

Association of Rail North Partner Authorities

Meeting date: Thursday 22 September 2016

Item: 8

Subject: Investment Planning

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1. Purpose of report

- 1.1 To provide the Association with an update of work that is underway to secure future investment for rail infrastructure in the North of England, and in particular on development of a Rail North input into the formal planning processes for the next rail industry 'Control Period' (CP6: 2019-2024); and
- 1.2 To seek approval for a set of principles on which should be developed a Rail North submission to the 'Initial Industry Advice'

2. Recommendations

- 2.1. That the Association endorses the proposed approach to seeking investment in the rail infrastructure of the North of England set out in this paper, based on
 - a) seeking to apply the policies standards set out in the Rail North Long Term Rail Strategy consistently across the whole of the North of England (i.e. not to prioritise any particular locations or services);
 - b) seeking to maximise the funding which might be secured for the whole of the North of England;
 - c) working jointly with Network Rail to the maximum extent possible, in particular
 - to submit into the rail industry 'Initial Industry Advice' (IIA) process a joint Rail North/TfN/Network Rail submission for the North of England; and
 - to develop a joint Network Rail/Rail North 'North of England route study'.
 - d) working jointly with Transport for the North (TfN), including developing a joint Rail North/TfN submission to the IIA.
 - 2.2. That progress on this work should be overseen by the Rail North Officer Steering Group/TfN Development Group, with recognition that the focus of Rail North input will need to be on the negotiations with the outside bodies with whom we seek partnership for this submission, in particular Network Rail.
 - 2.3. That a final Rail North submission should be presented to the next Rail North Board meeting for approval.
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3. Information

- 3.1. In September 2014, Rail North Association meeting formally adopted a Long Term Rail Strategy (LTRS) for the North of England.
- 3.2. As reported to Rail North members previously, a number of very significant steps towards implementing the LTRS were secured through the two new franchises for Northern and TransPennine Express, notably
- more than 2000 additional trains per week across the Rail North network from 2019;
 - a complete transformation of the rolling stock fleet, with 501 new vehicles, withdrawal of all the lowest quality rolling stock (the Pacers), and complete upgrading of all other remaining vehicles; and
 - Significant investment (over £55 million) in station facilities.

A key role for Rail North is now to try to secure the investment that is required to implement the other elements of the LTRS, in particular to secure enhancements to rail infrastructure across the North of England.

- 3.3 Since the 1990s, investment in the rail industry has been allocated primarily through 5 year 'control periods'. At its last meeting on 9th June the Rail North Association agreed to use the Long Term Rail Strategy to inform Rail North's submission to the 'Initial Industry Advice' (IIA) for investment in the next rail industry 'Control Period' (CP6), which covers the period 2014 – 2019.

- 3.4 The LTRS sets out 4 key objectives,
- improved connectivity supporting economic growth;
 - adequate provision of capacity for both passenger and freight;
 - improving the quality and coherence of the railways; and
 - a more efficient cost-effective railway.

A 5th cross-cutting objective of reducing environmental impacts applies to, and will be implemented through the 4 key objectives

- 3.5 A framework for a Rail North submission to the IIA, based on the 4 key objectives in the LTRS, has been discussed at length at 3 officer steering group workshops. Rail North member authorities have submitted a large number (132) of potential schemes for inclusion in the emerging Rail North Single Investment Plan, but many of those schemes are at a very preliminary/aspirational stage, with very little development work behind them as yet. However to meet the rail industry timescale, it will be necessary to make a submission to the IAA this winter (a precise date has not yet been set by the rail industry, but it is likely to be around January 2017). It is therefore necessary to make a submission to the IIA that tries to obtain the flexibility to allow all necessary schemes to be adequately developed over time for all parts of the Rail North network.

- 3.6 The framework proposed is to seek establishment of a 'North of England Rail Fund', which would be capable of being allocated to schemes as they became sufficiently

developed, and to do so in a way that would allow the comprehensive fulfilment across the whole of the North of England of the key objectives in the Long Term Rail Strategy. In the current control period there are a number of such 'Funds', that allocate a sum of money for a general type of enhancement purpose, though none of those are as large scale as a North of England rail fund would be: hence we will be asking for something for which there is an established precedent, albeit that would be asking for it on a considerably larger scale.

- 3.7 Such an approach would mean that we are not seeking to name all individual schemes at this stage, but rather Rail North will be seeking funding that will be sufficient to allow all schemes to be considered as they were developed.
- 3.8 Rail North has involved TfN in this development of an IIA submission, in the same way that TfN is involving Rail North in the development of its Integrated Rail Report (IRR). In effect both the IIA submission and the IRR will be joint TfN/Rail North pieces of work. The IIA will seek to secure funding as soon as possible for the policies already adopted by Rail North in the LTRS. The IRR will seek to develop and expand the LTRS, and any such expanded elements of policy would then be the basis for future funding bids.
- 3.9 Discussions have commenced with Network Rail, and have got off to a very constructive start. Network Rail has expressed its willingness;
- to explore developing a joint Network Rail/Rail North/TfN submission to the IIA;
 - to provide data and evidence to support such an IIA submission;
 - to consider undertaking its forthcoming 'North of England Route Study' jointly with Rail North;
 - to explore the scope to undertake some works, particularly with regard to improving journey times, in a streamlined and more cost-effective manner.
- 3.10 The discussions are complicated by the fact that the rail industry investment process is currently undergoing significant change and it has not yet been determined what the new processes will be. Rail North will therefore need to be flexible enough to respond quickly to any changes to processes of procedure which might be published over the coming months.
- 3.11 These Rail North/TfN/Network Rail discussions and joint working will continue intensively over the coming months. There will also need to be discussions with other relevant parties, including the train operating companies and freight operating companies and the Department for Transport (DfT).
- 3.12 In reflection of the joint Rail North/TfN working, a joint Rail North/TfN Development group has been established to oversee the work on both the IIA and the IRR.

- 3.13 It should be noted that, under the terms of the DfT/Rail North Partnership agreement, the Rail North partnership has a role in advising the Secretary of State about the 'High Level Output Specification' that follows the IIA and is due to be issued later in 2017.