

Transport for the North Board – Item 7

Subject: Northern Powerhouse Rail Update

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Meeting Date: Thursday 11 June 2020

1. Purpose of the Report

- 1.1 To update on the Northern Powerhouse Rail (NPR) programme, including:
- a) The development of the NPR Strategic Outline Case (SOC); and
 - b) An introduction to the development of initial phasing scenarios for the delivery of the preferred network.

2. Executive Summary:

- 2.1 Transport for the North (TfN) is continuing with the development of the structure and content of the NPR Strategic Outline Case (SOC) to the rephased NPR programme, for submission to TfN Board in March 2021. Initial drafts of each of the five cases are in development – the Strategic and Management case initial drafts have been shared with Partners and initial drafts of the Commercial, Financial and Economic cases will be shared over the coming months. Further information on progress is contained in section 3 of this paper.
- 2.2 In order to reach a preferred phasing strategy for the SOC, we are developing four delivery phasing scenarios, including a Preferred Phasing Scenario. This will be presented to TfN Board for agreement in November 2020 and to DfT's Investment Board for comment ahead of the SOC submission in March 2021. The approach to the development of these four phasing scenarios is set out in section 4 of this paper.

3. Programme Update:

- 3.1 Following endorsement of the NPR Programme rephasing at the TfN Board on 29 April 2020, due to resource constraints in the current pandemic, the programme team is working to re-baseline the schedule. The rephased timeline of key TfN Board dates for NPR and the correlating recommendations and materials which will be taken to each Board is contained in Appendix 1.

4. SOC Programme Progress:

- 4.1 A revised Strategic Outline Business Case – known as the Strategic Outline Case (SOC) – is currently being developed and will be presented to Government in early 2021 with the aim of securing ongoing government commitment, long-term development funding and a mandate to progress the development of NPR to the next stage.
- 4.2 The SOC team has made positive progress on the development of the SOC, working closely with the co-client and Partners to produce and agree initial content.
- 4.3 In March 2020, the SOC team developed initial skeleton drafts (i.e. section headings, broad narrative and structure) of each of the five cases (Strategic, Economic, Commercial, Financial, Management) of the SOC. The purpose of developing the skeleton drafts was to:
 - a) Create a clear structure for each case setting out the main areas of content to be included within each case
 - b) Begin developing a strong narrative across each of the five cases
 - c) Highlight where we need to make key decisions on the overall approach and highlight areas for further work and development
 - d) Engage Partners and other relevant stakeholders ahead of undertaking detailed drafting of the cases.
- 4.4 The skeleton drafts were provided to Working Group members and discussed with Partners at the Working Group meeting on 26 March 2020.
- 4.5 Following feedback on the initial skeletons, the SOC team has begun developing initial drafts of individual cases, utilising currently available information and highlighting further work and gaps to be completed through future versions. To date, initial versions of the following cases have been shared with Working Group:
 - a) Strategic Case: An initial draft Strategic Case, as well supporting documents (Transformational Growth and Strategic Alternatives reports) were shared with Partners on 22 April 2020 for comment. A positive discussion took place on these documents on the Working Group call on 29 April 2020, leading to further updates and revisions based on Partner feedback
 - b) Management Case: An initial draft Management Case was shared with Partners on 14 May 2020 for comment and further detail provided at the NPR Working Group on 21 May 2020.
- 4.6 Over the next few months, initial versions of the Commercial, Financial and Economic cases will be developed and shared with the Working Group – allowing full visibility of early drafting and providing opportunity for wider input and review.

- 4.7 Following this working level development process, and creation of additional input – in particular through the Sift process – version 1 of all five cases of the SOC will be shared with TfN Board ahead of the September Board meeting.

5. Phasing Development Approach and Process:

- 5.1 In order to reach a preferred phasing strategy for the SOC, TfN is developing four delivery phasing scenarios, including a **Preferred Phasing Scenario**. The preferred scenario will be agreed by the co-client with Partners involved throughout the development process. It will be presented to TfN Board for agreement in November 2020 and to DfT's Investment Board for comment ahead of the SOC submission in March 2021.
- 5.2 The phasing scenarios will set out:
- a) An initial version of the proposed projects (collectively referred to as the NPR Project Breakdown Structure) to deliver the NPR Preferred Network; and
 - b) A proposed order and sequence in which to deliver these projects.
- 5.3 The approach to creating the phasing scenarios is based on developing a robust evidence base against six pillars identified as key constraints/factors to develop the phasing scenarios for SOC. The six pillars are:
1. Consents
 2. Expenditure profile
 3. Supply chain capacity
 4. External dependencies
 5. Customer disruption/integration
 6. Benefits realisation.
- 5.4 TfN is undertaking an iterative approach, where in Iteration 1 and 2 base information is being gathered for each pillar independently of the other pillars– for example as part of pillar 1 the team is collating information on potential consenting approaches and as part of pillar 2 bringing together financial information.
- 5.5 Through Iteration 3 the team will bring together the information from all pillars to develop, test and refine potential phasing scenarios (i.e. proposed order of projects) for discussion with members and other relevant stakeholders.
- 5.6 The team is currently commencing Iteration 2 and have begun the process of developing the potential projects for the NPR 'Project Breakdown Structure'.

- 5.7 The approach of splitting delivery into a number of defined projects provides options for NPR to accelerate delivery where possible, taking account of different level of consents which may be required for different elements of individual corridors. For example; if an entire corridor is progressed as a single construction project, and if one section of it requires a development consents order (DCO), but other sections could be progressed under potentially quicker consents processes, those sections would be held until a DCO is granted and funding for the whole project is released. However, if projects are defined in a more granular way, we could seek funding at different times and construction need not be delayed.
- 5.8 The team has undertaken initial Partner engagement through the Working Group on our approach to deliver the phasing scenarios and are currently developing a plan for wider member engagement over the summer in order to test and receive feedback on our proposed phasing scenarios.
- 5.9 The initial version of NPR Project Breakdown Structure will be presented to TfN Board in September 2020.

6. Conclusions:

- 6.1 The SOC programme is progressing and work continues to develop the five cases, ensuring Partners have the opportunity to input throughout development, through to submission of the final SOC to TfN Board in March 2021.
- 6.2 Work is underway to develop a Preferred Phasing scenario, for inclusion in the SOC, which meets key constraints whilst seeking opportunities for early delivery of infrastructure and associated benefits.

7. Recommendations:

- 7.1 Members are asked to **note**:
- a) Progress on the SOC through development of the structure of the five cases; and
 - b) The approach to development of the potential NPR phasing scenarios.

ENDS

Required Considerations

Equalities:

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

Consideration	Comment	Responsible Officer	Director
Equalities	A full Impact assessment has not been carried out at this stage of development.	Stephen Sutcliffe	Tim Wood

Environment and Sustainability

Yes	No
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Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out at this stage of development.	Stephen Sutcliffe	Tim Wood

Legal

Yes	No
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Consideration	Comment	Responsible Officer	Director
Legal	The process includes Board approval for the Business Case.	Julie Openshaw	Dawn Madin

Finance

Yes	No
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Consideration	Comment	Responsible Officer	Director
Finance	"The NPR Programme operates within a fixed budget envelope. The funding required to carry out this work has been committed by the DfT".	Gareth Sutton	Iain Craven

Resource

Yes	No
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Consideration	Comment	Responsible Officer	Director
Resource	The NPR Programme operates within a fixed budget envelope. Should there be any agreed changes in funding or delivery timescales, thereafter, any resultant resourcing implications would be worked through, with any resulting issues identified and reported as necessary for further consideration.	Stephen Hipwell	Dawn Madin

Risk

Yes	No
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Consideration	Comment	Responsible Officer	Director
Risk	Risk assessments continue to be carried out and can be found in the risk register.	Haddy Njie	Iain Craven

Consultation

Yes	No
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Consideration	Comment	Responsible Officer	Director
Consultation	A suitable consultation has been carried out with Transport for the North partners.	Stephen Sutcliffe	Tim Wood

Appendix 1 – Rephased NPR programme – SOC development and decision-making timeline

TfN Board Meeting Date	TfN Board Recommendations BASELINE	TfN Board Recommendations REPHASED	Materials
11 Jun 2020	<ul style="list-style-type: none"> • Note NPR progress and emerging outcomes • Agree scope and outline of SOC refresh 	<ul style="list-style-type: none"> • Note NPR progress and phasing approach 	SOC skeleton, case storyboards and key messages, including supporting documents
29 Jul 2020	<ul style="list-style-type: none"> • Agree shortlist of corridor options to be progressed (Phase 1) • Agree the current preference on these corridors. • Agree the aggregation of these corridor preferences into the current preferred network, subject to network-wide tests. • Note SOC 1st Partial Draft 	<ul style="list-style-type: none"> • Agree scope and outline of SOC refresh 	Outline of SOC refresh

TfN Board Meeting Date	TfN Board Recommendations BASELINE	TfN Board Recommendations REPHASED	Materials
17 Sep 2020	<ul style="list-style-type: none"> • Agree shortlist of corridor options on any remaining corridors (Phase 2) • Confirm current preferred network. • Agree current preferred phasing plan • Note SOC 2nd Partial Draft 	<ul style="list-style-type: none"> • Agree shortlist of corridor options to be progressed (Phase 1) • Agree the current preference on these corridors. • Agree the aggregation of these corridor preferences into the current preferred network, subject to network-wide tests. • Note SOC 1st Partial Draft 	<p>For each corridor in phase 1:</p> <ul style="list-style-type: none"> • Recommendations following evidence appraisal of options (sift workshops) on these corridors against the NPR objectives • Sift Workshop observations on the relative merits and disbenefits of each. <p>SOC 1st partial draft</p>
18 Nov 2020	<ul style="list-style-type: none"> • Note SOC Near Final Draft • Advise on essential changes to support approval 	<ul style="list-style-type: none"> • Agree shortlist of corridor options on any remaining corridors (Phase 2) • Confirm current preferred network. • Agree current preferred phasing plan • Note SOC 2nd Partial Draft 	<p>For any corridors in phase 2:</p> <ul style="list-style-type: none"> • Recommendations following evidence appraisal of options (sift workshops) on each corridor against the NPR objectives • Up to 4 potential NPR phasing plans for the current preferred network. <p>SOC 2nd Partial draft</p>
14 Jan 2021	<ul style="list-style-type: none"> • Agree SOC • Agree submission of SOC • Agree Statutory Advice • Agree strategy/handling. 	<ul style="list-style-type: none"> • Note SOC Near Final Draft • Advise on essential changes to support approval 	<ul style="list-style-type: none"> • SOC Near Final Draft • Schedule of changes requested by TfN Board and response
10 Mar 2021	Not applicable	<ul style="list-style-type: none"> • Agree SOC • Agree submission of 	<ul style="list-style-type: none"> • Schedule of changes requested by TfN

TfN Board Meeting Date	TfN Board Recommendations BASELINE	TfN Board Recommendations REPHASED	Materials
		SOC to government <ul style="list-style-type: none"> • Agree Statutory Advice • Agree comms strategy and handling. 	Board and response <ul style="list-style-type: none"> • SOC Final Draft • Draft Statutory Advice • Draft publication and comms strategy