
Transport for the North Board - Item 8

Subject: High Speed North – Next Steps

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1. Purpose of the Report

- 1.1 This paper provides an update for members on “High Speed North” and recommendations on the next steps for the integrated rail plan for the midlands and north.

2. Executive Summary

- 2.1 The Government released the Oakervee Review of HS2 on the 11 February and has announced its intention to complete the HS2 network in full. A further assessment of Phase 2b will be undertaken by the National Infrastructure Commission (NIC) as part of developing an Integrated Rail Plan (IRP) for the North and the Midlands.
- 2.2 The outcome of the Oakervee Review represents a very positive step forward for both HS2 and NPR. The IRP process provides the opportunity to develop a coherent integrated pipeline of rail interventions for the next 20 years that secures the investment needed through HS2, NPR and TRU. In developing the next phases of activity it will be essential that the North has a clear role and strong voice in developing and agreeing the plan, building on the effective Northern level messaging that has allowed us to get to this point.
- 2.3 This paper recommends that early statutory advice should be submitted to government to emphasise from first principles how the next phase of work should be developed. Members are therefore asked to discuss and agree the principles in sections 4 and 5 of this paper.

3. Considerations

- 3.1 The Oakervee Review of HS2 was published in February 2020 with a statement in Parliament by the Prime Minister. The Government has confirmed that HS2 Phase 1 and 2a will continue as planned, with strengthened governance and oversight through a dedicated HS2 minister, Andrew Stephenson MP.

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- 3.2 The Government has also committed to the delivery of both eastern and western legs of HS2 Phase 2b, from Birmingham to Leeds, and Crewe to Manchester and the North West. However, the design standards, approach and delivery of 2b will be looked at as part of developing an integrated rail plan for the Midlands and the North. The Integrated Rail Plan (IRP) will be developed by the end of the year and will be led by the new HS2 minister, supported by the National Infrastructure Commission (NIC). High level terms of reference were published by DfT on 21 February and are attached at Annex A.
- 3.3 The Government has also indicated that HS2 Ltd may not have responsibility for Phase 2b, which will be legislated for in two or more hybrid bills, which may run concurrently. The terms of reference indicate that Government will proceed with the legislation to develop the Western Leg of 2b, provided it does not prejudice any recommendations or decisions made in the IRP.
- 3.4 The published terms of reference reflect many of the key priorities expressed by members, and also indicate that Government wishes to continue rapidly with the planning process for both HS2 and NPR. However as members have indicated, it will be essential that the North has a clear role in this process, and that from the outset we clearly communicate our strategic priorities to government to shape the review of HS2 and the development of the integrated rail plan. Those priorities are discussed in the next section of the paper.
- 3.5 Whilst the timetable for decision making is not yet clear, our working assumption is that we will want to quickly gather the evidence and arguments to inform the review of HS2 phase 2b, and start to actively engage government and the NIC on the development of the integrated rail plan.

4. Strategic priorities and key principles

- 4.1 The informal discussion with members held on the 25 February agreed a number of key principles for engaging with the review. Members were very clear that the North must have a role in the process, and that the existing TfN governance structure should be used to articulate an agreed, single view to government. The Board is asked to confirm these principles, which will form the basis of the initial statutory advice to government on High Speed North.
- 4.2 The key principles as discussed on the 25 February were as follows:
- The North and Midlands must play a full and decisive role in the development of the IRP, including the governance and decision-making process. The mechanism for doing that in the North is through the Transport for the North Board.
 - The High Speed North assessment process must be transparent and the North should be a full participant in all elements. The

assessment of the plans should be fundamentally about creating sustainable, economic opportunity and prosperity in the North, and rebalancing (or “levelling up”) for the long-term good of the UK. The starting point for that assessment must be the independent economic review of the Northern Powerhouse, the TfN Strategic Transport Plan and the Manifesto for the North jointly prepared by the NP11 and the Convention of the North.

- Transport for the North should ensure that the Government’s commitment to delivery of the full “Y” network is maintained, whilst engaging positively in the review of specific alignment issues. Consideration of capacity/speed/cost trade-offs on both legs of 2b should reflect the journey time benefits to the North West, North East, as well as Scotland and Wales of a high speed lines through the midlands.
- Whilst the review of the design of Phase 2b should continue at pace, so that key investment decisions can be resolved as quickly as possible, there must be time to consider new evidence and incorporate changes to HS2 plans. This includes the significant issues of connecting Liverpool, Lancashire and Cumbria to the High Speed network, as well as the key HS2/NPR interface questions at Piccadilly (including addressing the recommendations of Richard George’s independent review of Piccadilly) and to the south of Leeds.
- Similarly, TfN should press for commitment to delivery of the full NPR network, including both new lines and commitment to early delivery of significant upgrades. It is essential that Government helps maintain the pace of development on Northern Powerhouse Rail through 2020.
- Transport for the North should press for accelerated delivery timelines for both HS2 Phase 2b and NPR. Government has committed to managing multiple hybrid bills in parallel through parliament. This should now be part of a broader approach to consenting across NPR and HS2.
- Finally, whilst considerations of delivery vehicles should be driven by the outcome of the integrated rail plan, the North should insist on a TfN co-sponsor role at minimum alongside government in all major Northern rail projects.

5. Development of the Integrated Rail Plan

- 5.1 The IRP for the North and Midlands is a clear opportunity to now plan all major rail interventions in a coherent, phased 20-year pipeline of investment, avoiding further delay and uncertainty. The absence of any such plan has hindered effective decision making and left projects such as the Castlefield corridor and Transpennine Route Upgrade in limbo for too long.

- 5.2 Determining the scope of the Integrated Rail Plan is a clear next step that should inform approach to 2b/NPR technical review and discussion on delivery vehicles. It is clearly essential that both the Midlands and the North have very significant input over the development of the plan. It cannot be an opportunity for reducing the ambition.
- 5.3 Whilst the terms of reference published by the Government reflect many of the key issues already identified, the detail of the IRP is still to be determined and the approach to the development of the plan will be critical. Those elements of the IRP relating to the North of England must build on the significant progress made, and decisions already taken by the North since TfN was formed.
- 5.4 It should therefore take the Strategic Transport Plan, Long Term Rail Strategy and NPR Programme as its starting point.
- 5.5 The work undertaken to date on the North's rail network offers a clear framework for the integrated rail plan to follow:
- It must start with the strategic opportunity to grow the North's economy around rail, in the context of economic prosperity, inclusive growth and decarbonisation.
 - It should be evidence-led, and demonstrate how a phased 20 year pipeline for major rail investment can build the key rail markets, help grow the economy, reduce dependency on cars and stimulate investment in our people, businesses and places.
 - Short term interventions should focus on putting the passenger first and addressing the short, medium and long term issues around reliability and resilience.
 - The IRP should be very clear about which rail interventions will be delivered, where and when in a clear sequenced order of priority that the North and Midlands can agree. It should also include consideration of freight capacity and connectivity, including to the Northern ports and airports.
 - It should be closely aligned with road investment, local connectivity and active travel plans to meet the decarbonisation agenda.
 - The IRP should set out how the investment will be delivered, including the skills implications and the opportunities for regeneration of our towns and cities. It should drive the discussions on delivery vehicles for NPR and HS2 and interfaces between rail delivery programmes, including the operational implications in line with the outcome of the Williams Review.

6. Communications and engagement strategy

- 6.1 Members have already emphasised the need to maintain the effective "single voice" that has helped achieve a positive outcome from the

Oakervee Review. Our communications and engagement strategy will seek to maintain that approach through the next phase of work, including:

- A clear focus on the positive outcome from the HS2 review whilst holding government to account on their commitment to deliver HS2 and NPR in full;
- Emphasising the pan Northern and national benefits of an integrated NPR/HS2 network, including the opportunities for skills, clean growth and local communities.
- Consistency of public and private messaging throughout this next phase of the process – being clear about the North’s priorities, whilst emphasising how genuine partnership with the North and Midlands can help the government deliver an integrated plan.

6.2 Initial TfN engagement with Government and the NIC will focus on ensuring that it is granted a meaningful role – “a seat at the table” – to represent the North in shaping the High Speed North proposition (in its wider sense – including Phase 2b scope review / assessment and the development of the integrated rail plan). In early discussions with ministers, Transport for the North has emphasised that whilst positive engagement is welcome, a meaningful role in decision making is essential.

6.3 That engagement with Government will be underpinned by robust decision making and engagement with both members and their senior officers, building on the internal governance arrangements for the Strategic Transport Plan, Northern Powerhouse Rail and the development of the Northern Transport Charter. TfN will set out proposals for member agreement as part of the next phase of work.

7. Conclusions

7.1 The outcome of the Oakervee Review represents a very positive step forward for both HS2 and NPR. The outcome of the integrated rail plan process should be a coherent integrated pipeline of rail interventions for the next 20 years and secures the investment needed through HS2, NPR and TRU. In developing the next phases of activity it will be essential that the North has a clear role and strong voice in developing and agreeing the plan, building on the effective Northern level messaging that has allowed us to get to this point.

8. Recommendations

8.1 Members are asked to **agree** the strategic priorities and principles for undertaking the development of the Integrated Rail Plan, **as outlined in sections 4 and 5 above**, and for those to be communicated to government as statutory advice.

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.	Head of Economic Advice	Strategy and Programme Director

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.	Head of Economic Advice	Strategy and Programme Director.

Legal

Yes	No
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Consideration	Comment	Responsible Officer	Director
Legal	The provision of advice to the Secretary of State about the exercise of	Head of Legal	Director of Business Capabilities

	transport functions in its area is one of the statutory functions of Transport for the North.		
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Finance

Yes	No
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Consideration	Comment	Responsible Officer	Director
Finance	Resource implications under consideration. Any changes in approach will need to be managed within that total budget, and may require resources to be redeployed.	Financial Controller	Finance Director

Resource

Yes	No
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Consideration	Comment	Responsible Officer	Director
Resource	TfN 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 in detail once a revised delivery plan is available.	Head of HR	Director of Business Capabilities

Risk

Yes	No
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Consideration	Comment	Responsible Officer	Director
Risk	Risk assessments continue to be carried	Haddy Njie	Iain Craven

	out and can be found in the risk register. Changes to HS2 would mean a reassessment of those risks.		
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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.	Head of Economic Advice	Strategy and Programme Director

Annex 1: Terms of Reference for the Integrated Rail Plan, published by DfT 21 February 2020**An integrated rail plan for the midlands and the north: High Speed North Purpose**

The government is fully committed to providing better rail connectivity between London, the Midlands and the north, ensuring all parts of the country benefit from opportunities for economic development and prosperity. As well as committing to deliver HS2, the government remains strongly committed to Northern Powerhouse Rail, improving connectivity between northern cities as well as between London, the Midlands and the north.

The [Oakervee review](#) concluded that for Phase 2b of HS2 (the route from Birmingham to Manchester and Leeds) a Y-shaped network was the right strategic answer for the country. However, the review also concluded that Phase 2b needs to be considered as part of an Integrated Rail Plan for the north and Midlands which also includes Northern Powerhouse Rail, Midlands Rail Hub, and other major Network Rail schemes to ensure these are scoped, designed, delivered, and can be operated as an integrated network. The Oakervee Review also identified the opportunity to challenge design and costs on Phase 2b, including standards, running speed, and responsibility for delivery.

The government agrees that, on current plans, Phase 2b of HS2 will deliver connectivity for the East Midlands and the North of England considerably later than the rest of HS2, and that there are questions about whether its design maximises the benefits from connectivity. The government wants to ensure that Phase 2b of HS2 and other planned rail investments in the Midlands and the north are scoped and delivered in an integrated way, including with the wider rail network, whilst driving down unnecessary costs and over-specification.

Scope of the Integrated Rail Plan

The government, working with HS2 Ltd and local leaders, will therefore draw up an Integrated Rail Plan for the Midlands and the north which is framed by the government's commitment to bring forward transformational rail improvements along the HS2 route as quickly as possible. This work will be informed by an assessment from the National Infrastructure Commission (NIC) looking at the rail needs of the Midlands and the north, and the available evidence on Northern Powerhouse Rail, Midlands Rail Hub, HS2 Phase 2b and other proposed Network Rail projects.

The government will also proceed with the legislation to allow for the development of the Western Leg provided it does not prejudice any recommendations or decisions that will be taken in this plan, and noting that Phase 2b can be legislated for in two or more hybrid bills, which may run concurrently.

The plan will consider the following, based on the NIC's assessment and taking into account value for money, levelling up, affordability and deliverability considerations:

1. How best to integrate HS2 Phase 2b and wider transport plans in the north and Midlands, delivering benefits from investments more quickly. This should include a recommended way forward on scoping, phasing and sequencing delivery of HS2 Phase 2b, Northern Powerhouse Rail, Midlands Rail Hub and other proposed rail investments. This should take into account: government commitments; the current state of development for different projects; the transformational and capacity benefits of these schemes; fiscal and supply chain capability constraints; network integration; consenting routes (including legislation); and, in line with the Oakervee Review conclusion, the appropriate mix of high speed line and upgrades of conventional network, and the sequencing of these, on any elements of the investments under consideration.
2. How best to reduce cost, including opportunities to reconsider HS2 Phase 2b scope and design standards to prevent over-specification, improve efficiency and reduce costs, drawing on the Phase One lessons learnt work to be led by the Infrastructure and Projects Authority (see below).
3. The recommended approach to sponsorship and delivery, including governance and delivery models, and how to take account of the views of local leaders, consistent with delivering on the objectives of the scheme and value for money. This will include exploring options for new delivery vehicles with northern leaders for the relevant rail enhancements including new lines that may form part of the delivery of HS2 and Northern Powerhouse Rail.
4. How best to deliver rail connectivity with Scotland, in conjunction with the Scottish Government.

Input to the Integrated Rail Plan - IPA review on lessons learned from cost overruns

As one of the inputs to the Integrated Rail Plan, the Infrastructure and Projects Authority (IPA) will conduct a review of the lessons of HS2 Phases 1 and 2a for delivery of the project, particularly Phase 2b. This will include (but is not limited to) the effects of the following on costs of delivery:

- sponsors' requirements (including delivery into service dates)
- planning and consents process
- engineering specifications including speed
- procurement model and risk allocation
- environmental mitigation
- the role of consultants versus in-house staff
- the role of Project Representatives.

This IPA review should consider decisions made in Phase 1 to date and recommend where it is sensible to deviate from specifications and practice to

reduce anticipated final costs in a way that preserves value for money and the strategic and economic case.

The IPA will also draw from the lessons on HS2 to make recommendations for infrastructure more generally including in the areas of legislation, planning, procurement and governance, to ensure all infrastructure projects can be effectively delivered.

Timing of the Integrated Rail Plan

The Integrated Rail Plan will be published by the end of the year.

Ends