

WP08 RAIL STRATEGY

Work Package Update

2 December 2021

Please note that the following recommendation is subject to consideration and determination by the Board before taking effect.

RECOMMENDATION

It is recommended that:

- (a) The Board notes progress with the Rail Strategy work;

1. Introduction

In 2016, the Peninsula Rail Task Force produced its 20-year plan¹ for rail and earlier this year Peninsula Transport STB commissioned work to refresh its Rail Strategy. This work was subsequently paused to enable a re-scope that would take into account i) the ways COVID has impacted on rail travel patterns and behaviour; ii) local authority priorities around climate change; iii) implications of the Government's Levelling Up agenda, and iv) the impacts of an industry in transition. This report summarises these changes and explains how the programme of work has been reshaped to ensure that our rail strategy identifies the right priorities to feed into future Network Rail Control Period 7 plans (2024-2029).

2. Re-Scoping Rail Strategy Work

Although several of the Peninsula 20-year rail plan resilience and customer connectivity priorities remain important for the region, it was necessary to review the impacts of recent major policy, society (impacted by COVID) and industry changes. It is important that we refine our plans, backed up with evidence so that we are in the strongest position to secure improvements through Control Period 7 covering the period 2024-2029.

The following sections summarise some of the changes that are being considered

COVID Challenges

Post COVID, many '9-5 workers' are no longer travelling via train to their offices and the rise of remote working has significantly impacted on passenger revenues. There is some concern that many passengers will have also lost confidence in using public transport resulting in a car-led recovery. In the South West, passenger numbers have recovered stronger than in other parts of the country as it has a strong leisure market and is less reliant on the commuter and business travel. With the more profitable commuter and business travel slower to return, revenues nationally are estimated to be approximately £3bn down against 2019 figures. In the medium term, the Government's focus is on reducing subsidy for rail.

Climate Change and Levelling Up

Rail contributes less than 2.5% of total transport emissions and only 0.6% of the UK's total emissions and so is already a low carbon mode of travel. In the South West, we have ageing diesel train fleets and limited prospects for electrification but low carbon traction options including transporting more road haulage freight by rail remains an aspiration for the Peninsula.

¹ www.peninsularailtaskforce.files.wordpress.com/2016/11/prtf-closing-the-gap.pdf

Another Government priority is 'levelling up' which aims to revitalise disadvantaged communities and redress economic imbalances. Delivering improvements to rail can play an important role in this agenda and the recent Integrated Rail Plan for the North and Midlands, which has committed £96bn investment aims to tackle this. It is important that the South West region, which has some of the lowest levels of productivity in the country, can present a compelling case for investment in its fragile rail network.

Changing Industry

The changes resulting from the pandemic has accelerated the need for industry reforms with an initial focus on revenue recovery efforts post-COVID and establishing 'a strategic freight unit' to boost the sector and deliver a cleaner and greener future. Reforms to fares and ticketing to benefit the passengers and using pricing mechanisms to manage demand and make better use of spare capacity to deliver better efficiency are also being advocated. Great British Railways (GBR) has been created to and drive forward these reforms.

The core goals that the Secretary of State for Transport highlights will define GBR, include:

- changing the culture of the railways not simply creating a bigger version of Network Rail
- thinking like our customers, both passengers and freight, and putting them first
- growing the network and getting more people travelling
- making the railways easier to use
- simplifying the sector to do things quicker, driving down costs and being more accountable
- having a can-do, not a can't do culture
- harnessing the best of the private sector
- playing a critical role in the national shift to net zero

3. Rail Strategy Method and Timescales

Now that the STB Vision has been agreed, the Rail Strategy work will ensure it is linked to the goals, namely:

- Increasing Mode Choice
- Delivering Decarbonisation
- Enhancing Resilience
- Improving Health and Wellbeing
- Supporting Growth

The approach is to develop a set of conditional outputs, which will be target outcomes of what is needed rather than necessarily how it will be achieved. This is consistent with the method adopted by the rail industry as part of their long-term planning process and it also aligns with the DfT's Rail Network Enhancement Pipeline approach.

Since the last Board meeting, officers have attended two workshops to begin developing the potential conditional outputs, which will form the basis for a Member workshop in early January.

The indicative timescales for completing the Rail Package are set out in the table below:

Milestone	Deadlines
Conditional Outputs agreed with officers	w/e 3 December 2021
Elected Members workshop	17 January 2022
Draft Reports (Technical and Non-Technical Summary) issued	4 February 2022
Feedback from officers	16 February 2022
Final Draft Report at Board Meeting	3 March 2022

4. Financial Considerations

The costs of the Rail Strategy work package are from allocated funds from the Department of Transport (DfT).

5. Environmental Impact Considerations

There are no specific environmental impact considerations associated with this paper.

6. Equality Considerations

There are no specific equality considerations associated with this paper.

7. Legal Considerations

There are no specific legal considerations associated with this paper.

8. Risk Management Considerations

The Peninsula Transport Programme Management Group reviews risk and assigns the required mitigation actions across the Peninsula Transport work packages on at least a monthly basis. The group reports monthly to the DfT in compliance with the terms of the DfT's funding support letter.

9. Public Health Impact

There are no specific public health impacts associated with this paper.

10. Summary

Peninsula Transport have commissioned work to refresh its Rail Strategy, building on the 20-year plan for rail published by the Peninsula Rail Task Force in 2016. Having been temporarily paused, this work has now been rescoped to take into account a number of factors set out in this report. The approach is to develop a set of conditional outputs, with an indicative timescale for the final draft report to be presented at the March 2022 Peninsula Transport Board meeting. This will ensure that the Rail Strategy identifies priorities that can feed into the future Network Rail Control Period 7 (2024 – 2029).