work on the 'state of play' with investment), the Committee is taking a whole-industry view of the services and infrastructure that is needed to unlock the transformation of economic growth across the North. Through the Manchester task force, TfN has already played a central role in coordinating a whole industry approach to respond to difficult capacity and performance issues. The development of the long-term Outline Service Specification is likewise anchored in the future growth needs of the North, rather than short-term contractual obligations.
 - **Accountability:** In addition to direct accountability with Northern and TransPennine Express, this Committee has used its convening power to hold operators including LNER, Avanti West Coast and CrossCountry to account. The powers available to us through the Rail North Partnership enable us to target specific issues within the Northern and TransPennine Express business plans, which help to focus attention on priorities such as accessibility and performance.
- 4.5 Next year will see the start of the formal legislation to bring about Great British Railways. This legislation will set out how the rail industry will transition to a simpler, better railway under a directing mind bringing track and train together. This will change the shape of the industry and consequently Transport for the North's relationship with it in the medium to long term.
- 4.6 It is therefore timely for this Committee to consider our initial requirements of rail reform so that there can be a constructive conversation around our expectations for the evolved role that Transport for the North will play once a new industry structure under Great British Railways comes into place.

5. Rail Reform Initial Requirements

- 5.1 Rail reform presents a generational opportunity to unlock the potential of the railway in the North. Although we are able to do much to bring the industry together, the current industry framework means that collaborative working is often not the default. Great British Railways must see the end of confusing fragmentation of the railway for passengers and unlock the potential of local rail services within our city regions.
- 5.2 As we anticipate a Rail Reform Bill in the new year, we will test its proposals against a set of requirements to unlock the potential of the railway for the North:
- **Local (incl. Mayoral Combined Authority) accountability:** Mayors should be able to shape their local services and integrate them into the local public transport offer. While there is broad spectrum of how local leaders wish to partner with the railway, all local leaders should be able to shape the railway's priorities, with Local Transport Plans influential in the railway's development.
 - **Prioritisation and planning set by the North:** The North must be empowered to prioritise, plan, manage and deliver its investment pipeline, as determined by the elected leaders across the North. While the overall rail budget is a matter for the Secretary of State, we expect the North to be empowered with the responsibility to determine priorities within the North. This may mean devolving an explicit role in relation to national programmes or initiatives such as the Rail Network Enhancement Pipeline or "Access for All" to the North.
 - **Passenger growth specification:** Through the recently adopted Strategic Transport Plan (STP) the North's Political leaders have reaffirmed their ambition to realise the North's economic potential in full. The evidence base on which the STP is founded demonstrates the need to reach an average 51% share of travel by sustainable modes across the North by 2050. TfN analysis indicates that this will need a doubling or trebling of rail trips. This must be enabled by specification in and by the North and be supported by transformational infrastructure investment.
 - **Enable freight growth:** Our Strategic Transport Plan target is to treble rail freight modal share by 2050, while the national government has set a minimum 75% national target. If we are to realise the North's economic potential, and in particular ensure our global gateways (ports and airports) are connected in a way that better enables northern gateways to meet northern needs then then our approach to the rail freight sector must be empowered to achieve this ambition. Rail reform must enable the North collectively to decide on the right capacity allocation in the timetable to foster growth.
 - **Pan-Northern oversight:** At its September meeting this Committee welcomed the preparation of the 'state of play' overview which, for the first time, set out the relationship between planned infrastructure investment, investment in new rolling stock, and changes in timetable. This work reminded the Committee of the interdependencies across the North when it comes to the rail system. Rail reform must set a clear framework for empowering Northern leaders to collectively approach common challenges and common goals. The Strategic Transport Plan adopted by TfN helps define the long-term role for the railway in the North in support of its shared economic, environmental and social goals. Rail reform should consider how the North's work in turn shapes national network considerations.
- 4.3 Our rail reform requirements are set out in further detail against what we need to achieve our ambitions in a table (Appendix 1).

5. Next Steps

- 5.1 Rail reform is important to the long-term future of the sector. However, the focus on improving performance and delivering committed investment needs to continue in parallel. The existing Rail North Agreement between TfN and the DfT confers a range of devolved powers TfN and its constituent authorities, such as the ability to vary fares and create multi-operator ticketing schemes. The North should look to draw on its experience to maintain momentum with the industry in the short term, whilst also using that experience to provide insight with the DfT and shadow Great British Railways on the new industry framework. We need to work together on how our current devolution will evolve as part of rail reform.
- 5.2 Moving forward it is recommended that the TfN executive work with senior officials from TfN's constituent authorities to develop a proposition in relation to rail reform for consideration by this Committee at a future meeting.

6. Corporate Considerations

Financial Implications

- 6.1 There are no financial implications in the report.

Resource Implications

- 6.2 The proposals in this paper can be delivered using existing resources identified in the TfN Business Plan. The resource implications of a future long-term reform proposition will be considered as part of our response to the rail reform bill.

Legal Implications

- 6.3 The legal implications are contained within this report. The legal implications of the establishment of Great British Railways and how it will affect Transport for the North's statutory role with regard to the railway will need to be considered as part of development of the future relationship.

Risk Management and Key Issues

- 6.4 TfN's corporate risk register acknowledges that the implications of rail reform on its statutory and contractual roles will be needed to be considered as part of the rail reform process.

Environmental Implications

- 6.5 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 or EIA.

Passenger rail and rail freight, has an essential part to play in achieving our decarbonisation objectives within TfN's Decarbonisation Strategy, particularly around reducing private car vehicle mileage and road freight movements.

Equality and Diversity

- 6.6 There are no direct equality and diversity implications of this report, however, establishment of the right industry structure and TfN's future role has important consequences for how we improve rail accessibility, equality and diversity.

Consultations

- 6.7 Partners have been consulted in the development of our requirements through the Officers Reference Group and the Rail North Partnership Board.

7. Appendices

- 7.1 Appendix 1: Rail Reform Requirements Table (*overleaf*)

Glossary of terms, abbreviations and acronyms used (*if applicable*)

TfN	Transport for the North
EIA	Environmental Impact assessment
DfT	Department for Transport
STP	Strategic Transport Plan
LNER	London North Eastern Railway
MCA	Mayoral Combined Authority
TPE	TransPennine Express
SEA	Strategic Environmental Assessment