

Transport for the North Board – Item 13

Subject: TransPennine Route Upgrade

Author: James Syson, Rail Strategy Liaison Manager

Sponsor: David Hoggarth, Strategic Rail Director

Meeting Date: Wednesday 8 January 2020

1. Purpose of the Report:

- 1.1 For the Transport for the North (TfN) Board to note how the planned and future phasing of TRU investment needs to form part of a coherent rail strategy for the North which takes account of:
- the recognised interplay between TRU, NPR, HS2;
 - our aspirations to unlock key performance and congestion issues that will benefit the network across the North; and
 - our desire to have greater powers and influence over decisions affecting the North's rail network.
- 1.2 For the TfN Board to endorse issuing the DfT with a series of challenges for their consideration in advance of any decision this spring on the refreshed TRU Phase 1 Outline Business Case, the Phase 1 Final Business Case for initial tranches of work and the Strategic Outline Business Case for future TRU phases of delivery. It is anticipated that a response to the 'Challenges' will be provided by the DfT in the form of a presentation at the TfN Board meeting in January.

2. Executive Summary:

- 2.1 TRU is being promoted by the DfT as sole client. It is, the first major rail investment decision by the DfT affecting the North and allocated funding in CP6 that has received formal advice from Transport for the North (statutory advice issued 28/09/18 see Appendix 1).
- 2.2 Unlike Northern Powerhouse Rail (NPR) Transport for the North is not co-client for this scheme and is instead a senior stakeholder which limits our involvement and influence over key decisions and restricts the resources we are able to allocate to the project.
- 2.3 Investment along the north Trans Pennine rail corridor is needed to support connectivity between most of the North of England's core cities and major metropolitan areas. The TRU scheme aligns to the national aspirations to build a Northern Powerhouse, to increase the North's

productivity and overall economic performance. However, it is acknowledged that investment in TRU alone will not fix the many issues plaguing the North's rail network in terms of capacity, resilience, capability and performance and therefore there is a need to consider:

- how funding can be secured and phased to deliver infrastructure that mitigates the most pressing performance and congestion issues across the North;
- how imminent decisions on TRU phased investment align to a broader rail strategy for the north; and
- how TfN can help shape a coherent rail investment strategy that recognises the dependencies between TRU, NPR and HS2 and infrastructure required to unlock major cities and the network across the north.

We feel it is appropriate to issue the DfT with a number of challenges ahead of their impending assessment (Spring 2020) and decision on the TRU Phase 1 Outline Business Case to reinforce the need for a coherent rail investment strategy for the North whilst work continues in parallel to secure greater rail devolution and investment through our Northern Transport Charter.

3.0 Issues:

TRU Stakeholder Status

3.1 Our role in supporting DfT develop the TRU project has been delivered through a mix of co-client and senior stakeholder status:

1. **2016** - Rail North (as co-client) jointly developed the Client Development Remit (CDR) for the TRU project in partnership with the DfT and added value to the project through highlighting the importance of:
 - Identifying best practice/bad practice and applying lessons learnt.
 - Enhanced consideration of performance & reliability to the passenger and TOC/FOC.
 - Ensuring timely approvals and systematic approach to derogations.
 - Recording decisions and creating an excellent audit trail.
 - Stakeholder engagement.
 - Consideration of a freight path every hour (each way) for all types of freight train, including for containers ('W10/12')
2. **2017** - DfT moved to sole client status and Rail North status changed to a 'senior stakeholder' role - removing decision making ability and limiting influence. In practice this has meant little/no sight of key material such as the initial Outline Business

Case which was agreed at the DfT's Board Investment Commercial Committee (BICC) in November 2018.

3. **2018** – Transport for the North achieves sub national transport body status slightly elevating our role with the power to set out our recommendations in the form of statutory advice issued directly to the Secretary of State. Our statutory advice was approved at TfN Board in September 2018 and issued to the Secretary of State for Transport on 28/09/18.
- 3.2 By not being a co-client, Transport for the North was in the position of providing our statutory advice “ex post”, i.e. after key decisions had already been made without our meaningful input. It is important that an ‘ex post’ advice approach is avoided on future major decisions in the North and that we are now able to help shape the most coherent rail investment plan for the North.
- 3.3 In September 2019 a formal response to our statutory advice was issued by Parliamentary Under Secretary of State for Transport Paul Maynard MP (Appendix 2). This letter addressed some of the issues we had raised in our advice whilst also reaffirming DfT’s commitment to work with Transport for the North to deliver the benefits of TRU for the people and economy of the North.
- 3.4 In response to this letter (Appendix 3) Transport for the North pressed for greater detail on the Phase 1 investment plan in CP6 and the reassurance that further funding to deliver outputs in full will be provided in subsequent control periods. The letter also sought further details on how a more influential role for Transport for the North, supplemented by adequate resources, could be taken forward to help foster a more open and productive relationship between TfN, Network Rail and DfT. However, it should be noted that as decision making continues to advance the value of gaining additional influence is diminishing.
- 3.5 Since the issuing of our statutory advice in 2018, the ongoing congestion in key locations has continued to cause problems across the network. The timetable changes made in December 2018 and May 2019 have not solved the problems. This, together with the further development of NPR proposals and Network Rail’s work to consider the capability, capacity and performance of the North’s network, has brought into focus the need to consider how imminent decisions on TRU Phase 1 investment fit within a much broader view of the North’s rail network.
- 3.6 It is vital that Transport for the North presses the DfT to recognise the need to ensure that whatever decisions are made and endorsed by Treasury they must fully reflect an appropriately planned sequencing of investment across the north that supports project outputs and avoids unnecessary multiple disruption and abortive costs.

TfN Challenges to DfT

- 3.7 The DfT will imminently determine the refreshed Outline Business Case for TRU CP6 investment alongside the Final Business Case for the initial tranches of work and potentially the Strategic Outline Business Case for investment in subsequent control periods. As such, it would seem prudent for TfN, with its current limited decision making powers, to focus our immediate attention on setting DfT a number of key strategic challenges whilst work to deliver our aspiration to secure greater overall devolution of rail matters across the North and control future rail budgets continues to run in parallel.
- 3.8 Proposed Transport for the North TRU challenges for the DfT:
- a) DfT should set out a coherent investment plan for CP6 and CP7 encompassing TRU and additional measures to address key areas of congestion across the North to provide a more reliable railway for both passenger and freight services.
 - b) DfT should confirm that full delivery of the reliability, capacity, capability and journey time strategic outputs for the TRU scheme agreed jointly in the 2016 Client Development Remit remains the projects priority and /or final objective. It is our understanding that as part of the development of a refreshed outline business case an 'economic optimum solution for TRU' is now being established by DfT which could create the opportunity for a Phase 2 of investment.
 - c) DfT should confirm how TRU, as part of a sustainable freight strategy for the North, will help meet future demand for the movement of short-sea and deep-sea containers across the Pennines by rail.
 - d) DfT should provide greater clarity on TRU Phase 1 outputs and how these will be future proofed to support an efficient and safe rolling programme of works that delivers strategic outputs in full, compliments wider investment in the network and minimises the impact on passengers and the economy of the North.
 - e) DfT should confirm whether any further TRU outputs can be achieved within Phase 1 at minimal incremental cost or through allocation of any released contingency as designs develop.
 - f) DfT should acknowledge that, as TfN believe, the full planned TRU spend in CP6 is unlikely to happen and bring forward proposals to utilise that underspend in the North to tackle the most pressing known congestion and performance issues.
 - g) DfT should confirm how TRU will minimise impact on future operating costs and support the sustainability and

decarbonisation agenda by helping achieve net-zero greenhouse gases by 2050 as part of the UK's contribution to stopping global warming.

- h) DfT should provide reassurance that all stations along the TRU corridor will be upgraded and made fully accessible as part of the phased investment.
- i) DfT should provide the assurance that investment in TRU, NPR and HS2 forms part of a coherent rail strategy for the North - recognising the different roles and benefits they will play in delivering the transformation of passenger and freight connectivity, capacity, reliability and journey times. In particular ensuring TRU provides sufficient reliable capacity until NPR becomes operational.

4. Conclusion:

4.1 Without having co-client status Transport for the North continues to have limited sight of and input into key decisions made on TRU, with only limited resources to deploy to the project. Given that many key decisions affecting the direction of TRU design and investment have already been made and a decision on a refreshed Outline Business Case is due to be made in Spring 2020, the TfN Board are being advised to endorse utilising existing stakeholder influence to challenge the DfT to deliver a scheme for the North that is cognisant of:

- the need for a broader coherent rail strategy for the North;
- the statutory advice issued on TRU in September 2018;
- the interplay between TRU, NPR and HS2;
- the need to put passengers first.

4.2 The impact on current and future franchises from TRU is significant. Delivering optimal benefits and minimising disruptive impacts from TRU over the duration of the programme both to passengers and the wider economy of the North requires industry alignment. Transport for the North through the Rail North Partnership will continue to focus on utilising our existing powers to help mitigate the impact on passengers and the economy of the North, where possible, during the construction phase. TfN's Strategic Rail and Rail North Partnership Teams are considering any resource requirements/implications associated with TRU as part of the current on-going business/resource planning cycle which may result in a call for additional funding for resourcing being made to the DfT as part of our annual rail grant/settlement. Helpfully in October 2019 it was agreed that Network Rail would fund 3 FTE posts in the Rail North Partnership team to support this ongoing work.

5. Recommendation:

- 5.1 For TfN Board to continue to support the much needed investment on the north Trans Pennine rail corridor which has been allocated funding in CP6 but to note the importance of raising with the DfT the need to consider the requirement for a broader coherent rail investment strategy for the North of England.
- 5.2 For TfN Board to endorse the issuing of a set of TRU strategic challenges to the DfT for their consideration ahead of appraising the Phase 1 Outline Business Case for TRU, the Final Business case for the initial tranches of delivery in CP6 and the Strategic Outline Business Case for future TRU investment in subsequent control periods.

6. Appendices:

- 6.1 Appendix 1 TfN Statutory Advice on TRU
- 6.2 Appendix 2 Paul Maynard MP letter to TFN
- 6.3 Appendix 3 TfN letter to Paul Maynard MP

List of Background Documents:

The following background papers were considered in preparation of this report:

Transport for the North Partnership Board - September 2019

Agenda Item 4.3

Subject TransPennine Route Upgrade

Author: James Syson & Jim Bamford

Sponsor: David Hoggarth, Strategic Rail Director

Transport for the North Partnership Board – 20 June 2019

Agenda Item 9

Subject: Rail Update

Author: James Syson / David Hoggarth

Sponsor: David Hoggarth, Strategic Rail Director

Transport for the North Partnership Board – 7 February 2019

Agenda Item 5

Subject: TransPennine Route Upgrade

Author: Jim Bamford, Head of Investment Planning & James Syson, Rail Strategy Liaison Manager.

Sponsor: David Hoggarth, Strategic Rail Director

Transport for the North Partnership Board –13 September 2018

Agenda Item 4

Subject: TransPennine Route Upgrade

Author: Jim Bamford, Head of Investment Planning & James Syson, Rail Strategy Liaison Manager.

Sponsor: David Hoggarth, Strategic Rail Director

Required Considerations

Equalities:

Age		No
Disability		No
Gender Reassignment		No
Pregnancy and Maternity		No
Race		No
Religion or Belief		No
Sex		No
Sexual Orientation		No

Consideration	Comment	Responsible Officer	Director
Equalities	A full impact assessment has not been carried out because this is a scheme being developed by DfT – however the Transport for the North Single Development Option seeks to support Equality Act 2010 compliance at each TRU station.	Jim Bamford /James Syson	David Hoggarth

Environment and Sustainability

	No
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Consideration	Comment	Responsible Officer	Director
Sustainability / Environment	A full impact assessment has not been carried out because this will be developed by the DfT as part of their business case development including an assessment of the likely benefit to air quality at stations and along the TRU corridor.	Jim Bamford /James Syson	David Hoggarth

Legal

Yes	
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Consideration	Comment	Responsible Officer	Director
Legal	The legal implications will need to be considered by the DfT as the sole client for this project.	Deborah Dimock	Julie Openshaw Head of Legal

Finance

Yes	
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Consideration	Comment	Responsible Officer	Director
Finance	The financial implications are being considered by the DfT as sole client for this project.	Gareth Sutton Financial Controller	Iain Craven Finance Director

Resource

Yes	
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Consideration	Comment	Responsible Officer	Director
Resource	The resource implications have been/ are being considered by the DfT as sole client for this project. Alongside this TfN's Strategic Rail and Rail North Partnership Teams are considering any resource requirements/implications associated with TRU as part of the current on-going business/resource planning cycle which may result in a call for additional funding for resourcing being made to the DfT as part of our	Stephen Hipwell Head of Human Resources	Dawn Madin Business Capabilities Director

	annual rail grant/settlement. To date funding to support further resources (3 posts/ 3 FTE) to be allocated to the Rail North Partnership team has already been secured via Network Rail and the recruitment process is now underway for these roles.		
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Risk

Yes	
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Consideration	Comment	Responsible Officer	Director
Risk	A risk assessment has been undertaken by Network Rail and they will continue monitor this on behalf of the DfT.	Jim Bamford / James Syson	David Hoggarth

Consultation

	No
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Consideration	Comment	Responsible Officer	Director
Consultation	A consultation as part of the Transport and Works Act Order for the section of corridor between Huddersfield and Westtown has been undertaken but no consultation has been undertaken on the wider scheme to date. However, Transport for the North have ensured officers, elected members and LEP representatives have been fully engaged.	Jim Bamford / James Syson	David Hoggarth

