



**MEETING OF THE ASSOCIATION OF RAIL NORTH PARTNER AUTHORITIES AND GENERAL  
MEETING OF RAIL NORTH LIMITED**

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Date: Thursday 14 September 2017

Time: 14:00 – 15:30

Venue: Guildhall, Alfred Gelder Street, Hull (**Dial in details are available if required**)

**Agenda**

**PART A : ANNUAL MEETING OF THE ASSOCIATION OF RAIL NORTH PARTNER AUTHORITIES**

1. Apologies for absence
2. Declarations of interest
3. Minutes of the meeting held on 16 March 2017.
4. Election of a Chair and Vice Chair of the Association of Rail North Partner Authorities
5. TransPennine Express Update (presentation by Louise Ebbs, Strategy Director)
6. Long-Term Rail Strategy Refresh (update report for discussion)

**PART B : GENERAL MEETING OF RAIL NORTH LIMITED (Company No 922941)**

7. Apologies for absence
8. Declarations of interest
9. Minutes of the meeting held on 16 March 2017
10. Franchise Update (report for information)
11. TfN Legislation Update and incorporation of Rail North (report for approval)
12. Business Plan and Budget Update (report for information)
13. Any Other Business
14. Date of the next meeting – 7 December 2017 (TBC)

**After the meeting, there will be a short meeting of the Rail North Ltd Board of Directors to  
consider the company accounts for 2016/17**

## THE ASSOCIATION OF RAIL NORTH PARTNER AUTHORITIES

Minutes of the meeting of the Association held at Wellington House, Leeds on 16 March 2017

### PRESENT:

Sir Richard Leese	Greater Manchester Combined Authority (Chair)
Eric Firth	West Yorkshire Combined Authority
Chris Brewis	Lincolnshire County Council
Liam Robinson	Liverpool City Region Combined Authority
Nick Forbes	North East Combined Authority
Rob Waltham	North Lincolnshire Council
Bill Dixon	Tees Valley Combined Authority
John Fillis	Lancashire County Council (also representing Cumbria and Blackpool Councils)
Julie Dore	Sheffield City Region Combined Authority
Terry O'Neill	Warrington Borough Council
Brian Clarke	Cheshire West and Chester Council
David Brown	Cheshire East Council
Chris Metcalfe	North Yorkshire County Council

### APOLOGIES:

Simon Blackburn	Blackpool Borough Council
Keith Little	Cumbria County Council
Ray Oxby	North East Lincolnshire Council
David Conway	Stoke on Trent City Council
Martin Mancey	Hull City Council
Andy Burton	East Riding of Yorkshire Council
Steve Calvert	Nottinghamshire County Council
Samantha Dixon	Cheshire West and Chester
Ian Gillies	City of York Council
Dean Collins	Derbyshire County Council

### IN ATTENDANCE:

Graham Botham	Network Rail (Items 1-5)
David Hoggarth	Rail North Ltd
David Brown	Transport for the North
Dawn Madin	Transport for the North

## **1. APOLOGIES FOR ABSENCE**

1.1 These are listed above.

## **2. DISCLOSURE OF INTERESTS**

2.1 The Chair reminded members to make appropriate declarations of interest.

## **3. MINUTES OF THE MEETING HELD ON 9 JUNE 2016**

3.1 These were agreed.

## **4. ELECTION OF VICE CHAIR**

4.1 There was one nomination for Vice Chair and Councillor Rob Waltham was duly elected.

## **5. PRESENTATION FROM NETWORK RAIL ON INVESTMENT PLANS**

5.1 A presentation was made by Graham Botham of Network Rail covering Network Rail's approach to investment planning in the North of England. Graham outlined the investment work taking place including electrification of the routes between Manchester Victoria and Preston and Preston and Blackpool. Some schemes were awaiting the outcome of Transport and Works Act Order Inquiries and a number of delivery challenges were being managed through the North of England Programme Board.

5.2 The TransPennine Route Upgrade was on target to produce a series of options by the end of 2017 with a target journey time between Leeds and Manchester of 40 minutes.

5.3 Graham outlined the change in status of Network Rail which has restricted the ability to borrow money and the revised approach being taken to enhancements in the next Industry Control period. This is likely to mean that enhancements are developed separately and considered for funding as and when they are sufficiently developed.

5.4 The proposed Transport for the North statutory powers would put the North in a strong position to influence future priorities. The North of England Route study (which had recently commenced) was already reflecting TfN/Rail North's priorities. Graham outlined the new Network Structure in the North which included a 'rail Tsar for the North'. This structure would 'go live' from April 2017 with interim arrangements until full time appointments were made.

5.5 Members asked questions around the East Coast Main Line Study and links to the Midlands.

## 6. DEVELOPMENT OF THE LONG TERM RAIL STRATEGY

- 6.1 Members were updated on the development of the Long Term Rail Strategy (LTRS) and North of England Route Study.
- 6.2 It was noted that one of the main roles of the Association was to keep the Long Term Rail Strategy under review and that the strategy identified £50bn of GVA uplift if all the proposed measures were delivered. It has been previously agreed to integrate the review of the strategy with the proposed TfN Strategic Transport Plan. It was reported that an initial piece of work, the 'Integrated Rail Report' had been completed and this identified the pan-Northern corridors where investment was required. A further piece of work would be undertaken to update the LTRS
- 6.3 An update on the North of England Route Study was also provided. It was noted that Rail North (and TfN) were working in partnership with Network Rail on this study.
- 6.4 It was suggested that a monitoring tool should be developed so that the Association can keep track of delivery of the Long Term Rail Strategy. The report was **noted**.

## 7. FRANCHISE UPDATE

- 7.1 The Association was provided with an update on the ongoing management of the two rail franchises (Northern and TransPennine). It was reported that Gary Bogan had recently commenced as the permanent Rail North Partnership Director.
- 7.2 The report outlined the strong performance of the two train operators against their first year franchise commitments. This included the ordering of 500 brand new carriages (across the two franchises) and refurbishment of existing rolling stock. Northern had installed new ticket gates at several locations and introduced 55 'Travel Safety Officers'. TransPennine Express had delivered a number of fares and ticketing initiatives and introduced new services between Newcastle and Manchester Airport.
- 7.3 Rail North members had asked for greater involvement in franchise activities and the report outlined a number of initiatives and a series of working groups that were designed to increase involvement of member authorities. There has been some very successful joint working already which had led to, as an example, Northern bringing forward three extra service enhancements in December 2017 compared to their previously submitted plans.

7.4 An update was also provided on the current industrial relations dispute on Northern.

7.5 The report was **noted**.

**8. NEXT MEETING AND CLOSE**

7.1 The next meeting of the Association is to take place on 14 September 2017.

There being no further business, the meeting was closed.

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Chairman

## Association of Rail North Partner Authorities

**Meeting date:** 14/09/2017

**Item:** 6

**Subject:** Long Term Rail Strategy Refresh

**Author(s):** Jim Bamford / James Syson

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### 1. Purpose of report

- 1.1. To update the Association on the development of a refreshed Long Term Rail Strategy for the North of England that is being undertaken by consultants Steer Davies Gleave on behalf of Rail North.

### 2. Recommendations

- 2.1. To note the ongoing work to refresh and update the Rail North Long Term Rail Strategy.
- 2.2. To note the principles on which the refresh should be based that have been approved by the Rail North Officer Steering Group, as set out in appendix 1.
- 2.3. To approve that the revised Rail North Long Term Rail Strategy should constitute the basis for the North's Rail Policy for the existing rail network within the TfN Strategic Transport Plan.
- 2.4. To agree to receive a draft updated Long Term Rail Strategy at a meeting in November prior to public consultation.
- 2.5. To note the update on the Northern Fares Harmonisation proposal and the recommendation for the development of a Long Term Fares Strategy aligned to the Long Term Rail Strategy update including the establishment of a cross-party elected members group on fares policy.

### 3. Information

- 3.1. The Long Term Rail Strategy (LTRS) was adopted in 2015 and set out how rail can support the growth of the North of England's economy over the next twenty years by improving connectivity for passengers and freight across the North, while at the same time providing a better customer experience and delivering a more efficient railway.
- 3.2. The LTRS has been a huge success and was the foundation for the creation of the Rail North partnership. By offering a shared vision that has widespread support across the North, it enabled local transport authorities to coalesce and take the franchising role that they now have. It was also a guiding light for Rail North as it negotiated the specification of the current Northern and TransPennine franchises and then worked with DfT through the franchise letting process. It has also formed the basis for the

start of Rail North's work to secure further investment in the North of England's rail infrastructure and for Rail North's submissions into the on-going industry processes for Control Period 6 (2019 - 2024).

- 3.3. Much has changed since the original baseline for the LTRS was prepared in 2012/13, and the volume of evidence has increased substantially in this time. This is due in part to the momentum which the original LTRS helped to create. There have been some notable successes, not least Rail North's role in securing substantial enhancements through its two primary franchises, in particular circa 2000 additional trains per week by 2019; securing 501 new vehicles for the 2 franchises; and £60million of investment in stations.
- 3.4. However, given the decades of under-investment in rail in the North of England, there is still a strong need for further enhancement of both services and infrastructure. Consultants Steer, Davies, Gleave (SDG) have therefore been engaged to undertake a review and refresh of the existing LTRS and to draft an updated version which will comprehensively cover every aspect of services and every line in the entire North of England.
- 3.5. The updated LTRS will play an important role in guiding Rail North's on-going management of the Northern and TPE franchises; in securing investment through the CP6 programme; and in due course influencing the specification of future franchises and CP7.
- 3.6. The updated LTRS will also help guide Rail North/TfN's members by setting out what they should expect from Rail North/TfN and how they can work to deliver the strategy's objectives. It will also complement the Liverpool City Region Long Term Rail Strategy, developed by Merseytravel in collaboration with Network Rail, to support rail investment across the North's rail network.
- 3.7. As well as serving as a standalone strategy for the rail network in the North of England, the updated LTRS will also be embedded within Transport for the North's (TfN) Strategic Transport Plan (STP), forming that part of the STP that deals with the existing rail network. In doing so, it will articulate the rail conditional outputs necessary for realisation of the STP's vision, and support for the whole economy of the North of England including the TfN prime and enabling objectives.
- 3.7 A refreshed LTRS is therefore vital to ensure consistency with the emerging STP, with clear and logical links between the stated goals and objectives of the two documents. Ultimately this has meant having to ensure a refreshed LTRS could be completed within the tight timescales for the approvals process for the STP which is intended to go out to consultation in January 2018.
- 3.8. In July 2017, DfT published its Command Paper *Transport Investment Strategy* and whilst alignment with DfT goals and objectives should not necessarily be a requirement of an updated LTRS, it remains the case (and will do for the foreseeable future) that central Government is the principal funder of rail capacity and capability enhancements. In addition, DfT is and will remain the specifier for a number of the franchises that serve the North. It also sets national policy for rail freight and many of

the rail freight flows in the North are either transiting the North or are to and from the North. There are therefore clear advantages in demonstrating consistency with the DfT's position, and the updated LTRS will do so.

- 3.9. A set of principles for the LTRS refresh was agreed by the Rail North Officer Steering Group, and is set out in Appendix 1
- 3.10. Rail North's members' have been involved through the Officer Steering Group, through the Quadrants, and through an LTRS Development Group which has been set up for the purpose. The Development Group has already had extensive discussion of various aspects of the refresh, and those Development Group discussions will continue until completion of the work.
- 3.11. SDG commenced work in July. A timescale for completion of the work is currently being finalised, but it is anticipated that a draft of the refreshed LTRS will be available by 31st October for consideration at special meeting of the Rail North Association in November. This meeting will also consider the Transpennine Route upgrade proposals.
- 3.12. Once the updated LTRS is completed, the Conditional Outputs within it will be used to develop a Delivery Programme which will set out the various enhancements that Rail North/TfN will seek and the order/timescales within which they will be sought.
- 3.13. The updated LTRS and its Conditional Outputs and Delivery Programme will form the basis of Rail North's input into the North of England Route Study, which is a pan-industry process led by Network Rail for which it has been agreed that Rail North will be a joint sponsor. The North of England Route Study will identify infrastructure enhancement schemes for which will be developed for submission to whatever future rail industry funding streams there may be. It will therefore be a primary mechanism through which Rail North will take schemes forward.
- 3.14. The updated LTRS and its Conditional Outputs and Delivery Programme will also identify the rail schemes that will be considered in the TfN Strategic Development Corridor (SDC) Studies.
- 3.15. A meeting has been arranged between Rail North, Network Rail and TfN to co-ordinate the work of the North of England Route Study and the TfN SDC studies. That meeting will establish a clear process to identify which Rail North schemes from the updated LTRS and its subsequent Delivery Programme will be developed by the North of England Route Study and which will be developed by the TfN SDC studies.
- 3.16. Through stakeholder engagement SDG believe that the existing goal and 4Cs (Coherence, Connectivity, Capacity and Cost Effectiveness) provide strong alignment with the vision and prime and enabling objectives of the emerging STP. The role played by the 4Cs in underpinning the achievements of recent years was widely acknowledged within the consultation with stakeholders. There was widespread acceptance that in general the 4Cs should continue to be prominent in the updated Strategy, as well as its vision, gaps and conditional outputs.

- 3.17. There was some concern as to the ambiguity of the Coherence element raised by stakeholders, perhaps a reflection of the breadth of issues covered within the element – ranging from reliability to fares policy and perception of safety and security. The Cost Effectiveness element also raised comment with concern raised that it should not simply been seen as a desire to deliver savings and there was a call for greater environmental focus. Ultimately SDG are to consider some revisions to ensure the overall goal is sufficiently memorable, aspirational and inclusive to be used as the LTRS's key statement of intent going forward.
- 3.18. A common theme emerging from the first phase of stakeholder consultation was that there is a desire for the gaps to be more tailored to the differing types of rail users and services in the North of England – particularly when expressing connectivity gaps. It was also noted that the baseline is not uniformly 'poor', but LTRS suggests it is, and in some cases elements of connectivity are achieving a good standard. However, there is widespread recognition that general connectivity gaps continue to exist with respect to service frequencies, journey times, hours of operation, timetabling and interchange opportunities, and while committed improvements which will made during the current Northern and Transpennine Express franchises will go some way to address these gaps, that they will remain to be fully addressed.
- 3.19. Many of the current LTRS Conditional Outputs do not have SMART characteristics making them difficult to baseline and measure. In some cases, there is no or only limited available data from which to measure and track progress toward achieving the stated output. This also limits their use when assessing the extent to which a potential input, or intervention, closes a strategic gap. This issue was highlighted as a priority for amendment amongst stakeholders, who wished to see a more quantified approach to conditional outputs, ultimately making them more tractable.
- 3.20. Stakeholder consultation was also able to identify the need to define outputs which can be applied to any type of service, anywhere in the Rail North geography. There was an express desire for the LTRS not to solely to focus on major cities. The updated LTRS will need to set out a strategy for the entirety of the railway in the North of England, not simply those between and into large metropolitan areas.
- 3.21. The intention is therefore to produce Conditional Outputs which are measurable, simple to use and understand. Moreover, the refreshed LTRS is to offer greater clarity and provide logical linkages between outputs, outcomes and impacts to demonstrate why each conditional output has been included, and how it will help to realise the vision.
- 3.22. Fares will play an important part of the updated Long Term Rail Strategy. The franchise proposals by Arriva Rail North (operating as Northern) included a fares harmonisation initiative in response to the desire to see simpler, clearer fares. Changes to the national fares regulation mean this couldn't be implemented without the specific agreement of Rail North. Detailed evaluation of the fares harmonisation initiative has concluded, including consultation with Rail North partner representatives. Officers recommend that this initiative is not pursued at this point and as it currently stands.

- 3.23. Whilst there is strong support for Rail North to take a more proactive role in shaping fares strategy and reducing anomalies, it was concluded that the proposed initiative focused too much on one aspect of pricing policy (distance), and did not take account of broader social and economic objectives. In some areas this resulted in notable risks.
- 3.24. The recommendation is that Rail North should utilise the obligation for Northern to propose 'alternative initiatives to deliver similar benefits' to explore alternative schemes.
- 3.25. To inform and evaluate these schemes Rail North will develop a Long-Term Fares Strategy which will provide a basis against which to evaluate alternative initiatives.
- 3.26. A Long Term Fares Strategy would set out the objectives for fares policy for 2025 and beyond, and provide a basis against which to evaluate short-medium term initiatives. This will define the strategic aims to be achieved through fares policy, and link fares policy to the wider economic objectives. The first phase of the strategy will be aligned to the LTRS update, and this will be further developed during late 2017/early 2018 including economic analysis and customer research, and augment the aims with recommendations on product structure, pricing policy, and regulatory approach to achieve implementation.
- 3.27. The Rail Officers Steering Group (OSG) will act as the steering group for the work, drawing upon a range of expertise from local authorities. The Long Term Fares Strategy would benefit from direct strategic guidance from members – and it is proposed that a cross-party fares policy group is convened to provide strategic input to the initiative.

## **Principles that should underlie the Rail North/TfN Long-Term Rail Strategy**

The Long-Term Rail Strategy should:-

1. Create the conditions for transformative economic growth across the whole of the North of England, as part of rebalancing the national economy, in a socially inclusive way;
2. Be evidence led;
3. Address all parts of the rail network covered by Rail North, building on the successes already achieved by Rail North through the new Northern and Trans-Pennine franchises, in particular the very significant increase in service levels (over 2000 additional trains per week from 2019) and the complete renewal/upgrade of the rolling stock, and reference the Liverpool City Region Strategy for Merseyrail and Nexus 'Metro Futures';
4. Address rail services operated within the North of England by other franchises
5. Address rail services between the North of England and other parts of Britain, in particular London, the Midlands, Scotland and Wales
6. Address both passenger and freight, seeking to maximise modal shift from road to rail for both passenger and freight
7. Set a series of standards that should apply across the whole of the North of England, taking regard of the different market sectors (freight, long distance, commuting, leisure) and the particular needs of all parts of the north of England, both urban and rural
8. Address all aspects of rail services, and, where necessary, the current and potential infrastructure necessary to deliver them, using Rail North's ability to optimise the integration of services and infrastructure provision;
9. Seek to do all the above in a cost effective manner, including identifying ways of delivering these principles and the outcomes necessary to put them into effect in the cheapest possible way;
10. Ensure the emerging proposals for Northern Powerhouse Rail and SMART are embedded within it
11. Be environmentally sustainable, in particular contributing to a reduction in the total volume of CO2 emitted by transport and improvements in air quality;
12. Provide a document, agreed through the Rail North and TfN governance processes, which will then form the basis of Rail North/TfN inputs into and about the rail industry – including franchise consultations; Route Studies; funding streams; and other related matters.
13. Provide a platform to underpin the North of England Route Study, thereby providing the basis so for seamless joint working with Network Rail and the wider rail industry in developing business cases for securing enhanced funding for the north of England.

## ANNUAL GENERAL MEETING OF RAIL NORTH LTD

Minutes of the Annual General Meeting of Rail North Ltd held in Wellington House, Leeds on 16 March 2017.

### PRESENT:

Sir Richard Leese	Greater Manchester Combined Authority (Chair)
Eric Firth	West Yorkshire Combined Authority
Chris Brewis	Lincolnshire County Council
Liam Robinson	Liverpool City Region Combined Authority
Nick Forbes	North East Combined Authority
Rob Waltham	North Lincolnshire Council
Bill Dixon	Tees Valley Combined Authority
John Fillis	Lancashire County Council (also representing Cumbria and Blackpool Councils)
Julie Dore	Sheffield City Region Combined Authority
Terry O'Neill	Warrington Borough Council
Brian Clarke	Cheshire West and Chester Council
David Brown	Cheshire East Council
Chris Metcalfe	North Yorkshire County Council

### APOLOGIES:

Simon Blackburn	Blackpool Borough Council
Keith Little	Cumbria County Council
Ray Oxby	North East Lincolnshire Council
David Conway	Stoke on Trent City Council
Martin Mancey	Hull City Council
Andy Burton	East Riding of Yorkshire Council
Steve Calvert	Nottinghamshire County Council
Samantha Dixon	Cheshire West and Chester
Ian Gillies	City of York Council
Dean Collins	Derbyshire County Council

### IN ATTENDANCE:

David Hoggarth	Rail North Ltd
David Brown	Transport for the North
Dawn Madin	Transport for the North

## **1. APOLOGIES FOR ABSENCE**

1.1 These are listed on the previous page.

## **2. DECLARATIONS OF INTEREST**

2.1 The Chair reminded members to make appropriate declarations of interest.

## **3. MINUTES OF THE MEETING HELD ON 12 JANUARY 2016**

3.1 These were **agreed** as a correct record.

## **4. ELECTION OF CHAIR AND VICE CHAIR OF RAIL NORTH LTD**

4.1 Nominations were received for Cllrs Liam Robinson and Rob Waltham for Chair and Vice Chair of Rail North Ltd. They were duly **elected** to these positions.

## **5. TFN STATUTORY POWERS AND INTEGRATION OF RAIL NORTH**

5.1 Members were provided with an update on the response from the Secretary of State on the proposed statutory status for Transport for the North (TfN). The Secretary of State was minded to approve the creation of TfN as a statutory body.

5.2 The only powers not being granted related to 'wellbeing powers' (as the required powers were available through the core functions of TfN) and powers relating to the carriage of rail passengers. It was noted that these rail powers would only be required for further phases of devolution and could be applied for at the time as part of the business case. It was noted that this did not reduce Rail North's objectives or ambition in relation to future franchises. Liam Robinson has been at the meeting with the Secretary of State and confirmed the position on rail powers and the fact that this would need to be taken into account in the planned integration of the two organisations.

5.3 The process for approval by individual Local Transport authorities and Rail North Ltd was discussed and the report was **noted**.

## **6. BUSINESS PLAN FOR 2017/18**

6.1 The Rail North Director introduced the report and highlighted the level of ambition within the business plan including the proposed 'Change Programme' of additional enhancements. The Rail North Ltd Board had previously approved the business plan and budget and had recommended it to the full membership.

6.2 It was suggested that performance against the plan should be closely monitored.

6.3 The business plan and budget for 2017/18 were **approved** by Rail North Ltd.

## **7. NEXT MEETING AND CLOSE**

7.1 The next meeting of the Association is to take place on 14 September 2017. It was noted that the TfN meeting on the same day was planned to take place in Hull.

There being no further business, the meeting was closed.

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Chairman

## Part B: General Meeting of Rail North Limited

**Meeting date:** 14 September 2017

**Item:** 10

**Subject:** Franchise Update

**Author(s):** Gary Bogan, Rail North Partnership Director

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### 1. Purpose of report

- 1.1. This paper updates the Rail North Association on key franchise issues since the last meeting.

### 2. Recommendations

- 2.1. Rail North is recommended to note the contents of this report.

### 3. Information

#### Commercial Management

- 3.1. The Rail North Partnership (RNP) team continues a programme of monthly franchise meetings with TOC senior management as well as direct issue by issue contact on a daily basis – principally on IR/strike issues and reaction to infrastructure programme developments in this period.
- 3.2. The Partnership has looked in this period to ensure the Department of Transport and RNL, TfN and others are as fully sighted as possible on the development of franchising policy and developments on the infrastructure programme and long term rail strategy refresh by RNL.

#### Resources

- 3.3. The Partnership has secured appointment of a Finance Manager Neil Khosla and further shared resource within the DfT. An analysis of the franchise management function and the variation/change management function has identified two further vacancies within the team and it is anticipated recruitment processes will begin shortly to fill those roles, funded through existing budgets.

#### Interface with Rail North Member Authorities

- 3.4. The Partnership Management Team continues to work well and closely with Rail North Members' representatives to ensure a greater level of local and regional input and accountability in franchise management, following up on opportunities for greater engagement across train performance, services and quality.
- 3.5. Tom Davidson the team's Change Manager, has been asked to encourage creation of not only a virtual team drawing in membership from across RNL member officers, but also to consider how we would move beyond this to a semi-formal standing resource

for ongoing franchise initiative development capable of working with and to not only the partnership, but the TOCs, DfT and other alongside (and as part of) RNP's formal role.

#### Franchise Year Two Delivery – Northern

3.6. The Northern franchise has delivered approximately 7% of franchise committed obligations. The key obligations delivered in Year Two of the franchise include:

- No zero hour contracts and achieve living wage accreditation
- prepare a maintenance depot improvement plan
- Provide a feasibility study in relation to the implementation of the Leeds/Selby and Manchester Airport Proposals
- Donate to Blue Assist
- Provide high quality and accessible information for cyclists and publish and promote a "Cycling Promise" document in partnership with Sustrans
- Provide delivery plan for rain water harvesting and carriage wash water re-cycling

3.7. The Northern franchise plan to deliver over the coming franchise year the following improvements:

- September 17 to March 2018 – installation of over 600 Ticket Vending Machines
- Station improvements commence from Station Improvement Fund
- Installation of additional 7 ticket gate locations outside of franchise obligations
- December 2017 timetable launched.
- Improvements to reduce train dwell times at Manchester Piccadilly platforms 13 & 14
- Undertake a feasibility study to identify options for delivering journey time improvements on Routes.

#### TPE Update

3.8. New Train Services Introduced

- In May TPE introduced new evening services between Hull and Manchester, the timing allowed passengers more opportunity to enjoy City of Culture 2017 shows, exhibitions and events.
- Similar services were also introduced between Glasgow and Manchester.

3.9. Investors in People – Gold Standard and Health and Wellbeing Award:

- TPE achieved Gold Standard - the highest accolade awarded to companies who partake in the IIP "best practice" framework - the first train operator to achieve this accreditation against the latest sixth generation version of the people management Standard.

- TPE also received special recognition for its approach to staff physical, psychological and social wellbeing with a Health and Wellbeing Award.

#### 3.10 New Advertising Campaign

Produced by creative agency WCRS, TPE have launched an advertising campaign including TV, radio, sponsorship of Granada weather, press and online promotional activity to encourage people to travel by train; designed to show a brand that's going places, and transforming train travel in the North and based around the question "Where next?".

#### 3.11 Hull Station Development

Hull Paragon station is currently being given a fresh new look with TPE investing £1.4million in enhancements such as a new waiting room, toilets and brand new retail outlets; phase 1 Works have now been completed.

#### 3.12 Public Relations & Communications Association DARE Awards wins:

- Internal Communications Campaign of the Year; and
- Best In-House Team of the Year

#### 3.13 Longsight and Polmadie Depots

Work has commenced at Longsight and Polmadie Depots to provide capacity for TPE's future fleet and operational requirements.

#### 3.14 Transport Focus Spring NRPS Results

TPE continues to improve its scores in many areas, this spring achieving progress 29 of 33 comparable categories.

#### 3.15 Hope Valley Options

TPE had a franchise obligation to assess the Hope Valley route between Sheffield and Manchester. The report assessed a number of options at a high level for altering the service currently operated, including remapping services currently run by other operators. This report has been shared with the Hope Valley Working Group within Rail North for further consideration alongside the East Midlands franchise re-letting'.

## Part B – General Meeting of Rail North Ltd

**Meeting date:** Thursday, 14 September 2017

**Item:** 11

**Subject:** TfN Legislation Update and Incorporation of Rail North

**Author(s):** David Hoggarth / Eamon Hanlon

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### 1. Purpose of report

- 1.1. To provide Association Members with an update on the status of the legislation to establish Transport for the North (TfN) as a Sub-national Transport Body (STB) and incorporation of Rail North, including the next steps in preparation for TfN's inaugural meeting as the first statutory Sub-national Transport Body (STB).

### 2. Recommendations

- 2.1. That Members note the progress being made toward the establishment of TfN and incorporation of Rail North;
- 2.2. That Members note the matters listed in paragraph 3.5 (particularly items b, n-q) of this report be determined at the inaugural meeting of TfN and that Members confirm their intended representative and deputies to the Rail North Committee;
- 2.3. That Members note the progress to:
  - Redraft the rail franchising **Partnership Agreement** with DfT (to reflect the incorporation of Rail North into TfN and the extended remit to cover the STB's Statutory Partner role);
  - Revise the current Members Agreement (to reflect the incorporation of Rail North into TfN and the extended remit to cover the STB's Statutory Partner role) and requirement for individual Authorities to sign this **Franchise Management Agreement** in advance of the inauguration of the STB; and
  - Prepare a **Business Transfer Agreement**, to be approved by Rail North Ltd, that will enable the transfer of the Rail North business to TfN upon inauguration of the STB.
- 2.4. That Members note the intention to seek resolution at the December meeting of Rail North Ltd to execute the above Agreements upon inauguration of the STB in April 2018.

### 3. Information

- 3.1. At the time of issuing of this report, it is anticipated that all 19 Constituent Authorities of TfN will have consented to the making of regulations to establish TfN as the country's first STB thereby enabling the Minister to lay the regulations before Parliament recess on 14<sup>th</sup> September. In parallel, all 6 Co-

opted Authorities have taken formal decisions to support the establishment of TfN and the incorporation of Rail North, providing letters of support in this respect to the Secretary of State for Transport.

- 3.2. The draft regulations to be laid before parliament are consistent with the TfN proposal previously endorsed by member authorities last year and the subsequent response of the Secretary of State in March this year.
- 3.3. This report provides a further update on the next steps to progress the governance and legal arrangements to enable transfer of the Rail North business to TfN upon its coming into force as a statutory body, currently planned for April 2018.

### **Parliamentary Process**

- 3.4. The Department for Transport has indicated that the regulations (Statutory Instrument) will be laid in Parliament before conference recess which will maximise the time available for the legislation to pass through Parliament by the end of 2017. The Statutory Instrument is first considered in parallel by the Secondary Legislation Scrutiny Committee (House of Lords Select Committee) and Joint Committee on Statutory Instruments (Joint Committee of both Houses). There may then be a period of Parliamentary debate either on the floor of the House or in separate committee business.
- 3.5. Subsequent to successful passage through Parliament, the Minister will then sign the Order to establish TfN as a statutory body before the end of 2017 with the 'coming in to force' or 'effective commencement'" date planned to be April 2018.

### **TfN's Inaugural Meeting**

- 3.6. Now that there is a high degree of certainty about the content of the regulations it is possible to determine an agenda for TfN's inaugural meeting. Subject to satisfactory completion of the legislative process and the Minister signing the TfN Order in 2017, it is expected that the regulations will come into force on 3rd April 2018 – triggering the inaugural meeting of TfN as a statutory body.
- 3.7. The specific matters which the inaugural meeting should address are as follows:
  - a) To appoint a Chair for the inaugural meeting of Transport for the North
  - b) To adopt a constitution for Transport for the North
  - c) To adopt a Chair for Transport for the North for year 2018/2019
  - d) To appoint a Vice -Chair for Transport for the North
  - e) To note the membership of Transport for the North
  - f) To make co-options to Transport for the North including the co-option of the Rail North Authorities and approval of voting rights
  - g) To receive any declarations of interest
  - h) To appoint a Head of Paid Service

- i) To appoint a Chief Financial Officer
  - j) To appoint a Monitoring Officer
  - k) To co-opt members and make appointments to the Scrutiny Committee
  - l) To co-opt members and make appointments to the Audit and Governance Committee
  - m) To appoint Members to the Partnership Board
  - n) To approve, [~~in principle,~~] the business of Rail North Limited being transferred to Transport for the North
  - o) To approve the entering into of a) a new rail franchise Partnership Agreement with DfT b) a Franchise Management Agreement with each Constituent and Co-opted Authority
  - p) To make appointments to the Rail North Committee
  - q) To note Transport for the North's funding arrangements and to approve a business plan, investment strategy and budget for 2018/19
  - r) To note progress upon the adoption of a Transport Strategy
  - s) To approve the continuance of current staffing arrangements
  - t) To agree the steps to be taken to secure the transfer of staff to Transport or the North
  - u) To approve entering into an Admission Agreement with Greater Manchester Pension Fund
  - v) To agree a cycle of meetings for 2018/2019
- 3.8. The list of items reflects the requirements of both the primary legislation and the regulations and work will begin now to ensure that Members are adequately prepared for consideration of the key decisions required at the inaugural meeting.
- 3.9. Whilst decisions on the final formal arrangements (e.g. TfN Constitution, rail franchise Partnership Agreement, Franchise Management Agreement, Business Transfer Agreement) can only be achieved upon convening of the inaugural STB Board in April 2018, it is proposed that intended Agreements are considered by Members through meetings of Rail North Ltd and in 'shadow form', Rail North Committee in December 2017 (these to be aligned with planned TfN Partnership Board date).
- 3.10. All 19 Constituent Authorities will need to nominate one of its elected Members to be a voting member of TfN. In the case of those Constituent Authorities that have an elected mayor, either the Mayor or the elected Member with responsibility for transport must be appointed. In any other case, the Leader or the elected Member with responsibility for transport must be appointed.
- 3.11. Draft Agreements (TfN Constitution, rail franchise Partnership Agreement, Franchise Management Agreement) will be shared with the appropriate officer representatives from TfN's Constituent and Co-opted Authorities throughout October / November this year and the feedback reported to Rail North Ltd meeting in December.

- 3.12. It is not envisaged that further meetings of the Association of Rail North Partner Authorities are required beyond September. It is proposed a shadow meeting of TfN's Rail North Committee could be convened to coincide with the TfN Partnership Board meeting on 7<sup>th</sup> December 2017. The Committee would consider an update on the status of arrangements to progress those decisions required at the inaugural meeting on 3<sup>rd</sup> April; this may include an update on the strategy and budget elements relating to rail franchising as encompassed in TfN's draft STP and 2018/19 budget. TBC – DH/IC/TD

### **TfN Constitution and Rail North Arrangements**

- 3.13. **Constitution** – A draft Constitution has previously been shared with Authorities. TfN officers will provide a further refined draft to Authority representatives by the end of September. This will enable Members to have consideration at the December 'shadow Board' meetings of the specific matters listed above (a-v). It is intended the Constitution will then be formally adopted at the inaugural meeting of the STB in April 2018.
- 3.14. **Partnership Agreement** (rail franchising) – A revised Agreement has been drafted by TfN/Rail North officers and shared with DfT colleagues. The new Agreement protects the rights and obligations of current Rail North members and reflects:
- The incorporation of Rail North into TfN;
  - The extended remit to cover the STB's Statutory Partner role in relation to rail infrastructure planning.
- 3.15. Further refinement throughout drafting will be overseen by the Rail North Director and DfT's Strategic Partnership Board representative. A final draft version to be presented to the Rail North Partnership Strategic Board in September 2017.
- 3.16. Subsequent to the Strategic Partnership Board's consideration, it is expected that a resolution will be sought from the December Rail North Ltd meeting to sign of the Agreement. In parallel, DfT will progress approvals for signing by the Secretary of State.
- 3.17. The Agreement, together with an accompanying novation and amendment agreement, will be formally executed by signature of 2 TfN Directors/Secretary at the inaugural TfN meeting in April 2018.
- 3.18. **Franchise Management Agreement** (FMA)– This Agreement replaces the current Members Agreement (between Rail North Ltd and each member Authority) and has been revised by TfN/Rail North officers to reflect:
- The incorporation of Rail North into TfN
  - The extended remit to cover the STB's Statutory Partner role in relation to rail infrastructure planning.
- 3.19. TfN Authorities in consenting to submit the draft regulations and support the incorporation of Rail North into TfN have in addition agreed to entering into this Agreement. A draft will be shared with Authority representatives in

October/November for their consideration. A report summarising any feedback from the briefings together with a final version of the Agreement will be presented to December meetings of Rail North Ltd / TfN Partnership Board / Rail North Committee 'shadow' meetings in December. A resolution approving the signing of the Agreement will be sought from Rail North Ltd and it is anticipated that the FMA would then be signed by each individual Authority in advance of the TfN statutory body 'coming into force' on 3<sup>rd</sup> April 2018.

- 3.20. **Business Transfer Agreement** – This Agreement will enable the transfer of Rail North Ltd business obligations and liabilities to TfN at the 'coming into force' date of 3<sup>rd</sup> April 2018 and enable the subsequent practical transition arrangements such as staff and asset (e.g. IT) transfers. Drafting has commenced and will be overseen by the Rail North Director, reporting to TfN, Rail North Ltd and Rail North Strategic Partnership Board throughout October / November.
- 3.21. An update together with the final Agreement will be provided to the Rail North Ltd / TfN Partnership Board / Rail North Committee 'shadow' meetings in December and a resolution sought to approve the signing of the Agreement.
- 3.22. The Agreement will then be formally executed by signature of 2 TfN and 2 Rail North Ltd Directors/Secretary at the inaugural TfN meeting in April 2018.

**Timeline and Next Steps**

- 3.23. The planned next steps to progress the incorporation include:

Activity	Date
Preparation of draft Agreements	September 2017
Engagement & briefings	October / November 2017
Rail North Ltd resolutions to sign Agreements	December 2017
TfN inaugural meeting / 'coming into force' date. (Agreements formally executed)	3 <sup>rd</sup> April 2018

- 3.24. It is anticipated that subsequent to the formal execution of the Business Transfer Agreement at the 'coming into force' date of 3<sup>rd</sup> April 2018, a period of approximately 3 months will be required to accommodate the practicalities of staff and assets transfers, and closing down of Rail North Ltd accounts.
- 3.25. It is anticipated that reports updating on the TfN Statutory Plan, including the Rail North franchising elements, and 2017/18 budgets will be presented to the December and February meetings of TfN Partnership Board / Rail North Committee 'shadow' meeting and Rail North Ltd.

3.26. TfN Legal Services Manager will be the lead contact for the preparation of TfN and Rail North Agreements. He will liaise with the Rail North Director throughout to ensure appropriate engagement.

## Part B: General Meeting of Rail North Ltd

**Meeting date:** 14/09/2017

**Item:** 12

**Subject:** Business Plan and Budget Update

**Author(s):** Salim Patel

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### 1. Purpose of report

- 1.1. To provide members with an update on the 2017/18 Business Plan and Budget.

### 2. Recommendations

- 2.1. That the Business Plan and Budget Update is noted.

### 3. Information

#### 2017/18 Business Plan

- 3.1. At the meeting of Rail North Ltd on 16 March 2016, members approved a business plan and budget for 2017/18.
- 3.2. In establishing the business plan for 2017/18, members noted the strong progress in establishing the new devolved management of the franchises and the success in previously arguing for transformational investment and growth in the two franchises.
- 3.3. Key priorities in the 2017/18 business plan were:
  - Influence the Office of Rail and Road's 2018 Periodic Review (PR18) for the benefit of the North of England;
  - Shape the High Level Output Specification process in line with the Rail North Strategy;
  - Work with TfN to jointly lead the North of England Route Study;
  - Develop proposals and a business case for the next phase of devolution, localised 10 year plans owned by partners and an approach to possible re-openings of closed railway lines;
  - Ensure franchise commitments are delivered including contract changes to support Tranche 1 of the Integrated and Smart Ticketing programme and develop improvement initiatives over and above contract requirements, for example improved performance;
  - Establish a Rail North Change Programme and pro-actively manage it; and
  - Develop rail data and evidence to support strategy and programmes including research around customer experience.
- 3.4. Good progress is being made on the majority of business priorities as set out overleaf

- 3.5. Rail North has worked collaboratively with Network Rail and TfN to drive progress on the business priorities.
- The 10 year Single Investment Plan has been consulted with the Officer Steering Group to produce a number of packages of work, aligned with the criteria of the current LTRS. This will be re-assessed against the new conditional outputs produced in the Update.
  - The output from the first strategic questions for the North of England Route Study will be reviewed by the Steering Group in September. Initial position statements have been produced for journey time improvement, Manchester, Sheffield, Safety and Sustainability and Stations. A market stall event was held in July to inform and engage stakeholders.
  - Previously unpublished data from Transport Focus on Rail passengers' priorities for improvement has been shared with Rail North partners following a useful workshop and we are developing a mechanism for sharing further franchise data once it is fully understood what data can be supplied by Arriva Rail North and TPE on a regular basis. We are also working with TfN to establish a mechanism for allowing Rail North partners access to broader economic and transport data to assist business case development.
- 3.6. Rail North has developed a risk register which is regularly reviewed by the Officers' Steering Group. Key risks that could impact on the remainder of the 2017/18 business plan are
- Industrial Action on the Northern and Merseyrail Franchise
  - Network Rail Infrastructure delivery delaying the new rolling stock introduction.
  - Shortage of diesel rolling stock due to the cancellation of a number of electrification schemes.
  - Reduced funding for enhancements in the next industry control period.
- 3.7. As part of the 2017/18 business plan, members also agreed a budget for Rail North Ltd. This included members' 'additional contributions' which could be paid either in cash or in kind and was to be used to support strategy development. Rail North is now in the process of invoicing member authorities for the agreed financial contributions for 2017/18 and has developed an officer skills matrix for member authorities who have offered in kind additional contributions.

#### Business Planning for 2018/19

- 3.8. Reflecting the Members' Agreement, the process for developing the 2018/19 business plan has commenced with engagement with member authorities on their priorities.
- 3.9. Although it is expected that Rail North Ltd will be integrated with TfN from the start of 2018/19, a Rail North business plan and budget still needs to be developed and later incorporated within the TfN Business Plan.
- 3.10. Members are invited to highlight priorities for next year's business plan.