

Transport for the North Business Plan – 2020/21

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Chairman's welcome

[DRAFT]

A year on from the launch of our Strategic Transport Plan, we have made great strides in calling for change in how transport is planned, funded and delivered for our region.

This progress – which you will read about in detail in this Business Plan – would not have been possible without the collaboration and determination of our Members. Over the past 12 months they have consistently spoken out with one voice about the case for investing in our transport networks, highlighting the constraints the people and businesses of our region are facing, the investment we urgently need in order to address them, and the benefits we stand to gain from a better-connected region.

During the past year there have been many challenges which we've risen to, and many opportunities we have embraced. Throughout a changing political and economic landscape, our Members and partners have continued to work together, and in doing so are ensuring that the needs of our 15 million people are at the heart of transport investment. Working as a collective, using local knowledge to inform regional policy, investment in the North has secured a place on the national political agenda, putting the North on a journey towards transforming the way we live and work. Vitally, all this is being done with a clear drive towards sustainability and a focus on future-proofing our transport networks.

As we enter a new business year, we can be confident in the solid foundations we have laid in our Strategic Transport Plan and Investment Programme, build on our numerous relationships, and draw optimism from the national interest in our region. In doing this we can make the most of the challenges and opportunities ahead, and take forward our efforts to deliver a sustainable, practical and cost-effective multi-modal transport network that works for everyone.

John Cridland CBE

Chairman

06-07

Chief Executive's foreword

[DRAFT – feedback received from BW]

The past 12 months have seen the North rise up the national agenda like never before, thanks in no small part to the collaborative working by TfN, our Members and partners.

Together we have spoken out on the many challenges that have faced our people and businesses, and it is clear that our voices have been heard.

During 2019/20 passengers have had to deal with ongoing rail disruption, in part due to decades of underinvestment and also train operators not delivering the expected service levels. We've taken action on this, calling for the Operator of Last resort to take on the Northern franchise, giving statutory advice to government on investment needed in key congested areas, and securing new trains as part of our co-management of the franchises. These measures aren't a silver bullet but are the starting point for restoring passenger trust and rebuilding a reliable service.

And whilst there have been problems we should also recognise the past year has seen a record 108m passengers use Northern trains, that there are many more services running in the North, with Northern running an additional 2,000 services per week compared to 2016, , and as the new trains have been added the number of seats on many routes has increased significantly.

In 2019/20 we worked with our local partners to lead a funding bid for £700 million of investment in the Major Road Network. We have also welcomed the Government's decision to bring forward the implementation date for electric vehicles to 2035 from 2040, an essential move, and something that we called for in our Strategic Transport Plan.

More than anything else the past 12 months have seen a significant shift in the Government's approach to investment in infrastructure in general, and more specifically with an appetite to rebalance the economy by investing in the North. With further commitment to Northern Powerhouse Rail, and with the green light for HS2, the launch of an Integrated Rail Plan, and the prospect of a reassessment of how spending decisions are made, it is clear that there's a national determination for improving our connectivity in a way that can transform travel for generations to come.

As such the 2020/21 business year holds great opportunity for Transport for the North.

Northern Powerhouse Rail will be a prominent area of activity for TfN in the coming year as we work with the Department for Transport and partners to make key decisions on routes and submit a business case to government in early 2021 for the £39bn of investment needed to transform the North's economy.

In parallel we will work with the DfT on the High Speed North Integrated Rail Plan. This is an exciting and ambitious project that has the opportunity to map

out the next 20 years of investment in HS2, NPR and other major rail schemes in the North.

We'll be working through the Rail North Partnership, in collaboration with DfT, to monitor both franchises closely to ensure they offer a much better service for long-suffering passengers as the year goes on. New trains, providing greater capacity, will continue to be deployed and we will see the final Pacer trains being removed from service. Blake-Jones and Williams Reviews will ensure passenger interests remain a top priority for those operating services, and we're keeping up the pressure for investment in long overdue infrastructure upgrades around the North.

[THIS SECTION TO BE UPDATED IF AS EXPECTED RIS2 IS ANNOUNCED ALONG SIDE THE BUDGET]

Roads are an important part of the northern transport network and must be a sustainable part of our way of travelling for generations to come, by actively providing for public transport and active travel, and offering support for electric vehicles and other new technologies and services such as car sharing.

In the year ahead we will map out a Northern transport decarbonisation strategy, first of all by providing statutory advice to DfT's national decarbonisation strategy. Then we will set out the specific additional measures from a Northern perspective including the need to push forward pilot projects such as using hydrogen and battery power on the rail network.

We will publish a Northern Transport Charter setting out the case for local decision-making over transport investment and how those devolved powers can be used to deliver inclusive and sustainable growth. This is where the industry-leading modelling and appraisal capability that TfN has developed can ensure that decisions are taken to secure the right long-term benefits.

Of course, we can't do any of this without our dedicated colleagues. Their hard work behind the scenes underpins that collective "One North" voice our Members speak with, ensuring they have the evidence on which to make their bold claims for our region's future.

One thing that has remained consistent over the past year is that the future for the North is full of opportunities. Opportunities for our Northern leaders to make decisions on local transport issues; opportunities for our residents to make the most of job and leisure options; opportunities for our businesses to grow with confidence; and opportunities to accelerate the deployment of sustainable transport solutions.

We're from the North, and we deserve all this and more.

Barry White

Chief Executive

08-09

Vice Chairs

[To be agreed with the VCs once the document is approved by the Board]

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One voice for the North of England

Transport for the North is the voice of the North of England for transport. We're a statutory body of civic and business leaders, who collectively represent the region's more than 15 million citizens.

Transport is a fundamental part of everyday life, whether you walk, cycle, use public transport, or drive. Transport connects people to jobs, education and leisure opportunities, and ensures businesses have access to suppliers, customers, and their workforce, as well as the ability to distribute goods to customers.

On behalf of our Members and the people of our region, we're working to deliver the ambitions of the North. We represent unprecedented collaboration towards the shared goal of driving inclusive and sustainable economic growth through strategic investment in transport and infrastructure.

In February 2019 our Board approved our Strategic Transport Plan (STP), the first statutory document on behalf of the North. The STP outlines how strategic investment in transport could unlock inclusive and sustainable transformative economic growth. In the accompanying Investment Programme, we identified the transport projects which should be funded to deliver the step-change required to drive economic growth.

The STP also included advice to government to accelerate the introduction of electric vehicles and we were pleased to see the recent move to bring forward that date to 2035 from 2040. Much more action is required and a key activity in the year ahead will be providing the North's input to the national Transport Decarbonisation Plan.

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Our governance

[Board graphic]

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Our vision and objectives

Our vision is of "a thriving North of England where world-class transport supports sustainable economic growth, excellent quality of life and improved opportunities for all."

We are making the case for strategic transport improvements across the whole of the North, which are needed to drive inclusive and sustainable transformational economic growth and rebalance the UK economy. We are doing this by looking at how poor transport infrastructure is holding back the North's economic potential, providing an evidence-based case for investment.

By connecting the key economic areas of the North, we will drive growth, improve access to jobs, and ensure the North is a great place to live and invest.

Four pan-Northern objectives guide our Members' decisions:

- Increasing efficiency, reliability, integration and resilience in the transport system
- Transforming economic performance
- Improving inclusivity, health, and access to opportunities for all
- Promoting and enhancing the built, historic and natural environment

These objectives informed the development of our Strategic Transport Plan and align closely with the five foundations of productivity set out in the Government's Industrial Strategy; infrastructure, ideas, people, business environment and places.

In the forthcoming Northern Transport Charter (see p20), our Board outlines four key ambitions, which set the objectives for Transport for the North to deliver over the next decade. These ambitions will shape our plans and ensure we deliver for the people of the North.

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Our values

Developed in close collaboration with our employees, our values and behaviours underpin our unique culture which brings together experience and expertise from the public and private sectors. They influence how we operate as individuals and as an organisation, creating an agile and dynamic working environment where employees are trusted, valued and invested in.

We make a difference

- We will create opportunities for people and businesses that would not happen without us.
- We will improve and change the way things are done, capitalising on the North's unique strengths.
- We will make the most of our position to stretch the boundaries of what we can achieve.

We do the right thing

- We make sustainable, evidence-based decisions that maximise positive outcomes for people and businesses across the North.
- We work together to improve connectivity and deliver a vibrant and growing economy across the North of England over the short, medium and long term.
- We embrace diversity and work with others with honesty and respect.

We are driven to succeed

- We want to be the very best we can be. The drive for excellence and innovation informs everything we do.

- We develop and grow, learning from both our mistakes and successes and sharing this with our partners.
- We are proud to represent the North and will facilitate a step change in connectivity across the North of England by being role models for how things are done.

We collaborate

- We consult our partners and are the embodiment of a 'single voice for the North'.
- We make the most of all our relationships, spanning the North of England and beyond, to deliver the right solutions.
- We build our relationships based on openness, transparency, trust and integrity.

Our core behaviours

Cultivate Innovation - Creating new and better ways for the organisation to be successful.

Ensure Accountability - Holding self and others accountable to achieve results, even under challenging circumstances.

Collaborate - Building partnerships and working collaboratively with others to meet shared objectives.

Instil Trust - Gaining the confidence and trust of others through honesty, integrity and authenticity.

Financial Acumen - Interpreting and applying understanding of key financial indicators to make better business decisions.

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Strategic Transport Plan: A 30-year blueprint for the North

[STP journey infographic included as full page]

In February 2019 we published our Strategic Transport Plan (STP), which outlined our vision for a future transport network that would enable sustainable economic growth across the whole of the North.

Accompanying the Strategic Transport Plan is an ambitious, but deliverable, Investment Programme that will improve our roads and railways, ensuring we address the historic gap in investment and support the transformation of the North's economy.

Our initial ambitions in preparation of the Strategic Transport Plan were determined by three core drivers:

1. Pursuing greater economic prosperity and wellbeing for those who live and work in the North

2. Connecting the key economic areas of the North will drive growth, improve access to jobs and ensure the North is a great place in which to invest and live
3. Identifying, making decisions on, and planning the strategic transport infrastructure required to deliver an economic step change for the North

The submission of our Strategic Transport Plan saw TfN fulfil one of the key functions under our statutory powers and marked a pivotal moment for the North. For the first time, the North has an investment blueprint – backed by our civic and business leaders – aimed at unleashing new levels of opportunity for future generations.

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Strategic Development Corridors: An integrated approach across the North

[SDCs map included as full page]

Our plans for transforming connectivity across the North are underpinned by seven Strategic Development Corridors (SDCs) that connect people and places with key economic centres.

Ongoing work on the SDCs continues to inform our multi-modal Investment Programme. Using evidence developed with our partners, and through assessment within the TfN Analytical Framework, we use the evolving SDCs to identify transformational investment opportunities for the North and ensure they are agile to future changes and opportunities.

1. Connecting the Energy Coasts: improving connectivity between some of the UK's important non-carbon energy, advanced manufacturing, research assets and economic centres in Cumbria, Lancashire, North Yorkshire, the North East, the North of Tyne, and Tees Valley.
2. West and Wales: moving people and goods, to, from and through the important economic centres and assets of Cheshire West and Chester, Cheshire East, the Liverpool City Region and Greater Manchester with strategic connectivity into North Wales, Warrington and the Midlands.
3. Central Pennines: driving strategic east-west connectivity for some of the North's important economic centres and assets in North Yorkshire, West Yorkshire, East Riding, and Hull through to Greater Manchester, Lancashire and the Liverpool City Region.
4. Southern Pennines: linking the economic centres, industries and ports within Liverpool City Region, Greater Manchester, Cheshire East, Cheshire West and Chester, Sheffield City Region, Hull and North Lincolnshire. Also considering connections with the Midlands.
5. West Coast – Sheffield City Region: strengthening rail links along the West Coast corridor between the advanced manufacturing sites in Cheshire East, Warrington, Cumbria, Lancashire, Greater Manchester and Sheffield City Region, with improved connectivity from the North into Scotland.

6. East Coast – Scotland: improving rail reliability, speed and reach along the East Coast Main Line and other key lines to provide enhanced strategic and local connectivity in the North East, the North of Tyne, Tees Valley, Sheffield City Region, City of York, and North Yorkshire as well as onward connections into Scotland.
7. Yorkshire – Scotland: building on existing road investment commitments to further strengthen road connectivity between the Midlands, Sheffield City Region, East Riding, West Yorkshire, North Yorkshire, Tees Valley, the North East, the North of Tyne, and Scotland.

Last year we:

- Worked with partners to produce a multi-modal programme of interventions between Yorkshire and Scotland, and a rail programme for the West Coast to Sheffield City Region corridor.
- Commenced work with partners to qualitatively update our evidence base to produce three sequenced programmes that are deliverable and affordable.

In 2020/21 we will:

- Complete the qualitative and quantitative evidence base for the TfN Investment Programme that will identify the benefit realisation for social, economic, and environmental outcomes into a single coherent assessment.
- Provide TfN Board with a strong evidence base to support decision-making on future investment and policy decisions.
- Update and sequence our Investment Programme.
- Finalise and publish an updated version of TfN's work on Future Scenarios. The scenarios will consider different visions of the future to inform transport policies and strategies that are robust, resilient and agile.

18-21

The Northern Transport Charter: Our ambitions for the future

Transport for the North is the embodiment of the North coming together with one voice to define its future. This joint mission has got us where we are today – with a clear investment blueprint and drive to create unrivalled opportunities.

During the last year we have been developing the Northern Transport Charter. Led by our Members, this work seeks to define the issues facing the North, and then develop a blueprint for the future role of TfN that allows these to be addressed. These range from the pressing matter of climate change and the need for sustainable decision-making, to securing long-term funding commitments to Northern infrastructure - Charter principles lay out the core areas that will be a long-term focus for our organisation.

Putting passengers at the heart of the railways

Leading Northern strategic scheme planning and delivery

Managing a long-term Northern funding settlement

Championing an inclusive and sustainable North

Further work will be done on the Charter, and accompanying organisational design, in 2020/21 to ensure that TfN, as a member-led organisation, continues to reflect and respond to the will of the North's civic and business leaders.

Putting the North's passengers at the heart of the railways

As set out in the Joint Review of the Rail North Partnership – led by TfN Board member Cllr Judith Blake alongside former Rail Minister Andrew Jones MP – it's essential that future changes to how the railways are run focus on putting the passengers first. This is nowhere more important than in the North, where passengers have suffered prolonged disruption and instability.

This core principle has now been widely embraced at a national level, with the Government and industry recognising that passenger-led decision-making must be at the bedrock of future structures.

It is clear that a lack of a single strategic direction is creating fragmentation and a lack of accountability, with an industry that does not provide value for money due to structural inefficiencies and rising costs/unsustainable finances.

As well as continuing to champion the interests of the North's passengers, there is also a clear opportunity for TfN to articulate its view of how the failings of the rail industry at present can be addressed.

Following publication of the national Williams Review, TfN will work to ensure that the structure and accountability of the railway industry provides the required focus on passenger interests. As part of this rail revolution, providing more decision-making power to those closest to the passengers in the North will be explored.

Leading Northern strategic planning and delivery

Our Strategic Transport Plan and Investment Programme is the first time that the North has come together to set out a 30-year programme of transport investment required to support transformational economic growth and greater opportunities for all.

But there needs to be a greater link between the North's priorities and the delivery partners tasked with advancing the projects (such as Network Rail and Highways England). Currently, the TfN Board has little visibility over the decision making in delivery partners' investment programmes and there is no accountability to the elected politicians or businesses across the region.

Without TfN making the link between the schemes identified in the Investment Programme and the local social and economic benefits, the anticipated outcomes of the investment are unlikely to be realised. Opportunities for complementary local investment may also be lost.

Consideration of TfN's future role will explore how we manage the delivery of the Investment Programme, seeking to establish for TfN the ability to make decisions in the interests, and on behalf of, the people and businesses of the North.

This principle will allow TfN to develop and own a Northern transport infrastructure pipeline with a clear set of objectives – providing a baseline against which delivery partners can be held accountable and a greater level of confidence for industry and investors.

Managing a long-term Northern Funding Settlement

The current processes for the funding of transport infrastructure operate on a 'project-by-project' basis and are heavily siloed. Such ringfencing means that investment decisions are often led primarily by the process rather than the outcomes, and prevents effective integration.

In 2018 Transport for the North adopted a Funding Framework that included an aspiration for a devolved budget that would cover road and rail. This was in response to decades of underinvestment in the North as well as a recognition that, currently, the North has little influence over the delivery of its strategic transport priorities. This approach would allow the North to implement ambitious policy measures and interventions to enable an exciting, prosperous and sustainable legacy for current and future generations living in the North.

The aim is to work towards a situation where the North manages a single allocation/budget for strategic transport schemes. In essence, the North agrees a 'deal' with Government for a long-term funding settlement against a clear set of outcomes. That single pot would allow the North to manage and pay for a programme of infrastructure interventions, based on a programme-level appraisal of value for money and the evidence provided by Transport for the North's Analytical Framework, to support inclusive and sustainable economic growth.

Championing an inclusive and sustainable North

Climate change is one of the most pressing issues facing the North, the UK and the world. TfN's core purpose is to deliver transformational economic growth, and when defining a future for the North's transport system, we need to ensure that we do this in a way that is sustainable and inclusive, embracing the diverse range of needs of our 15 million people and the environment that sustains them.

Currently, the way in which transport projects are developed does not prioritise social and environmental considerations. An acceleration towards a zero-carbon transport network must be at the heart of public policy making and investment decisions. We need an appraisal system that will enable investments that support transformational economic growth, whilst delivering environmental and social benefits.

Transport accounts for around a third of the UK's greenhouse gas emissions and reaching net zero by 2050 requires urgent action. We were pleased to see the Government pledge to ban new petrol and diesel cars by 2035, something we called for in our Strategic Transport Plan. Reducing greenhouse gas emissions from the transport network, at a pan- Northern and a local level, is a key priority for TfN.

We recognise that this is not just a transport challenge; any reduction in carbon emissions needs to be linked with a wider national energy strategy. TfN also

recognises sustainable growth is a collaborative effort and listening to the voices of its citizens is crucial, with further work planned to explore how the collective voice of the North continues to be captured.

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A railway for the North of England

Delivering a rail system that works for local people and businesses

Rail is an integral part of the transport network across our region, used by 180 million passengers each year. Travelling by train has become increasingly popular over the last 20 years - the North has seen a trebling of demand over this period even as the quality of services has declined, yet investment in our infrastructure is still lacking and does not keep pace with the growing passenger numbers. We must redress decades of underinvestment in order to ensure our rail network can support the North's ambitious growth plans and deliver the rail service that passengers and businesses should be able to rely on.

Transport for the North holds a critical role in both making the case for investment our rail network and overseeing the delivery of services. Working with Government and delivery partners we ensure a pan-Northern rail view can be taken, ensuring local, inter-city, regional and national connectivity is addressed.

The following pages outline our work in:

- Rail North Partnership – putting passengers first and overseeing the two largest operators, TPE and Northern Trains Limited, through respective franchise and service agreements.
- Strategic Rail – securing investment for our long-term strategic vision
- Northern Powerhouse Rail – delivering a transformational network to support growth.

Across these areas TfN advocates for rail interventions that will provide our people and businesses with the network they can rely on and which will the capacity they need for years to come.

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A changing landscape

It's important to recognise the changing landscape in which we operate – much of which stems from the timetable disruption of May 2018 and subsequent instability, on top of the lack of investment over several decades.

Over recent months there have been several initiatives and activities which are helping to strengthen the case for rail investment and take forward our plans, including:

- **The Joint Review of the Rail North Partnership (Blake-Jones Review):** The co-authored report was built around the principle of 'putting the passengers first', recommending this to be a central pillar in all future decision-making. The report makes short and longer-term

recommendations for changes in the North, seeking to give our leaders more visibility and say over key operator decisions, with the aim of securing further devolution and oversight. We subsequently implemented an action plan to deliver on the early wins, and continue to work with Government to appropriately fund and agree the longer-term measures identified.

- **The Williams Review:** From alternatives to the franchise system, to fares and ticketing, the national review of the railways led by Keith Williams looks at widescale reform and increasing accountability in the interest of passengers. TfN has consistently engaged with the review team, communicating our Members' priorities and making the case for the models that will ensure those running the railway are more accountable to our Northern leaders – and therefore closer to the passengers.
- **The North's train operators:** TfN has continued to hold the North's train operators to account, monitoring performance and providing clear advice to Government on our Members' desired way forward. The last year saw challenges with several operators, culminating in the Government's decision to remove the franchise from Northern and bring in the Operator of Last Resort to run services. This was a decision TfN had called for and welcomed in the interest of restoring trust with passengers, whilst recognising that due to wider issues it would not be a silver bullet. TransPennine Express also presented challenges, with a significant dip in performance and planned cancellations to aid recovering a stable service.
- **Investment coming to fruition:** Despite the above, long-planned investment in the North's railways is beginning to come to fruition. In particular, both Northern and TransPennine Express passengers have witnessed the introduction of new train fleets on many routes across the North, as well as cross-country services such as the new Azuma trains on the LNER routes. Introduction of the new rolling stock as it beds in has caused operational challenges, that said new trains are now providing more capacity and modern comforts, secured as part of the franchise renewal in 2016.
- **The Oakervee Review of HS2:** The long-term future of the North's railway infrastructure – with HS2 at its heart – was under inspection in 2019/20, with the Oakervee Review of the project. On the publication of the review in February 2020, the Prime Minister confirmed that HS2 will go ahead. With HS2 being a central part of our Strategic Transport Plan, we've been a persistent strong voice on delivering both HS2 and NPR in full, for the benefit for the North. We commit to working with HS2 Ltd and the Government to ensure that delivery of the new railway maximises and speeds up delivery of benefits to the North, as well as being fully integrated as part of a coherent railway system.

- **Government policy and infrastructure investment:** With a new Government in place, new policy is likely to shape the future of railway investment in the North, for example exploring the re-opening of previously closed railway lines. Our work is aimed at evidencing and making the case for a sustained pipeline of investment in our railways, with packages of short, medium and long-term measures.

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Rail North Partnership

The role of the Rail North Partnership

Gaining statutory status gave us an initial limited role in making decisions regarding operational railways in the North of England. The statutory powers enabled Transport for the North to co-manage (jointly with the Department for Transport) franchised rail services through the Rail North Partnership (RNP), a franchise management team based in TfN's Leeds office. This is a positive example of an initial step in devolution and we work closely with DfT in addressing the many challenges on the railway. We continue to press for greater devolution, as under current arrangements DfT are the budget holder and as such there are wide ranging matters where they retain final decision making.

RNP has continued to hold the industry to account for service delivery through day to day contract management, as well as securing additional compensation for passengers. A major part of the past year was working through issues with the Northern franchise and then preparing for the transfer to the operator of last resort. RNP works to a jointly agreed business plan. The structure of the partnership and TfN's involvement is shown in the diagram below.

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Strategic Rail: Securing sustained investment in our railways

TfN's strategic rail team has two main functions: (1) working with members on the Rail North Committee and local transport authorities to provide TfN's input to oversight of the Rail North Partnership and key decision making in managing the current franchises; and (2) assessing and advising on TfN's priorities for investment into the rail network.

Rail users in the North want to be able to rely on the rail service in our region, and for trains to be clean and not overcrowded. In order to achieve this, we need to see greater accountability delivering more reliable performance, and more investment in rail in the North delivered more intelligently and cost-effectively.

Our Strategic Rail team is working to implement the Long-Term Rail Strategy for the North of England, which outlines the investment required right across the network. This covers both tracks and trains, and requires a partnership approach where we work with external organisations including Network Rail, Train Operating Companies, the Department for Transport, and HS2 Ltd.

Reforming and Enhancing Rail Operations

Transport for the North's Long-Term Rail Strategy sets expectations for minimum standards for rail in the region – standards aimed at enhancing connectivity, journey times, capacity and reliability. The strategy also sets out ambitions for access to stations – and for promoting electrification and innovation as part of a wider decarbonisation and sustainability programme.

A key focus for Strategic Rail in the year ahead will be securing and implementing new ways of working which will provide the North with greater influence over a more customer-focused industry. This is about putting passengers first. Exactly how this will be shaped will be determined by the outputs of the Williams Rail Review, the work on delivering the action plan developed as part of the Blake Jones Review, and to a wider extent by the findings of the Oakervee Review into HS2.

Effective oversight of the region's rail franchises, working through the Rail North Partnership, remains a key focus for 2020/21 and, as last year, we will continue to hold the industry to account against its promises. We are working with Network Rail and other partners to ensure that the new stock delivered by the franchises is supported by track and other upgrades, reducing journey times.

Last year we:

- Sought to secure service enhancements contracted through the Northern and TransPennine Express franchises.
- Prompted the industry to develop proposals for infrastructure investment to support the service enhancements.
- Through Rail North Partnership challenged the industry to deliver timetable changes scheduled for May and December 2019 and implemented recovery action plans.
- Oversaw the delivery of new rolling stock and the ongoing removal of Pacer trains from the network.
- Made a substantial, evidence-based input to the Williams Review, setting out the North's proposed future model for rail.

In 2020/21 we will:

- Hold the industry to account to deliver improved performance and a greater focus on the needs of passengers.
- Make the case for the investment pipeline supporting delivery of service commitments and future enhancements specified in TfN's Strategic Transport Plan.
- Implement the recommendations in the Blake Jones review including the case for further devolution and work with the outputs of the Williams Review on rail reform and more accountability.
- Improve communications with partners and stakeholders.

Putting the focus on infrastructure requirements

Many of the North's key rail hubs are now at capacity. The rail network lacks sufficient capacity for growth and is severely constrained. Our role in driving

investment and improvements in our railways remains as important as ever. Our prioritised investment programme, including recommendations on congestion points such as central Manchester, one of the most congested areas of the national network with delays that start here rippling across the network.

Last year we:

- Provided statutory advice to the Secretary of State on measures to tackle congestion in Central Manchester urging short term and longer term action.
- Continued to press the case for delivery, in full, of the £2.9 billion TransPennine Route upgrade that would support delivery of an increase from around 800 to over 3,000 seats an hour between Leeds and Manchester.
- Supported authorities on projects including the Cumbrian Coast Line, Middlesbrough Station, the Northumberland Line, Esk Valley and new Stations in Leeds, Warrington and Horden.

In 2020/21 we will:

- Make the case for the investment pipeline supporting delivery of service commitments and future enhancements specified in TfN's Strategic Transport Plan.
- Support the development and delivery of Local Transport Authority investment schemes.
- Shape rail industry plans and policies to the benefit of passengers and freight in the North.

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Northern Powerhouse Rail: A modern rail network for the North

TfN and DfT co-sponsor the Northern Powerhouse Rail (NPR) project – one of the UK's national priorities. TfN employ and host the NPR development team that are working up the business case for NPR with a view to advising the Government and moving to initial construction in the mid-2020s.

Northern Powerhouse Rail (NPR) is a transformational rail network for the North, connecting our towns and cities like never before. Stretching from Liverpool to Hull, and from Sheffield to the North East, it will deliver a step change for rail connectivity in the North and help decarbonise how we travel.

Our current rail network is under increasing pressure and is already struggling to cope as the demand on it increases. The disruption that passengers face is only going to get worse creating a drag on the economy and forcing commuters on to already congested roads both within and between our economic centres.

Investment in our Victorian infrastructure has not kept pace with big increases in passenger demand, and whilst planned upgrades across the network will begin to ease some of the issues, they will not transform connectivity in the way we need to realise our economic potential and support our region for generations to come.

Northern Powerhouse Rail is a mix of new and existing lines that will improve journey times and reliability between our towns and cities, effectively bringing them closer together for both passengers and freight. When completely integrated with HS2 (with around 80km of shared track and links to various HS2 stations) it will create the fast, modern network that is needed by the people and businesses of the North and underpin economic transformation. It will free up much-needed capacity on existing routes for local stopping and direct services and freight movements, as well reducing carbon emissions through electrification of the North's major rail routes.

The full network is a vital part of our region's future, enabling people to travel further afield for work, education and leisure opportunities, and giving businesses the confidence they need to locate in the North, knowing that they can access the labour markets that will allow them to grow.

Northern Powerhouse Rail will:

- Bring millions more people within reach of each of the key economic centres of the North by public transport. By 2050 nearly 10 million people in the North will be within 90 minutes' reach of multiple economic centres.
- Help treble the number of businesses able to access four or more cities or Manchester Airport within 90 minutes, from 70,000 today to 260,000.
- Deliver significant benefits to the North's economy and rebalance the UK by closing the productivity gap between the North and the rest of the country.
- Ensure that growth is delivered sustainably, building the market for rail travel by around four times the level seen today and taking up to 64,000 daily car trips off the road – equivalent to 800 million km per year.

Last year we:

- Developed and managed the next phases of scheme development for NPR (sequence 4), which includes work to move from a series of options for each corridor to a preferred network and phasing programme, which will then be presented to Government.
- Worked on the next phase of business case development, including updating the SOBC for multiple concept corridors.
- Ensured that NPR is integrated with other major rail schemes in the North, including HS2, major local schemes and Network Rail Northern Programmes.
- Engaged partners on interfaces with local plans; preparing for early public engagement and consultation.

In 2020/21 we will:

- Complete the sifting process and shortlist options for infrastructure on each corridor.
- Agree a single preferred network and indicative phasing plan for NPR

- Engage with partners throughout the drafting of the Strategic Outline Case for NPR (previously referred to as the SOBC) ahead of formal submission to Government in early 2021 alongside statutory advice.
- Continue to ensure that NPR is integrated into other major rail programmes, creating a joined-up network for the North – including adapting to HS2 plans, as well as alignment of TfN’s Long-Term Rail Strategy and High Speed North.
- Accelerate development of an Outline Business Case focusing on the agreed initial corridors.
- Implement a Long-Term Procurement Strategy for the NPR scheme.
- Negotiate and agree a capital and development budget for NPR.

Oakervee Review

The Government commissioned Doug Oakervee to write a report into HS2, to test all the existing evidence in order to allow the Prime Minister and the Department for Transport to make properly informed decisions on the future of Phases 1 and 2 of the project, including the estimated cost and timescales.

The review was supported by a panel of experts, including TfN Chairman John Cridland. It recommended that HS2 should go ahead in full, but that further work should take place to advise how best to integrate HS2 with other rail projects, including Northern Powerhouse Rail.

A new Integrated Rail Plan for the Midlands and the North will be created which will consider the best way to develop and deliver HS2 north of Birmingham, Northern Powerhouse Rail, the Midlands Rail Hub, and major Network Rail Projects. The rail plan will be in place by the end of 2020. Its delivery will be overseen by a dedicated rail minister who will be advised by the National Infrastructure Commission.

Transport for the North will play a leading role in ensuring that the Integrated Rail Plan reflects the ambition and vision of the North for the national rail network, and translating that vision into a realistic, decisive plan for delivery.

The Government has said it intends to involve local leaders from the North and the Midlands in developing the plan. That commitment is welcome but we have been clear to Government that TfN must play a leading role in decision-making for the North. It should also build on the significant evidence base already developed through our work on Northern Powerhouse Rail, the Long-Term Rail Strategy and the Strategic Transport Plan.

29-30

Major Roads: Driving productivity through investment

Almost all journeys start and finish on local roads and they play a major part in everyone’s life. Whether as a pedestrian, cyclist, bus passenger, driver or freight operator - we all rely on a well-functioning road network to access jobs,

education, leisure, goods and services. Investing in our roads is vital in providing a sustainable, multi-modal transport system.

- With a clear vision and objectives, supported by a strong evidence base, investment in roads helps to unlock economic growth, deliver new homes, support active travel, and improve public transport.
- Years of underinvestment in the local network of major roads has led to slow journey times and poor reliability. This means our towns and cities struggle to work as one connected Northern economy, and our people and businesses are held back.
- East-West road connectivity is particularly poor, with only one motorway or dual carriageway route linking the East and West of the country between Stoke-on-Trent and Glasgow; a stretch of 250 miles.
- Transport is entering a period of significant change, with emerging technologies such as connected and autonomous vehicles, and electric and hydrogen powered vehicles, and a new era of digitally connected networks.
- Our plans for the road network are integrated with our plans for rail and smart ticketing to transform the way people travel in the North.

Transport for the North and its partners have mapped a Major Road Network (MRN) for the North – a network of roads of regional economic significance.

[Insert MRN map]

Last year we:

- Worked with our partners to prepare and submit a Regional Evidence Base funding bid for £700 million of investment in the MRN. The 16 schemes submitted would deliver improvements to local air quality, public transport, active travel and road connectivity to/from important economic centres.
- Worked with partners on updating our Major Roads Report to inform the review of the TfN Investment Programme in 2020. This will be submitted to TfN board for approval in September 2020.
- Completed the Strategic Outline Business Case (SOBC) for the TransPennine Tunnel/Wider Transport Connectivity Assessment studies and identified the need for further work on programming, which will be completed by summer 2020.
- Submitted TfN's priorities to inform the DfT Road Investment Strategy (RIS) and Major Road Network investment programmes.
- Represented the North's position in relation to the development of Outline Business Cases for the A66 dualling and Manchester North West Quadrant Strategic Road Studies, working collaboratively with partners.
- Represented the North's position on the development of a feasibility study looking at options for improving east-west road connectivity, M6 – A1(M).

In 2020/21 we will:

- Complete work on updating TfN's Investment Programme, identifying interventions for investment in the Major Road Network.
- Complete work on updating the Major Roads Report.

- Work with the DfT and Highways England on developing evidence-based route strategies for the 2025-2030 investment period, making the case for greater integration in highways investment on the Strategic Road Network (SRN) and MRN.
- Continue to represent the North's position on the development of business cases for the A66 dualling, Manchester North West Quadrant and Trans-Pennine Tunnel Strategic Road Studies.
- Work with partners in the Central Pennines on progressing work on options for improving east-west road connectivity, M6 – A1(M).

31-32

Integrated and Smart Travel: Making public transport easier to use

The Integrated and Smart Travel (IST) programme aims to encourage more people to use public transport by making it easier, quicker and more cost-effective to travel by train, tram, or bus.

Currently it can be confusing and expensive to travel by public transport, especially if using multiple operators or modes. Information on timetables and prices can be hard to find or difficult to understand; ticket options are often inflexible or restrictive; and longer journeys require the use of different websites or multiple purchases.

The aim of Transport for the North's IST programme is to change this by putting information in the hands of passengers, giving them confidence that travelling by train, tram or bus will always be straightforward and good value for money.

IST will:

- Make it easier for passengers to work out the best options for any journey by providing clear, joined-up information.
- Make pricing simpler to understand by offering a clear fare structure and pay as you go service.
- Make it easier to pay by using smart devices and enabling all public travel to be managed through common methods.

As of 2020, the IST programme is split into four phases:

- Phase 1: Implementing smartcards for rail travel in the North, including seasons and flexi tickets.
- Phase 2: Providing better quality information to customers using open source data.
- Phase 3: Developing an account-based travel solution to deliver contactless pay-as-you-go travel on rail.
- Phase 4: Supporting our transport authority partners to deliver localised smart travel schemes across bus, trams and ferry.

Last year we:

- Implemented Phase 1 – the introduction of smartcards for travel across the North’s rail network. This included smart season passes – available in stations and online - with more than 12 million journeys loaded on to Northern, TransPennine and Walrus/Metro smartcards since their introduction in November 2018.
- Progressed Phase 2 - by appointing suppliers and working with them to design, build and test our smart tools including the Open Data Hub (ODH), Disruption Messaging Tool (DMT) and Fares Data Build Tool (FDBT). The DMT and ODH went live in March and is already being used by the Open Data developer community to help deliver the benefits of these digital solutions to passengers.
- Reviewed and then changed direction on Phase 3. Initially the delivery approach for account-based travel across the North was based on the procurement of one central back office system for all modes of transport. This has been split into Phase 3 (now rail only) and Phase 4 (supporting localised smart schemes) to build towards the original vision.

In 2020/21 we will:

- Phase 1: Complete the delivery of the smartcard on rail programme, including an improved mobile retailing experience and introduction of new flexible season tickets on smartcards to improve value for money for less regular travellers.
- Phase 2: Deliver a solution (FDBT) that enables the open-source publication of fares information for journeys on bus, light rail and ferry, and agree a long-term operating model with the Department for Transport to ensure the solution is supported and sustainable once live.
- Hand over the DMT and ODH tools to our LTA partner operations teams and agree a long-term operating model with them to ensure the solution is supported and sustainable going forward.
- Phase 3: Work with the Department for Transport, Rail Delivery Group and the North’s train operating companies to develop a plan to deliver contactless pay-as-you-go travel on rail – including the submission of business cases to HM Treasury as required.
- Phase 4: Engage with our local authority partners, the Department for Transport and the bus industry to develop a coordinated strategy and proposals for localised smart schemes; and work to secure Government approval/funding to deliver these.

33-34

Re-balancing the UK economy

It’s essential that all our plans are underpinned by robust evidence and a compelling strategy. As has now been acknowledged by Government, reversing decades of underinvestment in the North will require significant and sustained investment. TfN must evidence the link between investment in transport infrastructure and the economic prize on offer.

Our core teams that drive forward this coordinated, evidence-led approach are:

- Strategy and Policy
- Analysis, Modelling, Economics and Research

Strategy and Policy

Our Strategy and Policy team focus on working with Members on key, cross-cutting policy issues such as:

- The development of an Inclusive and Sustainable Growth Framework, to enable balanced appraisal and evaluation of our Investment Programme
- Freight and Logistics
- International Connectivity
- Decarbonisation of transport

Our Policy Team will agree priority areas for policy development, with associated implementation plans in the year ahead, aligning closely to the principles of the Northern Transport Charter.

Last year we:

- Initiated development of TfN's Inclusive and Sustainable Growth Framework.
- Explored innovative ways of developing business cases through capturing social value and a wider return on investment.
- Provided ongoing supporting evidence for a greener, cleaner transport network.

In 2020/21 we will:

- Develop more detailed policy positions on decarbonisation, including exploring targets and pathways, collating a Greenhouse Gas Inventory for the North, and working with partners to develop a functional policy framework for delivery of the decarbonisation pathway.
- Scope and define ways of measuring pan-Northern social and environmental value and embedding inclusive and sustainable growth in our procurement.
- Own and mature the TfN Investment Programme, ensuring existing and emerging policy dictates the updating and refresh of the programme.
- Ensure the outcomes of freight and logistics research is embedded into programme delivery, engaging partners to secure improvements across road and rail interventions.

Evidence and Analysis

Our policies and decision-making must be underpinned by robust analysis. The role of our analytical team is to ensure that TfN can provide the evidence base that supports the development of policy and decision making in relation to the Investment Programme. The Strategic Transport Plan used the Northern Powerhouse Independent Economic Review (NPIER) as its economic foundation, demonstrating the North's considerable potential with the right investment.

Going forward, such evidence and research will continue to play an integral role in providing the context for individual schemes within our Investment Programme, as well as supporting TfN's emerging priorities through the Northern Transport Charter.

Much of the focus in the year ahead will be on providing evidence for our major programmes – notably sustaining the rapid pace of development on Northern Powerhouse Rail – as well as creating the tools to support partners across the North in building their own cases for investment.

The development of two frameworks will underpin our efforts in this area:

- The TfN Assurance Framework: this brings together work that TfN has been undertaking over the last few years to develop one clear, agreed process for investment programme sequencing activity.
- The TfN Analytical Framework: a suite of industry-leading analytical tools, models and data, which together will ensure a single, robust evidence base for scheme development and evaluation across the North.

Last year we:

- Provided clear and robust analysis and evidence for TfN programmes, including Northern Powerhouse Rail.
- Further developed the Analytical Framework, including new approaches to modelling economic transformation.
- Delivered a programme of innovative and insightful research to inform the development of TfN policy and strategy positions.
- Worked with our partners and stakeholders to update the Northern Powerhouse Independent Economic Review (NPIER).

In 2020/21 we will:

- Deliver a programme of research to support delivery of our policies and outcomes of strategic business cases. This will include research on links between transport and the economy, building on the NPIER with a new joint programme of research with the NP11.
- Integrate the NPIER and wider research programme into the Analytical Framework.
- Provide expert economic and appraisal advice into TfN's programmes.
- Complete the Analytical Framework and ensure it is used within TfN's programmes, our STP ambitions, partner activities, and the ongoing work on carbon reduction.
- Deliver crucial evidence to progress development of key programmes, including Northern Powerhouse Rail, Major Roads and IST.

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Our people: A valued and diverse community

Health and safety

Health and safety continues to be the cornerstone of TfN's strategy for improving the wellbeing of staff. This area of activity offers an enhanced level of resilience in providing a suitable, fit for purpose facility and associated facilities management advisory and support service.

Our approach fulfils our statutory objectives by effectively providing a framework for securing the wellbeing of our employees and others who could be affected by our actions. The appointment of a 'competent person' combined with a shared resource service offering means that the majority of health and safety matters, training programmes for employees and contractors, and proactive risk management, can be effectively managed/delivered flexibly to recognised standards in-house.

This collaborative approach provides the right level of engagement across a variety of stakeholders, creating knowledge and awareness of health and safety risks, and encouraging behavioural change through assessments and direct interventions including inspections and investigations, but we must continue to evolve our approach to face fresh challenges or to address existing problems in new ways.

Communications and Engagement

Strategic communications and engagement remains an essential part of the work we do. Given the nature of our organisation, the scale of area we represent, and the political environment in which we operate, communications and engagement is an integral element to ensure our 'one voice' is heard loud and clear.

This year our Communications and Engagement team have continued to build on the interest established in our work at a time when infrastructure investment has rocketed up the national agenda. Through impactful campaigns like our call for a Northern Budget, and events like our inaugural conference, we've firmly established a narrative around coherent and sustained investment.

At a programme level the team have continued to bring our strategy and major programmes to life, ensuring the relevant people are informed about our work and are on board with our vision and mission to deliver real change for the people of the North.

The team have also developed and begun to deliver a refreshed engagement and member service strategy – to ensure our Members are at the heart of the direction of Transport for the North.

In 2020/21 we will continue to build on the success of existing communications channels, as well as continuing to introduce new platforms. The team will embed our new approaches and continue to refine our events offer.

36-37

TeamTfN

Central to the success of our shared Northern goal is our team. We're proud of the talented, bright minds we attract and retain. Through our values-driven

culture and shared goals, our diverse and dedicated employees are quick to adapt to the changing landscape in which we operate. And we arm them with the tools and support to do so.

We'll soon enter our third year of being an employer in our own right (since gaining statutory status). As such, our comprehensive suite of employment policies are now further developed and embedded and we continue to build our reputation as a best practice employer.

At the heart of this is our People Strategy, an all-encompassing plan that aims to ensure we have the right people, at the right time to deliver our organisational goals. This covers nurturing talent and rewarding our teams, as well as listening to their needs and responding where necessary - all of which are underpinned by our values of making a difference; collaborating; doing the right thing; and being driven to succeed.

This commitment to being among the best was demonstrated when we became among the first supporters of the Greater Manchester Good Employment Charter - an initiative aimed at developing good jobs and more opportunities for people to progress.

We hold ourselves to the same high standards as our peers across the North. As well as being an accredited Living Wage employer - an expectation of which extends to our supply chain - we're also an agile organisation, adopting family-friendly working practices that mean our teams can work in different locations and at flexible times. Such agile and remote working practices mean we attract and retain talent from across the whole of the North. In return, we get the best out of people with a diverse range of backgrounds and experiences.

But we don't rest on our laurels. The importance of our employee voice, enshrined in our established Employee Forum and effective line management, has been further heightened with our #TeamTfN initiative. Based on the results of an organisation-wide survey, our ongoing action plan ensures TfN remains a great place to work. With everyone responsible for its delivery, it includes new and existing initiatives to promote teamwork, leadership, and health and wellbeing among other areas.

Recognising that everyone has the ability to shape and improve our organisation is a fundamental principle. Linked to this is our recognition of UNISON, with whom we regularly collaborate to support our teams regarding working practices and ensuring we always do the right thing.

Building on our status as Disability Confident employer, we've also established a Diversity sub-group - made up of employees - to make sure we reflect, embrace and celebrate the North's differences, and equip our teams to do so in practical ways.

Our TfN vision is based on creating opportunities. It's therefore only right that we hold true to this internally. We have transparent career pathways in place to unlock opportunities and give our people chance to grow with us. This complements the robust evaluation, reward, development and pay practices that nurture individuals in their career progression.

We embrace and open the door for the next generation of talent too. Our apprenticeships scheme provides school-leavers with the opportunity to develop in high-skilled and rewarding roles. We've currently 3 apprentices, with this number planned to shortly rise to 4 (2.7%) – which is ahead of the Government's 2.3% of all new starters target by March 2021. We're extremely proud of what our apprentices have achieved, with some going on to other opportunities within TfN, broadening their skillsets and experience.

Our people in 2020/21

As agreed by our Members, to maximise value for money we continue to minimise our reliance on external consultants' posts, wherever possible. This gives us certainty over resources and the balance of skillsets we can deploy. However, we are mindful of both the length of time needed to fill roles and the funding conditions within which we operate.

Over the next 12-month period it is projected that TfN's current workforce (permanent and fixed-term) will increase from 147 posts to circa 190 posts, supplemented by external consultant (service-based) resource where required.

The main changes are around ensuring we meet the demanding workload of the priorities of the North. With additional Transport Development Funding for Northern Powerhouse Rail, we will need further highly skilled team members across the business to support the programme's pace.

Our projected increase in people to support our Strategic Rail and Rail North Partnership teams will mainly be funded from a proposed increase in the rail grant we receive. This is in response to the significant events over the last two years across the North's rail network and the ongoing need for a strong voice and oversight from Transport for the North.

As outlined in the Business Plan, essential to making the case for investment across the North is a robust and credible evidence base. In order to deliver on the ambitions of our Investment Programme, additional resource is planned for our analysis and appraisal team.

Reflecting this substantial increase in activity, further modest additions are also planned to be made to support services to underpin the uplift in organisational outputs – aligned to the funding we are receiving over 2020/21.

38-41

TfN's financial affairs are shaped by its funding relationship with the Department for Transport and the regulatory environment in which it exists.

As a Sub-national Transport Body, TfN is largely subject to the same statutory frameworks as partner local transport and combined authorities. These frameworks include requirements to set a balanced budget on an annual basis and agree a reserve strategy to manage longer-term risk.

The programme of activity set out in this Business Plan has been used to develop a budget for 2020/21 and to inform our reserve strategy.

The business planning process identified our key strategic priorities and identified a common 'golden thread' from strategy to delivery. This 'golden thread' ensured that when detailed individual departmental plans were being designed and objectives set, there was a common and coordinated approach to delivery across the organisation. These common goals are what underpin the expenditure profile and budget for 2020/21.

These budgets are underpinned by a reserve strategy, which serves as our back-stop mitigation against financial risk.

Value for money

We recognise the absolute requirement to deliver our programme of works efficiently and effectively. The procurement of goods and services from external suppliers represents a major element of our expenditure. In order to ensure value for money, we have implemented a procurement framework which requires that the procurement of goods or services includes a competitive process that is appropriate to the value and complexity of the services/products and also minimises barriers for suppliers to participate in such exercises.

Expenditure

In order to deliver the activity set out in the Business Plan, we have total budgeted expenditure for 2020/21 of £88.05m. This includes £55.35m of underlying programme expenditure and £22.26m of programme contingency, bringing total programme resource to £77.61m. This is supplemented by £2.98m of expenditure on our Rail Operations functions and £7.46m net expenditure on our core operations. As a Sub-national Transport Body, we are unable to recover VAT on our purchases of goods and services.

In 2020/21 it is expected that there will be three elements of the programme budget. Programme budgets include contingency held to manage risk and exploit opportunities that may arise over the course of the year:

Programme	£million
Integrated and Smart Travel	15.78
Northern Powerhouse Rail	59.95
Strategic Development Corridors	1.88
Total programme expenditure	77.61

The Rail Operations functions enable TfN to deliver on its statutory obligations towards the management and oversight of the North's rail franchises:

Rail Operations	£million
Strategic Rail	1.39
Rail North Partnership	1.59
Total Rail Operations expenditure	£2.98

The operational budget covers the functions of the back, middle and front office of the organisation along with the business infrastructure. We are subject to the same regulatory environment as local and combined authorities and must discharge our responsibilities as an autonomous body. We must also act in accordance with the Memorandum of Understanding that we have with the DfT.

Accordingly, the activity carried out within these areas represents the required enabling functions familiar to all public sector organisations, but also the teams that develop and deliver upon much of our aspirations. The total value of the operational budget is £7.46m with expenditure falling as follows:

Core Operations	£million
Leadership	0.32
Finance and Business Systems	1.35
Business Capabilities	3.78
Programme Management Office	0.32
Strategy and Policy	2.70
Gross total	8.46
Recharges to programmes	(1.00)
Net total	7.46

Risk management

We have developed risk management processes through which we identify and address the risks associated with each programme of activity. We have adopted a Risk Management Strategy using industry best practice to create a framework within which risks are identified and evaluated prior to mitigation plans being put in place. Programme and corporate risks are monitored regularly, with month and quarterly risk reporting being provided to board and the Audit and Governance Committee.

Funding

Transport for the North is almost entirely funded by grants from the Department for Transport. Aside from a £10m core funding allocation, this funding is ringfenced for the purpose for which it has been allocated and in the main can only be drawn down as and when it is required. The funding that we are able to draw on during the year to pay for our budgeted expenditure is as follows:

Resource	£million	
Core grant	10.00	Flexible grant to fund Transport for the North activity. To be paid in two instalments during the year as required.
Core grant reserve brought forward	1.39	Carry forward of core grant from prior years.
Rail North grant, contracted income and contributions	1.88	Ringfenced to support Rail North activity, to be paid at the start of the financial year.

IST grant	15.78	Ringfenced to support Integrated and Smart Travel activity, to be drawn as needed by agreement with the DfT.
Transport Development Fund	59.00	Ringfenced to support Northern Powerhouse Rail activity, to be drawn as needed by agreement with the DfT.
Total	88.05	

Reserve strategy

All local government bodies – including Transport for the North – are required to operate to a locally defined reserves strategy that ensures the organisation always holds a prudent level of reserves. A prudent reserve strategy is particularly important to us as an organisation as we have few other levers to mitigate financial risk. We cannot access credit for short-term cash flow management or long-term investment, nor can we levy or precept upon a local tax base to underwrite our operations.

As noted above, most of our programme funding can only be drawn down as and when it is required whilst most is ringfenced for the purpose for which it has been allocated. This means that our reserve strategy must be managed in conjunction with the use of the annual core grant allocations, as core grant is the only discretionary resource we hold that can fund any and all expenditure.

We have forecast a 2019/20 year-end reserve balance of £6.47m. Of this value it is proposed that £0.50m is earmarked for future work around the devolution of further powers to TfN. It is further proposed that £1.39m of the reserve is drawn down in 2020/21 to help fund one-off development work, including the finalisation of the Strategic Development Corridor studies. These proposals would reduce available Core Grant Reserve levels to £4.58m by the end of 2020/21, with further draws of circa £1.72m forecast in the medium-term. This approach allows us to match reserves to key pieces of activity whilst ensuring available resource does not fall below a 'floor' level of £2.00m.

We will revisit the reserve strategy in light of the outcome of the Spending Review that is expected to take place in the first half of 2020.

Future activity will be managed within our in-year grant funding.

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This year and beyond

We're extremely proud to be the first Sub-national Transport Body with statutory powers. Now entering our third year as a statutory body, we continue to be a strong and unified voice for the North on behalf of our constituent authorities and 15 million citizens.

We do this by employing the brightest minds who have a passion for our mission to create more opportunities. This passion and commitment – demonstrated every day through our core values – is essential if we're to achieve our strategic goals and deliver against our plans outlined in this document.

This Business Plan details what we've achieved in the last year, but it also looks ahead, providing direction for our teams and representing the priorities of the Northern leaders who make up our governance.

There will be no let-up in 2020/21. With the Strategic Transport Plan submitted and our programmes maturing, we'll need to drive forward progress across each area of TfN. From ensuring a strong and credible business case for Northern Powerhouse Rail is created at pace; to embedding the ambitions of the Northern Transport Charter into our day-to-day work; we'll continue to monitor progress at organisational, departmental and individual level.

Whilst our STP and accompanying Investment Programme have a long-term common goal, a sustained pipeline of infrastructure investment is needed to deliver. That means our vision being underpinned by short, medium and longer-term plans that advance wide-ranging interventions right across the North.

The forthcoming year presents both opportunities and challenges. With the Williams Review into the UK railways proposing a new model for how the system is run, TfN will need to respond and work with the Government to ensure our Northern leaders play an increased and integral role in the re-shaping of a widely acknowledged complex and fragmented industry. Coupled with change on the current franchises, our role in operational rail will continue to be a key area of focus and resources.

Further work will also be carried out on the Northern Transport Charter – a blueprint for further devolution to the North. This will continue the strategic planning exercise with our partners regarding TfN's future role and informing our submission to the anticipated Comprehensive Spending Review.

With national attention and promises of significant investment in the North's infrastructure – including commitment to HS2 and Northern Powerhouse Rail now made – 2020/21 will also bring significant opportunity to understand and advance delivery of such once-in-a-generation projects and the legacy they will leave for the North.

45-46

Measuring Success

In 2017 we established a framework to monitor and measure our progress and performance and ensure that we provide value for money. This framework focuses on Key Performance Indicators (KPIs) that measure all our work programmes. There are four measures used to monitor the performance of our programme delivery:

- i) project scope
- ii) meeting programme objectives

iii) milestone delivery

iv) budget

These are reported to our boards and externally through the Monthly Operating Report to demonstrate progress achieved.

The KPIs that we have adopted for 2020/21 are set out below.

Area	KPI	Detail	Delivery
Corporate	1	Agree with Government the phasing and prioritisation of the Integrated Rail Plan for High Speed North.	Dec 20
Northern Powerhouse Rail	2	Agree and submit Strategic Outline Case to Government.	Jan 21
Integrated and Smart Travel	3	Complete the delivery of the Integrated Smart Ticketing on Rail Project (Phase 1)	Nov 20
Integrated and Smart Travel	4	Complete the delivery of Phase 2 of the Integrated and Smart Ticketing Programme (informed customers).	Mar 21
Integrated and Smart Travel	5	Agree a plan for the delivery of contactless payments on rail, in collaboration with the DfT and Rail Delivery Group (Phase 3).	Dec 20
Major Roads	6	Agree and approve the Transport for the North Major Roads Report.	Mar 21
Strategic Rail	7	Implement the recommendations in the Blake – Jones review.	Jun 20
Strategic Rail	8	Develop a TfN response to the Williams Review.	Within 3 months of publication
Strategic Rail	9	Hold the industry to account to deliver improved performance and a greater focus on the needs of passengers.	Mar 21
Strategy	10	Update and refresh the TfN Investment Programme, based on an agreed Assurance Framework and using the outputs of the SDC Qualitative Sequencing process.	Sept 20

Strategy	11	Develop a decarbonisation strategy for approval by the TfN Board and ensure that this is embedded in TfN's Investment Programme Assurance Framework.	Mar 21
Strategy	12	Develop an inclusive and sustainable growth framework that will sit alongside the Strategic Transport Plan and ensure that this is embedded in TfN's Investment Programme Assurance Framework.	Mar 21
Strategy	13	Develop a freight strategy for approval by the TfN Board and ensure that this is embedded in TfN's Investment Programme Assurance Framework.	Mar 21
Modelling and Analysis	14	Complete and deploy the Analytical Framework throughout TfN's programmes.	Mar 21
Corporate	15	Develop and provide a Spending Review Submission to Government.	At date set by HMT
Corporate	16	Develop and adopt the Northern Transport Charter.	Jun 20

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Back cover