

Consultation: Future of local energy institutions and governance Transport for the North response – May 2023

1. Introduction

Transport for the North (TfN) is the statutory Sub-national Transport Body (STB) established by Government (pursuant to the Order made on 22nd January 2018 under the Cities and Local Government Devolution Act 2016) and its functions include:

- a. To prepare a transport strategy for its area.
- b. To provide advice to the Secretary of State about the exercise of transport functions in relation to its area (whether exercisable by the Secretary of State or others).
- c. To co-ordinate the carrying out of transport functions in relation to its area that are exercisable by different constituent authorities, with a view to improving the effectiveness and efficiency in the carrying out of those functions.

Transport for the North (TfN) is the voice of the North of England for transport; it is formed of elected leaders, and business leaders from across the North of England. It collectively represents the North's 16 million citizens and 1.1 million businesses.

Complementing the work of local transport authorities, and with powers devolved down from central Government rather than up from local Government, our statutory role is to advise Government in a way that ensures that funding and strategic decisions about transport in the North are informed by local knowledge, expertise and requirements. Alongside local political leaders, our Board also has representatives from the national delivery partners (Network Rail, Highways England and HS2 Ltd) and works closely with our neighbours in Scotland, Wales and the Midlands.

TfN welcomes the opportunity to respond to Ofgem's consultation on the future of local energy institutions and governance. Removing barriers and siloed delivery strategies is critical to enabling more user-centred, place-based and outcome focused investment decisions. This whole system forward thinking can ensure the linkages between transport, digital and energy systems are maximised in decision making to inform the policy and political conversations that will enable 'levelling up' and net zero by 2050. In practical terms, realisation of strategic outcomes for our transport system is dependent upon alignment of investment across these infrastructure sectors.

TfN strongly advocates the benefits of a 'whole journey' and 'whole network' approach to infrastructure planning and is embedding this in our way of working. For example, the development of TfN's [EV Charging Infrastructure \(EVCI\) Framework](#) has seen transport and energy partners work collaboratively towards local, regional and national strategic planning and deployment of local EV charging infrastructure; communicate investment opportunities; and de-risk investment decisions across sectors.

TfN will be consulting on the second Strategic Transport Plan for the North of England over summer 2023 and would welcome discussion with Ofgem to explore how to strengthen the alignment of activity across

transport and energy systems as part of our remit on improving efficiency and effectiveness of investment.

2. Consultation question responses

TfN has responded to 'Section 3: Proposed governance reform: energy system planning' as we deem this the most applicable at this time. We would welcome further discussion in future to identify and explore key touchpoints, some of which are referenced as examples in our response.

Q1. Do you agree with our proposal to introduce Regional System Planners as described, who would be accountable for regional energy system planning activities? If not, why not?

TfN supports the proposal to enhance whole systems planning co-ordination and collaboration and would view any Regional System Planner as a key stakeholder. We recommend that TfN – as a statutory body - is confirmed as a 'key actor' which should inform, support and be consulted by the Regional System Planner when enacted.

We recognise to realise both national and regionally defined outcomes for economic performance, decarbonisation and social inclusion, there is a need to align investment in transport infrastructure with investment in other strategic infrastructure, such as energy generation and transmission and digital systems. That requires greater collaboration at the regional level between statutory bodies.

TfN therefore agrees with the proposal to introduce a Regional System Planner to support a cost-effective transition to net zero. TfN as a statutory sub-national transport body is an example of how this can be achieved in a manner which *'embeds regional and local context within transport planning, and further empowers our local communities to realise decarbonisation ambitions and achieve a fair and inclusive transition to net zero.'*

TfN is tasked by Government to advise on what needs to be done to enable and support the efficient and effective delivery of transport. Therefore, TfN is a working example of a regional planning structure which adds value and *'maintains a clear distinction across other existing actors'*. Our experience is similar to the design intentions set out in the consultation, in that local authorities and national delivery bodies plan and deliver their own assets within their own competence. The strength of a regional planning body is the additional ability to draw together synergies between these structures, which might not otherwise be realised as easily. TfN delivers the activities, for transport planning, which this consultation seeks to require of a Regional System Planner, i.e. coordination and coherence: ensuring common starting points, facilitating dialogue and creating an independent and strategic whole system regional plan.

TfN supports the proposed core activities for a Regional System Planner, which are similar to TfN's core statutory activities for transport planning. TfN sees critical touchpoints with any Regional System Planner appointed, where the opportunity to collaborate to enable a whole system approach would support a greater focus on outcomes for people and places. Some of those touchpoints have already been identified during TfN's existing work with DNOs but would be further enhanced by any regional systems planning approach.

Regional System Planner core activities and key TfN synergies to note:

- a. *Develop and own a regional whole system strategic plan that is coherent with national and local net zero ambitions and energy security priorities and that supports achieving the most cost-effective decarbonisation outcomes, derived from and informing the individual sub-plans made by local actors.*

TfN published its first [Strategic Transport Plan](#) in 2019. This is a statutory document prepared through consultation with our partners and grounded in the most comprehensive evidence base established at the regional level. It means TfN's statutory advice to Government on investment priorities reflects agreed strategic outcomes for the North, whilst recognising the need for Government to be able to consider that advice in the wider national context.

TfN also published its regional [Decarbonisation Strategy](#) in 2019 which identified the urgent need to ensure that future investment decisions reduce the environmental impact of transport. This strategy set out the importance of ensuring that transport investment is consistent with targets to achieve net zero carbon emissions, which includes investment in road, rail and local transport.

TfN's offers support to our constituent local authorities, providing expert capability to make the case for local investment through business cases and local transport plans, to support delivery of local, regional and national ambitions. These activities also identify relevant touchpoints and interactions with energy planning, which can improve our whole systems planning.

- b. *Develop and own the critical planning assumptions, using inputs from local actors (e.g. DNOs, GDNs, LAs) and exogenous sources to develop key assumptions that inform system need e.g. EV uptake numbers and expected contribution to peak demand.*

Electrification of the transport system makes aligning investment in transport with that in the country's energy systems essential. This is a significant undertaking and requirement of our energy and transport networks which requires robust, integrated and evidence-based planning across sectors. The sharing of analysis, data and evidence; and the use of the same key planning assumptions (where appropriate) is fundamental if we are to achieve a successful whole systems approach. Two critical examples of this are:

I. TfN's EVCI Framework:

- Our EVCI Framework is a state-of-the-art regional evidence base, developed to enhance local, regional and national planning and deployment of Electric Vehicle (EV) charging infrastructure. This takes advantage of TfN's powerful analytical engine, capturing one of the richest data sets available to provide a robust and comprehensive view of EV charging needs, based on user needs and specific place types, to support delivery of our decarbonisation ambitions. Our EVCI [interactive visualisation platform](#) openly communicates the regions charging requirements and identifies the resulting future electricity grid demand.
- A key aim of TfN's EVCI framework is to provide evidence, thought leadership and encourage strategic collaboration across the region, and across sectors, to reach mutual goals. We extended development and

launch of our EVCI framework to Northern DNOs, National Grid and Ofgem. Future proofing regional and local delivery decisions, but also early and effective planning for future grid requirements and what they mean for transport and spatial planning, are essential to delivering a user focused, effective and value for money charging network.

- Whilst DNOs have been involved in the development and communication of this planning framework, the evidence available could be more actively incorporated and accounted for in their planning. TfN see a regional system planner as playing a key role in making best use of critical whole systems tools (and exogenous sources) such as this, to work closely with TfN (and other STBs in England as the EVCI tool is rolled out) to apply and collaboratively enhance these towards our mutual ambitions.

II. TfN's Future Travel Scenarios and the Future / Distribution Energy Scenarios

- Recognising the need to ensure that our policymaking and statutory advice should account for a sophisticated range of future uncertainties, TfN published its [Future Travel Scenarios](#) in 2020. Our scenarios take a whole system view to capture environmental, social, spatial, economic, technology drivers of change to understand how the user might wish to engage with the transport system.
 - TfN's Future Travel Scenarios implement TfN's vision-led approach (decide and provide) outlined in our Strategic Transport Plan to support our ambitions. They recognise that transport is not isolated from the rest of society and the whole system (exogenous) aspects that will influence the users future travel demand. These are embedded within TfN's modelling and analytical capabilities - providing an enabling tool to deliver robust, resilient and innovative evidence in support of TfN and local partners strategies, projects and programmes.
 - Both TfN's Future Travel Scenarios and the Electricity System Operator / DNO Distribution Future Energy Scenarios provide critical mechanisms to navigate future uncertainty and shape strategic infrastructure decisions for our regions. Whilst recognising their different core focuses due to sector needs, they both contain planning assumptions and data sources which should be shared and were appropriate integrated as a catalyst for the enhanced whole systems planning. TfN see a Regional System Planner as providing a key enabling mechanism for this, as well as streamlining development and application of various Future Energy Scenarios.
- c. *Provide independent technical analysis and advice to support decision making, primarily within price control setting, for example if different vectors' plans conflict and/or by identifying improvements and opportunities for whole system optimisation.*

TfN's [Analytical Framework](#) provides innovative technical expertise and analytical tools that can inform policy and priorities across economic, social, and environmental factors.

TfN acts as a focal point for trusted data and evidence that can be used to develop policy and implement solutions. There are, and will be, critical information links between transport and energy functions and planning considerations with which to share and collaborate on to develop outputs for our industry participants.

The evidence base assembled by TfN demonstrates how investment in the North's infrastructure contributes to achieving agreed outcomes on reducing carbon emissions, improving health, and achieving sustainable economic growth. This will require, at a minimum, alignment of analysis, evidence and decision making in transport investment with that in energy systems and digital connectivity.

TfN welcomes the consultations requirement on the Regional System Planner to provide foundations for advanced data processes, owning data standards, ensuring access permissions, and ensuring consistent digitalisation. Including the digital infrastructure and technical competence to support this.

d. Coordinate, facilitate and ensure effective participation between local actors (which ensures a place-based understanding is central to how the regional energy system is planned).

TfN acts as an open and objective broker, with statutory status, which facilitates collaboration - public and private - to enable accelerated delivery on pan-regional priorities. We apply our strategic 'thought leadership' and championing to address common opportunities and challenges across the local, regional, and national sphere.

We regularly develop new, or streamline, collaborations and engagement across industries. For example, our regional EV Steering Group fosters partnerships with our whole systems view towards planning and delivery of EV charging infrastructure deployment and associated transport, decarbonisation and socio-economic considerations. TfN chairs this multi-agency group which integrates transport, land-use and energy systems expertise to provide leadership, co-development and ensure capabilities are shared across our partnerships. Its guiding principles are to guide development of TfN's EVCI Framework and evidence base, and to facilitate sharing of knowledge and collaboration across new and existing partnerships. Seeking clear and consistent communication and approaches in support of a shared vision.

Q2. What are your views on the detailed design choice considerations described?

TfN see the introduction of a regional system planner as a positive, and necessary step to bring consistency and standardisation (where appropriate) within a broader framework, whilst reflecting regional needs. This would also act as a framework to enable effective collaboration between TfN the electricity Distribution Network Operators (DNOs), Ofgem, National Grid and other energy partners.

A consistent planning framework is also vital for our local authorities to streamline engagement, align activities and co-ordinate opportunities that will speed up delivery of necessary infrastructure priorities. TfN can play a key role in supporting this.

TfN agrees that the regional energy system planning approach must be coherent and coordinated with national energy system planning (transmission), and this coherence is critical to realising efficient, cost-effective outcomes.

TfN also recognises an opportunity for statutory regional bodies such as ourselves, and any future Regional System Planner, to support improvements to how we plan, develop and deliver infrastructure and services. This includes better informing multiple infrastructure processes and ensuring they are aligned to local and regional requirements. This includes processes such as:

- National Grid's Electricity Distribution (NGED) investment planning process.
- Delivery of the local electricity networks RIIIO Electricity Distribution Price Control (RIIO-ED2) period 2023 to 2028.
- Investment channelled through National Highway's Road Investment Strategy.
- Investment channelled through Network Rail's Control Periods for planning and investment.
- Other public investments channelled through Government, i.e. Major Infrastructure Projects and funding streams such as the Local Electric Vehicle Infrastructure (LEVI) and Rapid Charging Fund (RCF).

This consultation should seek to agree and set clear roles and responsibilities, as well as governance procedures, to ensure full awareness of the Regional System Planner's remit, and the key stakeholders who it needs to engage with and/or take account of advice from.

Q3. Do you have views on the appropriate regional boundaries for the RSPs?

TfN is of the view that it would be proportionate, effective and provide additional clarity, if the boundaries for the Regional System Planner matched the boundaries of statutory Sub-national Transport Bodies. This should provide the basis to fill institutional gaps identified by Ofgem, but also tackle the 'insufficient and ineffective' co-ordination identified between regional actors.

Given TfN's statutory role, an alignment with our geography would enable more effective planning and collaboration. It would also allow us to build on the foundations already laid through work such as that associated with EVCI.

TfN's collaboration includes Northern PowerGrid, Electricity Northwest and SP Energy Networks. Anything below this would fail to draw together the DNOs within our region in the manner that this consultation is seeking to achieve, whilst anything larger may dilute different regional needs and be hampered by crossing well understood regional 'boundaries'.

Q4. Do you agree that the FSO has the characteristics to deliver the RSPs role? If not, what alternative entities would be suitable?

TfN appreciates Ofgem's wish to ensure consistency and coherence with the transmission system planning is maintained. We also recognise the need for specific skills to ensure the intended consultation aims are met. TfN also

welcomes the focus on a place-based approach being at the heart of infrastructure planning.

There is a need for further clarification as to how a single entity across Great Britain will deliver the place-based understandings and decentralised approach, which 'reflects regional context meaningfully', as outlined in the consultation. The lack of alternatives outlined by the consultation, makes it vital that any mechanisms and procedures put in place are clear, well tested with stakeholders and provide confidence.

There is a need to specifically address the following points:

- Who the Regional System Planner will be answerable to, noting the consultations focus on accountability? Clarification on who the body is governed by will go a long way to ultimately determining its delivery focus and approach.
- How will a single entity ensure those with a democratic mandate have agency to reflect their local and regional context meaningfully within the process?
- How will a single entity ensure active participation and feed-in by other actors with relevant expertise, such as STBs, national delivery bodies and other local government bodies?
- Aligned to this, we suggest a single entity should be required to align / feed-in its activities to regional strategic transport plans and local transport plans (where appropriate and value added is agreed).

Whilst transport is a different landscape of organisations, TfN would be happy to discuss experiences as a statutory regional transport planning body and further details on our partnership arrangements and co-ordination structures.



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