

# Transport budget cuts threaten levelling-up agenda, say Northern leaders

January 14, 2021



Northern leaders say funding cuts to key transport initiatives in the North of England will delay economic recovery and undermine the levelling-up agenda.

It comes as civic and business leaders discussed plans to significantly reduce next year's budget for Transport for the North (TfN) – the region's statutory transport body.

Whilst yet to be finally agreed, the Department for Transport has set out its intention to award less than half the funds included in TfN's Spending Review bid last year. It includes a cut in TfN's core funding to £6m from £10m previously, and no funding for the roll out of contactless payment systems on the North's rail, bus and tram networks.

TfN Board members expressed disappointment at the decision. They say the cuts are coming at a time when the levelling-up agenda – as well as supporting an economic recovery from Covid-19 – is needed more than ever.

Speaking following the meeting, Iain Craven, Finance Director at Transport for the North, said: "TfN's Board

has clearly indicated it's disappointment and concern that, a time when the Government's levelling up agenda is needed most, funding is being cut, putting Northern investment and jobs at risk. It falls substantially short of what we outlined the North would need to level-up infrastructure and accelerate benefits to the region.

"There is a real worry that this signals a diminishing ambition for the North, rather than pump-priming the region's economic recovery.

"Establishing Transport for the North was a symbolic moment for devolving power to Northern leaders, one that fully supports the levelling-up agenda. Our members have clearly indicated the ambition that, over time, TfN should have a greater role and more oversight of investment, but the opposite is proposed.

"Further to the discussion at today's Board, we are seeking an early meeting between our members and the transport secretary."

The loss of £33m of smart travel funding could delay the roll out of contactless technology in the North (planned for 2021/2) to around 1,000 buses, as well as train and light rail networks totalling over 600 million journeys in 2019. This, alongside the roll out of flexible ticketing, is seen as critical to aiding Covid-19 recovery and encouraging passengers back to public transport.

The decision would lead to the winding down of TfN's Integrated and Smart Travel programme and is also likely to lead to workforce reductions at TfN.

TfN is now in dialogue with the Department for Transport regarding the settlement and is making further representations following today's meeting (January 14).

Darren Caplan, Chief Executive of the Railway Industry Association (RIA), said: "The uncertainty around Transport for the North's budget, and investment level for schemes like Northern Powerhouse Rail, will not help rail suppliers who are looking to plan and prepare for future work to deliver. We crucially need to see the publication of the Integrated Rail Plan soon so members of the rail supply industry have the visibility they need to invest efficiently and effectively.

"In these difficult times we understand that there is a need to secure value for money for taxpayers, but we should not let rail investment be held up for what are, after all, long-term major projects. The Government's 'build back better', green, levelling-up, agenda needs to include rail, which will also help support thousands of jobs and billions of pounds of GVA at a time when the UK economy desperately needs its industrial sectors to boost growth, in all parts of the country."

Justin Moss and Mike Hulme, Co-Chairs of Northern Rail Industry Leaders (NRIL), said: "The North's rail industry stands ready to deliver Trans Pennine Route Upgrade, HS2, Northern Powerhouse Rail, the digitalisation and decarbonisation of the network and much more, for the benefit of those who use the railway network. But these businesses do need Government to be clear about its policies and intentions, so it is vital the Integrated Rail Plan is published as swiftly as possible. The greater the visibility for rail businesses, the even more we can provide the region, in terms of efficient delivery, skills, innovation and investment."