

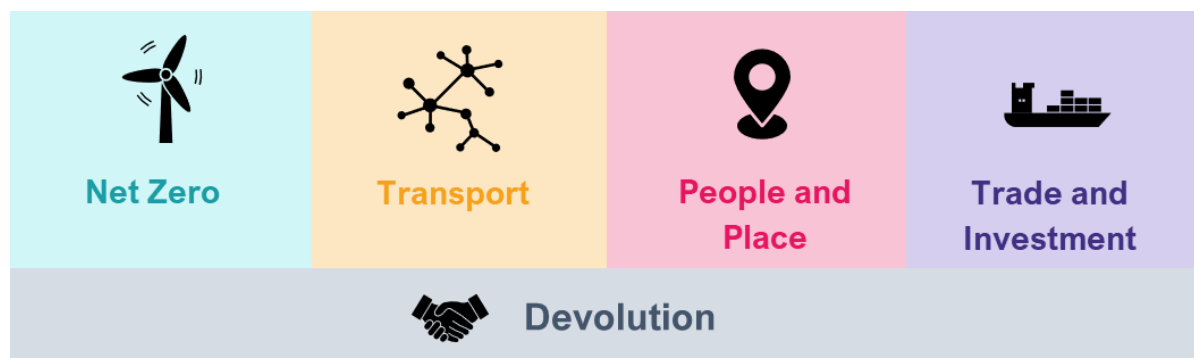


Convention Policy Brief: Transport

This paper sets out a series of policy propositions in the field of Transport, for discussion at the 2024 Convention of the North. It has been drafted by a group of policy officers from across the North of England, drawing on the expertise of Transport for the North (the statutory sub-regional transport body), local authorities, combined authorities, and partner organisations.

With a General Election confirmed for 2024, the Convention is an opportunity to showcase the **ambitions of the North** on the national stage, with propositions that are in the North’s particular opportunities and challenges. This year, there will be a focus on four policy areas: **Net Zero, Transport, People and Place and Trade and Investment**, underpinned by an enabling theme of greater **Devolution** to the North:

Figure 1. The four policy themes for Convention 2024



During the workshops as part of the 2024 Convention, we are looking to debate and iterate our draft policy propositions for Transport, while collectively shaping a shared ambition for the North.

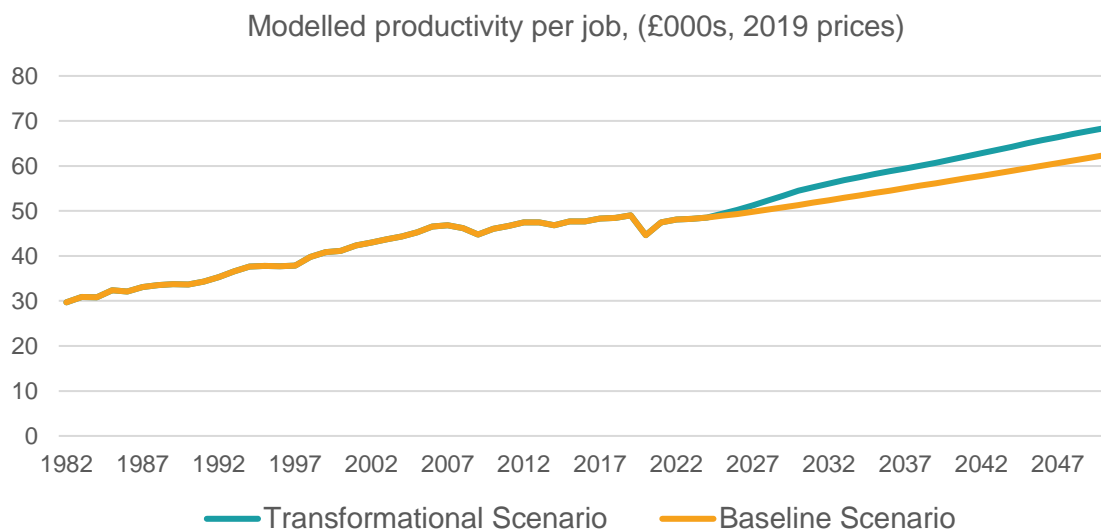
1: Devolving powers and budgets for local buses, rail and trams	2: A transformed rail system connecting the North	3: Driving inclusive growth through a Northern Appraisal Framework
Greater devolution of local transport budgets and enabling investment in infrastructure by retaining the proceeds of future growth, paired with greater powers to Northern places.	Transform Northern connectivity by delivering proposals for the Northern Powerhouse Rail scheme in full, securing the capacity that would have been provided by HS2, and wider pan-Northern improvements.	Trialling a new approach in the North to planning transport investment based on balancing key outcomes for our people and places, including housing, jobs growth, and health.
<p>Co-creating the Manifesto: <i>What are the barriers to achieving against our potential in this policy area? What will help accelerate delivery? What could the North’s overarching ambition be for our Transport system?</i></p>		



Why should the North act on Transport?

The Northern Powerhouse Independent Economic Review (NPIER) ¹ has demonstrated the enormous economic potential of the North. Yet, poor connectivity between people and places across the North continues to be identified as a key factor contributing to the underperformance of the Northern economy and the productivity gap that lags the rest of the UK.

The North possesses economic strengths, as captured in the NPIER, in the four prime and three enabling capabilities. These are highly productive and highly skilled sectors that with the right investment could deliver stronger growth and even higher productivity, along with the important foundational economy. With the right investment under a **transformational scenario**, (closing the £1,500 per capita investment shortfall in the North across four policy areas; see [NPIER refresh for more](#)) recent modelling suggests that a substantial improvement in productivity is achievable.



Modelling data produced by Cambridge Econometrics on behalf of TfN and NP11.

However, the economic centres in the North are dispersed and the local and pan-Northern connectivity constraints that persist leave these centres isolated and unable to fully take advantage of the positive externalities associated with agglomeration and market opportunities. Agglomeration enables firms to access a larger and deeper labour force, share inputs, access supply chains and infrastructure, and learn through the exchange of ideas and information. This matters for both city centre-based service sector businesses and in manufacturing clusters. However, if transport connectivity is poor, then these benefits cannot be realised, resulting in lower productivity.

¹ The NPIER work was refreshed by TfN and NP11 with Northern Partners' engagement between November 2021 and April 2023, when economic modelling was complete. Background materials are available on the TfN website [here](#) and the summary report available [here](#).



And for the people of the North, the result of lower productivity presents as a combination of poor housing quality, deprivation and lower income that feed into the high levels of health deprivation evident in the North. In the 2019 Index of Multiple Deprivation (IMD)², 54% of areas fell into the most deprived three deciles nationally on the measure of health deprivation, compared with 20% of areas in the rest of England. At a local authority level, 18 of the 20 most health deprived local authority districts (LADs) in England are in the North. This reflects the combination of lower overall life expectancy and healthy life expectancy, greater prevalence of poor mental health, and a greater overall burden of chronic and acute morbidity.

As a consequence of poor economic performance in the North, the Government spends a disproportionate amount of total managed expenditure in the region on health and social protection than it does in other parts of England. Addressing the challenge of poor connectivity through investment would support an improvement in economic performance, that in turn would reduce Government expenditure on health and social protection in the North.

The North's opportunity in Transport

Transport for the North's (TfN) Strategic Transport Plan (STP)³, sets out a 30-year vision to achieve the objectives of transforming economic performance, rapid decarbonisation of surface transport, and enhancing social inclusion and health through transport.

To deliver the STP vision we need our transport system, whether national, regional, or local, to work efficiently and effectively together. It is crucial that pan-northern road and rail networks are seamlessly integrated with our national networks, local roads and public transport network systems; that spatial planning at all levels supports effective multimodal hubs, as well as walking and cycling networks and last-mile connectivity. Fares must be integrated, smart, affordable, and simple to understand. We must also recognise the importance of local connectivity and multimodal integration in providing wider choices that are affordable, improving conditions and offering opportunities for our residents.

The vision of a transformed Northern economy, as set out in the updated NPIER, projects that by 2050 the economy of the North could be some £118bn GVA a year larger and support an additional 1 million jobs than in a baseline economic scenario. Transport is a key enabler of economic growth, and therefore to realise the NPIER ambition, the North's transport system itself needs to be transformed.

As set out in our Net Zero companion paper to this policy brief, we are ambitious in tackling carbon emissions. The benefits of transport decarbonisation extend far wider than reducing greenhouse gas emissions and the effects of climate change. Decarbonising our transport

² See [English indices of deprivation 2019 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019)

³ Transport for the North has consulted on its draft version of its Strategic Transport Plan due for submission to the Secretary of State for Transport at the end of March 2024, the consultation version and background documents are available [here](#).



system can drive clean economic growth, as well as unlocking health, natural capital and wider social value benefits.

Barriers to achieving our potential.

The North's transport system today is characterised in too many instances by poor reliability, low frequency and low capacity of public transport services, severe congestion, unreliable journey times on key parts of the strategic and major road networks, and poor conditions for active travel in car-dominated environments. Our fragmented, poor transport links lack capacity and resilience, and are further challenged of physical geography, all of which constrains the movement of people, goods, and services around the North and to other parts of the UK:

- Businesses in the region are held back by relatively poor and expensive inter-city and intra-city connectivity, which restricts access to a wider pool of skilled labour, the frequency and efficiency of business interactions, as well as the movement of goods and services within the North, across the rest of the UK and globally. Together, it prevents the region being a more cohesive functional economic area. For example, **only 27% of the North's population can access 500,000 jobs in under an hour by rail** - significantly less than other parts of the UK.
- The North requires a fit-for-purpose rail network. Often constrained by the legacy of connections to London, the North's rail network needs both strong North-South and East-West connections acting as the backbone of a high-quality, reliable, resilient, and equitable passenger network, capable of supporting the future growth of rail patronage, but which also provides the critical capacity and capability to adapt to modern freight requirements.
- Roads are a critical asset for the nation and for our communities that rely on safe, efficient, and reliable connectivity for the delivery of goods and to access jobs, education and other services that underpin quality of life. We will need to continue to invest in maintenance where needed, improving resilience in the face of more extreme weather events and to support economic development. Future investment in the Major Road Network (MRN) should therefore be considered as part of a 'whole journey' and 'total network' approach to improving transport outcomes, encompassing all travel modes and integrating local and strategic highway planning. This will ensure that investment in new road capacity is targeted only where the evidence shows it is essential.
- There are also more specific connectivity constraints for the freight and logistics sector, particularly for key international gateways and trading hubs. Despite the availability of a wide range of freight assets, many are not being fully utilised due to several reasons such as lack of end-to-end infrastructure or attractive alternative logistics solutions. Gaps in connectivity prevail that urgently require investment.

Given the scale of these challenges, investment is required to support both pan-northern connectivity, inter-regional connectivity, and local transport systems networks, and make the most of the North's economic potential.



In the following sections, we review three draft policy propositions that have been developed by the Convention of the North Policy Officers Group. The goal of the Convention workshop process is to challenge, shape and inform these propositions as part of the wider process of co-creating a Manifesto for the North.

Proposition: Devolving powers and budgets for local buses, rail and trams

There should be greater devolution of transport funding and revenue raising powers across the North, to provide longer term certainty over budgets and ensure that decisions are made closer to the people they affect. Devolved funding should be paired with increased freedoms and powers around local transport, particularly around bus reregulation, with adequate short-term transition funding, streamlined franchising and legal processes, and an expansion of bus franchising powers to non-MCA areas.

Reform is needed to simplify processes, remove inertia, and enable more decision making closer to the people and places it affects. In this way it will be possible to accelerate delivery, realise benefits sooner, and reduce the overall cost of investment. Whilst there has been some positive progress with the Levelling Up White Paper⁴ and trailblazer deals⁵, not all transport authorities have benefited. The commitment to Local Integrated Transport Settlements (LITS) for non-MCA areas set out in Network North is welcomed and should be progressed at pace. Too often local transport authorities are left to chase funding from siloed pots of money or face administrative barriers in aligning the right investment with the right policy levers to achieve outcomes for their citizens and businesses.

At the heart of the STP is the need to connect people and places with services and opportunities; a transport system that is outcome focused, place-based, and user centred. Delivering outcomes for people and places will be made easier through greater devolution of funding and by enabling authorities to manage funding allocations as a programme of investment.

Our asks are therefore that Government work with the North to support:

- 1. Increasing Certainty for Local Government Budgets.** The Second National Infrastructure Commission (NIC) Assessment has recommended greater certainty of local government budgets⁶. A five-year indicative funding envelope for pan regional and nationally significant transport infrastructure should be established, within which statutory advice on infrastructure and service priorities is prepared by the North to inform nationally held funding pots.

Simplification of funding streams in this way would remove the cost and inertia associated with being required to secure funding through competitive bidding processes, as is often the case at present. Such an approach would also enable better management of interdependencies locally across policy areas (such as the interactions between investment in connectivity, education, health, and local growth strategies).

⁴ The UK Government's Levelling Up White Paper and associated materials are available [here](#).

⁵ See for example, in a Northern context, details of the Greater Manchester trailblazer deal available [here](#).

⁶ Second National Infrastructure Assessment, National Infrastructure Commission, 2023, can be accessed here: [Final-NIA-2-Full-Document.pdf \(nic.org.uk\)](#)



- 2. Further budgetary devolution and local revenue raising from the proceeds of growth.** Further devolution of local transport budgets must go alongside devolution of decision making too if we are to be truly transformational. While the recent City Region Sustainable Transport Settlement 2 (CRSTS) has been positive, further reform is needed if we are to go beyond ‘allocation’ to actual ‘control’ at the local level, and this includes moving forward with LITS settlements. That means projects, schemes and interventions can be appraised and decided upon locally, using local experience and knowledge. To do this also requires greater flexibility of the funding models to include higher thresholds for “retained” schemes (£200 million rather than £50m), and there is a need for greater autonomy at a local level to develop and oversee proposals in line with robust assurance frameworks.

The new ‘trailblazer’ devolution deals allow the mayors to retain 100 per cent of business rates, paving the way for other mayoralities to secure similar powers in the future. Indeed, other forms of local tax raising powers or retention of a portion of national taxation by the North might be considered as a means of providing the funding and certainty of local budgets, including those for local transport services and infrastructure.

- 3. Greater freedoms and powers, including integration and franchising.** Local revenue raising should be paired with increased freedoms and powers. For our transport systems to work efficiently and effectively, it is crucial that regional road and rail networks are well integrated with local roads and public transport, as well as walking and cycling networks. In the bus sector, devolved funding would better enable local authorities to work with bus operators on considering how government-funded bus service routes could be aligned with and partly funded through budgets for community transport, school buses, social care services, non-emergency health care services and the private sector. Effective and efficient planning of services would prevent duplication, help address gaps in the local transport network and improve access for some of the most disadvantaged members of the community, and this might be best achieved through an expansion of bus franchising powers.

Greater Manchester is the first place in the UK to use the powers in the Bus Services Act 2017 to franchise local bus services. However, this process took six years from commencing an assessment of bus franchising through to operational delivery on 24 September 2023. Learning from Greater Manchester’s experience, we believe this process can be improved and streamlined through amendments to the Bus Services Act 2017, including consideration of how to:

- Simplify the process and minimise the significant resource requirement to complete the process.
- Provide more guidance and templates to Authorities to demystify the process and make most of the lessons learned from Greater Manchester’s experience.
- Facilitate bus franchising in non-MCAs, where desired.
- Improve franchising authorities’ ability to make changes to franchising schemes, allowing them to react promptly to local requirements and demand.

Local authorities need a proportionate, cost-effective, and pragmatic route to franchising that ensures ensure public money is spent as effectively and efficiently as possible.



Proposition: A transformed rail system connecting the North

The Government and North should work together to deliver Northern Powerhouse Rail in full, including restoration of the Leamside line. The Co-sponsorship Arrangement for Northern Powerhouse Rail (NPR) needs to be updated to strengthen the role of regional partners across the whole of the North. And until such a time as alternative HS2 proposals are found, land associated with the HS2 route north of Birmingham should be safeguarded.

Rail is key to decarbonising transport in the North for both freight and passengers, and opening up the North's economic and social opportunities. Decisions on the rail network in the North must be made in partnership with the North – not imposed upon it in piecemeal projects but working towards an agreed, network-wide strategy that seeks to deliver the capacity and connectivity required to realise the North's potential.

An efficient and attractive rail network is vitally important to support the North of England's economy and the future ambition of the NPIER. Rail allows passengers and freight to move around the North, linking people to jobs, education and leisure opportunities, and moving freight across the North (including to and from international port gateways). The North of England has an extensive rail network which links major cities and towns, providing important inter-city links to London, the Midlands and Scotland, along with vital connections between the North's key destinations, all supported by local links. In the North, these local lines include not only busy suburban commuter railways, but also important rural and tourist lines (e.g. Settle & Carlisle, Esk Valley) and coastal connections (e.g. Cumbrian Coast, Hull to Scarborough). For rail to function effectively, it is important that these are planned as a single network and aligned with wider economic and transport planning. A positive example of this is the reopening of the Ashington Line, that is acting as a catalyst for wider economic ambition having leveraged in funding from the private sector.

Given the scale of these challenges, investment is required to provide increased capacity and connectivity locally, across the North, and between the North and the rest of the UK. That investment must recognise that:

- Our rail network and wider connections must transform access to opportunities for millions of people, recognising the need to move beyond the current deficient performance and take clear steps to create capacity for passenger and freight growth over a sustained period of investment.
- The delivery of the full (TfN preferred) NPR network and Transpennine Rail Upgrade (TRU) are fundamental to transforming rail connectivity and capacity across the North of England, connecting our economic centres, for passengers and freight, to unlock the North's potential.
- The levels of connectivity and capacity that would have been delivered by HS2 phases 2a and 2b (East and Western legs) would have helped achieve this. There remains a need to identify solutions that will deliver similar levels of connectivity and capacity. This includes a need for alternative connectivity and capacity for the West Coast to enable more frequent North-Midlands passenger services (to enhance UK-



wide connectivity), remove existing constraints (such as those around Chester station) to improve the North Wales Main Line, and address capacity and resilience constraints on the East Coast Main Line and the Midland Main Line from Sheffield to London.

Providing the North with a rail network fit for today, and for the future, that connects the North's cities and economic areas with a high-quality, high frequency rail service will rebalance UK freight patterns, easing bottlenecks on nationwide freight routes. For both freight and passengers, it will allow a modal shift off our roads and onto the railways, which will help meet clean air goals and contribute to achieving the UK's net zero commitments. Ultimately, the connectivity and capacity that would result from transformational rail investment in the North would boost Northern GVA and thus boost the UK economy.

Our asks are therefore that Government work with the North to support:

- 4. NPR in full.** Northern Powerhouse Rail (NPR) is needed in full, including restoration of the Leamside Line. The Co-sponsorship Arrangement for Northern Powerhouse Rail (NPR) needs to be updated to strengthen the role of regional partners across the whole of the North in agreeing and then taking forward the NPR proposal in light of Network North⁷.
- 5. Deepening collaboration with the North on rail.** Decisions on the rail network in the North must be made in partnership with the North – not imposed upon it in piecemeal projects but working towards an agreed, network-wide strategy that seeks to deliver the capacity and connectivity required to realise the economic potential of the North.
- 6. A gear change in existing rail.** Accelerating parts of Network North to demonstrate a gear change in 'levelling-up' the North's rail system. This could include improving rail connectivity between Liverpool and Manchester, a new rail station for Bradford (identified as integral to NPR 'in full') and electrifying the Midlands Main Line to Sheffield and the railway to/from Hull (previously identified by TfN as a 'quick win' as part of NPR 'in full').
- 7. The maintenance of HS2 safeguarding.** Until there are alternative proposals, the safeguarding associated with HS2 should remain in place and only be lifted where there is agreement with the relevant local transport authorities. A clear pipeline of network interventions is required to realise our ambitions for rail across the North. Alongside the major schemes, there is urgent need for investment in current capacity, reliability and resilience (including the need for electrification of passenger and freight services) as part of a rolling programme of work through the next decade. There are also smaller scale schemes that will support local connectivity and performance. This investment pipeline needs to include the schemes that will flow from the Integrated Rail Plan, and the delivery of major schemes currently in hand, such as TRU.

⁷ Network North, available [here](#).



Proposition: Driving inclusive growth through a Northern Appraisal Framework

Current approaches to planning, appraisal and decision-making relating to transport investment does not adequately recognise the transformative impact that transport investment can have on wider outcomes for people and places. Central Government decision making prioritises the Green Book's emphasis on a monetised Benefit Cost Ratio despite the flexibility in its framework. This puts the North at a disadvantage when preparing business cases for investment in the region, which seek to stimulate demand to unlock the unrealised potential of the North's people and places.

We need to change the way we plan, develop, and deliver investment, adopting a long-term, strategic approach which is focused on a clear set of economic, social and environmental outcomes, while also being firmly place-based and user-centred. There is a need to recognise transport not solely as a facilitator of mobility but as a driver for wider outcomes such as sustainable economic growth, housing delivery, and improved public health. This new approach is embedded in the revised STP for the North of England, which provides a framework for providing advice to Government on investment priorities for the North, and for the development of Local Transport Plans. Partners across the North are also working to develop a Northern Appraisal Framework that, whilst consistent with the Green Book, better reflects the wider benefits of investing in unlocking potential of the North's people and places.

Too often, the approach to planning, appraisal and decision-making relating to transport investment does not adequately recognise the transformative impact that transport investment can have on wider outcomes for people and places: connecting people to economic and social opportunities, helping them to realise their potential and improving their health and wellbeing, while also acting as an enabler of sustainable and inclusive local regeneration and growth, supporting a vibrant economy and unlocking housing and commercial development. Such an outcome would contribute positively to both the North and reduce the disproportionate public expenditure on health and social protection in the North.

TfN's work on Transport Related Social Exclusion identified that 3.3 million people (over 20% of the North) live in areas where there is a high risk of social exclusion because of the lack of reliable, affordable transport options⁸. These issues have a fundamental impact on everyday life, such as limiting access to work, education, healthcare services, and leaving residents unable to fully participate in society. A linked challenge are the health inequalities and poor health outcomes related to the transport system, which disproportionately impact deprived communities.

The appraisal and decision-making process for funding transport investments still does not fully recognise the wider benefits that they bring to people and places, particularly those places which are experiencing the greatest challenges. Notwithstanding recent changes to the Treasury 'Green Book'⁹, its traditional emphasis on a monetised Benefit Cost Ratio (BCR) remains overly dominant cultural issue of central government decision making. Also, the Green Book's 'one size fits all' approach puts the North at a disadvantage when

⁸ See TfN's work on Transport-Related Social Exclusion, available [here](#).

⁹ HM Treasury's Green Book is guidance for policy appraisal and available [here](#).



preparing business cases for investment in the North. While transport projects promoted in London and the South-East are seeking to relieve the effects of excess demand, the objectives for investing in the North are different: we seek to stimulate demand to unlock the unrealised potential of the North's people and places.

Our asks are therefore that Government work with the North to support:

8. **A rethink of investment approaches.** We need to change the way we plan and deliver investment, adopting a long-term, strategic approach which is focused on a clear set of economic, social and environmental outcomes, whilst also being firmly place-based and user-centred. There is a need to reshape the government's portrayal of transport, recognising it not solely as a facilitator of mobility but as a driver for sustainable growth, housing delivery, and improved public health. This approach is embedded in TfN's revised STP.
9. **A reworking of appraisal processes.** The processes for appraising and making decisions on funding transport investment must enable better consideration of the wider implications of a proposal – in particular, how the social and environmental benefits of an investment can support wider outcomes beyond transport connectivity. Whilst the costs of improving accessibility to economic and social opportunities fall on the transport system, the wider benefits for society are often realised in other areas of public policy, such as health, and the way in which we appraise transport infrastructure investments must recognise this better. Partners across the North are working to develop a Northern Appraisal Framework that, whilst consistent with the Green Book, better reflects the wider benefits of investing in unlocking potential of the North's people and places.

Reforming the way in which we plan, appraise and fund transport investments to focus on the broad-ranging outcomes we want to see for our people and places will ensure that investment gets delivered where it is most needed, so that the full range of benefits can be unlocked and the 'enabling' role of transport investment can be maximised. The focus on wider strategic outcomes will also lead to better management of interdependencies across policy areas (such as connectivity, education, health, housing, and local growth strategies). With better alignment between transport planning and local spatial and regeneration plans, investment into transport connectivity will unlock new housing, work and leisure sites. A focus on greater social inclusion and improved health as one of the key outcomes of transport investment will lead to better living standards, longer and healthier lives, and higher levels of community integration and wellbeing.