

Rail North Committee Meeting – Item 5

Subject: Business Plan for 2019/20

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Sponsor: David Hoggarth, Strategic Rail Director

Meeting Date: Tuesday 13 November 2018

1. Executive Summary:

- 1.1 This report provides an update on the draft business plan objectives for 2019/20. The Committee is asked to consider the level of member contributions for 2019/20.

2. Recommendations:

- 2.1 That Committee members **consider** the draft business plan objectives and level of member contributions for 2019/20.

3. Draft Business Plan for 2019/20

- 3.1 Transport for the North produces an Integrated Business Plan and the plan for 2019/20 is currently under development. The Rail North Committee Terms of Reference include:

Recommending to TfN the Rail North business Plan and related annual budget and any Rail North policies in so far as they related to rail franchise matters.

- 3.2 The ongoing Review of the Rail North Partnership is likely to shape the priorities and resource requirements for next year. The draft business plan objectives have been grouped into 4 areas of focus. These are:

- Performance improvement;
- Service Development/Delivery;
- Long Term Rail Strategy delivery;
- Communications and Engagement.

- 3.3 **Performance** has still not reached acceptable levels following the problems with the May 2018 timetable. The proposed objective is to focus on the industry making performance improvements to benefit passengers:
- Industry to continue to improve rail performance back to at least summer 2017 levels

3.4 **Service Development and Delivery.** TfN has secured substantial enhancements through the two franchises. The proposed priority is to ensure that these passenger benefits are delivered as quickly as possible and that TfN is able to positively influence changes and further improvements:

- To secure all the planned service enhancements by 2020;
- To positively shape re-phasing of service enhancements post May 2018; and
- To shape rail industry plans and policies to the benefit of passengers and freight in the north.

3.5 **Communications and Engagement** is one of the themes in the ongoing review of the Rail North Partnership. Stakeholders want to see better communications in relation to changes to industry plans and any risks associated with the introduction of revised timetables. The proposed objective is therefore:

- To improve communications with partners and stakeholders

3.6 The **Long Term Rail Strategy** (LTRS) is currently being finalised as part of TfN's Strategic Transport Plan. The next step will be to develop the relevant delivery plans for aspects of the strategy (including stations, further service enhancements, fares strategy etc.) The proposed objectives are therefore:

- To develop and commence implementation of delivery plans for the LTRS;
- To securing the funding for and positively influence the Transpennine Route Upgrade; and
- To secure commitments to the required infrastructure enhancements for post 2019 services.

4. Budget and Member Contributions

4.1 The relevant 2018/19 TfN budget is set out below for information:

Revised Budget: £1,808,000
(Note this includes both Strategic Rail and the Rail North Partnership)

Resourced from:		
TfN Core Grant	£737,700	41%
Rail Grant	£524,419	29%
RNP Grant	£358,365	20%
Recovery Grant	£112,000	6%
Partner Contributions	£35,578	2%
Additional Partner Contributions	£35,578	2%

- 4.2 The baseline proposition for Member contributions for the year 2019/20 is essentially no change from the current financial year (save for the application of indexation as set out in the relevant agreements).
- 4.3 The proposed total Members contributions (as specified in TfN's Franchise Management Agreement) are:
- Member Contributions: £36,000 (plus indexation) 'Cash' contribution
 - Additional Contributions: £36,000 (plus indexation) 'Cash' or 'in kind' contribution.
 - Supplemental Payments: £500,00 (plus indexation) Combined Authorities/PTEs only
- 4.4 Previously 'in kind' contributions have been permitted or the Additional Contributions in the form of staff time (for example Local Transport Authority staff working on specific projects or programmes on behalf of TfN). Specific members' contributions are set out in the Franchise Management Agreement and are based on voting metrics (which are in turn based on passenger mileage in each Local Transport Authority area).
- 4.5 Lead Rail Officers have discussed priorities for next year and suggested that taking forward delivery plans for the LTRS (developing and delivering schemes for infrastructure and service enhancements) should be an additional area of focus. This programme would follow on from adoption of TfN's Strategic Transport Plan and completion of work on Strategic Development Corridors. Work would include supporting Local Transport Authority schemes and developing business cases to seek funding from the DfT's new Enhancements Pipeline. Additional resources and funding would be required for this.

5. Options Considered:

- 5.1 There is an option to increase the level of Members' Additional Contributions to accelerate progress on the delivery of outcomes specified in the Long Term Rail Strategy.
- 5.2 The alternative option is to leave the Additional Contributions at the current year level.

6. Considerations:

- 6.1 Members are asked to consider the options and provide guidance to inform the development of TfN's Integrated Business Plan.

7. Preferred Option:

- 7.1 The preferred option is for members to consider the options set out in the report.

List of Background Documents

Required Considerations

Please confirm using the yes/no options whether or not the following considerations are of relevance to this report.

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 because the report does not relate to a specific scheme	Programme Manager	Strategic Rail Director

Environment and Sustainability

Yes	No
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Consideration	Comment	Responsible Officer	Director
Sustainability / Environment	A full impact assessment has not been carried out	Programme Manager	Strategic Rail Director

	because the report does not relate to a specific scheme		
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Legal

Yes	No
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Consideration	Comment	Responsible Officer	Director
Legal	TfN <i>Legal Team</i> has confirmed there are no legal implications.	Strategic Rail Director	Head of Legal Services

Finance

Yes	No
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Consideration	Comment	Responsible Officer	Director
Finance	The options relating to Members' contributions are set out in the report.	Strategic Rail Director	Finance Director

Resource

Yes	No
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Consideration	Comment	Responsible Officer	Director
Resource	The level of Members' contributions will be a factor in the resources available.	Programme Manager	Strategic Rail Director

Risk

Yes	No
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Consideration	Comment	Responsible Officer	Director
Risk	There are no new risks associated with the report.	Programme Manager	Strategic Rail Director

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Consultation

Yes	No
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Consideration	Comment	Responsible Officer	Director
Consultation	Consultation has taken place with Lead Rail Officers.	Strategic Rail Director	Chief Executive