

Transport for the North Monthly Operating Report January 2020



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Introduction

Summary from the Chief Executive

This month saw the Government's announcement that the Operator of Last Resort (OLR) would take over the running of the Northern Franchise from Arriva Rail Northern at the start of March 2020. Transport for the North had previously advocated this approach, and Transport for the North welcomed the announcement. Whilst this will not solve the issues that exist on the North's rail system in the short-term, it is an important step towards improving services for passengers in the future.

The TfN Board on 8 January formally halted work on the Abbot procurement in response to the reluctance of the major bus operators to participate in the proposed scheme. However, the intention is still to try and deliver the benefits envisaged by the scheme through other means. A twin-track approach has therefore been adopted to the Phase, which it is now proposed will be delivered as two distinct Phases going forward: Phase 3 will now refer to the delivery of Contactless Pay As You Go on Rail, whilst Phase 4 will be the programme to support the delivery of local smart ticketing projects.

Progress on the Strategic Development Corridors (SDC) continues through the procurement for the next phase of the SDC work, carrying out quantitative analysis to identify transformational benefits and sequence the Investment Programme has been delayed in order to ensure that TfN Board and Executive Board are fully sighted on the approach before work commences.

Coinciding with the publication of the Oakervee Review of HS2 on 11 February, the Prime Minister announced that the Government would commit to delivering HS2 in full, with construction to commence on Phase 1. It was also announced that a review of HS2 Phase 2b would be undertaken, in order to see how it could be integrated with Northern Powerhouse Rail as part of an integrated rail investment plan for the north – or 'High Speed North'. TfN welcomed the green light for HS2 as the right decision for the UK and the North, making the point that the subsequent review must be aimed at getting the best social and economic deal for the North. An update on next steps will be included in the next month's report.

Northern Powerhouse Rail (NPR)

Monthly Summary

Work has continued at pace on NPR with the key focus in January being:

- Negotiating with DfT to improve both the timing and content of the proposed consultation.
- Continuing the sifting process in preparation for key decision making on routes for TfN Board this summer.
- Progressing the work on two key touchpoints with HS2; Stourton and Piccadilly, with a report being readied for the March 2020 TfN Board.
- Providing public support for HS2, stressing the inter-dependency between it and NPR.

Activity Update

TfN was notified in early January of the Government's intention to announce an imminent consultation on the NPR Manchester-Leeds corridor. TfN expressed a number of significant concerns in relation to content and proposed timing. TfN has liaised with members and taken account of their views in responding to DfT. Although this work has led to a much-improved draft document and has helped avoid a rushed approach, it is felt that there remain a number of fundamental issues that are still outstanding, particularly around the inclusion of Benefit Cost Ratios that are not yet fully developed. Discussion continues with DfT in order to help make this consultation as useful and successful as possible.

Corridor option sifting workshop dates have now been scheduled and shared with Partners and wider attendees, with all workshops scheduled to be completed by May.

A NoRMS (Northern Rail Modelling System) Iteration has been completed, which has caused a minor delay to the programme. However sifting timescales remain achievable. Development work is continuing on the next iteration of NoRMS for the NPR SOC (strategic Outline Case) and the team are working to proactively manage and mitigate delays in order to protect of sifting dates. Development of the NoHAM (Northern Highway Assignment Model) modelling tool, also used to support sifting, has progressed well over the period and is forecast to be delivered in time to allow it to inform the SOC.

Work has continued on the Independent Review of two touch points with HS2: Piccadilly Station, including taking into account the 'Bechtel report' discussed at January's TfN Board meeting; and the review of Leeds City Region Connectivity Vision alternatives to Stourton Touch Point remit being delivered collaboratively with WYCA (West Yorkshire Combined Authority). The output of both will be taken to the Board in March 2020.

The NPR Programme had expenditure of £3.68m in January, c. £1.05m under the Revision 2 forecast of £4.74m. This is mainly due to underspends against the Network Rail and Rail Modelling and Appraisal Partner task lines. For the remainder of the financial year, meetings will be held with suppliers across the programme to ensure delivery of existing scope and to extend the scope of

activity where appropriate. This will ensure that maximum value can be completed in this financial year and protection of the overall SOC delivery programme, which remains on target for January 2021.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p>Piccadilly Station Options Issue: More work needs to be done to better reflect views raised by local authority partners on proposed station options for Manchester Piccadilly.</p>	<p>Independent review of development work and conclusions to date by Richard George. Recommendations for next steps following the review will be presented to, and discussed, with Partners. The review will incorporate the Oakervee review conclusions and the recently published Bechtel report.</p>	KPI 1
<p>Stourton Junction Issue: NPR will not get the proposed Stourton junction in the HS2 Phase 2b Hybrid Bill, which means that NPR may struggle to make a positive business case for the junction to go into the Hybrid Bill</p>	<p>NPR continue to work with WYCA (and York, Sheffield City Region and Leeds Chamber of Commerce) in the development/delivery of the LCR vision remit, which includes looking at Stourton and alternatives. This helps ensure key questions/concerns are addressed and required evidence base produced.</p>	KPI 1
<p>Northern Infrastructure Fund Opportunity: Following the election result (December 2019) and with recent reports in national press about significant commitment to a northern infrastructure fund, an opportunity exists for TfN and NPR to work with government to gain commitment to match the ambition of TfN and NPR.</p>	<p>The opportunity is under further review within TfN. However, emerging thoughts on how to exploit this opportunity are as follows:</p> <ul style="list-style-type: none"> - Chief executive and director level discussions with DfT and government - TfN Communications and Engagement team and NPR team have a proactively workplan in place. 	KPI 2

Programme and look ahead

Consider approach to Piccadilly & Stourton (TfN Board)	Mar 2020
Corridor sifting workshops complete	May 2020
Agree scope and outline of SOC refresh	Jun 2020
Agree shortlist of corridor options to be progressed (Phase 1), Agree the current preference on these corridors, Agree the aggregation of these corridor preferences into the current preferred network, subject to network-wide tests, Note SOC 1 st Partial Draft (TfN Board)	July 2020
Agree shortlist of corridor options to be progressed (Phase 2), Confirm current preferred network, agree current preferred phasing plan	Sep 2020
Note SOC near final draft (TfN Board)	Nov 2020
Agree SOC (TfN Board)	Jan 2021

Integrated and Smart Travel (IST)

Monthly Summary

The TfN Board on 8 January formally halted work on the Abbot procurement in response to the lack of commitment from the major bus operators to participate in the proposed scheme. However, the intention is still to try and deliver the benefits envisaged by the scheme through other means. A Twin-track approach has therefore been adopted to the Phase, which it is now proposed will be delivered as two distinct elements going forward: Phase 3 will now refer to the delivery of Contactless Pay As You Go on Rail, whilst Phase 4 will be the programme to support the delivery of local smart ticketing projects.

Phase 1: Smartcard ticketing on rail in the North.

PVal installation for flexi-seasons – the enabling and civil works are progressing well. However, there are possible delays in supply of equipment, which will delay the project closure date.

Phase 2: Improved information for bus, light rail and ferry customers.

The rollout of disruption messaging will now commence in March. The first phase of development for the fares initiative has been extended to allow more user research and the involvement of the Government Digital Service.

Phase 3: Contactless Pay As You Go on Rail.

Preliminary meetings have been held with DfT and Rail Delivery Group, but the project is on hold until the publication of the Williams Review. A meeting is planned with DfT following the budget in March.

Phase 4: Supporting local smart ticketing schemes.

A governance mechanism is under discussion with DfT, as a precursor to the preparation of a Strategic Outline Business Case by August 2020.

Activity Update

Phase 1 – Implementation plans from Platform Validators (PVals) hardware suppliers remain outstanding for both Northern and Merseyrail, one week and four weeks overdue respectively. Despite the delays, Merseyrail and Northern are making good progress in moving forward the preparatory activity for PVal installation. We are working with Northern and Rail North Partnership to gain greater insight of the impact of the Northern Franchise announcement. Overall, delays to Phase 1 have resulted in an underspend of £0.74m in January.

Phase 2 – The first phase of development of the Fares solution progressed as scheduled. IST Programme Board agreed to use the risk budget to extend the alpha phase and increase resources, which is necessary to allow the eventual novation of the tool to DfT once its development is completed (as TfN does not have long term funding to support its ongoing operation). This has not extended the timeline as time has been saved elsewhere on the critical path. Testing milestones for the Disruption Messaging and Open Data Hub were completed as scheduled, and live releases of the solutions were delivered as planned in

January 2020. The tool will now rollout in March, a slippage of five weeks, to allow legal agreements to be signed.

Phases 3 and 4 – Following the TfN Board decision on the 8 January, a lessons learned exercise is being undertaken to inform a closure report for Phase 3. Following receipt of the Williams Review, Phase 3 will be rescoped to focus on Rail only. Meanwhile current activity is focused on stakeholder engagement with LTAs and DfT around Phase 4 LTA-based schemes. The programme has spent c. £0.5m of a £1.85m Rev 2 Forecast (done in October)

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p>Phase 1 – Platform Validators (PVals) Supplier Delivery Timescales</p> <p>Issue: The current plan from Northern’s supplier indicates an installation completion date of August 2020. This is later than the finish date provided to TfN by Northern. This has delayed the project end date and for Northern completion of Flexi-Seasons roll out.</p>	Support Northern in agreeing the hardware delivery plan from Supplier and undertake a prompt review to reduce the current completion date of August 2020 and minimise the risk of any further delay.	KPI 7
<p>Phase 2 – Going Live with Disruptions Messaging and Open Data Hub</p> <p>Issue: The roll out is delayed 5 weeks due to delays in completing business readiness, signing of user agreements with LTAs and gateway assurance.</p>	Continue to implement plans to agree business readiness and user agreements with LTAs. Complete internal Gateway 4 Assurance to validate the product is fit to be rolled out.	KPI 8
<p>Phase 3 – Timing and Funding Risk: The roll-out plan for Contactless on Rail may mean that northern Train Operating Companies are not Account Based Ticketing pathfinders. This would result in TfN’s milestones for the delivery of strategic objectives not being met.</p>	To understand funding and delivery pace as well as working with DfT and HMT to agree TfN’s role in bringing Account Based Ticketing forward as a pathfinder.	KPI 9
<p>Phase 4 Funding Risk: TfN may be unable to secure funding for Phase 4 or be given responsibility of allocating funding to LTAs if Central Government do not support IST propositions and/ or viable schemes cannot be agreed with the LTAs.</p>	Work with DfT to explore potential options to secure and manage funding and work with the LTAs to understand current schemes which can be supported through Treasury funding.	KPI 9

Programme and look ahead

Phase 1

- TransPennine Express Sign-off of non-Dec 2018 deliverables – delayed to the end of March 2020, caused by suppliers and a rail industry assurance process.

- TfN and Northern to agree remaining PVal deployment plans (i.e. physical location of PVals) – end Jan 2020, delayed due to their internal governance and issues with suppliers. Northern progressing activities to deliver at agreed PVal locations (March 2020).

Phase 2

- Complete readiness gateway review ahead of LTA rollout by end Feb.
- Commence developer registration on Open Data Hub by end Feb.

Phases 3 and 4

- Phase 3 awaiting outcome of Williams Review before progress is made.
- For Phase 4 scoping refined through engagement with LTA partners.

Strategic Development Corridors (SDCs)

Monthly Summary

The procurement of a commission to identify the transformational benefits of a sequenced Investment Programme has been deferred by at least two months to allow briefing of TfN Board and Executive Board on the methodology and whilst we mitigate a number of critical risks. This will minimise any potential delays to the programme, avoid the potential for increased costs, and will provide Partners with confidence that the project outputs will be robust.

Activity Update

During January we have:

- Refined the emerging TfN Future Scenario narratives and shared these and the development report with Partners for agreement.
- Updated the North’s Economic Narrative, which identifies the impact of the interventions on the economy, through the Strategic Oversight Group for the qualitative sequencing of the Investment Programme, following feedback from Partners.
- Progressed work on the qualitative sequencing of the Investment Programme, so that the initial outputs can be shared with partners for review and discussion in February
- Presented the qualitative sequencing framework tool to Partnership Board on 8 January 2020, the draft programmes will be submitted to TfN Board in June 2020 for approval.

Current challenges:

- First iteration of the application of the qualitative sequencing framework tool on the Investment Programme’s 200+ interventions, with partners.
- Agreeing final future scenarios with Partners, to allow next phase of work.
- Mitigating critical risks to allow the procurement of the quantitative sequencing commission to start spring/summer 2020.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
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<p>Partners Input Risk: Partners are slow to respond to requests over the status of 'their' schemes or provide insufficient detail. Partners may not be briefing senior officers and Members. This may lead to partners not endorsing the list of interventions in the ref case vs SOP list, which would prolong the SDC2 programme, resulting in financial and reputational challenges.</p>	<p>To outline Partner requirements and a forward look at each Strategic Oversight Group project board. To circulate SOP list and sequencing framework for Partner comments as well as a comments log.</p>	<p>KPI 15</p>
<p>Rail Scheme Definition and Costing Risk: SDC2a cost information (provided by Costain) does not provide costs for all rail interventions. This is due to a lack of definition for some schemes beyond 2033. There is a risk that SDC2b will not be supplied with adequate rail costs and definition, so we only partially recognise rail in the modelling. The programme would not show the true benefits of rail or be able to adequately demonstrate modal shift.</p>	<p>Work up “cost per mile” assumptions for use in the models for any schemes beyond 2033. Advice / input from the Strategic Rail team will be required to ensure consistency. May be necessary to delay SDC2b or extend commission to provide sufficient time to discuss scheme definition with Partners and the potential of using set assumptions. Manage expectations with Partners so they are aware of the impact of having rail schemes without definition and discuss potential mitigation.</p>	<p>KPI 15</p>
<p>Uncertainty of Reference Case Modelling Due to Long-awaited Government Announcements Risk: TfN is waiting for a number of government announcements which may have a significant influence on decision making for the reference case assumed in SDC2, HS2, NPR and TPT etc. The modelling and appraisal work that the TAME team is undertaking may need to be amended to take these announcements into account. It may involve correcting the wrong versions of the schemes, coding new schemes, more model testing etc. In consequence, it will cause significant delay in programme, financial damage and reputational risks if not properly represented in the modelling work.</p>	<p>The team needs to be ready to identify the modelling requirements as soon as the government statements are announced. The team continues to work closely with the programme teams on the revised programme plans and support TfN on providing the evidence base for the Investment Programme and TfN Governance. TfN continues to put emphasise to Government the significant impacts of its decisions on the TfN Investment Programme plans.</p>	<p>KPI10/12</p>

Programme and look ahead

- Three SDC drop-in sessions have been scheduled with Partners in February to consider the outputs of the qualitative sequencing framework tool.

Strategic Rail

Monthly Summary

Grant Shapps MP, the Secretary of State for Transport, announced on 29 January that on 1 March the Northern Franchise would be passed into public control under an Operator of Last Resort for an interim period. The DfT has indicated that the existing Partnership Agreement with TfN will continue and a new Services Agreement between the Department and the operator will be managed by the Rail North Partnership. This had been advocated previously by TfN and we were active in welcoming the announcement.

TransPennine Express (TPE) restored around two thirds of its pre-planned cancelled services from 3 February and performance has begun to stabilise. In line with the wishes of the Rail North Committee, Transport for the North is setting TPE an improved public performance target.

Activity Update

Work has continued on developing specific Delivery Plans informed by the Long-Term Rail Strategy. The Long-Term Fares and Ticketing Strategy was endorsed by the Transport for the North Board on 8 January.

The Board also agreed a series of recommendations from the Rail North Committee to recommend urgent action to progress the development of infrastructure enhancements in the Manchester area. This has been provided to the Secretary of State for Transport in the form of Statutory Advice.

The January Board also endorsed the issuing a letter to the Secretary of State containing a number of challenges in relation to the Transpennine Route Upgrade (TRU) to the DfT for consideration ahead of any announcement by the DfT's Investments, Projects and Delivery Committee on the refreshed outline business case for investment along the north Trans-Pennine rail corridor.

The challenges included: recommendations for the TRU project to become part of a broader more coherent rail investment plan for the North; recognising the interplay between HS2 and NPR and the wider ambition for the North's rail network; looking at the needs of rail freight; and supporting environmental improvements and accessibility upgrades for all stations along the corridor.

The team is also working on strengthening the business case for journey time improvements by improving the benefits case (faster journey times can reduce the cost of running services or extend services without additional operating cost) and reducing the cost of development and delivery of such projects. TfN is seeking funding for Network Rail to undertake a study on five routes. This will cost-effectively identify what is required to increase line speed on each route.

In addition, the team has assisted partners to achieve positive progress on the Northumberland Line and Middlesbrough Station capacity. We have also help bring the Leeds Station capacity programme to the next stage in its development.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p>Underperformance of Franchisees Issue: There is a continued underperformance of the rail franchises, particularly around performance and delivery of committed enhancements to services.</p>	<p>Continued close monitoring of operators, including provision of additional resources to the Rail North Partnership. New, more passenger focussed, public measures of performance are reported through Rail North Committee.</p>	<p>KPI 4</p>
<p>TfN TRU Statutory Advice Risk: There is a risk that TfN's statutory advice issued in September 2018 will not be reflected in the TRU Outline Business Case due to be appraised in Spring 2020. Moreover, whatever is proposed for TRU needs to form part of a broader coherent rail investment strategy for the North. Currently decisions on TRU are being taken in isolation and require to be part of a wider investment plan that supports capacity and reliability.</p>	<p>The Strategic Rail team and Rail North Partnership (RNP) continue to work together to support Network Rail in producing an investment plan that meets passengers' needs and expectations. TfN continues to stress to DfT and Network Rail the importance of increasing the number of freight paths on the route. However the current scheme only remits for maintaining the current level of freight paths.</p>	<p>KPI 5</p>

Programme and look ahead

- Continue preparations for the 'Williams Review' white paper publication.
- Input into the East Midlands timetable consultation.
- Provide challenges to, and support for, the TRU outline business case and continue work with and monitor industry on plans to minimise the disruption from the first-phase construction in 2020.
- Working through the Rail North Committee, respond to industry proposals for mitigating cross-Manchester performance issues.
- Implementation of the Blake Jones Action Plan.
- Work through the new arrangements for the Northern franchise to ensure the best passenger outcomes are delivered.
- Continue to support Durham County Council on the opening of Horden new rail station later this year.

Operations Summary

Monthly Introduction

TfN's operation teams have continued to support programmes while working to ensure compliance with TfN's statutory obligations. Areas of operational focus for January have included Communications activity around the change of Operator for Northern, undertaking pre-audit activity (Finance), work around the introduction of modern.gov to TfN (Legal), and continued progress around PPPMS (Portfolio, Programme and Project Management System) software (Portfolio). TfN's strategic & analytical teams have meanwhile been focusing on the technical update of NPIER (Northern Powerhouse Independent Economic Review), the draft Assurance Framework, Northern Transport Charter, the Decarbonisation (Strategy), and Analytical Framework delivery and associated tasks including work on the Future Travel Scenarios programme, D-Log development, and collaboration meetings with key partners including Highways England, DfT, and Network Rail (TAME).

Activity Update

Summary updates on key actions from TfN operational teams are as follows:

Major Roads

- M6 - A1(M): Highways England has shared the preliminary Options Assessment Report with Partners for feedback. The project timescales have been reviewed with a revised end date for the ongoing option appraisal work of May 2020.
- We have finalised the methodology for using mobile device data to carry out annual monitoring of the performance of our major road network.
- Circulated the first draft of the Major Roads Report with Partners with a request for feedback.

Stakeholder Engagement & Communications

- There was good attendance from the media at the January meetings of both the Rail North Committee and TfN Board, resulting in media coverage of both the discussions with train operators and the Manchester Castlefield Corridor report.
- The team was proactive following the decision by the Secretary of State's regarding the Northern franchise, welcoming the OLR (Operator of Last Resort) decision.

Finance & Procurement

- Draft budget plans have been presented to the Department, with funding allocations now largely confirmed, although we are still awaiting confirmation of the funding envelope for NPR and for additional Blake Jones posts. The NPR TDF allocation is expected to be c. £60m.
- Work is underway on the changes in the ERP system to support the move to e-commissioning.
- Pre-audit activity is underway with Mazars, TfN's external auditors.

- Contract management of suppliers under review.

Legal & Democratic Service

- Work is under way to install and implement modern.gov, a software system that will streamline our governance and meeting management arrangements.

Strategy & Policy

- Internal review of the draft Assurance Framework is underway and it will be presented to the Board in March for approval (KPI 18).
- Work continued to develop the Northern Transport Charter, in preparation for a meeting of the Member Working Group on 11 February (KPI 19).
- TfN has invited the Committee for Climate Change to the March board. This will be supported by a report setting out our work on decarbonisation (KPI 19).

Economics & Research

- The technical update of the Northern Powerhouse Independent Economic Review (NPIER) has been completed and the final report will be presented at the TfN Board in March. The revised projections will inform both the TfN Investment Programme and the revised Northern Powerhouse Rail business case due at the end of 2020 (KPI 10).
- A number of short research projects are being commissioned to start before the end of the financial year. These projects will support the development of the Northern Transport Charter (KPI 19), inform the “levelling up” debate and reform of Green Book appraisal rules. Areas of research include innovation in the Northern Powerhouse, as well as the implications of rebalancing for economic appraisal. The work is being led by TfN, working closely with the NP11 and N8.

Portfolio Office

- The Portfolio Office continue work on the PPPMS (KPI 22). Approaches to the Benefits Management tool and the Metadata system are currently under consideration to ensure that they are still fit for purpose. The delay to this project is reflected under KPI22 in the KPI section of this report. The procurement process around the risk management software is underway, with tender submissions due in early February.

TAME (Transport Analysis, Modelling and Economics)

- The Rail Modelling & Appraisal Partner (RMAP) contract has been focused on assurance of new modelling tools and specification for the NPR tests to inform Partner sift workshops programmed for May 2020. Work is ongoing to minimise the 2019/20 underspend reported in the last period, by bringing forward some tasks from 2020/21, such as development of a

new rail passenger survey. Additional resources from the supplier organisations, Atkins and Steer, have been identified so that agreed 2019/20 tasks are not impacted.

- Analytical Framework delivery has been re-programmed to accommodate delays in the development of NoRMS (Northern Rail Modelling System) whilst still meeting NPR quality and timescale requirements. This is being managed using a phased approach, introducing incrementally improved model versions at appropriate points in the NPR programme. Residual risks remain, as set out in KPI10.
- New Technical Managers are now active in the TAME team, providing a strong focus on ensuring the TAME work programming is presented and actively managed. This should help address the issue of underspends that has been identified in the year.
- Development Log (D-Log) 2019 mapping solution is imminently going live to Partners. A new initiative has also just launched with Partners on a new round of D-Log 2020 data collection.
- The below table summarises the Analytical Framework (AF) downside risks and the consequential effects it might cause in the achievement on TAME’s Key Performance Indicators; and the NPR and SDC business plan objectives.

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p>Delayed Development and Application of Analytical Framework (NoRMS) Risk: Due to several modelling issues and the development of the Analytical Framework, it is likely that TfN’s major programmes, such as the NPR and SDCs, might be delayed. This would result in knock-on effects across the organisation if mitigating actions are not successful. For instance, NoRMS Tranche 3 has been re-scheduled to be delivered in April 2020. This might have a consequential impact to the NPR full network testing if delayed further due to unsuccessful mitigation.</p>	<p>There is continued close working with the programme teams to ensure quality and keep planning up to date. The TAME team is developing NELUM and Abstract Supply Model (ASM) which require the inputs from the NoRMS Tranche 3 results. To avoid the delay of the overall programme, TAME will develop and validate the NELUM and ASM models prior to the NoRMS finalisation. Interim data from NoRMS will be used to test the NELUM and ASM models for the Analytical Framework (AF). TAME continues to work closely with the Suppliers on progressing the projects and monitoring the interdependencies.</p>	<p>KPI10 / SDC KPI15</p>

Financial Performance

Financial Update

Summary

Expenditure incurred in January: £5.25m

Variance to January's monthly budget: £2.35m underspend

Cumulative expenditure year to-date: £35.45m

Cumulative variance to Revision 2 budget: £6.15m underspend

Headlines

- Organisation wide underspend in January against the Revision 2 budget adopted in October of £2.35m (31%), bringing cumulative underspend against Revision 2 to £6.15m (15%)

Programmes:

- Underspend is driven by the programme area variances (£2.4m)
- As in prior months, underspend is principally driven from within the IST Phase 1 ITSO on Rail scheme (£0.59m in October, £0.62m in November, £0.48m December, £0.74m January):
 - Underspend in month principally reflects a £0.53m movement against Arriva Rail North (ARN) for platform validator implementation and WebTis flexi-season website development
 - Reductions in previously declared marketing costs and the removal of requirements for platform validators from First's plans contribute underspend in month of £0.18m
 - Train operator company contracting -delays to which had impacted on prior months- is now complete, and it is expected that ARN and Mersey Rail (MR) will move into civils works imminently
 - Revisions to delivery plans suggest that First will now complete in March, with ARN and MR completing in August/September. Draft 2020/21 budgets will be adjusted
 - Funding associated with this activity is not at risk.
- Underspend of £0.23m has further accrued in the Phase 3 scheme as activity has been pared back to a minimum, pending discussions with the DfT on how the project proceeds
- Underspend of £0.38m in IST reflects a paring back of recharges in line with the reduced level of activity with a converse effect on operations
- NPR underspend stands at £1.05m for the month:
- Expenditure and budget in January is elevated reflecting a double period for Network Rail who work on a rail industry 13 period year
- £0.55m of underspend has accrued from the Sequence 4 contract with Network Rail, including variances of £0.37m against their latest monthly applications
- The January Application from Network Rail forecasts a marginal overspend against the full year purchase order, suggesting a recovery of expenditure over Quarter 4 as sub-contractor billing catches up

- Modelling commissions underspent against forecast by £0.38m, leading to a cumulative underspend of £1.05m against the Revision 2 budget.
- As in previous months the Rail Modelling & Appraisal Partner (RMAP) contract accounted for the majority of underspend, coming under budget by £0.21m in month and £0.50m in the year-to-date
- Major Roads underspend reflects the deferment of Major Route Network commissions
- Underspend on the quantitative element of the Strategic Development Corridor studies will flow through in February and March monitoring as that activity is now expected to be deferred in its entirety to the new year.

Operations:

- Material underspend in the ICT team as the 'device as a service' laptop refresh project slipped for the third month pending contract conclusion and requirements for third-party support and licences continue under budget
- Communication and engagement expenditure fell below forecast as the planned TfN Conference was deferred due to the local election purdah
- In period underspends in the Legal and Governance team reflect delays in the implementation of ModGov software and lower than forecast requirements for external support. ModGov implementation is now underway.
- Forecast Benefits Management and Metadata Filing projects in the Programme Management Office has been deferred pending a review of the function's role and requirements by the new Strategy & Policy Director
- Ongoing TAME underspend in the Strategy and Policy directorate largely reflects variances on economic appraisal studies that have started later than forecast or been deferred.
- Underspends are offset by the correction to recharges made into the IST programme up to Period 9. Significantly lower than forecast activity in the programme has reduced the level of effort required from support functions, with a correction processed based on an assessment of Quarter 3 activity.

Key Challenges

- TfN wide TAME underspend for January stands at £0.43m, £1.28m cumulatively, with a forecast further deterioration in the closing two months of the year. Options are being considered across the organisation to address this ahead of the new budget cycle.
- With only two months of the financial year now remaining there are diminishing opportunities to recover slipped activity.
- This is a particular issue in the NPR area where grant is made available in one-year allocations with hard-deadlines for use. It is now forecast that around £4m of the year's TDF grant resource will not be deployed.
- Committed NPR activity that slips into the new year will place a first-call on the year's resource.
- Underspend on Core Grant funded activity will lead to a higher than forecast reserve balance. The 2020/21 budget will require adjustment for committed but slipped activity.

Activity Dashboard

TRANSPORT FOR THE NORTH FINANCE DASHBOARD					PERIOD BUDGET CYCLE	10 REVISION 2	JANUARY 2019/20	
PERIOD ACTUALS VERSUS BUDGET								
	Actuals £m	Budget £m	Var. £m	Var. %				
Integrated and Smart Ticketing	£0.51	£1.85	£1.34	72%				
Northern Powerhouse Rail	£3.68	£4.74	£1.05	22%				
Major Roads	£0.17	£0.17	£0.01	4%				
Programmes	£4.36	£6.76	£2.40	35%				
Rail Operations	£0.18	£0.17	-£0.02	-10%				
Operational Areas	£0.70	£0.66	-£0.03	-5%				
	£5.25	£7.59	£2.35	31%				
PERIOD ACTUALS VERSUS BUDGET: PROGRAMMES								
	Actuals £m	Budget £m	Var. £m	Var. %				
IST: Phase 1	£0.30	£1.04	£0.74	71%				
IST: Phase 2	£0.29	£0.27	-£0.01	-5%				
IST: Phase 3	£0.06	£0.29	£0.24	80%				
IST: Programme	-£0.13	£0.25	£0.38	151%				
Northern Powerhouse Rail	£3.68	£4.74	£1.05	22%				
Major Roads	£0.17	£0.17	£0.01	4%				
	£4.36	£6.76	£2.40	35%				
YEAR TO-DATE ACTUALS VERSUS BUDGET REVISION 2								
	Actuals £m	Budget £m	Var. £m	Var. %				
Integrated and Smart Ticketing	£8.56	£11.86	£3.30	28%				
Northern Powerhouse Rail	£19.98	£22.28	£2.29	10%				
Major Roads	£1.29	£1.42	£0.13	9%				
Programmes	£29.84	£35.56	£5.72	16%				
Rail Operations	£1.56	£1.59	£0.03	2%				
Operational Areas	£4.05	£4.45	£0.40	9%				
	£35.45	£41.59	£6.15	15%				
YEAR TO-DATE ACTUALS VERSUS FORECAST TO OUTTURN								
	Actuals £m	F/cast £m	Var. £m	Var. %				
Integrated and Smart Ticketing	£8.56	£11.69	£3.13	27%				
Northern Powerhouse Rail	£19.98	£27.73	£7.75	28%				
Major Roads	£1.29	£1.50	£0.21	14%				
Programmes	£29.84	£40.93	£11.09	27%				
Rail Operations	£1.56	£1.91	£0.35	18%				
Operational Areas	£4.05	£6.19	£2.14	35%				
	£35.45	£49.03	£13.58	28%				
FORECAST TO OUTTURN VERSUS BUDGET REVISION 2								
	F/cast £m	Budget £m	Var. £m	Var. %				
Integrated and Smart Ticketing	£11.69	£14.06	£2.36	17%				
Northern Powerhouse Rail	£27.73	£28.88	£1.15	4%				
Major Roads	£1.50	£1.86	£0.35	19%				
Programmes	£40.93	£44.79	£3.86	9%				
Rail Operations	£1.91	£2.00	£0.10	5%				
Operational Areas	£6.19	£6.06	-£0.13	-2%				
	£49.03	£52.85	£3.82	7%				
FUNDING YEAR TO DATE					FUNDING FORECASTS TO OUTTURN			
Funding Stream	Actuals £m	Budget £m	Var. £m	Var. %	Actuals £m	F/cast £m	Var. £m	Var. %
TDF - Rail	£19.19	£21.47	£2.28	11%	£19.19	£26.78	£7.59	28%
IST - Capital and Revenue	£8.56	£11.86	£3.30	28%	£8.56	£11.69	£3.13	27%
Core Grant	£6.68	£7.24	£0.57	8%	£6.68	£9.33	£2.65	28%
Rail North Grant & Contributions	£0.99	£0.99	£0.00	0%	£0.99	£1.18	£0.20	17%
TDF - Roads	£0.01	£0.01	£0.00	0%	£0.01	£0.01	£0.00	0%
Trading Income	£0.02	£0.02	£0.00	-3%	£0.02	£0.05	£0.02	-
	£35.45	£41.59	£6.15	15%	£35.45	£49.03	£13.58	28%

HR Update

Human Resources Update

Salaried Establishment as at **30 January 2020**

Established/ Transition Posts

Area	Established Posts (Over 2 years)	Transition Posts (Up to 2 Years)	Total
CEO/Chair	2 (1.17 FTE)	-	2 (1.17 FTE)
Support Services	27 (26.12 FTE)	8 (7.60 FTE)	35 (33.72 FTE)
Operational & Delivery	83 (82.92 FTE)	37 (37.00 FTE)	120 (119.92 FTE)
Total Establishment	112 (110.21 FTE)	45 (44.60 FTE)	157 (154.81 FTE)
Strength (in post)	101 (99.89 FTE)	38 (37.60 FTE)	139 (137.49 FTE)
Appointed (start date pending)	1 (1.00 FTE)	2 (2.00 FTE)	3 (3.00 FTE)
Active/Pending Recruitment	10 (9.32 FTE)	5 (5.00 FTE)	15 (14.32 FTE)

Agency Resource - Covering Vacant Posts

Area	Posts (FTE's)
Support Services	4 Post (3.32 FTE)
Operational & Delivery	1 Posts (1.00 FTE)
Total	5 Posts (4.32 FTE)

Consultancy Resource - Covering Vacant Posts

Area	Posts (FTE's)
Support Services	0 Post (0.00 FTE)
Operational & Delivery	1 Posts (1.00 FTE)
Total	1 Posts (1.00 FTE)

HR Metrics – 2019/20 Year-to-Date

Corporate Sickness Level:	1.1%
Employment Policy Application:	3.2%
Employee Turnover (Voluntary Leavers):	10.2%
% of Employees from an Ethnic Minority Background:	11%
% of Employees declaring a Disability:	5%
Gender Mix - % of Female Employees:	40%
% of Male Employees:	60%

KPIs

Key Performance Indicators

Transport for the North's Key Performance Indicators (KPIs) are outlined in the published Business Plan for 2019-20. The below table outlines the programme and organisational KPIs and provides a monthly progress update and risk status.

Key

Achieved	
On Track	
In Progress	
Delay	
Delay – beyond this year end (BTYE)	

Area	KPI	Detail	Progress	Rag Status
Northern Powerhouse Rail	1	Fully agree NPR provision within the HS2 Phase 2b Hybrid Bill by June 2019.	Delay	
			TfN is continuing to work with Partners and DfT to understand the consequences of the Oakervee Review. TfN and Partner led development, in relation to Stourton and Piccadilly is underway. When the impacts of the Oakervee Review are understood, this KPI will be rephased.	
Northern Powerhouse Rail	2	Agree indicative delivery phasing for the NPR network by February 2020. NB. TfN Board Meeting is now scheduled for 12th March	On Track	
			By Q4 FY19/20, the programme team had intended to complete the first round of engagement with Partners regarding phasing requirements and decision making timelines. This will now need to consider the impact of the Oakervee Review. This will present a key step in the final agreement to the overall phasing strategy for inclusion in the updated SOC to be agreed in January 2021.	
Northern Powerhouse Rail	3	Prepare a mid-way point NPR progress report for Board by February 2020.	Achieved	
			A progress report was presented and discussed at TfN Board 08 January 2020.	
Strategic Rail	4	Hold the industry to account for the delivery of Franchise commitments and the recovery of acceptable levels of performance.	In Progress	
			Work is continuing to use all possible levers to improve performance. Train operator progress is being impeded by delayed driver training and new trains programmes. Northern and TPE will continue to be held to account by the Rail North Committee.	
Strategic Rail	5		Achieved	

		Publish the Long-Term Rail Strategy (LTRS) by July 2019 and begin delivery of the LTRS including input to the Trans-Pennine Route Upgrade.	The LTRS was integrated into the STP and the focus is now on developing Delivery Plans. Input / advice in relation to TRU has been submitted through communications with Ministers and at a local level.
Strategic Rail	6	Input TfN view to the Williams Review. Follow up to implement the recommendations on the Joint Rail North Partnership review.	In Progress Input to Williams Review complete. A plan for the implementation of Blake – Jones review recommendations has been prepared, initial work has started, and discussions are underway with the Department regarding the funding for the required resources for full implementation.
Integrated and Smart Travel	7	Complete the delivery of the integrated smart ticketing on Rail programme (Phase 1) by September 2019.	Delay BTYPE A delay by Northern and Merseyrail in executing the contracts to procure platform validators has delayed this activity. The current target completion date is August 2020.
Integrated and Smart Travel	8	Deliver Phase 2 – ‘informed customers’ - of the IST programme by December 2019.	Delay The most significant elements – the disruption messaging tool and open data hub live releases have been delivered with rollout due to start in March 2020. The third element, fares tool, was due to go live in September 2020 but is now planned for December 2020.
Integrated and Smart Travel	9	Complete the procurement of the Phase 3 ABBOT back office by December 2019.	Delay BTYPE Following the decision of TfN Board in January, the delivery approach for account based travel (ABT) has been reevaluated and the original ABBOT procurement has been cancelled. A revised approach, focused on delivering a back office ABT solution for rail initially is currently being discussed with the department, with a further phase of work planned to support the delivery of local schemes.
Modelling & Analysis	10	Develop analysis and modelling capability so that we can accurately represent the economic ambition of the North in our business case submissions by March 2020.	Delay BTYPE The technical update of the Independent Economic Review projections has been completed by Oxford Economics. Current delays experienced with regard to the Analytical Framework have delayed the overall programme until the end of April. The programme encompasses significant areas of innovation and is therefore subject to close monitoring.
Modelling & Analysis	11	Consolidation / Quality Assurance of Analytical Framework by March 2020.	Delay BTYPE There is a delay to quality assurance activity that is a consequence of the delay to the overall delivery of the Analytical

			Framework. The project has significant elements of innovation and requires close involvement with DfT and external reviewers throughout development activities.
Major Roads	12	Input to three strategic road studies by March 2020.	<p>On Track</p> <p>TfN attend Stakeholder Reference Group meetings for Manchester North West Quadrant (MNWQ) and A66. For the TransPennine Tunnel and M6-A1(M) projects, TfN is represented on project board. All projects are due to report to the Investments, Programmes and Delivery Committee (IPDC) (formerly known as BICC) in Spring 2020.</p>
Major Roads	13	Act as an advocate for northern investment and critical friend on RIS2 by November 2019.	<p>In Progress</p> <p>TfN has shared its Investment Programme with Highways England and DfT to inform the RIS2 programme.</p> <p>The RIS2 announcement is expected in March 2020.</p>
Major Roads	14	Working with partners, submit priorities for investment through the National Roads Fund by Summer 2019.	<p>Achieved</p> <p>TfN worked with partners to submit 16 Major Road Network and Large Local Major schemes for funding from the National Roads fund, as was agreed by TfN Partnership Board on 31 July 2019.</p>
Strategic Development	15	Complete the Strategic Development Corridor studies, to at least Option Assessment stage, by September 2019. Monitor and refresh the TfN Investment Programme by February 2020.	<p>Delay</p> <p>Strategic Programme Outline Cases (SPOCs) have been completed for all of the SDCs. The SDC SPOCs for East Coast and West Coast – Sheffield City Region, and the updated TfN Passenger Rail SPOC will be published in February. Work is underway on SDC Phase 2 to sequence and profile the Investment Programme. A qualitative sequencing exercise is due to complete in Spring 2020. The quantitative analysis is being prepared for procurement and results will be reported in Summer 2020.</p>
Strategic Development	16	Develop an Inclusive and Sustainable Growth Framework that will sit alongside the Strategic Transport Plan by February 2020.	<p>Delay BTYE</p> <p>This has been included as one of four ambitions that form part of the Northern Transport Charter that is under development. Significant work has also been undertaken on decarbonisation to provide a framework for activity, with a technical pathway, due for completion in December 2020.</p>
	17		Achieved

Strategic Development		Prepare Freight and Logistics and International Connectivity Progress Reports that will reflect how these important areas have been embedded in the TfN Investment Programme and work programmes by July 2019.	Freight and logistics has been embedded alongside the International Connectivity work within TfN's work programme and the outputs have been published. The approach to freight is being developed in light of the discussion at the September 2019 TfN Board. This work continues.
Strategic Development	18	Develop and adapt an Assurance Framework to inform the development of the Investment Programme by February 2020.	Delay TfN has developed a draft Assurance Framework. The Assurance Framework will be presented to the Partnership Board in March 2020 having been taken to Scrutiny Committee in December.
Organisational	19	Develop a 5-year corporate strategic plan / develop a spending review submission by September 2019.	Delay As was presented to the TfN Board in September 2019, the intended corporate planning activity has been superseded by the work on the Northern Transport Charter (NTC). NTC principles were agreed at September Board to allow business planning process to take place. Further detailed work on the NTC continues. There was no spending review in 2019.
Major Roads	20	Building on the published STP, the Major Roads Report will be updated in February 2020. Board Meeting is now schedule for 12th March.	Delay BTYPE TfN is currently completing the update to the Major Roads Report. The presentation to the TfN Board for approval will now be in Summer 2020.
Rail Fares	21	A Long-Term Fares Strategy, identifying short-term opportunities to provide enhancement of the current franchises and providing a long-term plan for the next round of franchises, will be published by June 2019.	Delay The fares delivery plan was presented to and endorsed by the TfN Board in January. It was agreed that further work through pilot studies should now be undertaken to provide the necessary evidence to support recommendations within the delivery plan.
PMO	22	A Portfolio, Programme and Project Management System (PPPMS), including a formal assurance framework, will be implemented by December 2019.	Delay PPPMS tools are currently being procured. These were originally scheduled to be delivered in December 2019 and some elements may be delayed beyond the end of the financial year.



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