

Date: 3 March 2022

**The Rt. Hon. Grant Shapps**

Secretary of State  
Great Minster House  
33 Horseferry Road  
London  
SW1P 4DR

**Lord McLoughlin**

**Martin Tugwell**  
4 Piccadilly Place  
2<sup>nd</sup> Floor  
Manchester  
M1 3BN

Sent by e-mail to:

[DfT.Ministers@dft.gov.uk](mailto:DfT.Ministers@dft.gov.uk)  
[TransportSecretary@dft.gov.uk](mailto:TransportSecretary@dft.gov.uk)

Tel: 0161 250 2711

Dear Secretary of State,

**Re: Funding Allocation 2022-23**

We are writing in response to your letter of 14<sup>th</sup> February in which you confirmed TfN's funding allocation for the next financial year.

Your continued recognition of the key role that Sub-national Transport Bodies have to play in supporting local and national government is welcomed, and TfN is committed to looking to strengthen the working relationship.

However, in the context of TfN's submission made to the Department ahead of the Spending Review, the funding allocation is disappointing. We had set out the importance of a three-year settlement in terms of the benefits this would bring, particularly the opportunity to realise efficiencies in the planning of work associated with the review of our statutory Strategic Transport Plan. In addition, a three-year settlement would have enabled us to strengthen our ability to retain the accumulated knowledge and skills held within TfN and upon which both of us look to draw heavily upon.

The changes in working arrangements that flowed from the Integrated Rail Plan, in combination with the level of funding available will have implications for TfN; specifically, it will lead to a down-sizing of the organisation which in turn will result in redundancies. The TfN Board will work through these consequences as part of its Business Planning process.

The support for the Technical Assurance, Modelling and Economics (TAME) is welcomed; this is a unique capability that benefits not only TfN and DfT but our wider partners as well as Arms-Length Bodies and other Sub-national Transport Bodies. The latter two groups already benefit from having access to and support from TAME and we will continue to develop further proposals for your consideration in that regard.

The TfN Board is committed to using the opportunity presented by its co-sponsor role to work with the Department to ensure prioritised infrastructure investment is taken forward at pace. It is also committed to continuing to challenge rail sector costs to ensure that the detailed proposals taken forward represent value for money. The TfN Board welcomes the recognition within the Integrated Rail Plan that the adaptive pipeline approach offers the opportunity to consider further infrastructure requirements where the case can be made.

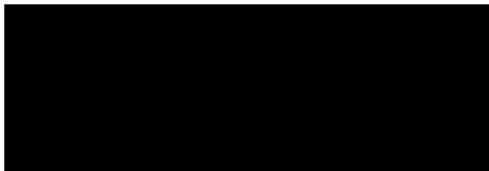
TfN also welcomes the continued commitment to funding for the Rail North Partnership. TfN has been very supportive of the ambition set out in the Williams-Shapps Plan for Rail and we see the experience gained through the Rail North Partnership as a foundation on which to build. We have set out to the GBR Transition Team how we believe there is an opportunity to use the North to pilot new ways of working that can be used to shape the detail implementation of the Plan for Rail.

We are mindful of our shared ambition to ensure that TfN's advice is both evidence-based and robust in nature. Experience in both the rail and highways sectors has consistently shown the added value of the Department identifying an indicative funding envelope within which advice is prepared. An indicative funding envelope brings into focus the need to target the investment available to maximise the outcomes achieved.

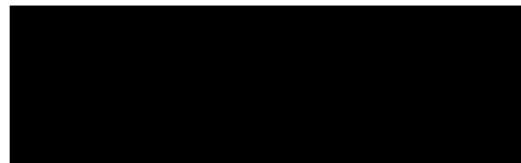
We have set out previously TfN's desire to work with the Department to identify an indicative funding envelope for the North and to use that to shape and inform TfN's advice. The need to review and update our Investment Pipeline, as part of our work to review our Strategic Transport Plan, provides an opportunity to use the North as a national pilot through which we work collaboratively to develop an approach to indicative funding that might be applied more widely.

It is disappointing that given the Department has benefited from a three-year settlement in the Spending Review this has not led to a three-year allocation for TfN. We believe that there are significant benefits for all concerned from multi-year funding allocations and we will work with your officials over the course of the next six months to develop such a proposal for your consideration.

Yours sincerely,



Lord McLoughlin  
Chair



Martin Tugwell  
Chief Executive