

Transport for the North Board Agenda

Date of Meeting	Monday 17 March 2025
Time of Meeting	1.00 pm
Venue	Discovery Museum, Blandford Square, Newcastle Upon Tyne, NE1 4JA

Filming and broadcast of the meeting

Meetings of the Transport for the North Board are 'webcast'. These meetings are filmed and made available via TfN's website. If you attend this meeting you should be aware that you might be filmed and included in that transmission.

Item No.	Agenda Item	Page
9.0	Spending Review Submission (20 mins) To consider and endorse the submission to the Spending Review. Lead: Martin Tugwell	141 - 150
13.0	Any Business Which the Chair is Satisfied is Urgent Any business which the Chair is satisfied is urgent by reason of special circumstances pursuant to section 100B 4 (b) of the Local Government Act 1972.	

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Meeting: Transport for the North Board
Subject: Spending Review Submission
Author: Martin Tugwell, Chief Executive
Meeting Date: Monday, 17 March 2025

1. Purpose of the Report:

- 1.1 To invite the meeting to consider and comment the draft submission to Government for its consideration as part of the Spending Review.

2. Recommendations:

- 2.1 It is recommended that the Board:
- a) Consider and comment on the draft submission; and
 - b) Delegate to the Chair and Vice-Chairs for final approval of the submission.

3. Context

- 3.1 The Budget speech on 30 October 2024 set out the Government's expenditure plans through to the end of the next financial year. This was the first phase of the Spending Review. Later this Spring, the Government will publish the outcome of the next phase. The Chancellor has previously confirmed that this will cover revenue allocations for 3 years and capital allocations for 4 years: the latter being set in the context of a 10-year infrastructure pipeline.
- 3.2 It is important to bear in mind that:
- Investment in rail maintenance and renewals by Network Rail continues to be determined through the 5-year Control Period, the most recent of which (Control Period 7 – CP7) covers the period 2024-2029.
 - Investment in rail infrastructure enhancements is managed separately through the Rail Network Enhancement Programme (RNEP): a significant proportion of the RNEP is allocated to investment across the North, with the TransPennine Route Upgrade (TRU) the most significant.
 - Investment by National Highways in the Strategic Road Network (SRN) is managed through the Road Investment Strategy (RIS): the October 2024 budget confirmed that roads investment in 2025-26 is to be funded through an interim roads settlement, with the next 5-year investment programme (RIS3) to be set out in the next phase of the Spending Review.
 - The Major Road Network/Large Local Major (MRN/LLM) investment programme was agreed by the previous Government to fund significant improvements promoted and delivered by Local Transport Authorities (LTA).
- 3.3 The draft submission builds on the initial steer provided by this Board at its meeting on 9 December 2024.
- 3.4 At the recent Convention of the North held in Preston, the critical importance of investment in the North's transport system was a consistent theme as an enabler of delivering the Government's Missions. In this context, the Convention was clear in its view that transport investment should be protected in the Spending Review. The Convention was also clear in recognising that transformation of the North's transport system would require a long-term commitment by Government. These messages are reflected in the draft submission.

- 3.5 Given that TfN's constituent authorities will have/are making their own submissions to the Spending Review, it is not intended that this submission should be a comprehensive and definitive list of infrastructure requirements across the North. Rather, its focus is on those investments that are of such significance as to be of pan-regional, if not national, significance.
- 4. Next Steps**
- 4.1 The meeting is invited to consider and comment on the draft submission. It is then proposed that a revised (and final) submission be signed off by the Chair and Vice-Chairs.
- 4.2 The overall situation with public finances remains challenging. In this context, it will be important that TfN continues to make the case for additional investment in the North's transport system, complementing and amplifying the voices of its constituent authorities.
- 5. Corporate Considerations**
- Financial Implications***
- 5.1 This report does not include financial implications: it deals with issues to be put forward for consideration as part of the Spending Review. Any subsequent implications will be presented to the Board as necessary.
- Resource Implications***
- 5.2 As above.
- Legal Implications***
- 5.3 There are no legal implication arising because of this report.
- Risk Management and Key Issues***
- 5.4 The corporate risk register identifies a risk relating to the future role of TfN should there be a change in government policy.
- Environmental Implications***
- 5.5 This report does not give rise to specific environmental implications.
- Equality and Diversity***
- 5.6 The focus of the STP on enabling outcomes that are place based and user centred will make a positive contribution to improving social inclusion.
- Consultations***
- 5.7 This report draws on input from the Executive Board (senior officers from constituent authorities).
- 6. Background Papers**
- 6.1 None.
- 7. Appendices**
- 7.1 Appendix 1 – Draft Submission

Glossary of terms, abbreviations and acronyms used

CP	Control Period
LLM	Large Local Major
LTA	Local Transport Authorities
MRN	Major Road Network

Glossary of terms, abbreviations and acronyms used

RNEP	Rail Network Enhancement Programme
RIS	Road Investment Strategy
SRN	Strategic Road Network
STP	Strategic Transport Plan
TRU	TransPennine Route Upgrade
TfN	Transport for the North

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Spending Review 2025

The Government has placed transport's role as an enabler of sustainable economic growth at the heart of its agenda. An efficient, high quality, safe, integrated and decarbonised transport system that connects people and places is fundamental to everyday life.

The evidence base assembled by Transport for the North (TfN) in support of its Strategic Transport Plan (STP) sets out the scale of the opportunity that exists across the North but also the challenges our communities and businesses face.

The STP, adopted by the TfN Board in March 2024, sets out the scale of its ambition for the North. Improved connectivity between the great cities and towns across the North, and beyond to the rest of the country, is central to realising that ambition.

Whilst it is acknowledged that the fiscal environment is challenging, investing in our transport system (both infrastructure and services) is central to enabling delivery of the Government's Missions.

In this context, transport expenditure should, at the very least, be protected in the Spending Review.

Increasing investment to transform connectivity across the North remains a priority for the UK given that it will:

- Realise an additional £118bn GVA per annum
- Improve social inclusion by increasing access to affordable transport choices
- Reduce the environmental impact of transport by widening transport choices

The Spending Review (and the associated 10-year investment pipeline) must explicitly recognise that transformation of the North's transport system will require a long-term commitment, one that extends beyond a single parliamentary cycle.

A statement of intent by the Government as part of the output of the Spending Review will help give greater confidence to investors.

The STP prepared by TfN, and submitted to Government in July 2024, sets out a 25-year framework for the North, underpinned by a comprehensive evidence-base and shaped by the Political Leaders ambition and vision for the North.

This submission focuses on issues of pan-regional significance and is shaped by the priorities set out in the STP. It complements the work and the leadership of the Mayoral Combined Authorities (MCAs) and Local Transport Authorities (LTAs) that form TfN.

Reaffirming Existing Commitments

At the very least, the Spending Review should commit the capital funding required to complete schemes already in delivery, or on the verge of a start of works. This will ensure that the benefits to the economy are realised at the earliest opportunity, whilst also minimising the risk of cost inflation.

Schemes of significance to the whole of the North that lie in this category include:

- Completion of the **TransPennine Route Upgrade** programme currently in delivery
- Extension of the **Midland Main Line** electrification through to Sheffield
- A start on site for the **A66 Scotch Corner to Penrith Improvement**
- A start on site for the **West Yorkshire Mass Transit**

In addition, there is a need for the Government to address difficulties encountered by Local Transport Authorities promoting schemes included in the Major Road Network (MRN)/Large Local Major (LLM) investment programme endorsed by the previous Government.

Specifically, where there has been an increase in the capital cost of a scheme as a result of delays securing final approvals after the Outline Business Case, the Government should reaffirm that it will work with the promoting authority to agree a cost-sharing arrangement.

A key issue, recognised by the previous Government, is that in the absence of such an arrangement any increase in scheme cost at the Final Business Case must be borne solely by the promoting authority. In these circumstances, schemes are at risk of being deferred and the economic and wider benefits associated with it are being lost.

In addition to continuing to support these capital investments, it is also essential that the Spending Review continues to allocate the revenue investment required to maintain rail services across the North at current levels or higher.

The work of the Northern Powerhouse Independent Economic Review (NPIER) – which underpins the STP and shaped the North's Manifesto prepared by the Convention of the North – provides the evidence as to why improving the connectivity between the North's cities and towns (and beyond) is critical for both individuals and businesses. Data from our train operators supports this argument, showing that every £1 of revenue investment in rail services unlocks over £4.50 of wider social and environmental benefits.

Strengthening the Foundations

The STP sets out the agreed economic, social and environmental outcomes that reflect the ambition of the North's Political Leaders.

Achieving these outcomes requires a shift in mindset as to how we identify, develop and then deliver transport solutions.

Draft Submission

In this context, TfN welcomed the Government's commitment to develop the Integrated National Transport Strategy (INTS). TfN will continue to work with officials across Government departments to ensure that the data, assessments and tools held by TfN are available to support the development of that Strategy.

The Spending Review represents an opportunity to build on the Government's commitment to devolution by default. In terms of actions that would further support implementation of the STP, the Spending Review should:

- *Provide even greater clarity on the level of funding available to transport authorities.*

TfN has consistently called for all authorities to benefit from 5-year funding allocations **and** an indicative funding envelope for the subsequent 5-year period. The work of the National Infrastructure Commission (NIC) is framed by guidance from the Treasury as to the likely level of public investment over a 25-year timeframe. It should therefore be possible to provide all transport authorities with indicative funding envelopes that extend beyond the immediate parliamentary term.

- *Embed the principle that the appraisal of investments properly reflects the wider social and environmental benefits of that investment.*

Investment in improved connectivity is key to enabling younger people gain access to education, skills training and employment, and can help older people enjoy an independent lifestyle for longer. Our approach to appraisal must be capable of capturing wider benefits such as these. TfN has worked with its partners to identify how flexibilities that already exist within the 'Green Book' might be utilised to improve the existing appraisal process. This work - the Northern Appraisal Playbook - has been shared with HMT in a separate submission.

- *Commit to additional investment in the capacity and capability of the public sector to identify, develop and deliver investment in our transport system.*

The analytical, policy and research capability held within TfN is highly valued providing access to specialist capability that complements that held by its constituent authorities. Access to TfN's knowledge and experience is available through the 'TfN Offer'. Originally launched in September 2023, TfN has responded to over 155 requests for support, with all TfN's constituent authorities using the Offer, as well as public and private sector bodies from across the country. Estimated to have already realised direct savings to the public purse in excess of £0.5m, demand for the TfN Offer continues to grow both across the North and beyond; a demonstration of the need for additional investment in capacity and capability within the public sector

Complementing these actions, the Spending Review is also the opportunity for Government to reduce further the extent to which Whitehall retains an overarching client role in the specification and oversight of major investments.

Transforming the Transport System

Investing in improving connectivity between the North's great cities and towns remains central to realising the economic potential of the North.

The evidence base underpinning the STP demonstrates that transformation of the North's rail system is critical in this regard: making it easier to travel between the North's city-regions will increase an individual's access to opportunities and services, and businesses access to labour and the markets for their goods and services.

Delivering this outcome requires a commitment by Government to:

- *A co-ordinated approach to investment in infrastructure (renewals, maintenance and new build), rolling stock and planned timetable changes.*

Co-ordination is essential to realising the maximum benefit of the investments being made. An immediate priority for TfN is the urgent need for the rail sector to work with TfN and its partners to develop a timetable that enables the full benefit of the capital investment in the TransPennine Route Upgrade to be realised.

- *A single overview of the investment programme across the North.*

The complexities of the North's rail system create interdependencies between individual corridors/routes that must be considered and reflected in planning and delivering investment – for example work associated with the East Coast Main Line (ECML) has shown that changes in the timetable can, and do have implications for rail operations in the North-West: and in a similar vein, constraints in/around Greater Manchester have implications for connections across the Pennines, including links to the North-East.

TfN, working collaboratively with Network Rail and its train operators, has developed a single overview of investment that helps decision makers to make informed choices when it comes to the scope and timing of planned investment.

- *A long-term programme of investment, starting with the first 10-year investment pipeline, that will transform the North's rail system.*

The evidence base underpinning the STP sets out the scale of transformation required when it comes to the North's rail system: delivering the economic, social and environmental outcomes of the STP requires rail's role as part of the transport system to increase by between a factor of 2 and 3 times its current level.

Transformation of the North's rail system on this scale requires a commitment from Government to a long-term programme of investment in the North's rail system. The Spending Review must ensure that such a commitment is an integral component of the 10-year infrastructure pipeline.

Managing the transformation of the North's rail system as a long-term programme will enable individual elements to be brought forward in co-ordinated

and affordable manner, without compromising the long-term ambition of the North.

The elements of the North's long-term programme of investment that should be reflected in the initial 10-year infrastructure pipeline are:

- **Bradford Rail Programme** – including the new Bradford Station, work on the business case for which is already underway.
- **Northallerton to Newcastle improvements** – required to unlock the full potential of the new East Coast Main Line and restore some of the reductions in services for Northern communities because of its introduction.
- **Leamside Improvement Corridor** – including reopening of the Leamside Line, an integral component of the Growth Plan for the North-East, but also essential to providing additional capacity on the East Coast Main Line.
- **Leeds Station** – a long-term solution to Leeds Station (the 3rd largest source of delays on the entire UK rail network) has yet to be identified following the previous Government's decision to cancel the eastern leg of HS2, but also linked to significant economic opportunities for West Yorkshire.
- **Sheffield Station** – a key hub on the national network where investment to unlock capacity constraints would realise wider benefits across the North, as well as supporting economic opportunities in South Yorkshire.
- **Crewe Station and environs** – a key gateway to the wider economic cluster across the Cheshire and Warrington sub-region, and a hub where there remains the need to identify a preferred solution following changes in the scope of HS2 by the previous Government.
- **Manchester – Liverpool corridor** – the original 'inter-city' railway in 1830, there is a need to build on the momentum of the work of the Liverpool and Manchester Rail Board.
- **West Coast Main Line** – there is a pressing need for Government to work with the North to identify and take forward a solution that will address the known challenges for the West Coast Main Line following the cancellation of the later phases of HS2 by the previous Government: with the route expected to be 'full' by the mid-2030s the need for this work is of increasing urgency.

The transformation of the North's rail system will require effective collaboration between TfN, the MCAs, the Department for Transport, and the rail sector in the implementation of that programme. It will also require a strong and effective client role for the North in preparing and agreeing the scope of individual programme elements.

Transformation of the North's rail system needs to be aligned with and be complemented by continued investment in the North's Strategic Road Network.

Draft Submission

Building on previous advice in relation to priorities for inclusion in National Highways' Road Investment Strategy, key priorities for the North include:

- **M60/M62/M66 Corridor** – with investment critical to support demand for substantial growth in jobs and housing, including delivery of investment to Simister Island previously identified in RIS2.
- **A628/A616 Sheffield to Manchester Trans Pennine Connectivity** – focusing on the implementation of recommendations from the National Highways-led study undertaken in partnership with TfN and MCAs.
- **A19 North of Newcastle** – in particular Moor Farm and Seaton Burn junctions where investment is required to unlock over 16,500 new homes.
- **A590/A595** – where improvements to both corridors are linked to supporting economic growth and improving access to assets that are of strategic importance to the UK.

In addition, recent events have shown that there is an urgent need to take forward work to address the structural failures on the **A57 Snake Pass (Sheffield to Manchester)**: a key trans-Pennine corridor.

The size of the prize in realising the potential of the North is significant: not just for the residents and businesses based in the North, but the country as a whole.

Reaffirm to completing the delivery of existing commitments will ensure that the benefits of that investment begin to be realised. Committing to actions that strengthen the foundations that have already been laid will enable the North to begin to accelerate the process of transformation. Embedding the key transformational proposals into the initial 10-year infrastructure pipeline will enable the North to build on those foundations and working with Government deliver on its Missions, and the ambitions of the North.