



Department for Transport

Jim McMahon MP
House of Commons
London
SW1A 0AA

From the Secretary of State
The Rt. Hon. Grant Shapps

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 0300 330 3000
E-Mail: grant.shapps@dft.gov.uk

Web site: www.gov.uk/dft

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Dear Jim,

Thank you for your question in the House on the 2nd July regarding our funding plans for the North and how they compared to our nation's capital. In My verbal response I promised to write to you to set out the Government's plans for delivering significant transport investment across in the North. We will send a copy of this letter to the House of Comons library.

As the Prime Minister set out in his speech on the 30th June, we are committed to doubling down on our ambitions to level-up the country and build our way to recovery. Since this Government has come into office, we are proud of what we have achieved, including:

- Committing to the largest single infrastructure project for generations in **High Speed 2**, serving eight of Britain's 10 largest cities and linking up London, the Midlands and the North.
- Starting the reversal of the Beeching cuts to reconnect communities across the country through the **£500m Restoring Your Railway Fund**.
- Investing in **green technology and active travel** – from **£5bn** announced in February to overhaul bus and cycle links for every region outside London, as well as the proposed acceleration of the phasing out of petrol and diesel engines, and trials of E-scooters.
- Taking steps on important investments outside of London such as unblocking Manchester's railways and the £1 billion upgrading of the Trans-Pennine A66.

We promised an infrastructure revolution for the whole of the country, and that is what we will deliver. As the Cabinet Minister responsible for the Northern Powerhouse, I am focused on ensuring the North gets the transport network it needs to thrive and this is backed by investment.

Over the next five years the North will receive £20.5bn in transport capital investment compared to £12.6bn in London. This multi-billion pound investment comprises some major projects that will transform the economy, including:

- Investing over £31bn in the next five years as we begin construction on HS2.
- A commitment to the **multi-billion-pound Trans-Pennine Route Upgrade** investment to improve connectivity between Manchester, Leeds and York.
- Prioritising the reopening to passengers of 'Beeching' lines in the North, including the Ashington, Blyth and Tyne and Fleetwood and Poulton-le-Fylde lines.
- Providing vital support to light rail systems in Sheffield, Manchester and Tyne and Wear as they face the unprecedented challenge of Covid-19.
- Investing **£1.1bn of the total £2.5bn Transforming Cities Fund** to drive up productivity and spread prosperity, transforming connectivity in key commuter routes in major city regions in the North.
- **£4.2bn for intra-city settlements** (previously known as the Local Public Transport Fund) for 8 of the largest city regions in England, six of which are in the North.
- The second Road Investment Strategy (RIS2) includes **£27.4bn** of funding to maintain and improve strategic road infrastructure across the country for the next five years. We will be investing **£2.6bn on enhancements in the North**, including dualling of the A66 and improving traffic flow at the Simister Island M60 interchange.
- RIS2 also set out our ambitions for further enhancements beyond 2025, with funding to develop a range of schemes for possible delivery in RIS3. This includes dualling the A64 around Hopgrove Junction and an upgrade of the A1 between Doncaster and Darrington.
- And as the Prime Minister said last week, we will go further on our ambitions by getting on and dualling the A1 to the Scottish border.
- Other important road activity has seen us working with the Tees Valley Mayor to progress the New Tees Crossing.
- The Government is investing around **£48bn in maintaining and upgrading the rail network** in years 2019/20 - 2024/25 (CP6) and focused on increasing reliability and punctuality for passengers. Around 29% of our current planned investment is expected in the North of England.

I hope this letter demonstrates this Government's commitment to levelling-up, and investment in, all parts of the country.

Yours ever,

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT

Annex – Forecast of regional spend and list of schemes

Committed Capital spend and Announcements 2020/21 to 2024/25

Region	Capital Investment, £m
The North	£20,523
London	£12,561
The Midlands and East of England	£28,550
South East	£21,296
South West	£7,848

Note: These figures are estimates of forecast capital spend. Where possible we have included estimates for schemes which do not have an agreed funding profile, and have provided estimates of where this spend may happen.

Methodologies for allocating spend to regions.

HS2	Spend has been allocated according to the full length of route included in each region and phase, and using industry benchmarks to weight the sections of route involving tunnels to reflect the increased cost of tunnelling.
Rail – Enhancement	Allocates spend for projects in the Rail network enhancements pipeline (RNEP) to the region where enhancements are taking place. Where this is not possible investment has been apportioned according to track length within the given regions. Spending has been included for schemes that extend beyond the end of control period 6, when negotiating Control Period 7 settlement decisions may need to be taken that alter the scope of some projects and therefore spend for 2024/25 have more uncertainty. Early cost estimates for potential Beeching ideas fund schemes have been included, although these are highly uncertain, and use estimated spend profiles.
Rail – Renewal	Spend is allocated to Network Rail routes and then proportioned according to the track kms of these routes within each region. An estimate of renewals spend has been provided for the first year of

	Control Period 7 in 2024/25, however this is based on an initial view from Network Rail and the settlement for this period has not yet been agreed so remains highly uncertain.
Strategic Roads – Enhancement	Spend is allocated to the region in which an asset is located.
Strategic Roads – Maintenance	Spend has been apportioned across regions based on vehicle km travelled for each year using the 2018 Road Traffic Forecasts reference scenario.
Local Roads	Regional spending analysis for local transport (e.g. funding for local highways maintenance and Major Road Network projects) is based on allocations to local authorities or other local institutions within the respective regions. The Local Public Transport Fund has not yet been allocated, we have apportioned spend by the relative population size of the Mayoral Combined Authorities eligible.