



Northern Transport Charter

Summary

DRAFT



Introduction

Transport for the North (TfN) is a statutory body of elected leaders and senior business representatives from across the North of England and is a symbol of the North's ambition. Our primary aim as an organisation is the pursuit of greater economic prosperity and well-being for those who live and work in the North.

Poor transport infrastructure is holding back the North's economic potential, but by connecting the key economic areas of the North, we will drive growth, improve access to jobs and ensure the North is great place in which to invest and live.

We do this by identifying, making decisions on and planning the strategic transport infrastructure required to deliver an economic step change for the North, providing an evidence-based case for investment. This is set out in our Strategic Transport Plan and initial Long Term Investment Programme.

Current Position

TfN's current statutory powers are derived from the Local Transport Act 2008, amended by the Cities and Local Government Devolution Act 2016. These powers allow us to:

- Act as 'one voice' for the North, clearly providing statutory advice on the pan-Northern priorities to the Secretary of State for Transport
- Co-ordinate and deliver smart ticketing systems across the North
- Become a statutory partner in rail investment decisions through the Rail North Partnership
- Oversee (jointly with the Department for Transport) franchised rail services covering Northern and TransPennine Express franchises
- Promote highways improvements of Northern significance, with the agreement of Government and relevant local transport and highway authorities
- Prioritise investment on the transport network.

The TfN Board has never seen these powers as a steady state situation, but rather as something to be reviewed and updated as circumstances dictate. This will also include considering the role of TfN itself, improving accountability, openness and effectiveness, helping to ensure that TfN is at the heart of rebalancing the UK economy towards a fairer and economically inclusive North.

As part of the development of this Charter, we have commissioned a review of the powers and responsibilities of existing sub-national or devolved transport bodies. This research will consider elements such as the scale (population, spatial scale, economy, size of transport network, number of transport users) of the area of responsibility; the relationship between the transport body and national and regional government, as well as network and/or service operators; the length and scale of any funding envelope; and the decision making powers that the transport body holds.

There are two significant challenges facing all of those involved in infrastructure planning and delivery that have also helped shape this Charter.

First, that of climate change. The Government's commitment to net zero emissions by 2050 is one of the most ambitious in the world and places a great emphasis on the need for transport to move towards this goal and to develop its future programmes with this in mind.

Second, ensuring that future growth is both inclusive and sustainable. The TfN Board has been clear that the Strategic Transport Plan and the priorities support the opportunities for everyone in the North, town and country, urban and rural, coast and country.

Addressing both of these challenges will involve more devolved decision-making to account for local circumstances and, perhaps more importantly, a move away from the dominance of economics and cost-benefit analysis when making investment decisions, a practice that has seen the North lose out on transport investment for too long.

Our Ambition

Drawing on the current position, the comparator analysis and the consideration of the two challenges highlighted, the cornerstone of this Charter are four objectives, or ambitions, for the future of TfN, all of which we believe are essential if the outcomes of the Strategic Transport Plan and devolved funding and decision making are to be realised.

These ambitions are as follows:

Championing an
Inclusive and
Sustainable North

Long Term Northern
Funding Settlement

Leading Strategic
Transport Delivery

Putting the North's
Rail Passengers First

In developing the Charter we have considered more detail around each of the ambitions, based on three specific questions:

- **Why** is this important to the vision and objectives of TfN?
- **What** will this mean in practise?
- **How** will this be made to happen?

We believe this results in a clear evidence-led set of new powers and responsibilities, aligned to organisational requirements of TfN going forwards.

Championing an Inclusive and Sustainable North

TfN's Investment Programme, along with associated national measures such as speeding up the introduction of electric vehicles, must contribute towards a reduction in carbon emissions. Projects should also look at minimising the impact of transport on the historic and natural environment, and whenever possible seeking to deliver environmental enhancements and biodiversity net gain.

When presenting the case for any investment of public money in the transport network, the process can sometime be unfavourable to investment in the North, even though the strategic case is so compelling. We need an appraisal system that will target investments that supports transformational economic growth, environmental and social benefits. For example, the case for the re-opening of the Borders Railway was made using a devolved decision-making system that gave a more positive outcome (and benefits) than would have been the case otherwise.

A combined funding pot in which the North can prioritise investment must be made available. This will allow the North to decide how it can implement ambitious policy measures and interventions to enable an exciting, prosperous and sustainable legacy for current and future generations living in the North. For example, we should be seeking to establish a Northern Access for All Fund and Delivery Plan to ensure all rail stations are accessible with appropriate funding to deliver this – this should not replicate the current competition for relatively small funding pots but at a northern level.

Implementing a less complex, more rationalised and accessible fares structure that is fit for purpose will help ensure that people are not excluded from using public transport to get to work and access opportunities. This will also support a modal shift to public transport and open up opportunities, for example to more rural communities.

The new approach to decision-making will also allow TfN to fully capture the economic, social and environmental value of investment by embedding an outcomes based approach in the procurement and development of any transport intervention.

Leading Strategic Transport Delivery

The Strategic Transport Plan and Investment Programme is the first time that the North has come together to set out a 30 year programme of transport investment required to support transformational economic growth and greater opportunities for all.

But the process from the point of publication does not provide a clear line of sight as to how schemes are then incorporated into the programmes of delivery partners (Network Rail and Highways England).

Experience of the May 2018 timetable chaos and the re-programming of RIS1 demonstrate that decisions on scheme delivery and programming are still taken remotely from the North. The TfN Board has no visibility of the delivery partners' programme, let alone any influence over them, and Network Rail and Highways England have no accountability to the TfN Board over the delivery of the

programme. Therefore, there is no guarantee that the right scheme will be implemented at the right time.

Without TfN making the link between the schemes identified in the Investment Programme and the social and economic opportunities locally, the anticipated outcomes of the investment may not be realised. Opportunities for complementary local investment may also be lost.

There needs to be frequent reporting of accurate/up-to-date information on scheme progress direct to TfN from delivery partners, and TfN should be an “intelligent client” with representation on decision-making bodies of the delivery partners – this will allow TfN to understand the implications and/or reasoning behind decisions being proposed around individual schemes and programmes and enable TfN’s constituent authorities to take affirmative action.

This will allow TfN to develop and own a Northern transport infrastructure pipeline with a clear set of objectives – this will provide a baseline against which delivery partners can be held accountable and provide a greater level of confidence for industry and investors.

Developing a true pipeline of projects will also help provide investor confidence and help businesses gear up for the skills and workload that will be needed/will result.

Long Term Northern Funding Settlement

The current processes for the funding of transport infrastructure operate on a ‘project-by-project’ basis and are heavily siloed. At present HMT divides funding up for transport in a number of different ways; firstly, between Government departments, then by mode (for example, road and rail schemes are funded separately by DfT) and then further dividing the pot by certain types of mode (for example, Highways England and local road funding is separate). Such ringfencing means that policy decisions are often led primarily by the process rather than the outcomes and prevents effective integration of the investment that does occur.

The competitive one-off funding rounds that are a current feature of the funding of transport infrastructure puts TfN’s constituent authorities in competition with each other for funding, which belies the co-operative approach taken in the STP. In many cases, such funding rounds are also for predominantly capital spending without recognising the value of revenue support, particularly for sustainable transport modes. This can actively drive funding away from schemes that would be entirely beneficial to TfN’s objectives.

In 2018 Transport for the North adopted a Funding Framework that included an aspiration for a devolved budget that would cover road and rail. This was in response to what is seen to be decades of underinvestment in the North as well as a recognition that currently the North has little influence over the delivery of its strategic transport priorities. This approach would allow the North to implement ambitious policy measures and interventions to enable an exciting,

prosperous and sustainable legacy for current and future generations living in the North.

TfN has undertaken work on a number of Strategic Development Corridors (SDCs) with the objective of identifying those interventions, on road and rail, that when viewed collectively, contribute to Transport for the North's stated objective of promoting sustainable and inclusive transformational economic growth in the North. Only a small proportion of the schemes within the SDCs (and the TfN Investment Programme) have a committed funding stream – the remainder will require funding approvals at some point in the future. A 'project-by-project' approach means that there is a continued level of uncertainty over the delivery of each scheme, with knock-on consequences for the improvements that can be achieved within the SDCs. This approach also requires local scheme promoters to develop them at risk, despite them being identified as strategically important by Transport for the North and its Constituent Members.

The competitive one-off funding rounds that are a feature of the funding of transport infrastructure also put TfN's constituent authorities in competition with each other for funding, which belies the co-operative approach taken in our Strategic Transport Plan and undermines the entire basis for the SDC approach, which recognises transport as a system, rather than a collection of individual infrastructure assets.

In many cases, such funding rounds are also for predominantly capital spending without recognising the value of revenue support, particularly for sustainable transport modes. This can actively drive funding away from schemes that would be entirely beneficial to TfN's objectives.

The aim is to work towards a situation where the North has a single allocation/budget for strategic transport schemes that it manages. In essence, the North agrees a 'deal' with Government for a five year plus funding settlement against a clear set of outcomes. Government agrees a package of interventions with the North, based on a programme-level appraisal of value for money, driven from TfN's Analytical Framework to support transformational economic growth, and gives the North the ability to manage the delivery of the programme.

This takes a 'systems' approach and is a natural evolution of the devolution of cross-Government funding already applied through the LGF process and can be facilitated by an alteration to TfN's statutory responsibilities to include a "General Power of Competence".

Due to their scale and national significance large individual schemes, such as NPR, would be excluded from this approach. Local transport schemes (non-MRN road, road maintenance, active travel, bus priority and road safety schemes) are also excluded from this approach as it is assumed that these will continue to be developed through future iterations of the LGF and/or devolution settlements. However, TfN is also aware that its constituent authorities are also asking for unringfenced, longer term settlements too, to align with this approach.

Putting the North's Rail Passengers First

The Blake Jones Review of the Rail North Partnership, and the Richard George Report were commissioned to understand the structural issues that led to the May 2018 timetable crisis and to provide a series of recommendations for reform.

In both cases, it was clear that a lack of a single strategic direction is creating fragmentation with unclear accountabilities, with an industry that does not provide value for money due to structural inefficiencies, spiralling unit costs and profiteering.

The Blake Jones Review in particular identified that passengers have to be put at the centre of future decision making across the industry. The short-term recommendations of each should be implemented immediately.

Building on the recommendations of these reviews, there is a clear opportunity for TfN to articulate its view of how the failings of the rail industry at present can be addressed through the Williams Review, and a future structure and accountability put in place that really will put the North's rail passengers first.

TfN provided a submission to the Williams Review call for evidence in May 2019 that was endorsed by the TfN Board. This submission included a set of principles that underpin an emerging proposition for the rail industry that puts the passengers and freight customers first and delivers improved outcomes for customers, local communities, railway employees and wider society.

Engagement with the DfT's Williams Review team regarding TfN's proposition has commenced and the further work around the Williams Rail Review and the opportunity for the North to put the needs of rail passengers first, is being undertaken in parallel to the development of this Charter.

Key Actions and Changes

The more detailed work done on each of the ambitions has identified a series of 'Actions' and 'Changes' that are essential to realise these ambitions. The key actions are as follows:

- Producing a trajectory for the North's transport network to deliver an absolute zero carbon network before 2050
- An appraisal system that will target investments that support transformational economic growth, environmental and social benefits
- Developing a pipeline of strategic transport projects across the North
- A devolved Northern budget for strategic transport schemes
- A golden thread of accountability for the North's rail network
- Flexibility of local areas to determine procurement and ownership models
- Co-ordination and prioritisation of freight services by sub-national transport bodies in close collaboration with the national co-ordinating body.

These actions will result in the following changes:

- Requirement for delivery partners to provide accurate/up-to-date information on progress, including and alteration to the terms of reference for the delivery partners and their representation on the TfN Board
- TfN representation on decision-making bodies within the delivery partners
- TfN to take responsibility and manage the delivery of the strategic transport programme, utilising capital and revenue funding, as well as third party contributions Ring-fenced allocation for future scheme development
- Alteration to TfN's statutory responsibilities to include a "General Power of Competence"
- Development of an Assurance Framework that is agreed with HMT
- Integration of track and trains through the creation of sub-national infrastructure bodies
- Longer (e.g. 15-year) arrangements to provide a greater incentive for investment which can be targeted where it is needed the most
- Changes to the TfN governance structure to reflect the new responsibilities.

As identified, the suggested new powers and responsibilities will also require changes to the TfN governance structure to reflect the new responsibilities and have implications for the organisation itself. It is proposed to undertake further work to examine what these changes and implications are likely to be as part of the next iteration of this Charter.

The ambitions, actions and changes set out in this Charter all lead to a series of outcomes for the North, building on the initial economic rationale for establishing TfN but recognising the wider outcomes agreed within the Strategic Transport Plan.



0161 244 0888



Engagement@transportforthenorth.com



Transport for the North
2nd Floor, 4 Piccadilly Place
Manchester, M1 3BN

Ground Floor
West Gate, Grace Street
Leeds, LS1 2RP



transportforthenorth.com

