



**Board Meeting
20th March 2024
9.30am to 11.00am**

Virtual Meeting via Microsoft Teams

AGENDA

1. Introductions and Apologies
2. Minutes & Actions of Board Meeting 20th December 2023*
 - Westminster Event 20th February 2024
 - LURA 2023 Levelling Up Missions
3. East Midlands Rail Collaboration*
 - Update from East Midlands Railway
 - Report of the Head of Rail Improvement
4. Update on Government Announcements*
 - 2024 Spring Budget
 - Network North
 - Midlands Rail Hub (West & Central)
5. TfEM/Midlands Connect Shared Priorities*
 - Revised document for approval
 - Update on progress
6. Any Other Business
 - Establishment of EMCAA
 - National Networks Policy Statement
7. Dates of Future Meetings:

• Wednesday 19th June 2024	10.30am
• Monday 23rd September 2024	10.30am
• Monday 16th December 2024	10.30am

*Paper enclosed

TfEM Terms of Reference

- To provide collective leadership on strategic transport issues for the East Midlands.
- To develop and agree strategic transport investment priorities.
- To provide collective East Midlands input into Midlands Connect (and other relevant sub-national bodies), the Department for Transport and its delivery bodies, and the work of the National Infrastructure Commission.
- To monitor the delivery of strategic transport investment within the East Midlands, and to highlight any concerns to the relevant delivery bodies, the Department for Transport and where necessary the EMC Executive Board.
- To provide regular activity updates to Leaders through the EMC Executive Board.

TfEM Membership

TfEM will comprise elected members nominated by the LTAs - to be determined by each authority but with an expectation it would be the relevant portfolio holder. Senior representatives of the Department for Transport, Highways England and Network Rail will be invited to attend as ex-officio members



Board Meeting
20th December 2023
10.00 am – 12.00 noon

Virtual Meeting via Microsoft Teams

Minutes

Present:

Mayor Sir Peter Soulsby
Cllr Carolyn Renwick
Cllr Ozzy O'Shea
Cllr Matthew Binley
Cllr Angela Kandola
Cllr Gale Waller

Leicester City Council (Chair)
Derbyshire County Council
Leicestershire County Council
North Northamptonshire Council
Nottingham City Council
Rutland County Council

In attendance:

Daniel Pearman
Ann Carruthers
Tim Bellinger
Rikki Parsons
Louise Clare
Jackie Reay
Will Rodgers
Donna Adams
Victoria Lazenby
Ian Doust
Andrew Pritchard
Kyle Butterworth

Leicester City Council
Leicestershire County Council
Nottingham City Council
Rutland County Council
DfT
DfT (Rail)
East Midlands Railway
East Midlands Railway
National Highways
National Highways
East Midlands Councils
East Midlands Councils

Apologies:

Cllr Richard Davies
Cllr Carmel Swan
Cllr Neil Clarke
Cllr Phil Larrett

Lincolnshire County Council (Vice Chair)
Derby City Council
Nottinghamshire County Council
West Northamptonshire Council

		ACTION
1.	Introductions and Apologies	
1.1	Apologies noted as above.	
2.	Minutes & Actions of Board Meeting 25th September 2023*	
2.1	The minutes were agreed as a correct record.	
2.2	Andrew Pritchard drew attention to the exchange of Letters with Transport Secretary relating to the future of Alstom in Derby and the rail supply chain across the East Midlands	
3.	Network North*	
3.1	Andrew Pritchard gave an overview of the Government's Network North policy document published on the 4 th October 2023, including the implications for HS2 and the new funding streams proposed for Local Transport Authorities.	EMC
3.2	Cllr Waller highlighted the difficulties of making effective use of new resources for bus services given the increasing running costs and the lack of long-term certainty of funding.	
3.3	This view was echoed by Cllr O'Shea, who noted that the requirement to spend money within a given financial year would result in sub-optimal decision making.	
3.4	Members asked officers to seek further information from DfT about the level of long-term certainty for new LTA funding proposed in Network North.	
3.5	The Chair thanked Andrew Pritchard for his presentation.	
4.	TfEM/Midlands Connect Shared Priorities*	
4.1	Andrew Pritchard gave an overview of recent activity to promote delivery of the TfEM/Midlands Connect Shared Priorities agreed in September 2022, in particular: <ul style="list-style-type: none"> • Midland Main Line Electrification • A46 Newark Northern Bypass • Improving safety and reliability on the A1 	
4.2	In the light of Network North, Andrew noted that there was now a requirement to review the Shared Priorities document to ensure that it remains relevant.	
4.3	Cllr Renwick welcomed the recent activity to promote the shared priorities but was frustrated by the lack of delivery and asked that this be communicated to Ministers and Officials.	
4.4	Andrew noted that the review of the Shared Priorities document would present an opportunity for the Board to do that.	
4.5	The TfEM Board agreed to:	

		ACTION
	<ul style="list-style-type: none"> Welcome recent activity to promote the delivery of the TfEM/Midlands Connect Shared Priorities; Endorse the proposal for a review of the Shared Priorities document for consideration at the next meeting of the Board on the 20th March 2024. 	EMC
5.	East Midlands Rail Collaboration*	
5.1	<p>Will Rodgers, MD of East Midlands Railway gave an update on the following issues:</p> <ul style="list-style-type: none"> Ticket Office Reform Consultation: Following the consultation process and the response from Transport Focus the proposed changes would not be progressed, although work would continue to improve customer experience and financial sustainability. December 24 Timetable & ABP Draft 2024/5 ABP submitted with reinstatement of Newark services a priority, but financial climate remains challenging. Performance: impacted by bad weather including Storm Babet but is now above industry T3 target Industrial Action: RMT dispute settled but ASLEF still taking action. Revenue: Revenue has been impacted by disruption resulting from recent weather events and by planned engineering works, but has generally grown in line with the industry average December 23 Timetable: EMR have re-instated a number services to Crewe, between Liverpool-Norwich and Lincoln-Peterborough. Some first/last services have been cut elsewhere, but overall the changes represent a net increase. Fleet: proposals to refurbish 170s have been agreed by DfT. 158s and 360s scope still under discussion. A seat replacement on the Meridians is underway. The first Auroras (810s) are on the test track at Melton Mowbray. 	EMR
5.2	<p>Cllr Waller welcomed the cancellation of the proposed ticket office closures but wanted to understand if there is a legal impediment to rail tickets being sold from other retail outlets. Will Rodgers agreed to clarify the issue. (Further information is available at: https://www.atoctravelagents.org/third-party-retailing)</p>	
5.3	<p>The Chair thanked Will Rodgers for his presentation and welcomed in particular the improvements to the Meridians.</p>	
5.4	<p>Kyle Butterworth, TfEM's Head of Rail Improvement gave an update on recent activity under the DfT/TfEM Rail Collaboration Agreement and highlighted in particular:</p> <ul style="list-style-type: none"> The likely industry-wide funding gap resulting from the cancellation of the proposed ticket office closures; The Government's published 'Minimum Service Levels' during strike action; Technical work to refine TfEM's short and longer term rail investment priorities; and Recent publications, including the proposals in Network North to progress the Ivanhoe (Coalville-Derby) RYR with an aspiration to extend to Leicester, and the Barrow Hill RYR 	
5.5	<p>The Chair thanked Kyle Butterworth for his update, noting the benefits but also the practical challenges of extending the Ivanhoe Line to Leicester.</p>	

		ACTION
5.6	The TfEM Board agreed to:	
5.7	Write to Ministers to support the two East Midlands Restoring Your Railway Business Case submissions: <ul style="list-style-type: none"> In January 2024 – Ivanhoe Reopening (Derby-Coalville) – and stating enthusiasm for onward connectivity to Leicester as identified in ‘Network North’. In April 2024 – Barrow Hill Reopening (Chesterfield-Sheffield) 	EMC
5.8	Note the progress update on the planned TfEM evidence document on ‘Enhancing Regional Rail Services’, and that Officers will circulate a complete draft for review and endorsement early in 2024.	EMC
6.	LURA 2023*	
6.1	Andrew Pritchard gave a brief overview of the implications of the Levelling Up and Regeneration Act 2023, in particular: <ul style="list-style-type: none"> The Government’s Levelling Up ‘missions’, one of which relates to transport and the need to improve public transport services across the country towards the levels enjoyed by London; and The creation of new Mayoral County Combined Authorities, including 2 proposals in the East Midlands which are likely to come into being in May 2024 (EMMCCA) and May 2025 (Greater Lincolnshire MCCA). 	
6.2	The Chair thanked Andrew Pritchard for his presentation.	
7.	Any Other Business	
7.1	Andrew Pritchard highlighted an event planned with the East Midlands APPG that members of the Board will receive and invitation to in due course: <p>East Midlands infrastructure Event Attlee Room Portcullis House 12-2pm 20th February 2024</p>	EMC
9.	Dates of Future Meetings	
	<ul style="list-style-type: none"> Wednesday 20th March 2024 9.30am Wednesday 19th June 2024 10.30am Monday 23rd September 2024 10.30am Monday 16th December 2024 10.30am 	

Transport for the East Midlands

20th March 2024

Item 3: Report of the Head of Rail Improvement

1. Introduction

- 1.1 This report updates members on the implementation of the Rail Collaboration Agreement¹ between TfEM and Department for Transport across Rail Operations, Rail Enhancements and Rail Industry Reform and Policy.

2. Operational Update (Note: Members will receive a briefing from EMR at the Meeting)

Industrial Action

- 2.1 ASLEF have impacted operations with industrial action in the period and with action short of a strike. Of note, the Minimum Service Level (MSL) legislation, discussed in detail in previous TfEM updates, has not been used. There is fresh doubt over whether the MSL protocols are workable or could counter-productively lead to an extenuation of further strike action. The Secretary of State has now not met with ASLEF since December 2022 and the representatives of the RDG have not met with the Union since April 2023.

Fares, Ticketing and Retail

- 2.2 Regulated rail fares will rise 4.9% in March 2024², broadly in line with the average increase in earnings, not RPI+1%. Transport Focus has said that *“anything that limits fare increases has got to be welcome”*³.

2.3 ORR Regional Rail Use Data Set⁴

New collated data published in February 2024 identified that there were 1,228 million passenger journeys made in Great Britain from April 2022 to March 2023. This is an increase (up 37%) from 894 million in April 2021 to March 2022. The journeys in the latest year equate to 82% of the 1,504 million journeys recorded three years ago (April 2019 to March 2020), before the pandemic. For the East Midlands as a whole (so not TOC specific), there were 29.9 million passenger journeys made from April 2022 to March 2023. This is an increase (up 24%) from 24.1 million in April 2021 to March 2022. The journeys in the latest year equate to 83% of the 36 million journeys recorded three years ago (April 2019 to March 2020), before the pandemic. The East Midlands had recovered sooner meaning a shallower rise in passenger growth to March 2023, but still equated to the average national recovery level overall. There are more nuanced differences for TOCs and routes in the region.

EMR

- 2.4 At the time of writing, it is assumed that the EMR annual business plan for 2024-25 will have been finalised with the DfT in mid-March. Depending on progress, we could anticipate a brief introduction to the EMR 2024-25 ABP as part of EMRs presentation to the TfEM Board in March 2024. What the impact is from the U-turn on closing Ticket Offices is yet to be seen. It is anticipated that any net-cost-savings proposals offered by TOCs must be realisable within the year – so not focused just on long-term efficiencies. It is also anticipated that the NRC performance targets may be revised and that there will be a new annual list of Business Plan Commitments (BPCs) that structure EMRs delivery programme for the year.

¹ <https://www.gov.uk/government/news/greater-voice-for-rail-passengers-in-new-collaboration-between-government-and-east-midlands-transport-leaders>

² <https://www.bbc.co.uk/news/business-67784711>

³ <https://www.transportfocus.org.uk/news/response-to-the-governments-announcement-of-the-annual-rail-fare-rise/>

⁴ <https://dataportal.orr.gov.uk/media/3g5pcn30/regional-rail-usage-apr-2022-mar-2023.pdf>

- 2.5 The programme for manufacture and test of new intercity trains for EMR continues. The Hitachi Class 810 Auroras have experienced delays and most recently EMR signal that full benefit release (all new trains in use and existing meridians fully released) will now be into 2026. Along with the train manufacture and test programme a Driver training programme is required. The training programme could yet import some further delay risk. Pictures of the planned interiors were publicised in the period⁵.
- 2.6 Given the completion of the regional fleet cascade in early 2024, EMR are now holding regional fleet resilience stock. There is more work to be done to detail how EMR will introduce the regional fleet in full, and with robust operational logistics. TfEM are contributing to some joint-funded work to enable EMR to offer the DfT choices for regional service improvements in the medium term. Meanwhile, in the period Lincolnshire CC have written to the Rail Minister and DfT to clarify their local priorities for regional service improvements.
- 2.7 There was a high prevalence of performance impacting events in Period 10. The weather continued to contribute severe challenges to the railway across the whole country with several named storms. The East Midlands was disproportionately affected, where EMR report 7 occasions when EMR could not access parts of the network infrastructure for more than 12 hours. This impact is not just in flooding, but also embankment destabilisation, temporary line speeds, and high winds. Asset failures had some severe impacts, such as an incidence of loss of signalling at West Hampstead causing 61 full cancellations for the MML. Finally, there was a possession overrun due to a broken-down engineering train, which impacted main lines between Chesterfield and Dore. The down main was blocked for whole day with Intercity services terminated at Derby or diverted via Beighton.
- 2.8 For period 10 (10th December 2023 – 6th January 2024), EMR performance was 66.4% for T-3 and this is 4% worse than the same period last year. It is compared against an NRC upper target of 71.2%, and against a context of 82.7% national average⁶.
- 2.9 EMR offered 2.5% of TOC on Self cancellations against an NRC upper target of 1.4%. This is within a context of a 7.6% all-cancellations period score, which was comparably 2.9% in the same period last year. This 7.6% is higher than the 5.8% period 10 national average for cancellations⁷.
- 2.10 In period 10 EMR offered short formations of 1.4% against an upper tier target of 0.7%. This is twice as many short forms as the same period last year (which was 0.7%).
- 2.11 Focusing on improving performance, the East Midlands Rail Collaboration Group received a presentation from NR East Midlands Route Director Gary Walsh on NRs recent performance and their plans for CP7. Gary Walsh confirmed his pending own personal move to a different route within Network Rail, and the appointment of Mark Budden as his successor. Mark has spent the last three years working as Managing Director of Network Rail High Speed. The Chair thanked Gary for his contribution over the last 8 years.

Other Operators

- 2.12 In the period the CrossCountry Managing Director left and was replaced by interim appointments⁸. Also more locally, the regional lead has changed from John Robson (who moves to a different part of the organisation) to Clare Shaw as the acting Regional Lead, having

⁵ <https://news.eastmidlandsrailway.co.uk/news/emrs-new-intercity-fleet-first-reveal-of-auroras-interiors>

⁶ <https://www.networkrail.co.uk/who-we-are/how-we-work/performance/railway-performance/>

⁷ <https://www.networkrail.co.uk/who-we-are/how-we-work/performance/railway-performance/>

⁸ <https://www.modernrailways.com/article/joyner-leaves-crosscountry>

previously been the Customer Service Manager for the region. CrossCountry are currently impacted by numerous cancellations between Birmingham to the East Midlands.

- 2.13 There was a new open access request⁹ by Hull Trains consulted on in the period. The proposal is to run two services a day in each direction between Sheffield and London King's Cross using Class 22x units from 2025, with calls at Retford, Worksop, and Woodhouse. This would give Worksop a direct London service. It would also include an extension to/from Sheffield Meadowhall on one trip each way each day. There are details which are yet to be confirmed such as understanding what the capacity trade-offs might be (e.g. there could be an impact on other existing infrequent services, for example Sheffield-Brigg-Cleethorpes). There could also be operational details that affect the impact of this service onto other TOCS and NR, for example track access charges and abstraction.

3 Rail Enhancement Projects Update

- 3.1 As recommended at the previous TfEM Board, the Chair wrote to the Rail Minister to support the first of the two RYR business cases that are still progressing in the East Midlands. The letter that expresses both the opportunity and risks for the proposed Ivanhoe line reopening is included as APPENDIX 2a. The Ministers response is included as APPENDIX 2b.
- 3.2 On 20th February TfEM Officers hosted a Parliamentary Event to promote the Electrification of the Midland Mainline investment decision which is due this Summer, and to draw attention to the previously published TfEM evidence 'The Futures Electric!'¹⁰; and also the East Midlands APPG infrastructure inquiry report¹¹, both discussed before conventions of purdah commence in Spring 2024. After the May elections there will be a short window for a further push to make the case to Government.
- 3.3 Since the cancellation of the HS2 Eastern Leg and the publication of 'Network North', TfEM Officers are aware of three separate studies examining the options for rail services from Birmingham to the East Midlands, Yorkshire and the North East (MYNE). The DfT (supported by NR), Midlands Connect, and West Yorkshire Combined Authority are all separately progressing evidence to influence a revised infrastructure plan. Of note, HS2 Phase 1 includes a seven-platform station at Birmingham Curzon Street and junctions east of Birmingham that were designed to accommodate HS2 Phase 2 services from Birmingham to the north. Options could now include how it might be possible to use this HS2 infrastructure to enable Midlands Rail Hub outputs instead of the previously proposed platforms at Moor Street. This new high speed service option could broadly mirror the one set out in the 2016 Strategic Alternatives to HS2 Phase 2b report which envisaged a short link along the line of the HS2 Eastern Leg to just south of Tamworth, then a connection to the Birmingham-Derby line. It is not necessarily envisaged that this infrastructure will be used for London-Leeds services (these may run via the ECML corridor to Kings Cross, as per the Integrated Rail Plan, and also noting Network North indicated options for London services to run to Leeds via Nottingham and Newark).
- 3.4 In 2024 TfEM Officers have sought to initiate contact with newly appointed Officers at South Yorkshire Combined Authority. We are keen that the plans for Sheffield that will be matured in 2024 take account for the future demands for south facing East Midlands regional services to Sheffield. Looking at these EM-Sheffield requirements, along with Barrow Hill RYR, Midlands Connect are moving beyond the work TfEM previously jointly funded with Midlands Connect that identified a case for an additional Sheffield-Nottingham fast service, and a new Mansfield-

⁹ <https://www.firstgroupplc.com/news-and-media/latest-news/2024/firstgroup-applies-to-run-new-london-to-sheffield-rail-service.aspx>

¹⁰ <https://www.emcouncils.gov.uk/write/Documents/TheFuturesElectric.pdf>

¹¹ <https://www.emcouncils.gov.uk/write/Documents/APPGREPORTFINAL.pdf>

Worksop-Sheffield service. This next stage of work by Midlands Connect (delivered by Jacobs) will estimate the 'size of the prize' for new links.

- 3.5 Positively the EM Development Company has been granted £750,000 to enable the East Midlands' Growth Strategy to be finalised – now focusing on the MML Station growth strategies. The Ministers letter (APPENDIX 1) states that this work could help inform regional transport investments made via the new East Midlands Combined County Authority. The letter also confirms that £250,000 remaining from the Toton master planning can be repurposed to support the replanning and assessment of public transport options such as for the NET Tram.
- 3.6 Two Access for All (AfA) schemes commence on site this year at stations in the East Midlands. The Beeston project will see two new lifts installed, providing step-free access between platforms 1 and 2. The existing platform 1 staircase will also be removed and replaced. Beeston AfA is scheduled to be completed by Autumn 2024¹². Alfreton will see two new lifts attached to the existing footbridge, the footbridge will be refurbished, and a new ramp from the car park to the station entrance will be installed. Alfreton AfA is scheduled to be completed by early 2025¹³.

4 Rail Reform & Industry

Rail Reform

- 4.1 In the period TfEM Officers met twice with Great British Railways transition team (GBRtt) to discuss both future regional partnerships and the GBRtt strategy for the publicised freight growth target of 75% increase in tonne kilometres by 2050 (see letter in APPENDIX 3). Officers committed to meet again to progress.
- 4.2 In the period, the draft legislation for rail reform¹⁴ was placed before the Parliamentary scrutiny committee as was proposed in the Kings Speech late last year. The principles include:
- A legislated new 'integrated rail body' (the IRB). The IRB will not absorb Network Rail; instead, Network Rail will become the IRB, and the responsibilities which will come under the IRB in law will be transferred to it, such as the transport secretary's present power to award operating contracts. The IRB will be called Great British Railways. This means that on day one the IRB will inevitably have some organisational leaning toward assets, infrastructure, and engineering. Motivating a people culture change within such a large organisation will be one of the challenges.
 - The IRBs integrated business plan will provide the Office of Rail and Road (ORR) with a tool for monitoring the IRB's activities. It will be an overt expression of the IRB as one of the major strategic decision-making bodies for the railways (alongside retained levers within Government departments), and the publication of the IRB plan will require the IRB to illustrate its activities and provide a level of certainty for industry.
 - The new body will have a regional structure and have some mechanisms by which various stakeholders in parts of the country could be involved. Derby will continue to be the future HQ of GBR.
 - The words 'franchise' and 'franchising' are included and are used to describe future passenger operating contracts. It is not clear if and how the new franchises will resemble the original types - which included commercial risk for operators. This is set against previous expectations for lower risk fee based concessionaire contracts. It appears that the

¹² <https://www.networkrailmediacentre.co.uk/news/engineers-begin-work-on-improving-accessibility-at-beeston-station>

¹³ <https://www.networkrailmediacentre.co.uk/news/work-starts-on-accessibility-upgrade-project-at-alfreton-station>

¹⁴

legislation specifically excludes awarding of contracts to public bodies. The IRB is in fact mandated to prepare an annual report setting out what it has done to increase private sector involvement in the running of railway.

- Many areas are either silent or unclear. For example, there are not many details about who would make decisions about future rolling stock.
- Given that this is draft legislation, the big question is how much, if any, of these plans will survive the General Election.

A draft TfEM officer submission to the scrutiny inquiry call for evidence is included as Appendix 4.

- 4.3 The draft legislation was published the same day as the annual 'Bradshaw Address' given this year by both Rail Minister and Shadow Rail Minister as the industry looks forward to the election. The Head of Rail Partners observed that "The railway may not matter for the election, but the election really matters for the railway".
- 4.4 The National Audit Office published the findings¹⁵ of their investigation into the value for money and delivery progress of Rail transformation by the DfT and its agencies such as the GBR Transition Team. It found that:
- The rail sector's performance for passengers and the taxpayer is not good enough and has not been for some time.
 - DfT and HMT disagreed on key areas of reform from the start.
 - The government's legislative priorities have changed and this has impacted DfT's work.
 - DfT is not yet set up to secure value for money from its work to reform rail.
 - DfT is now focused on what it can do to improve the rail system ahead of legislation.

Work Programme

- 4.5 The East Midlands Rail Collaboration Steering Group received an update from Steer on their TfEM evidence to support the case for East Midlands regional rail service enhancement. The evidence will offer TfEM the facility to better illustrate the low prevailing rail service baseline in the region, and secondly identify the opportunity for industry to grow local rail services in the region. A public facing document is envisaged as the next step.
- 4.6 With the cancellation of HS2 to the Midlands and North, TfEM and Midlands Connect Officers have drafted a refresh of the previously published Midlands Connect-TfEM Joint transport priorities. This document now talks to the DfT led opportunity to improve rail connectivity between the Midlands, Yorkshire and the North East (MYNE), and sharpens focus on the road M1 Junction 24 enhancement.
- 4.7 TfEM Officers responded to the Labour Party sponsored consultation on 'Rail and Urban Transport'¹⁶ (APPENDIX 5). The core focus of this review is to examine how to accelerate the delivery of better intra- and inter-city connectivity to support a strong, sustainable economy with rail and urban transport networks. Juergen Maier CBE (ex Siemens), the Urban Transport Group, and Arup will lead an expert review aimed at advising on delivering rail and transport infrastructure fit for the century ahead.
- 4.8 TfEM Officers supported the East Midlands Councils Executive Board with a 'Chairs Report' on the prospects for the East Midlands in meeting the Levelling Up and Regeneration Bill (LURB)

¹⁵ <https://www.nao.org.uk/wp-content/uploads/2024/03/rail-reform-the-rail-transformation-programme.pdf>

¹⁶ <https://www.independent.co.uk/news/uk/labour-louise-haigh-siemens-hs2-conservative-b2463700.html>

key missions, inclusive of transport: *“By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing”*. The paper entitled ‘Missions Impossible’¹⁷ restates the important work of TfEM in collaborating with industry, agencies and Government on the transport priorities for the region.

5 Recommendations

- 5.1 The TfEM Board are invited to note the update paper and appendices, in particular the proposed Officer submission to the Parliamentary Scrutiny Committee Inquiry on Rail Reform.

Key Contact:

Kyle William Butterworth, Head of Rail Improvement, Kyle.Butterworth@emcouncils.gov.uk

Appendices:

Appendix 1 - Ministerial Letter - East Midlands Growth Strategy
Appendix 2a - TfEM Ivanhoe RYR OBC Support Letter
Appendix 2b - Ivanhoe Response from Rail Minister March 2024
Appendix 3 - GBRtt Letter - Rail Freight Growth Target
Appendix 4 - Draft Submission to the Rail Reform Draft Bill Scrutiny Inquiry
Appendix 5 - Rail & Urban Transport Review Submission from TfEM

¹⁷ <https://www.emcouncils.gov.uk/write/Images/Platform%20Callouts/MissionsImpossible1.pdf>



Department
for Transport

From the Minister of State
Huw Merriman MP

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Web site: www.gov.uk/dft

Our Ref: MC/439159

Councillor Ben Bradley MP
Chair of the East Midlands HS2 Executive Board
East Midlands Councils
Pera Business Park, Nottingham Road
Melton Mowbray, Leicestershire
LE13 0PB

11 December 2023

Dear Ben,

Thank you for your letter of 6 November requesting funding to support the finalisation of the HS2 East Midlands Growth Strategy. I am also responding to your letter of 21 September.

The Government wants to support local places to maximise the benefits of transport investment. I am pleased to see the positive progress that has been made with the first tranche of Growth Strategy funding and the unified approach taken by local leaders across the region. I recognise that the investment plans set out in the Network North Command Paper will require you to reflect on your emerging strategy and ensure it accounts for the changes announced.

Network North and the East Midlands Freeport present significant economic and regeneration opportunities for Nottingham, Derby, Chesterfield, and East Midlands Parkway. As set out in your bid, the region will need to continue to undertake work to determine and realise the scale of these opportunities. I also expect this work to help inform regional transport investments made via the new East Midlands Combined County Authority (EMCCA), by providing a strategy for how transport investments are prioritised across the station places. Therefore, it is very important that the Development Company works with the emerging combined authority as it finalises the growth strategy.

Therefore, after careful consideration, I am pleased to confirm the Department will provide £750,000 of grant funding this financial year to enable the East Midlands' Growth Strategy to be finalised. Whilst this is less than your original bid, it still represents a significant investment by the Department in support of your plans. In addition you requested that the £250,000 remaining from the Toton master planning be repurposed to support the replanning and assessment of public transport options to serve the area, including the potential of extending the NET tram to Ratcliffe-on-Soa.

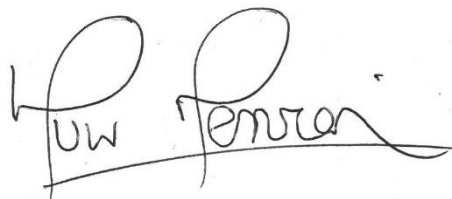
I am happy to support this. My officials will write to your officers shortly setting out the conditions of the £750,000 grant in more detail.

It is my expectation that the Dev Co will continue to manage and coordinate the Growth Strategy refresh and ensure that any local master planning undertaken by local authorities aligns with the overarching regional growth vision. Officials from my Department and the Department for Levelling Up, Housing and Communities (DLUHC) will also continue to support your officers as you finalise plans.

Finally, I want to reiterate that should the refresh identify requirements for additional transport infrastructure, any proposals must consider local and private sector funding contributions, come with a developed business case and should any Government funding be sought, then this should be via existing local or regional transport funding streams.

I look forward to working with you over the coming months to ensure the East Midlands reap the full benefits of investments across the region.

Yours ever,

A handwritten signature in black ink, appearing to read 'Huw Merriman', with a stylized flourish at the end.

HUW MERRIMAN MP

MINISTER OF STATE FOR TRANSPORT



Huw Merriman MP
Minister for Transport (Rail)
Great Minster House
33 Horseferry Road
London
SW1P 4DR
Sent By e-mail

26th January 2024

Dear Huw

Restoring Your Railway and Network North: Ivanhoe Line Outline Business Case

I write to support the proposals you are considering within the Outline Business Case for the restoration of rail passenger services on the Ivanhoe line.

In 1964 the line was closed to passenger services, and there have been several campaigns to bring the Leicester to Burton-on-Trent line back into use. The ambition was recently successful within the Government's initial round of the 'Restoring Your Railway' competition following early development work coordinated by the Campaign for the re-opening of the Ivanhoe Line (CRIL).

The OBC development phase delivered by Network Rail during 2023 is now recommending to instead operate a one train per hour service from Derby to Coalville via Burton. The recommendation to your Office is to make a further investment to complete designs and cost estimates for this scheme through to a completed FBC. New stations could be at Coalville, Ashby and Castle Gresley, with service stops at the existing stations of Burton, Willington and Derby. The proposed extension to Derby avoids the need for station and track works at Burton, offers direct rail access to interchange for onward rail connections at Derby Midland station, and offers rail connectivity to Derby City employment and education opportunities.

The old industrial towns and coal mining areas within this corridor have resiliently faced the economic challenges as England has moved from a manufacturing to a services-based economy; and recently these communities have witnessed a circa 10% growth in population in the area (in the decade through to the most recent statistics in 2021). Now the towns of Swadlincote and Coalville are two of the largest towns in the UK which do not have a passenger train service. There are over 225,000 people between Burton and Coalville which have no access to the rail network.

The proposal to reinstate these passenger rail services offer benefits consistent with the Local Transport Authorities (LTA) Local Transport Plans (LTPs). Local Transport Authorities seek a transport system that:

- Helps to reduce the carbon footprint of the transport network by abstracting journeys off the regions crowded roads;

- Recognises that the existing public transport options for the corridor are shaped around slow journey times, consisting of multiple interchanges to major attractors;
- Integrates transport with housing growth (such as the 18,000 confirmed new homes across the corridor);
- Supports national tourism to the region – including recognising the National Forest as an important visitor destination (which the existing line traverses).

The plans that Network Rail develop during the next design phase should necessitate close working with the Local Planning Authorities to ensure local requirements are integrated (such as requirements at Ashby to integrate the proposed station car park with local amenities, and the new station access/egress with planned local housing requirements). Close working should also be a priority with Midlands Connect at the next stage, as both the Ivanhoe RYR and the full Midlands Rail Hub are endorsed by Network North to be delivered together.

The TfEM Board were heartened to see the Government commit to the opportunity for a further phase of the restoration of passenger services through to Leicester City in the recent 'Network North' prospectus. We do not underestimate the challenges with this phase, but consider that Leicester is a key travel to work zone for the communities along the corridor. A new Leicester South station would negate some of the complexities at Leicester Midland and would offer connectivity to the 'King Power' area which has good onward connections to the City Centre. We look forward to working with your officials on developing this second phase.

The East Midlands has received the lowest funding per head for transport for the last 25 years – most recently only 60% of the UK average. We encourage your Department to consider how the proposal for the allocation of rolling stock units to operate this Ivanhoe service could be net-additional to EMR. The delayed enhancement to EMRs regional service frequencies and the necessity for strengthening of existing diagrams remain key concerns for TfEM. We believe the East Midlands should be a candidate for additional rolling stock on regional services to operate the Ivanhoe service. If not, then this further enhances the necessity to accelerate connectivity to Leicester, to get the most from the constrained fleet allocation for the regions economy.

We hope this letter is useful as you and your Department as you consider the Ivanhoe proposal through to May 2024. We look forward to continuing close collaboration to develop the FBC through to Summer 2025, and then delivering these transport connectivity benefits to the Ivanhoe line communities in the East Midlands.

Yours sincerely,



Sir Peter Soulsby
Chair of TfEM



Department for Transport

Sir Peter Soulsby
Chair of TfEM
East Midlands Council
Pera Business Park
Nottingham Road
Melton Mowbray
Leicestershire
LE13 0PB

From the Minister of State
Huw Merriman MP

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Web site: www.gov.uk/dft

Our Ref: MC/441152

4 March 2024

Dear Sir Peter,

Thank you for your letter of 26 January about the Ivanhoe line. I am grateful for your continued support for the scheme and the helpful points that you make.

I am pleased that the project has progressed to Outline Business Case (OBC) stage, which is scheduled for completion in February. This will then be appraised and assured through DfT, Network Rail and HM Treasury governance before a decision on proceeding to the production of a Full Business Case (FBC) towards the middle of this year.

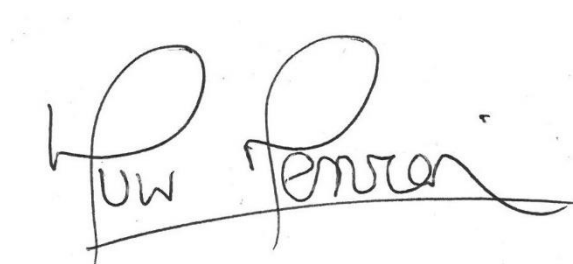
Both my officials and Network Rail have worked closely with local authority stakeholders and Midlands Connect throughout the development of the OBC and through a series of monthly Project Delivery Groups. I look forward to seeing these productive relationships continue as work progresses towards the FBC stage.

As you know, on 4 October last year the Prime Minister set out his vision to deliver the forms of transport that people use, and benefit from, the most. I was pleased to be able to secure the funding to deliver Phase 2 of the Ivanhoe line project, joining Coalville to Leicester, subject to usual business case decisions. Timescales on funding and delivery for this phase are currently being worked through, and I look forward to working with you as the scheme progresses.

Overall, the Network North initiative will radically improve travel between and within our cities and towns, and around our local areas – benefitting more people in more places, more quickly.

We are in the early stages of planning next steps, including delivery timelines, for various schemes and are working closely with Network Rail and other delivery partners to develop and deliver on government priorities.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Huw Merriman'. The signature is fluid and cursive, with a long horizontal stroke at the end.

HUW MERRIMAN MP

MINISTER OF STATE FOR TRANSPORT

11 January 2024

Dear Mr Young

Re: Rail Freight Growth Target

I am writing to you to share important developments regarding the recently announced Rail Freight Growth Target (RFGT) and to seek your support in realising its potential benefits for the East Midlands and the broader economy.

As you may be aware, in December, the Government announced a RFGT of 75% growth¹ in net freight tonne kilometres by 2050². Given the nature of the East Midlands and its surrounds, we believe that the RFGT holds the key to boosting economic activity, creating jobs, and connectivity in your area.

The Great British Railways Transition Team (GBRTT) is the body set up to reform the railways and create a guiding mind for the railway, following the Williams Rail Review which was published in 2021.

Following a Call for Evidence with freight industry stakeholders, led by GBRTT, we made recommendations to Government³ last year. We are delighted by the introduction of the RFGT as it not only reflects the Government's commitment to sustainable transportation but also serves as a catalyst for positive change in the region.

Working in partnership with colleagues across GBRTT, Network Rail, and the wider freight sector, GBRTT's newly established Strategic Freight Unit, led by Richard Moody, will spearhead further work in 2024 to develop plans and actions for delivering this level of rail freight growth.

Staying in contact

We would greatly appreciate the opportunity to discuss this further with you. If you are interested in learning more about our freight work, visiting a local freight facility or discussing the opportunities for your region, please do not hesitate to contact my colleague [Richard Moody](#), Programme Director for Freight Reform who leads on this issue for us.

We would also be happy to update you more broadly on GBRTT's work, and the progress being made towards rail reform. We are expecting the Government to introduce a draft Rail Reform Bill soon, following a commitment made in November to undertake Pre-Legislative Scrutiny of the Bill. This will be an important step towards the creation of GBR, and an opportunity for parliamentarians to scrutinise plans in detail.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rufus Boyd'.

Rufus Boyd

Interim Lead Director, GBRTT

¹ www.gov.uk/government/publications/rail-freight-growth-target/rail-freight-growth-target

² This level of growth is assumed to be relative to the Traffic Baseline in FY2021/22, established as the Reference Year for this analysis.



DRAFT Submitted Online at <https://committees.parliament.uk/call-for-evidence/3352>

TBC March 2024

Rail Reform Draft Legislation 2024 – Call for Evidence

Please accept this brief targeted input to the call for evidence into the draft bill for rail reform.

Introduction:

Transport for the East Midlands (TfEM) is the joint committee which brings the ten Local Transport Authorities in the region together under the auspices of East Midlands Councils (EMC). TfEM has signed a Collaboration Agreement with the Department for Transport (DfT) to provide local input into the management of rail services in the East Midlands¹.

The TfEM submission to the GBR-TT Whole Industry Strategic Plan was offered in February 2022, and the TfEM submission to the Consultation on Legislation to Implement Rail Transformation was offered in August 2022. Since then, TfEM have separately published evidence to support high speed services to the region² and electrification of the Midland Mainline³. Rather than providing a full description of our concerns with rail provision in the East Midlands in this submission we would instead note that TfEM will publish further evidence to support the need to improve regional rail later in 2024. Ultimately TfEMs interest in rail policy is about what rail can do for the economy and environment for the people, places and trades in the region.

Midlands Connect is the Sub-National Transport Body for the region and we recognise their own submission to this inquiry. Midlands Connect and TfEM have published a shared transport priorities document⁴ which is currently being updated to reflect recent decisions regarding HS2.

TfEM are submitting evidence to this inquiry to reconfirm the priorities for the East Midlands from rail reform; in particular to support the decision for GBR to be headquartered in Derby City, and to reaffirm the potential benefits of a future partnership between GBR and TfEM on a 'whole region and whole railway' basis, building on the success of the current DfT agreement for EMR services.

Our Understanding of the Draft Bill:

We understand the draft bill to mean.....

- Legislation to create a new 'integrated rail body' (the IRB). Network Rail will become the IRB, and the responsibilities which will come under the IRB in law will be transferred to it, such as the transport secretary's present power to award operating contracts. This means that on day one, the IRB will inevitably have some organisational leaning toward Network Rail's current purview of assets, infrastructure, and engineering. Motivating a people culture change within such a large organisation will be one of the challenges. The IRB will instead be called 'Great British Railways',

¹ <https://www.gov.uk/government/news/greater-voice-for-rail-passengers-in-new-collaboration-between-government-and-east-midlands-transport-leaders>

² https://eastmidlandscouncils.kinsta.cloud/wp-content/uploads/2023/12/TfEM_v1.pdf

³ <https://eastmidlandscouncils.kinsta.cloud/wp-content/uploads/2023/12/TheFuturesElectric.pdf>

⁴ https://www.midlandsconnect.uk/media/tx3frgmy/81901_tfem-mc_joint_priorities_summary_2022_final.pdf

which may help encourage culture change through a new brand identity; but also increased use of new mechanisms, such as whole industry profit and loss models, may expedite culture change.

- The IRBs integrated business plan will provide the Office of Rail and Road (ORR) with a tool for monitoring the IRB's activities. It will be an overt expression of the IRB as one of the major strategic decision-making bodies for the railways (alongside retained levers within Government departments), and the publication of the 'IRB plan' will require the IRB to illustrate its activities and provide a level of certainty for industry.
- The new body will have a regional structure and have some mechanisms by which various stakeholders in parts of the country could be involved. Derby will continue to be planned as the future HQ of GBR.
- The words 'franchise' and 'franchising' are re-introduced and are used to describe future passenger operating contracts. It is not clear how the new franchises will resemble the original types - which included commercial risk for operators. This is set against previous expectations for lower risk, fee-based concessionaire contracts. The IRB is to be mandated to prepare an annual report setting out what it has done to increase private sector involvement in the running of railway.
- Many areas are either silent or unclear. For example, there are not many details about who would make decisions about future rolling stock. There is no discussion of a Whole Industry Strategic Plan (WISP). Some ambitions in the original White Paper have even been actively u-turned on, such as the abandonment of plans for a centralised GBR ticket retailer.

A summary of our previously stated priorities:

We provided input to the previous stages that have led to this draft Bill for rail reform. These can be summarised as:

- A. More trains on time- to meet customers needs.
- B. Integration of track and train – to be simpler to engage with, to offer an East Midlands single point of accountability, to have a regional lens for decisions, to offer a guiding mind to specify long term strategic needs.
- C. A mandate for a growing railway to grow patronage and to improve regional outcomes – a better integrated understanding of the railways contribution to long term economic growth, mechanisms for ringfenced regional funding for enhancement on shared enhancement objectives, co-agreed year-one regional improvement key success measures.
- D. A meaningful voice for TfEM with GBR- a whole region and whole railway collaboration agreement that respects the different regional geographies and their local political governance.

These still appear relevant to the future environment proposed through this draft legislation.

Reflections on the Draft Bill:

- TfEM has a history of being pragmatic and working with the opportunities the Government of the day affords regions to collaborate in order to make rail choices more advantageous for the people and businesses of the East Midlands. TfEM recognise many of the same concerns with the current status quo of rail accountabilities as the major parliamentary parties do; and recognise the same diagnosis and recommendations of the 2018 structures as in the original Williams-Shapps white paper; and now echo the same messaging from current industry leaders- that structural change is needed. TfEM would work both with this proposed model, or with a model that went further to

seek more public ownership. The current short termism of the horizons of TOC Annual Business Plans and absence of any integrated focus on regional outcomes are two challenges for improving rail in this region. The proposals of the draft Bill could go towards aiding these.

- The aims of integrating the railway whilst also seeking the perceived benefits of contracting leaves a wide range of landing zones for actual future outcomes, opportunities and risks. Any commercial wedge between bodies causes friction and losses – the challenge is whether the governance levers can be designed to mitigate these losses and add value beyond; but to this regard we would recommend that the original findings of the review by Keith Williams are revisited- without more detail it could appear to be an opportunity missed for optimal integration. For example, a return to competitive bidders forecasting future revenue with great uncertainty would miss acting on some of the diagnosis offered within the original Williams review.
- The reaffirmed status of Derby City as the future HQ of the IRB, 'GBR', is welcomed. This choice was the result of a competitive process and will be a great grounding for a future partnership between GBR and the region that hosts its HQ.
- TfEM is one of only three Local Authority partnerships that currently enjoy a DfT collaboration agreement for input into local service management (along with the West Midlands and the Rail North Partnership). We anticipate, as a minimum, a rollover of this agreement to the future GBR organisation. There is also scope for a complementary second tier of partnership at a more local level with the two future country combined authorities in the region (East Midlands and Greater Lincolnshire), along with Local Transport Authorities not of Combined Authority status (Leicestershire, Rutland, Leicester City, North Northamptonshire, West Northamptonshire). This second tier would most optimally work with GBR on land development opportunities, station improvement, and integrated ticketing ambitions. GBR must be empowered to understand regional differences and not attempt to enforce a cookie cutter vision of GBR partnerships narrowly based on the initial trailblazer combined authority deals.
- We support the publicised freight growth target of a 75% increase in tonne kilometres by 2050. TfEM Officers met with GBRtt officers to discuss what this could mean for the East Midlands in early 2024. It's clear there is much to work to do to achieve this, and close working with TfEM and Midlands Connect will be key for GBR to deliver this target.

Final comments:

TfEM recognise that the future partnership with GBR will be the mechanism where our objectives will most practicably be furthered. With regard to the draft Bill, we encourage Government to observe the broad consensus of stakeholders and industry to progress reform as quickly as possible – as at worst the promise of the creation of a future IRB represents an excuse for inaction now, kicking the can of regional rail improvement down the road to a future that may never come. We note that many improvement actions could be chosen by Government to be done now to improve rail outcomes for regions without new legislation, and we'd like to work closely to do this whilst this draft Bill is receiving scrutiny and assent.

Yours faithfully,

Kyle Butterworth, East Midlands Councils, March 2024

Rail & Urban Transport Review

Submission by: Transport for the East Midlands (TfEM)

Contact: Andrew Pritchard

Email: andrew.pritchard@emcouncils.gov.uk

1. About TfEM

- 1.1 TfEM brings together elected Members from the ten Local Transport Authorities in the East Midlands under the auspices of East Midlands Councils. TfEM provides collective leadership on strategic transport issues and identifies major investment priorities, working closely with sub-national transport bodies such as Midlands Connect.
- 1.2 In 2020 TfEM signed a multi-year Collaboration Agreement to provide local input into the management of rail services delivered by East Midlands Railway (EMR). This includes the employment of a senior officer who works with both TfEM and the DfT Rail Markets Team.
- 1.3 TfEM has published a number of strategic documents relevant to this Review, including:
 - Full Speed Ahead: The case for bringing HS2 to the East Midlands (July 2023): [TfEM v1.pdf \(emcouncils.gov.uk\)](#)
 - The Future's Electric: the benefits of Midland Main Line Electrification (October 2023) [TheFuturesElectric.pdf \(emcouncils.gov.uk\)](#)
- 1.4 TfEM and EMC have also supported the East Midlands APPG's recent inquiry into the wider social and economic benefits (and opportunities) of major infrastructure investment in the East Midlands (October 2023) [DRAFT APPG REPORT \(emcouncils.gov.uk\)](#)
- 1.5 This is an officer submission consistent with existing TfEM policy positions which will be reported to the next TfEM Board on the 20th March 2024.
- 1.6 The submission can be summarised in three words: **clarity, certainty, consistency.**

2. Growth Opportunity through unlocking planning

- 2.1 Nationally significant transport infrastructure is currently consented through two main routes:
- Parliamentary Hybrid Bill Process
 - Development Consent Orders
- 2.2 HS2 and Crossrail have both been consented through the Hybrid Bill process. Whilst a powerful mechanism, it is an expensive, arcane and time-consuming process which is highly dependent on securing sufficient Parliamentary time. As a result, the practice has been that only one such Bill is before Parliament at any one time.
- 2.3 MPs with a direct interest in the project in question are prevented from being members of the Bill Committee, requiring others to commit considerable time and effort into something they have no political stake in or detailed knowledge of. Those (like local authorities) wishing to make representations to a Bill Committee need first to secure the services of an accredited 'Parliamentary Agent'.
- 2.4 Development Consent Orders (DCO) were introduced by the Planning Act 2008 and have the benefit of bringing together planning permission with a range of other technical consent processes. Originally, decisions were made by the Planning Inspectorate (PINS), but since 2011 this has been the responsibility of Ministers based on a recommendation from PINS, which has led to an increase in delays and legal challenges¹. The DCO process is also dependant on Parliament agreeing robust and up to date National Policy Statements - which has generally not been the case to date.
- 2.5 Indeed, the challenge with both the Hybrid Bill and DCO processes is that they both require Government to determine a clear and consistent policy framework within which consenting decisions can then be made. This has manifestly not been the case with HS2 for instance, which underwent numerous scope changes and delays over a 14 year period before being largely abandoned by the Government in October 2023 – despite Phase 1 being under construction and the Phase 2a Act having Royal Assent.

¹ See for example Aquind UK-France Electricity Connector: [EN020022-004431-EN020022 - Secretary of State Decision Letter.pdf \(planninginspectorate.gov.uk\)](#), where the SoS's refusal against the advice of the Planning Inspectorate was overturned by the courts: [Aquind: Government loses bid to block cross-Channel electricity cable - BBC News](#)

- 2.6 Local rail and tram schemes are generally consented under the Transport & Works Act 1992, where applications are made by the scheme promoter to the Secretary of State. The process is well understood by Local Transport Authorities and generally works effectively. Revisions to the procedures in 2023 allowed greater use of electronic communications which is helpful.

3. Clarity and certainty of policy & funding

- 3.1 As noted above, although consent mechanisms can always be improved, without effective national policies supported by clear and consistent investment priorities it is difficult to make timely and robust infrastructure decisions.
- 3.2 The National Infrastructure Commission (NIC) is mandated to advise Government on major infrastructure priorities within a fiscal remit. It published its second Infrastructure Assessment in October 2023². This ought to provide a firm basis for Government policy, although it is striking that the Government's decision to abandon HS2 was taken without input from the NIC and left a strategic gap in the NIC's analysis which has yet to be addressed.
- 3.3 The Governments scaling back of HS2 Eastern Leg in 2021 and then its abandonment in 2023, coupled with a 'stop-start-pause' approach to Midland Mainline Electrification (MMLe) have undermined local investor confidence and increased scheme costs.
- 3.4 In terms of the Treasury's Green Book approach to business case appraisal, recent reviews have emphasised the importance of the 'strategic case' element, which is helpful. However, national bodies like Network Rail and National Highways have tended to struggle with this because it requires a detailed understanding of links to local policy priorities and development proposals which generally fall within the remit of local and regional bodies to deliver. The independent work undertaken by TfEM to identify the wider benefits of MMLe is designed to assist Network Rail in this respect.
- 3.5 Greater collaboration between national bodies and LTAs and regional partnerships would therefore improve the quality of business case submissions and reduce the reliance of decision makers on traditional BCR metrics.

² [Second National Infrastructure Assessment - NIC](#)

- 3.6 This is particularly the case with business cases for rail projects, which tend to rely more heavily on industry outputs at the expense of wider societal outcomes. In fact, it is not clear if Government has a common understanding of what the rail network is actually for – which given the level of public subsidy is concerning.
- 3.7 Based on previous thinking we offer the following suggested definition of the ‘Purpose of Rail’ which identifies outcome benefits relevant to a range of Government departments including DLUHC, DBIS, DCMS and DEFRA, not just DfT.

The Purpose of Rail

The core purpose of the UK rail network is to facilitate sustainable patterns of movement and development.

*For the **economy**, the purpose of rail is to:*

- *Enable employers to extend labour markets*
- *Facilitate business to business contact*
- *Support modern supply chains through the movement of freight*
- *Support the visitor economy*

*For the **environment**, the purpose of rail is to:*

- *Reduce carbon emissions from transport*
- *Remove lorries and cars from the roads*
- *Facilitate new development in locations that are not car-dependant*
- *Contribute to the attractiveness and vibrancy of existing towns and cities*

*For **society**, the purpose of rail is to:*

- *Enable people to access employment and learning opportunities*
- *Provide access to isolated and/or deprived communities*
- *Enable older people to remain active and mobile*
- *Bring people together for events and celebrations*

- 3.8 Rail also has an important part to play in delivering the Government’s ‘Levelling Up’ agenda. Part 1 of the Levelling Up and Regeneration Act 2023 requires the Government to define and report again a series of ‘Levelling Up Missions’. A Statement setting out 12 Missions was published by DLUHC on the 25th January 2024³, including one specifically focused on transport:

³ [Statement of Levelling Up Missions - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statements/levelling-up-missions)

Mission 3: Transport Infrastructure

By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.

- 3.9 Turning to funding, there are opportunities for complementary public and private investment related to improving rail infrastructure particularly in and around stations⁴ but again this requires clarity and certainty about Government investment. The continuing delay in the publication of the Rail Network Investment Pipeline (RNEP) has undermined investor confidence. The cancellation of HS2 in the East Midlands has required major re-think of established local growth plans.
- 3.10 Finally, in relation to investment in existing assets, the East Midlands APPG report highlighted the need for more resources to maintain the resilience of transport infrastructure particularly in the context of climate change – as demonstrated by recent storm events.

4. Devolution & Sustainable Partnerships

- 4.1 TfEM and the East Midlands has benefited from the Collaboration Agreement signed with DfT in 2020 – although the context has radically changed due to the end of franchising and the resulting scaling back of previously contracted rolling stock and service improvements. We expect this Collaboration Agreement to be rolled forward to GBR when established and extended beyond EMR services to include other train companies operating in the East Midlands.
- 4.2 The emergence of Mayoral County Combined Authorities in the East Midlands offers the opportunity to deepen collaboration in some areas to include the management local assets, regeneration and integrated local transport systems. The recent Network Rail agreement with Transport for Greater Manchester

⁴ For Example: [Chance to explore plans for Leicester railway station revamp](#)

(TfGM)⁵ provides a template for this approach and would complement TfEM's region wide arrangements.

5. Private Sector & Industrial Capacity

- 5.1 The East Midlands is home to a world class rail supply chain encompassing all facets of the industry. Whilst there is a world-wide market for what these companies can deliver, the sustainability of the sector is inextricably linked to UK investment decisions.
- 5.2 Lack of UK orders for new rolling stock including delays/reductions to HS2 have threatened the viability of Alstom in Derby leading to the potential for of major direct job losses - which would also have knock-on impacts on local SMEs in the supply chain⁶.
- 5.3 Rail Forum Midlands has undertaken a lot of positive engagement with schools and young people to develop the next generation of the rail industry workforce⁷. It has also supported work to decarbonise the rail supply chain⁸. But the long term success of these initiatives is to a large degree dependent on a clear consistent approach by national Government giving long term confidence to the sector.

⁵ [Network Rail and Transport for Greater Manchester announce partnership for city-wide transport and regeneration strategy \(networkrailmediacentre.co.uk\)](https://networkrailmediacentre.co.uk)

⁶ [Alstom: Train manufacturer puts 1,300 jobs at risk in Derby - BBC News](#)

⁷ See for example: [Rail Forum launches free rail lessons for schools - Rail Forum](#)

⁸ [Rail Forum launches Rail Supply Chain Decarbonisation brochure 2nd edition - Rail Forum](#)

Transport for the East Midlands

20th March 2024

Item 4: Update on Network North

1. Introduction

- 1.1 This report provides a brief update on recent announcements relating to the Spring Budget 2024 and the delivery of Network North, which was published in October 2023.

2. 2024 Spring Budget

- 2.1 The 2024 Spring Budget contained few specific transport announcements but included confirmation of:

- Delivery of works on the Bletchley to Bedford section of East-West Rail will be brought forward, supported by £240 million (from existing budgets), with services operating between Oxford and Bedford by the end of the decade.
- Upgrading the timetable on the East Coast mainline, adding extra services with 16,000 seats and reducing journey times between London and Yorkshire, Newcastle, the North East and Edinburgh.

- 2.2 Departmental spending totals were only confirmed for 2024-5 with future years subject to a Spending Review. However, the figures do confirm that for the next financial year DfT will remain under significant financial pressure for capital and in particular revenue spending.

Figure 1: DfT Resource (Revenue) Departmental Expenditure Limit (£billion)

	2022-23	2023-24	2024-25
2024 Spring Budget	8.4	8.2	5.7
2023 Autumn Statement	8.4	6.9	5.7
2023 Spring Budget	8.7	6.8	5.7
2022 Autumn Statement	8.3	6.8	5.7

Figure 2: DfT Capital Departmental Expenditure Limit (£billion)

	2022-23	2023-24	2024-25
2024 Spring Budget	20.5	22.1	20.5
2023 Autumn Statement	20.5	20.7	20.5
2023 Spring Budget	20.6	20.3	20.5
2022 Autumn Statement	19.9	19.9	20.5

3. Funding Allocations to Local Transport Authorities

- 3.1 The Government has recently announced enhanced allocations to LTAs for highways maintenance (available at: [Local highways maintenance: additional funding from 2023 to 2034 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/local-highways-maintenance-additional-funding-from-2023-to-2034))

Figure 3: Highways Maintenance Allocations to LTAs (£000s)

LTA	Baseline	Extra 2023-24	Extra 2024-25	Minimum Uplift 2023/4 - 2033/4
Derby*	2,765	352	352	20,545
Derbyshire*	23,699	3,014	3,014	176,114
Leicester	3,262	415	415	24,241
Leicestershire	17,755	2,258	2,58	131,939
Lincolnshire	38,723	4,924	4,924	287,750
Nottingham*	2,765	352	352	20,554
Nottinghamshire*	18,630	2,369	2,369	138.443
Rutland	2,381	303	303	17,696
North Northants	8,404	1,069	1,069	62,450
West Northants	10,669	1,357	1,357	79,281

* Funding for highways maintenance in Derby, Derbyshire, Nottingham, and Nottinghamshire unitary authorities is currently allocated to those individual authorities. As a result, the additional funding has been allocated to those authorities. Following the establishment of the new East Midlands Mayoral Combined Authority, future funding will be allocated to the combined authority.

- 3.2 The Government has also made allocation to LTAs (outside of EMCCA) for the new Local Transport Fund (LTF) from 2025/6 onwards (available at: [Local Transport Fund allocations - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/local-transport-fund-allocations)). The LTF will have three priorities:

- Drive better connectivity within our towns, suburbs and cities.
- Drive better connectivity between our towns and cities.
- Improve everyday local journeys for people.

Figure 4: Local Transport Fund Allocations to LTAs (£000s)

LTA	Existing Integrated Transport Block Allocations	Additional LTF Allocation 2025-26 to 2031-32
Leicester	2,576	159,559
Leicestershire	2,750	238,154
Lincolnshire	3,337	262,339
Rutland	462	49,341
North Northants	1,551	149,208
West Northants	1,550	162,831

- 3.3 All LTA allocations from 2025-26 onwards will be subject to a future Spending Review.

4. Midlands Rail Hub

- 4.1 The MRH comprises the provision of 2 new 'chords' in central Birmingham plus a series of related capacity enhancements elsewhere that have the potential to improve east-west rail connectivity across the Midlands.
- 4.2 The Government's Integrated Rail Plan (2021) effectively split the MRH into 2 sections: West/Central (focussing on the West Midlands & the South West) and East (focussing on Leicester). DfT have just announced £123m the West/Central section to progress to Full Business Case.
- 4.3 TfEM issued an 'on the day' response to the announcement which is set out below:

A spokesperson for Transport for the East Midlands, said: "Whilst we welcome this funding, there must also be investment to improve rail services between the West Midlands and Derby, Leicester, and Nottingham.

"Existing services from the East Midlands to Birmingham are slow and infrequent and there are no direct trains to Coventry at all.

"The East Midlands continues to receive the lowest level of transport funding per head of any UK region or nation and has the highest level of car dependency in the country."

- 4.4 Midlands Connect (MC) has now completed an Outline Business Case (OBC) for the MRH East section which will shortly be submitted to DfT. The OBC gives poor (negative) value for money, but MC anticipates that this will improve when benefits for Derby and Nottingham are also included in a Full Business Case (now that HS2 East has been cancelled).
- 4.5 Against this, DfT may choose to abandon MRH East entirely in favour of serving the East Midlands by utilising spare platform capacity at the new HS2 Curzon Street Station - which will now be less than half full because of the cuts to HS2 set out in Network North. These issues will be considered by Government through the forthcoming MYNE Study (see below).

5. Midlands to Yorkshire and the North East (MYNE) Study

- 5.1 The publication of Network North confirmed the cancellation of HS2 to the East Midlands and the potential for further extensions to Leeds and the North East.
- 5.2 However, the strategic need to improve rail connectivity along the route of the former Eastern Leg of HS2 (a corridor comprising 13 million people, six million jobs and 20% of the UK's GDP) remains.

- 5.3 As a result DfT is about to commence the Midlands Yorkshire & North East (MYNE) Study to look at options and to identify a preferred infrastructure solution that has the potential to be delivered.
- 5.4 In order to inform a decision about Midlands Rail Hub (MRH) East (driven by the need to determine the scope of the MRH Transport & Works Act Order next year), the MYNE study is looking to make recommendations to inform initial decisions by Ministers in mid-2025.
- 5.5 DfT has convened an officer Steering Group (including TfEM) to help inform the MYNE Study which will meet for the first time shortly. There also likely be an opportunity collective political input following the May 2024 elections.

6. Recommendation

- 6.1 Members are asked to note this report and direct officers accordingly.

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Transport for the East Midlands

20th March 2024

Item 4: TfEM/Midlands Connect Shared Priorities

1. Introduction

- 1.1 The current version of the TfEM/Midlands Connect Shared Priorities document was published in September 2022. In October 2023 the Government published Network North which cancelled HS2 to the East Midlands and required a refocus of the work to review the East Midlands HS2 Growth Strategy.
- 1.2 As a result the TfEM Board agreed at its last meeting to ask the Transport Officer Group to review the Shared Priorities Document and present an updated version for agreement by the Board.

2. Draft Revised Shared Priorities Document

- 2.1 A draft revised shared priorities document is set out in Appendix 1.
- 2.2 The key changes are summarised below:
 - HS2 to East Midlands & Leeds has been replaced with a more broadly defined priority to improve rail connectivity between the Midlands, Leeds and the North East, building on the Government's Midlands to Yorkshire and the North East (MYNE) Study.
 - Improving Connectivity across the EMDevCo/Freeport areas has been replaced by a priority focussing on Junction 24 of the M1 and links across the surrounding area.
 - The text supporting other priorities have been updated as appropriate.
- 2.3 It is planned to disseminate the revised version to all council leaders and MPs after the May 2024 elections, and to make it publicly available through the TfEM pages of the EMC web-site.

3. Recent and Planned Activity

3.1 As noted at the EMAPPG event in Westminster on the 20th February 2024, there are two shared priorities that require a Ministerial funding decision during 2024 in order to progress:

- Midland Main Line Electrification (MMLe) – where a Full Business Case decision is expected in mid-June 2024 to electrify as far as Trent Junction and for detailed design to Nottingham, Derby, Chesterfield and Sheffield.
- A46 Newark Bypass – where a Development Order Consent Application is expected to be made before the end of 2024 once funding has been confirmed by Treasury.

3.2 In relation to MMLe, in view the imminent nature of the funding decision TfEM is planning to coordinate a joint letter in late May/early June (after the May elections) from key political and business leaders from the East Midlands and South Yorkshire including Midlands Connect and Transport for the North.

3.3 In relation to Improving Safety and Reliability on the A1, TfEM recently co-ordinated a workshop for the three relevant LTAs and National Highways to explore issues of common concern. A further workshop is planned for later in the year.

3.4 Midlands Connect has recently published research into the benefits to the University sector of reinstating direct rail services between Nottingham, Leicester and Coventry: [Midlands Connect - Coventry, Leicester, Nottingham: Major new report highlights massive benefits to universities of potential rail link](#)

4. Recommendations

4.1 Members are asked to agree the draft revised Shared Priorities document contained in Appendix 1, subject to any amendments agreed by Members.

4.2 Members are asked to endorse proposals for joint letter in support of MMLe as set out under paragraph 3.2 of this report.

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Our Shared Vision for the East Midlands



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“The East Midlands has a strong track record in delivering high levels of housing and employment growth in the national interest. But with better connectivity we could so much more. The eight strategic priorities we have highlighted will unlock growth across the region and allow our towns and cities to thrive. Delivery will also contribute to increasing the level of national spending on transport in the East Midlands towards the UK average.”

SIR PETER SOULSBY
CHAIR OF TRANSPORT FOR THE EAST MIDLANDS



“

“At Midlands Connect we are committed to working closely with TfEM to help deliver growth opportunities and better connections. Investment in this region’s transport will have a remarkable benefit for the whole country and create a positive ripple effect to boost the development of industry, skills and infrastructure. Taking forward these joint priorities will help lay the groundwork for improved connectivity across the Midland, unlocking the potential of major economic hubs such as the EmDevCo and the two Freeports – opening the region’s businesses to the world.”

SIR JOHN PEACE
CHAIRMAN OF MIDLANDS CONNECT

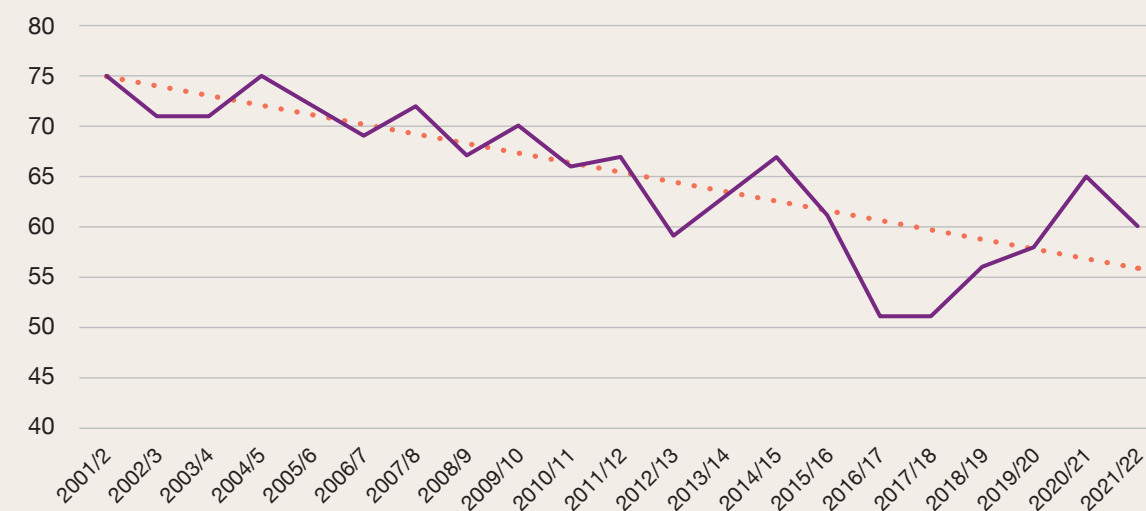
Our Shared Vision for the East Midlands

TfEM & Midlands Connect have a shared vision for the rollout of electric vehicle charging points and alternative fuels such as hydrogen. We are also working together to promote eight key strategic investment priorities that will contribute to the Government’s ‘Levelling Up’ and ‘net zero’ commitments and help to address the historic underfunding of the East Midlands:

- ▶ Midland Main Line Electrification
- ▶ Nottingham-Leicester-Coventry Rail Connectivity
- ▶ Midlands-Leeds & North East Rail Connectivity
- ▶ A46 Growth Corridor & Newark
- ▶ A50/A500 Growth Corridor
- ▶ A5 Growth Corridor
- ▶ Improving Safety & Reliability on the A1
- ▶ M1 Junction 24 & Surrounding Area

Transport spend per capita in the East Midlands

100 = UK Average (& trend)



Source: <https://www.gov.uk/government/statistics/public-expenditure-statistical-analyses-2023> and previous releases.



Midland Main Line Electrification (MMLe)

Electrification of the Midland Main Line will reduce the running costs of the railway, improve reliability and punctuality, reduce CO2 emissions and improve air quality. Electrification will complement exciting proposals to regenerate Leicester Midland Station led by the City Council and similar plans for Derby, Nottingham and Chesterfield stations which are being developed by the East Midlands Development Company.

There is also a major industry opportunity to use the MMLe project to develop a permanent skilled electrification workforce and deploy new technology to minimise costs and avoid rebuilding bridges and tunnels. This will be particularly important through Derbyshire, where the integrity of the ‘Stephenson Bridges’ is key to maintaining the Derwent Valley Mills World Heritage Site designation.

The MML remains the only mainline route not to be fully electrified. After pausing the project in 2015 and then cancelling it in 2017, the Government’s 2021 Integrated Rail Plan committed to electrifying the MML to Leicester, Derby, Nottingham and Sheffield by the early 2030s. This will enable EMR’s new Aurora Class intercity trains to run in electric mode when the wires south of Bedford are upgraded from 100mph to 125mph.

TfEM has published a comprehensive assessment of the wider benefits of MMLe titled *The Future’s Electric!*

Nottingham-Leicester-Coventry Rail Connectivity

Leicester and Coventry are two important and rapidly growing Midlands cities - just 25 miles apart - and without a direct rail connection. Passengers from Leicester and Nottingham must get off one train at Nuneaton, change platforms and board another, resulting in a slow, inconvenient service. Because of this, just 3% of trips between Coventry and Leicester are made by rail, compared to 30% of trips between Coventry and Birmingham.

In May 2021, Midlands Connect published an initial business for improvements at Nuneaton, creating space for services to pass through the station area, alongside plans to improve line speed along the route. Journey times would be cut significantly. Trips from Coventry to Leicester would fall from 54 to 38 minutes, with trips from Coventry to Nottingham down to 70 minutes from 108 minutes.

Midlands Connect is currently updating the Strategic Outline Business Case with new analysis and growth assumptions post-Network North, and plan to resubmit this to government during 2024. We will continue to raise the profile of the project politically in light of the upcoming general election.

Further development and delivery will now require investment from the Rail Network Enhancement Pipeline (RNEP), which has yet to be agreed by the Government.

Midlands-Leeds & North East Rail Connectivity

The publication of Network North confirmed the cancellation of HS2 to the East Midlands and the potential for further extensions to Leeds and the North East.

However, the strategic need to improve rail connectivity along the route of the former Eastern Leg of HS2 – a corridor comprising 13 million people, six million jobs and 20% of the UK’s GDP – remains.

TfEM is working with Network Rail and Midlands Connect to understand the most effective package of interventions, along with a credible delivery strategy, making the most of existing and planned infrastructure including the Midlands Rail Hub and the new Birmingham Curzon Street Station.

Improved rail connectivity between the East and West Midlands, Yorkshire and the North East will bring people and businesses closer together, improve supply chains through additional rail freight capacity and contribute to the delivery of the Government’s ‘Levelling Up Missions’.

These economic benefits, alongside improved reliability, will make rail travel more attractive to passengers and industry, also helping to deliver the Government’s ‘net zero’ commitments.



A46 Growth Corridor & Newark

The A46 forms a nationally significant trade route linking the Humber and East Midlands Freeports with Bristol, identified by Midlands Connect as the ‘Trans-Midland Trade Corridor’. Delivery of the A46 Newark Northern Bypass remains TfEM’s top strategic road priority. The A46 around Newark from Farndon to the interchange with the A1 and A17 has been a ‘bottleneck’ for many years, which has caused congestion, pollution and safety issues.

National Highways have identified a preferred route for enhancement to the A46 around Newark, including improving the junctions with the A1 and A17, which will enable ambitious plans for growth and development in and around Newark to be fully realised, including the recently agreed ‘Town Deal’. It would also improve connectivity to the Lincolnshire Food Hub to support the ‘Levelling Up’ agenda across the County. But, delivery funding has yet to be agreed by the Government.

Further south, Midlands Connect has also prioritised the A46 around Syston for investment in RIS3 to ease congestion and help support sustainable growth to the north of Leicester. There are also capacity and safety issues between M1 Junction 21 and 21a.

Rail services between Lincoln and Nottingham are infrequent and slow and do not offer an attractive alternative to the car. The IRP raised the prospect of replacing the ‘enduring constraint’ of the ‘flat crossing’ at Newark between the Lincoln-Nottingham Line and the ECML (also enabled by the A46 improvement), which would allow for more regional services. In the shorter term, there is an opportunity to raise the line speed from 50mph to 75mph by enhancing planned re-signalling, which would make better use of rolling stock (including the Lincoln-London Azuma trains) and help make rail travel more competitive.



A50/A500 Corridor

Running from Derby to Stoke, this 56-mile corridor is home to around a million people and half a million jobs, many in globally significant firms like Toyota, JCB, Rolls Royce and Alstrom. However, at several pinch points, the A50/A500 corridor is slow and unreliable, with average rush hour speeds below 20mph.

Improving transport reliability and shortening journey times will open job opportunities to a wider pool of skilled workers and give businesses more reliable access suppliers and international markets. Access to the A50 is also crucial to unlocking East Midlands Intermodal Park adjacent to Toyota's manufacturing facility, one of the three key sites in the East Midlands Freeport proposition.

Working with partners, Midlands Connect has developed a phased programme of interventions along the route, which, if delivered, will provide the capacity, resilience and reliability required to unlock sustainable growth, increase productivity and support the transition to electric and hybrid vehicles.

Consistent with Network North, TfEM & Midlands Connect are keen to work with the Government and national bodies like National Highways to find ways to progress these interventions to ensure the businesses and communities along the route can reach their potential.

Improving Safety & Reliability on the A1

The A1 corridor is a nationally significant freight artery linking the North and Scotland with London and the South East. The route is particularly vital for connections to major ports on the East Coast, including Felixstowe, Grimsby, Immingham and then Dover (via the M25).

The A1 corridor also has a key economic role within the East Midlands, particularly for agri-food, logistics, manufacturing and tourism, with very significant levels of proposed housing (up to 100,000 units) and employment growth - in addition to the ground-breaking 'Step Fusion' Facility at the West Burton Power Station site in Nottinghamshire.

In sharp contrast to the motorway standard sections immediately to the north and south, the A1 through the East Midlands is a dual carriageway 'A' road characterised by sub-standard junctions and right turn movements,



collision blackspots and a lack of resilience or alternative routes during closures. There have been 201 closures of the A1 in the East Midlands (in at least one direction) over the past 5 years, some of which have lasted up to 10 hours.

National Highways (Midlands) have made available funding to improve lane markings and signage to reduce collisions, but a more strategic approach is required to enhance the route to improve reliability and resilience and bring the road up to a standard reflecting its national and regional economic role.

A5 Growth Corridor

The A5 through Northamptonshire, Leicestershire, Warwickshire and Staffordshire is a key freight route and an alternative to the M6. The A5 is also driving major housing and employment growth – including the MIRA Enterprise and Technology Park, DIRFT near Daventry and Magna Park in Lutterworth. But congestion and safety are major problems because of the sub-standard nature of much of the road, and as a result, the route requires major investment.

The Government has recognised the strategic importance of the route in Network North and previously allocated funding to develop a strategic enhancement to the A5 between the M69 and the M42 (Hinckley to Tamworth) – although a preferred route has yet to be published by National Highways.

In the shorter term, Midlands Connect has identified potential for an improvement to the junction between the A5 and A426 at Gibbet Hill, which would enable existing planning permissions for new employment to be implemented ahead of the full National Highways scheme.



M1 Junction 24 & Surrounding Area

The East Midlands Freeport is one of only eight such designations made by the Government across the country and the only 'Inland' Freeport based around the freight operation at East Midlands Airport.

EMDevCo is a company owned by five local authorities in the East Midlands that brings together the ambition of partners from business, academia, and government.

Together, EM Freeport and EMDevCo support four key growth locations that sit between the cities of Derby, Leicester and Nottingham: East Midland Airport & Gateway industrial cluster; East Midlands Intermodal Park; Ratcliffe-on-Soar Power Station and Toton & Chetwynd Barracks.

Together, these locations have the potential to deliver transformational levels of employment growth and new models for living and working fit for the 21st century. However, the area has a congested road network and very poor levels of public transport provision. The key to unlocking growth will be improving capacity in and around M1 Junction 24, which is close to capacity and heavily constrained. TfEM is working with regional and local partners to ensure that National Highways give priority to investment in and around M1 Junction 24 within the RIS3 period.