

Transport for the North Monthly Operating Report April 2020



Contents

Introduction	Page
Summary from the Chief Executive	3
Programme Summary	
Northern Powerhouse Rail (NPR)	4-5
Integrated & Smart Travel (IST)	6-7
Strategic Development Corridors (SDCs)	8-9
Major Road Network (MRN)	10
Strategic Rail	11-13
Operations Summary	14-17
Financial Performance	
Financial Update	18-19
Activity Dashboard	20
HR Update	21
KPIs (Key Performance Indicators)	22-24
Annex A:	
The Impact of COVID-19 on Programmes	25-28

Introduction

Summary from the Chief Executive

As in the previous month, and in common with the rest of the UK economy, COVID-19 and the associated lockdown measures have significantly impacted TfN's programme of work. TfN staff continued to work remotely throughout April and at this stage we envision this continuing for the foreseeable future, subject to emerging government advice. Where appropriate, engagement with stakeholders and partners has continued through remote working. TfN is monitoring COVID-19 related absences, which are currently at a low level.

The Strategic Rail team is focused on COVID-19 related work and recovery planning. The team has been working with local authorities, the Rail North Partnership, DfT, Network Rail, Northern and TransPennine Express with discussions being successful and productive. Operators have used this work to help adjust timetables to better reflect the flow of key workers. Other work by the Strategic Rail team, such as that around future demand and capacity, will be adjusted to reflect the post-COVID position.

All teams are supporting the work on the economic recovery plan (ERP), being led by Peter Molyneux. No announcement has been made about a medium term economic stimulus programme but given the economic challenges being faced we believe such action remains likely. The focus in the ERP is on quick wins where construction could start within the next four years.

Work has started on the Integrated Rail Plan submission, due to be submitted to the National Infrastructure Commission by the end of May. While the submission is an important first step the work over the summer and early autumn leading up to any decisions being taken remains key. We await confirmation from DfT of how they will approach the decision making process.

The NPR team has worked to re-phase the programme, and this has then been shared with TfN Board and other groups within TfN. There is significant ongoing work to prepare for the sifting workshops due to take place over the summer.

The IST team, like other programmes at TfN, has been impacted by COVID-19. Phase 1 has progressed through remote working where possible, and Train Operating Companies have put plans in place for onsite works to be implemented once lockdown restrictions will allow them to resume.

The sequencing of the TfN Investment Programme has continued successfully, relying heavily on joint working with officers from across the North. The updated Investment Programme will be presented at TfN's Board meeting in June for discussion and feedback, before being brought back at a future meeting for approval.

Northern Powerhouse Rail (NPR)

Monthly Summary

In the period, the review of COVID-19 programme impact has been completed and the re-phased programme agreed by NPR Programme Board and the TfN Board. The final submission of the Strategic Outline Case (SOC) is now scheduled to be presented and reviewed by the TfN Board in March 2021. The NPR team continue to look for opportunities to accelerate work in individual corridors to support the earlier delivery of benefits.

Final funding arrangements for NPR have still to be agreed by DfT. This has led to slight delays to certain procurements and recruitments in readiness for FY20/21 delivery. The NPR team is currently mitigating impacts associated with this.

AFTER MONTH END NOTE: TfN has now secured funding approval for those elements of planned activity that contribute to the delivery of the sifting process and the preparation and approval of the SOC. This is a welcome step forward. Funding for activity associated with preparatory work in relation to post-SOC work has not been approved and it is intended by the department that this will be reviewed in June.

Activity Update

Transport Analysis, Modelling and Economics (TAME)

The Northern Rail Modelling System (NoRMS) Iteration 1b was completed to programme and handed to the RMAP for application to support “sifting” of options to achieve a preferred NPR network. A further iteration of NoRMS is under development to inform the SOC and is on target to meet programme needs with risks being carefully managed. A further iteration of NELUM (North Economics and Land Use Model) was delivered in April 2020 and benefits are being modelled ahead of “sifting”.

Infrastructure

Network Rail (NR) is supporting the NPR programme in the re-baselining of the Sequence 4 delivery programme in line with the agreed re-phased approach. Although this now reflects the effects on working practices created by the pandemic, the schedule still remains challenging.

Mitigations are currently being developed to ensure decision-making on the programme, including sifting, phasing and preferred network is done in line with the timescales agreed.

Cost reviews with NR remain a challenge with NR unable to share infrastructure costs with co-clients until fully assured costs can be released to support “sifting”; we have pressed NR at co-client level to provide far greater visibility and this is under review at senior NR level.

Business Case

The development of the NPR Strategic Outline Case (SOC) is progressing well with early drafts of Cases being shared for comment at a working level. The phasing and SOC activity continue to be delivered on schedule.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p>COVID-19 Pandemic Issue: The COVID-19 pandemic has disrupted the NPR programme baseline. Deliverables and decision points are to be rephased in FY20/21.</p>	<p>Programme review completed last period. Further detailed reviews underway, looking at impacts to TfN and NPR programme team, supply chain, DfT programme team and Partners.</p>	1 and 2
<p>Sequence 4 remit delivery Risk: Delay in agreement to scope clarification to pre-sequence 5 activity with DfT, which forms part of the contracted Sequence 4 scope and that focus on programme readiness for OBC delivery inc. ability to accelerate.</p>	<p>Conversations are ongoing between TfN & DfT as agreement between co-clients on pre-sequence 5 activity is key in NPR remaining aligned to delivery targets set out in NPRs SOBC. Quick agreement will support in mobilisation of Delivery Partner organisation and wider supply chain and enhance TfN's ability to respond to the Prime Minister's challenge of accelerating Man-Leeds.</p>	1 and 2

Programme and look ahead

The final sifting dates for each NPR corridor are below. The dates are based on the latest information available. The programme environment remains challenging given the current COVID-19 crisis, status updates will continue to be given in this report.

NPR Corridor	Final Sifting Date
Liverpool – Manchester	30 June 2020
Manchester – Leeds	24 July 2020
Routes - Hull	10 August 2020
Sheffield - Leeds	10 August 2020
Manchester – Sheffield	28 August 2020
Leeds – Newcastle	28 August 2020

Integrated and Smart Travel (IST)

Monthly Summary

The past month has seen good progress with the Disruption Messaging Tool (DMT) which is now live and in use with three Combined Authorities and a number of private sector public transport information service providers. We also completed a draft Strategic Outline Case (SOC) for a series of local smart travel projects, gaining approval from TfN Board to submit to DfT, and started the next phase of development of the Fares Data Build Tool (FDBT). There have been some challenges too, mainly from Covid 19 which has delayed the deployment of flexi-season products on some Northern services, and the installation of platform validators. Finally, our intention to introduce contactless ticketing on rail continues to be impacted by delays in the publication of the Williams Report.

Activity Update

Phase 1: (Smartcards on Rail) This project has been impacted by delays in the procurement, supply and installation of Platform Validators (PVals), partly as a consequence of Covid-19. Software development for the Merseyrail PVals is also delayed (although essential functionality is planned to be available by October 20). As a result, the project has been delayed by 2 months to January 2021 compared to the KPI date of November 2020. This new date assumes that plans now in place to recommence elements of the work put on hold because of Covid-19 are adhered to. Delayed activity on Phase 1 has led to underspend of £0.73m, contributing the significant majority of an IST programme in month underspend of £0.82m.

Phase 2: (Public Transport Open Data) MerseyTravel started using the Disruption Messaging Tool in late April, joining TfGM (Transport for Greater Manchester) and WYCA (West Yorkshire Combined Authority). Nexus have reset 'go live' to May. Following go live of the Open Data Hub (ODH) last month, a developer quickly started adding disruptions data to their platform for customers to use. Work continues to encourage use by other developers.

Work to develop further the prototype of FDBT (Beta-private) started in early April and is on schedule. Covid19 has impacted on the recruitment of testing volunteers from bus companies. The number recruited is less than ideal. We are discussing with the Government Digital Service whether they consider this to be adequate. The Gateway Review, carried out with DfT, concluded that the tool continues to meet a market need. Discussions with the DfT concerning the mechanics of handover are being initiated.

Phase 3: (Contactless on Rail): TfN is working with DfT on a paper which sets out the North's proposal to accelerate the national roll out of contactless on rail – against a backdrop of waiting for DfT to publish the William's Review. IPDC will be provided with a verbal update on our work on 15 June. There are ongoing

discussions with the Rail Delivery Group and TOCs to understand their positions and to seek opportunities for collaboration.

Phase 4: (Local Smart Schemes) Progress updates on the SOC were submitted to TfN Executive Board and at Scrutiny Committee in early April. The SOC was presented to the TfN Board on 29 April, which approved submission, subject to authorisation of the final version by TfN's Chief Executive, to the DfT investment committee in June. The SOC will be considered by IPDC on 29 June.

Risks		
Risk/Issue Summary	Summary of Mitigating Measures	KPI
Phase 1 – Risk: While the resumption of civils work at Merseyrail and Northern stations is due at the end of May, COVID-19 may cause delays on the completion of the roll-out of platform validators. In addition, Northern PVal hardware deliveries from China to the UK are now being expected to be fully received in August 2020 (shipments were originally expected in March 2020).	The IST programme continues to engage with TOCs regularly to understand risks and issues which may arise. Northern supplier for PVal hardware has been asked to consider partial/batched delivery of hardware.	3
Phase 2 – Risk: DfT may not or may delay taking long-term ownership of the FDBT (Fares Data Build Tool) or there may be extra cost for TfN as there may not be agreement on the acceptance criteria/and whether the toll has achieved this.	To agree with DfT the acceptance criteria, clarity around GDS expectations in the context of COVID_19 and handover process and timeline within the project budget.	4
Phase 3 – Risk: The DfT's roll-out plan for Contactless on Rail may not align with IST proposals and as a result, contactless ticketing may not be rolled out in the North as an early part of a national programme as agreed at TfN Board.	To submit a paper to DfT proposing a way forward for Contactless on Rail in the North in June.	5
Phase 4 – Risk: Funding for the Phase 4 proposal may not be secured either because it is not approved by DfT's investment committee or reallocated elsewhere to support COVID-19 recovery strategies.	There is close working with DfT to respond to challenges and understand emerging Department responses to COVID-19	

Programme and look ahead

Phase 1

- TfN internal governance approval of the MerseyRail PVAL plan.
- TransPennine Express completion of StarMobile (on board retailing) is in User Acceptance Testing. It cannot be deployed because of COVID-19 impacts.
- Northern progressing consents and approvals for the installation of PVALs

Phase 2

- MerseyTravel and Nexus to 'go live' with the DMT.
- DMT social media messaging capability delivered by the supplier.

Phase 3

- Develop scope of a proposal for Phase 3 in the North.
- Stakeholder engagement with Rail Fares Policy and Williams Review Team

Phase 4

- Strategic Case to be reviewed by DfT's Centres of Excellence in May to support the assessment by DfT's investment committee in June.
- Develop governance arrangements with DfT and details of Expression of Interest process with LTAs.

Strategic Development Corridors (SDCs)

Monthly Summary

This month's work has focused on finalising the proposed update of the Investment Programme (Executive Board 14 May 2020 and Board 11 June 2020) and identifying proposed schemes to be included in an Economic Recovery Plan.

Activity Update

During this month TfN has:

- Shared the final draft of the 'sequencing report' with Partners at the Strategic Oversight Group, for final feedback by 5 May 2020. This report details how we developed three sequencing options for the Investment Programme. This will be discussed at Executive Board (14 May 2020) and Board (11 June 2020).
- Continued to develop the scope of works and a suitable programme for the Investment Programme Benefit Analysis (IPBA), including the application of four future scenarios that can test the adaptability of our work. Developed a draft shortlist of proposed interventions, to be agreed with partners, that could be accelerated for delivery as part of an Economic Recovery Plan. The outputs of the Strategic Development Corridors, Investment Programme update, Long Term Rail Strategy and the Major Roads Report are being used as an evidence base for this work.
- Aside from the challenge of co-ordinating engagement with Partners during the current lockdown, we are continuing to mitigate critical risks, including the development of innovative transport and economic models, to allow the procurement of the benefits analysis commission to start Summer/Autumn 2020.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p>Innovative Modelling Risk: The IPBA project relies on a set of innovative models to provide evidence for the North's business case but they require thorough testing and assurance. If the models are not ready on time, there is a risk that we might not meet the Business Plan commitments and the sequencing outputs may have low assurance.</p>	<ul style="list-style-type: none"> - To include a 4-week familiarisation period in the programme so consultants will have time to try out the new models. - The modelling team are to provide monthly high-level updates on the progress of model development. - Review timescales and the programme, on a monthly basis, thus allowing more time for the models to be sufficiently tested on NPR and thereby provide consistency and integration between the NPR and the business case for the North. 	10

<p>Delivery changes to the STP essential schemes</p> <p>Risk: Uncertainty at this stage on how and when mega-projects such as MNWQ, TPT and NPR are delivered as these are 'STP essential' schemes and central to the SDC reference case. There is a risk that the delivery dates for MNWQ, TPT and NPR may change, which will have an impact on the reference case assumptions.</p>	<p>Review the reference case at the beginning of the benefits analysis commission programme; the reference case could be changed to 2040 OR the three strategic studies could be removed/amended from/in the reference case.</p> <p>Continue to communicate the risk clearly to stakeholders to manage expectations.</p> <p>Complete a decremental analysis to measure the impacts of any changes to the delivery of these schemes against the whole Investment Programme.</p>	<p>10</p>
--	--	-----------

Programme and look ahead

- A report on the three sequenced options will be submitted to TfN Board at its meeting on 11 June 2020.
- During May, the team will engage with TfN's Partners to develop the Economic Recovery Plan. We are reaching out to partners to identify potential accelerated interventions that could help boost the North's economy.

Major Road Network (MRN)

Monthly Summary

TfN continues to work with its Partners to monitor the progress of the Major Road Network and Large Local Major interventions. We are also working closely with Highways England to have a greater engagement and collaboration in the development of Road Investment Strategy 3.

We have asked Highways England and Partners to provide evidence of the impact of COVID-19 on travel behaviours and patterns.

Activity Update

- TfN is reviewing the final development report for the package of anonymised mobile device data for the Major Road Network. This data provides TfN and its partners with travel pattern evidence to support business cases for investment.
- The Major Roads Report has been finalised but will be updated in Spring 2021 following the completion of TfN’s Decarbonisation work.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p>Negative Perceptions Risk: Due to the environmental and sustainable impacts of traffic and congestion, road schemes may not get the investment needed to deliver the Strategic Transport Plan.</p>	<p>To develop a road map to sustainability, including the road network and multi-modal integration. To work with TAME to demonstrate the impact of road investment and the positive impacts of behaviour changes. Review the change in travel behaviours and patterns following COVID-19.</p>	6

Programme and look ahead

- TfN and Highways England will submit a report to June Partnership Board to update Members on future road investments.
- Using the outputs of the Strategic Development Corridors programme, TfN is working to identify potential interventions for early delivery, should a stimulus budget be part of the government’s Economic Recovery Plan following COVID-19.

Strategic Rail

Monthly Summary

The operational focus is on supporting COVID-19 related work and recovery planning. The joint working between Transport for the North (TfN), the Department for Transport (DfT), the Rail North Partnership (RNP) and the train companies has been successful and productive as has the work through the North of England Contingency Group made up of Local Authorities, Northern and TransPennine Express (TPE) and Network Rail. Operators have made a number of adjustments to their timetables to better reflect key worker flows informed by this work.

TfN is now leading a piece of work with Partners on future demand and capacity requirements and this will be adjusted to reflect the new post-COVID position.

At the time of writing, operators were preparing a 'key worker plus' increase in the level of services in readiness for pending government advice on any changes to travel restrictions. They were working through operational arrangements through the industry's national bodies – including the Rail Delivery Group. The Rail North Committee met (virtually) on 12 May to consider the challenges facing the rail industry (including the financial impact of the pandemic on rail and on passenger confidence and demand). There are opportunities for TfN to positively support the recovery and help promote sustainable transport.

Activity Update

TfN continues to work closely with the DfT and Network Rail on investment plans across the North of England including schemes to address congestion hotspots in Central Manchester and at Leeds. A focus in Q1 of 2020/21 is on supporting TfN's work on the Integrated Rail Plan for the North and the accompanying National Infrastructure Commission work.

It is understood that the refreshed Outline Business Case (OBC) for TRU was recently approved by the DfT's Investment, Projects and Delivery Committee (IPDC) in April. We understand the IPDC was asked to support a baseline OBC programme for partial electrification and, in parallel, also endorse further development work for a full electrification option which also considers the gauge clearance options for freight in more detail. We understand Ministerial and Treasury approval is now being sought to release funding for further design and development work in 2020.

The team is also working on developing the business case for journey time improvements across the North by reducing the cost of development and delivery of such projects. Network Rail is being engaged to undertake a six-route study using a new process and a Strategic Outline Business Case (SOBC) will be produced in early 2021.

A revised Blake Jones action plan was considered at the Rail North Committee on 12 May and the team continues to liaise with the DfT regarding funding for the additional resources that are required.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p>The long-term effect of COVID-19 on viability of Franchises. Risk: There is a risk that the demand for rail may take a significant amount of time to recover to pre-COVID 19 levels, impacting on the future of investment decisions which might affect TfN's ability to achieve its ambition for the North of England.</p>	<ol style="list-style-type: none"> 1. TPE, along with other franchises, is under a Management Contract initially until September 2020 when it will be reviewed by DfT. 2. TfN is working with RNP and industry to support the recovery including looking at future demand. 3. TfN is working with the industry to try and influence future investment decisions. 	9
<p>Treasury Investments and the COVID-19 Pandemic. Risk: At the national and strategic level, given that the Treasury is pouring its attention and resources into the economy to deal with the pandemic, it is likely that the Department may review the funding and scope available for infrastructure projects in the future leading to schemes which do not align with TfN strategy.</p>	<ol style="list-style-type: none"> 1. TfN is developing an economic recovery plan, making the case for continued investment in the North. 2. TfN will input into decision-making by giving statutory advice where appropriate, or through input to RNP. . 	9
<p>DfT Reprioritisation and the Williams Review. Risk: It is evident that the coronavirus pandemic has led to central government and in particular, the Department for Transport to re-prioritise their focus and resources in responding to the pandemic. This has led to the delay in the publication of Williams Review. Government may choose to focus on centrally deliverable initiatives such as franchise delivery, and not on devolution. As a result, this may not align with the strategy of members and would require a wider response from TfN</p>	<ol style="list-style-type: none"> 1. TfN will continue to make the case for reform that supports the North's ambitions. 	9
<p>TfN TRU Statutory Advice Risk: The next phase of Network Rail's development and design work is unable to support TfN aspirations for the north trans Pennine rail corridor as identified in our statutory advice issued in September 2018. Moreover, it inhibits the ability of TRU to form part of a broader, coherent rail investment strategy for the north as identified in statutory advice issued in January 2020.</p>	<p>The Strategic Rail team and RNP continue to work together to support Network Rail in producing an investment plan that meets passengers' needs and expectations through delivery in full of the outcomes set out in the TRU remit.</p> <p>TfN continues to stress to DfT and Network Rail the importance of delivering W10/12-gauge clearance to support container traffic across the Pennines and help increase the number of freight paths.</p> <p>Through the Manchester recovery Task Force and directly with DfT, TfN continues to press the case for adequate investment in Manchester.</p> <p>TfN continue to stress to DfT the importance of developing a parallel option to the OBC which better serves the North.</p>	

Programme and look ahead

- Support, monitor and help shape the industry response to the COVID-19 outbreak.
- Continue preparations for the Williams Review White Paper publication and link this to the implementation of the Blake Jones Action Plan.

- Continue to monitor industry plans to minimise the disruption from the first phase of the TransPennine Route Upgrade construction.
- Working through the Rail North Committee and Board, respond to industry proposals for mitigating cross-Manchester performance issues.
- Work through the new arrangements for the Northern franchise to ensure the best passenger outcomes are delivered.

Operations Summary

Monthly Introduction

Operational focus for April included: working with the DfT to confirm the provision of funding for Northern Powerhouse Rail; starting work on the response to the call for evidence on the integrated rail plan; strong communications in support of keeping travel safe; putting in place mechanisms to hold formal meetings digitally; having a review by Arup of the modelling (TAME) workstream; and preparing for the next Members Working Group on the Northern Transport Charter.

Other work included supporting the economic recovery plan while also working on research projects associated with the Northern Powerhouse Independent Economic Review, progress on the implementation of Modern.Gov governance and meeting management software (Legal), and reprogramming work around the development and application of the Analytical Framework due to COVID-19 (TAME).

Activity Update

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

Stakeholder Engagement & Communications

- The Stakeholder Engagement & Communications Team has been externally focused on supporting the key messages around travel across the North, including promoting the correct use of public transport and discouraging non-essential journeys. Supporting our chairing of the North of England Contingency Group, the team has ensured that Members have been kept appraised on a weekly basis of ongoing discussions and considerations across the rail network.
- Elsewhere, continuing to support TfN in successful remote working, internal communications efforts have been increased with a focus on wellbeing and morale, and ensuring teams remain productive and supported throughout.
- The team is in discussion with DfT regarding a Memorandum of Understanding on communications and engagement linked to the core Grant Funding Agreement. This has included clarification on interpretation of restrictions and working practices between the two organisations. Discussions on both the core grant funding agreement and the comms and engagement MOU are ongoing.

Finance & Procurement

- Work has continued with the Department to address funding issues for the NPR programme, with commitment gained to additional lines of activity since the last reporting date, but further effort is required to finalise appropriate funding cover of 20/21 activity. TfN is also engaging

with the Department to finalise Grant Funding Agreements more generally. This work enabled a number of major NPR tender exercises to be completed with contract awards made.

- Officers have reviewed and contributed to the development of the IST Phase 4 Strategic Outline Case.
- Financial Year 2019/20 was closed with work commencing on the development of the financial accounts.
- The procurement of remote working equipment continues to support TfN's operational resilience.
- Further work between Finance, Procurement, TAME and NPR officers has been undertaken to improve the early identification of requirements that require funding, commissioning and contracting.

Legal & Democratic

- A virtual Board consultation meeting was held on 29 April. Whilst this was not in public, it is anticipated that future meetings, including Rail North Committee (12 May) Scrutiny Committee (14 May) and Board (11 June) will be held as full public virtual meetings.
- The modern.gov software system (to streamline our governance and meeting management arrangements and which is used by a number of constituent authorities) is about to be installed (installation has been slightly delayed due to remote working of the supplier) and training dates have been diarised during May and June; these have been tailored so as to be delivered online, so will take slightly longer than anticipated. Following training, and a period to enable officers to establish familiarity with the system, a pilot roll out of an internal meeting is anticipated, followed by a public meeting later in the year. Further details and expected dates will be shared with partners in future monthly reports.

Strategy & Policy

- Work continues on the Northern Transport Charter with officers drafting a paper to outline the principles which will support the Charter's ambition for TfN to champion an inclusive and sustainable North. Officers also provided an update to Scrutiny Committee on the work to date and roadmap to completion (KPI 12 & 16).
- Developing a functional policy framework to support the development of TfN's decarbonisation strategy remains a key priority for the team and our Partners. To support this, we arranged a presentation from Bob Moran, Head of Environmental Policy at DfT to our April Strategic Oversight Group (SOG) to provide an update on their work to develop a transport decarbonisation plan (KPI 11).
- Progress on the Integrated Rail Plan for the North and Midlands has continued. A draft response to the National Infrastructure Commission has been shared with officers for comment and will be agreed with Members

before submitting by the end of May. Work is underway on the next phase of work to feed into the NIC's work later in the summer.

- Internal review of the draft Assurance Framework is under way and it will be presented to the Board in line with progress on updating the Investment Programme alongside the Strategic Development Corridor activity for approval (KPI 10).

Economics & Research

- The focus of the team has been on supporting the economic recovery plan whilst completing a number of ongoing research projects as part of the Northern Powerhouse Independent Economic Review Programme. The team are reviewing the initial outputs from those projects which will inform the work on the Northern Transport Charter and will be informing the review of the HMT Green Book on appraisal currently underway.

TAME (Technical Assurance, Modelling & Economics)

- The Head of Data, Modelling and Appraisal, left TfN at the beginning of May. A plan for filling this vacancy is developed and existing senior members of the TAME team will provide interim leadership. The next steps will be informed by a review of the TAME work programme and team structure currently being carried out by Arup.
- A significant reprogramming exercise has been undertaken to account for the impact of the COVID-19 pandemic and the related re-phasing of the NPR programme on the delivery of TAME's Analytical Framework. The reprofiling of the NPR delivery milestones in response to Covid-19 has relieved some of the pressure on the TAME programme and enabled a revised integrated programme between NPR and TAME to be developed. Some risks to delivery remain, particularly where vacancies are creating short-term resource constraints, but work is ongoing to identify appropriate mitigations to de-risk the programme. This will be informed by the Arup review. The new integrated programme is due to be finalised by mid-May.
- Procurements and contract extensions that are essential to delivery of the NPR SOC have been prioritised and are being processed at an accelerated rate with support from the NPR team. Other procurements are temporarily on hold until the Arup review has concluded.
- A new NPR Corridor Sift team made up of TAME officers and consultants has been established to ensure delivery of outputs for the six NPR corridor sift workshops. This includes provision of rail benefits from the Northern Rail Modelling System (NoRMS) and transformational land-use benefits from the Northern Economy and Land Use Model (NELUM). Further development of NoRMS, NELUM and the new TfN Future Travel Scenarios continues in the background and is now planned for completion by the end of July so that final versions of the tools can feed into the SOC. This additional development is required to provide the full picture of NPR benefits and to set the Analytical Framework up for the requirements of TfN's Northern Transport Charter.

- Development of TfN's new Northern Highway Assignment Model (NoHAM) is planned to restart in May 2020 following a pause due COVID-19 related absence of key consultants. Meanwhile the refreshed version of the Great Britain Freight Model (GBFM) is nearing completion. NoHAM will be used to estimate the multi-modal impacts of NPR and as part of TfN's Investment Programme Benefits Analysis (IPBA, formerly referred to as SDC2b Quantitative). The GBFM will help understand the multi-modal freight impacts across road, rail and maritime and the freight factors external to the transport investment. The freight analysis using the GBFM will provide an evidence base to support NPR, the IPBA, the Decarbonisation Pathways and Future Travel Scenarios.
- Analytical work on TfN's Decarbonisation Pathways has now commenced following the sharing of a key dataset from DfT to inform the work. The main output of this work will be a Carbon Tool to provide more detailed insight into current transport emissions in the North and what new policies are required to meet TfN's long-term carbon targets.

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p>Delay in the Development and Application of Analytical Frameworks (EFS) Risk: Last period, we reported that the COVID-19 pandemic led to absence of key personnel, delaying the development of the External Forecasting System (EFS). This caused subsequent delivery delay in other programmes such as NPR network testing and NoRMS Tranche 3b. Whilst risks remain, mitigating action has been taken to reduce the risk in this period.</p>	<p>TAME has reduced the scope of work required to provide a minimum-viable version of the EFS for the NPR SOC.</p> <p>Work has also been undertaken to identify the suitable resources to complete the programme. In addition, the team continues to work with PMO and procurement teams closely to reduce any unnecessary delay.</p> <p>There is continued close working relationship with the NPR and IPBA programme teams to ensure the quality and planning are up to date.</p>	14
<p>Delays to Delivery Due to New Resource Constraints Risk: The departure of the Head of Data, Modelling and Appraisal has created additional responsibilities to the newly appointed Assurance Manager and Analyst Manager. There is an urgent need to fill in their original roles to lead on the model development and application tasks. Whilst plans have been put in place to rapidly find additional resources to help, there is a residual risk that this process takes longer than anticipated and this has a knock-on impact on the availability of senior TAME officers to complete work for TfN's programmes.</p>	<p>TAME has been working closely with Procurement, HR and Finance to find a solution to rapidly address the resource gap. A provisional solution has been found, which could be implemented by the end of May.</p> <p>There is continued close working relationship with the NPR and IPBA programme teams to ensure the impact of these resourcing issues is reflected in the programme. For the longer term, the Arup review will seek to identify areas in which the TAME programme can be descoped without impacting significant on the quality of outputs.</p>	14

Financial Performance

Financial Update

Summary

Expenditure incurred in April: £4.01m

Variance to April monthly budget: £0.92m underspend

Headlines

- TfN's financial position after Period 1 shows a number of material over and underspends against the budget adopted in March, largely reflecting COVID-19 related issues
- Whilst parts of the organisation have been able to deliver activity at or ahead of budget, those that involve construction or asset installation have slipped.

Programmes:

- In April there were two material variances, with underspend in the Integrated and Smart Travel programme driven by previously reported issues with the Phase 1 ITSO on Rail project, and expenditure ahead of budget on the Network Rail contract within the NPR programme.

Integrated & Smart Travel:

- Programme wider underspend of £0.82m (58%) in the month Phase 1
 - The ITSO on Rail scheme continues to incur underspend, with an in-month shortfall of £0.73m, accounting for 89% of the programme-wide underspend.
 - Phase 1 underspends have been reported since Autumn 2019 as the contracting undertaken by the northern train operating companies continued to fall behind schedule.
 - The delivery of platform validator machines and other pieces of field equipment, largely manufactured in China, were then delayed due to quarantine measures as COVID-19 spread in Quarter 4.
 - Whilst equipment has now been received in the country, lockdown measures have impacted upon the ability of contractors to gain access to sites to install equipment.
 - It is likely that activity and expenditure will continue to slip until working restrictions are eased.

Phase 2/3/4 and Programme Team

- The other phases of the IST programme are cumulatively underspent by £0.08m, largely reflecting lower than forecast external support costs.

Northern Powerhouse Rail

- The NPR programme incurred expenditure below budget by a net £0.02m (4%):
 - This reflects £0.39m of expenditure ahead of budget on the Network Rail contract as activity continues to accelerate to the conclusion of the Sequence 4 activity.
 - Overspend against this contract was offset by underspend on a number of key contracts (£0.26m) and recruitment activities (£0.14m) that were deferred until the Department for Transport was in a position to commit funding.
- At the time of writing discussions were ongoing with the Department to secure funding for the programme's full range of activity. Whilst in-principle agreement has been reached for the majority of activity, funding letters that would enable TfN to contract for all outstanding contracting are still to be agreed.

Strategic Development Corridors (SDC)

- A minor overspend of £0.02m was incurred in the month, as activity planned for Quarter 4 of the prior year slipped into the new year.
- Activity on the major Quantitative project is not now expected to begin before Quarter 2.

Operations:

Rail Operations

- A cumulative underspend of £0.08m accrued in April across the Rail North Partnership and Strategic Rail teams.
- This principally reflects vacancy underspend, in part as budgeted posts for the Blake Jones implementation were held awaiting funding commitment from DfT.

Operational Areas

- Net expenditure across the operational areas resulted in an immaterial underspend of £0.03m.
- Cost incurred in pivoting TfN to full remote working have been relatively low at c. £0.01m.

Activity Dashboard

TRANSPORT FOR THE NORTH FINANCE DASHBOARD					PERIOD BUDGET CYCLE		1 FISCAL		APRIL 2020/21	
PERIOD ACTUALS VERSUS BUDGET										
	Actuals £m	Budget £m	Var. £m	Var. %						
Integrated and Smart Ticketing	£0.58	£1.40	£0.82	58%						
Northern Powerhouse Rail	£2.70	£2.82	£0.12	4%						
Major Roads	£0.08	£0.06	£-0.02	-43%						
Programmes	£3.36	£4.27	£0.91	21%						
Rail Operations	£0.18	£0.25	£0.08	30%						
Operational Areas	£0.37	£0.40	£0.03	8%						
	£3.91	£4.93	£1.02	21%						
PERIOD ACTUALS VERSUS BUDGET: PROGRAMMES										
	Actuals £m	Budget £m	Var. £m	Var. %						
IST: Phase 1	£0.17	£0.90	£0.73	82%						
IST: Phase 2	£0.18	£0.19	£0.02	8%						
IST: Phase 3	£0.05	£0.06	£0.00	7%						
IST: Phase 4	£0.06	£0.10	£0.04	42%						
IST: Programme	£0.13	£0.15	£0.02	15%						
Northern Powerhouse Rail	£2.70	£2.82	£0.12	4%						
Major Roads	£0.08	£0.06	£-0.02	-43%						
	£3.36	£4.27	£0.91	21%						
YEAR TO DATE ACTUALS VERSUS BUDGET										
	Actuals £m	Budget £m	Var. £m	Var. %						
Integrated and Smart Ticketing	£0.58	£1.40	£0.82	58%						
Northern Powerhouse Rail	£2.70	£2.82	£0.12	4%						
Major Roads	£0.08	£0.06	£-0.02	-43%						
Programmes	£3.36	£4.27	£0.91	21%						
Rail Operations	£0.18	£0.25	£0.08	30%						
Operational Areas	£0.37	£0.40	£0.03	8%						
	£3.91	£4.93	£1.02	21%						
FUNDING YEAR TO DATE					FUNDING FORECASTS TO OUTTURN					
	Actuals £m	Budget £m	Var. £m	Var. %	Actuals £m	F/cast £m	Var. £m	Var. %		
Funding Stream										
TDF - Rail	£2.62	£2.74	£0.12	4%	£2.62	£59.00	£56.37	96%		
IST - Capital and Revenue	£0.58	£1.40	£0.82	58%	£0.58	£15.78	£15.20	96%		
Core Grant	£0.58	£0.66	£0.07	11%	£0.58	£11.62	£11.03	95%		
Rail North Grant & Contributions	£0.11	£0.11	£0.00	0%	£0.11	£1.30	£1.19	92%		
TDF - Roads	£0.00	£0.00	£0.00	-	£0.00	£0.00	£0.00	-		
Trading Income	£0.02	£0.03	£0.01	33%	£0.02	£0.36	£0.34	95%		
	£3.91	£4.93	£1.02	21%	£3.91	£88.05	£84.14	96%		

HR Update

Human Resources Update

Salaried Establishment as at **6 May 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	30 (29.32 FTE)	5 (5.00 FTE)	35 (34.32 FTE)
Operational & Delivery	94 (93.18 FTE)	41 (46.00 FTE)	136 (135.18 FTE)
Total Establishment	126 (123.67 FTE)	46 (46.00 FTE)	172 (169.67 FTE)
Strength (in post)	108 (106.35 FTE)	25 (25.00 FTE)	133 (131.35 FTE)
Appointed (start date pending)	7 (7.00 FTE)	3 (3.00 FTE)	10 (10.00 FTE)
Active/Pending Recruitment	3 (3.00 FTE)	2 (2.00 FTE)	5 (5.00 FTE)
Vacant – On-hold	8 (7.32 FTE)	16 (16.00 FTE)	24 (23.32 FTE)

Agency Resource - Covering Vacant Posts

Area	Posts (FTE's)
Support Services	3 Post (2.12 FTE)
Operational & Delivery	2 Posts (2.00 FTE)
Total	5 Posts (4.12 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 – 2020/21 Year to Date






Corporate Sickness Level (Inc. Covid-19 related sickness):	3.4%
Covid-19 related Sickness Level:	1.1%
Employment Policy Application:	0%
Employee Turnover (Voluntary Leavers):	0.75%
% of Employees from an Ethnic Minority Background:	14%
% of Employees declaring a Disability:	9%
Gender Mix - % of Female Employees:	33%
% of Male Employees:	67%





KPIs

Key Performance Indicators

Transport for the North's Key Performance Indicators (KPIs) are outlined in the published Business Plan for 2020-21. The below table outlines the programme and organisational KPIs and provides a summary of the year end position.

Key

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

Area	KPI	Detail	Progress	Status
Corporate	1	Agree with Government the phasing and prioritisation of the Integrated Rail Plan for High Speed North. December 2020	In Progress	
			Initial work underway with NIC on a Rail Needs Assessment by end of May. Further work being commissioned. Timetable and TfN role in IRP process remains unclear.	
Northern Powerhouse Rail	2	Agree and submit Strategic Outline Case to Government. January 2021	Delay	
			The SOC timeline has been rephased due to the impacts of COVID-19. The rephased SOC timeline was approved at NPR Programme Board on 16 April 2020 and at TfN Board on 29 April 2020. The next step is to complete a re-baselining activity of the programme for the SOC submission in March 2021. The NPR programme environment remains challenging given the current COVID-19 crisis, status updates will continue to be given in this report.	
Integrated and Smart Travel	3	Complete the delivery of the Integrated and Smart Travel on Rail Project (Phase 1). November 2020	Delay	
			Northern is on track to complete delivery in November 2020. MerseyRail plan to roll out their own products by October 2020 and capability for national products to be brought forward at a future date, is planned to complete by January 2021. COVID-19 impact may detrimentally affect the completion date as currently on site works cannot progress. The RAG status is now showing as Amber, as the KPI was published prior to the outbreak of COVID-19. We're therefore showing a slight delay.	
	4		On Track	

Integrated and Smart Travel		Complete the delivery of Phase 2 of the Integrated and Smart Travel Programme (informed customers). March 2021	The phase is currently on track to meet the KPI. DMT and ODH are live and being rolled out to LTAs and developers. Further enhancements to DMT will be delivered during the course of the year. FDBT has completed the first stage of development (alpha) and the prototype is being developed in the second stage (beta private)
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). December 2020	On Track Discussions continue with DfT and RDG (Rail Delivery Group). A paper outlining the North's proposals to accelerate contactless on rail in the North is being developed with the DfT sponsor team for submission the the June meeting of DfT's investment committee.
Major Roads	6	Agree and approve the Transport for the North Major Roads Report. March 2021	In Progress The technical report has been completed and the Major Roads Report will be updated following the completion of the Decarbonisation workstream.
Strategic Rail	7	Implement the recommendations in the Blake Jones review. June 2020	In Progress The Blake Jones Action plan will be implemented subject to the outcome of the 12 May Rail North Committee meeting.
Strategic Rail	8	Develop a TfN response to the Williams Review. Within three months of publication	On Track A response to the Williams Review will be developed within three months of its publication; the date of which is yet to announced.
Strategic Rail	9	Support the industry and Rail North Partnership in the response to and recovery from COVID-19, including a strong focus on the needs of passengers and businesses, together with the short-term investment needed to support the recovery. March 2021	In Progress Strategic Rail is proactively supporting the industry through the crisis and recovery, for example through the North of England Contingency Group. A plan to support the economic recovery both by investment in infrastructure and services is being developed.
Strategic Development Corridors	10	Update and refresh the TfN Investment Programme, based on an agreed Assurance Framework and using the outputs of the SDC Qualitative Sequencing process. September 2020	On Track A report on the three sequenced programme options will be submitted to Board on 11 June 2020.
Strategy	11		In Progress

		Develop a decarbonisation strategy for approval by the TfN Board and ensure that this is embedded in TfN's Investment Programme Assurance Framework. March 2021	Work continues at pace on TfN's decarbonisation strategy. Some of the milestones within the work programme presented to board in March have shifted slightly due to programme delays elsewhere at TfN but these are manageable and we are confident the March 21 timescale is still achievable.
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. March 2021	<p>Not Started</p> <p>This KPI doesn't start until KPI 16 has been completed, this is because as part of the Northern Transport Charter we are working with members to identify the principles of an inclusive and sustainable North.</p>
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. March 2021	<p>On Track</p> <p>There is a report going to the next TfN Scrutiny meeting on 14 May 2020 and work is in progress.</p>
Modelling and Analysis	14	Complete and deploy the Analytical Framework throughout TfN's programmes. March 2021	<p>Delay</p> <p>There have been delays to delivery and deployment of the Analytical Framework due to a number of resourcing factors, including staff absence due to COVID-19 and staff leaving the organisation. Delays are being managed in partnership with the TfN programmes.</p>
Organisation	15	Develop and provide a Spending Review Submission to Government. At date set by HMT	<p>On Track</p> <p>Waiting for confirmation when the Comprehensive Spending Review will take place.</p>
Organisation	16	Develop and adopt the Northern Transport Charter. June 2020	<p>In Progress</p> <p>Work continues on the Northern Transport Charter with officers drafting papers to present to the next members working group which has been rescheduled from March to June as a result of COVID-19. This unexpected delay will have a knock-on effect to the completion of the project, as things stand we aim to present a final version to the July or September Board for endorsement.</p>

Annex A

The Effects of the COVID-19 Pandemic on Programmes

A focused risk assessment has been undertaken to understand the impact of the pandemic on TfN's programme objectives and delivery. This exercise has either identified additional challenges, or has exacerbated the severity of some pre-existing risks, as detailed below.

Northern Powerhouse Rail (NPR)

Risk Effects of COVID-19	The pandemic has disrupted the NPR programme baseline and long-term delivery profile. The Strategic Outline Case (SOC) consists of several inputs including the outcome of the sifting workshops that were due to be held over the summer.
Cost Impact	The NPR team is confident that whilst there will be scheduling impacts, the programme will operate within its original budget.
Schedule Impact	The government lockdown and social distancing restrictions have introduced challenges into the original timeline and as a result the scheduled submission of the SOC in January 2021 has been re-baselined to March 2021 .
Other Impact	There is an opportunity to utilise the additional time to mitigate the implications of the pandemic across the programme.

Integrated and Smart Travel (IST)

Phase 1 (Smartcards on Rail)

Risk Effects of COVID-19	The most recent pre-COVID completion date for this project was November 2020. This date included contingency which has now been exhausted due to delays in civil works and the supply of PVals. Whilst the resumption of civils work at Merseyrail and Northern stations is due at the end of May, COVID-19 may cause further delays on the completion of the roll-out of platform validators
Cost Impact	There is currently no indication that there will be a significant cost increase as a result of Covid-19. However, further work with regard to cost impacts is ongoing. It should be noted that there remains contingency within the Phase 1 budget that would be available to cover any increases in cost that might arise.
Schedule Impact	Live testing will not start until June 2020 . The Northern Pval hardware from China is now expected in August 2020 .

	<p>With the partial lifting of COVID-19 movement restrictions, civils work has recommenced ready for the delivery of the PVal heads. Back office work (software development and testing) has continued on schedule.</p> <p>Delays are being mitigated through working collaboratively and in parallel with Northern and Merseyrail through weekly updates with a focus on delivery. TfN is also confirming the shipping arrangements for hardware delivery from both suppliers.</p> <p>Overall the programme is delayed 2 months from the KPI date, and is now expected to complete in January 2021. The January delivery date includes the full completion of project delivery, including the Merseyrail "Phase 2" National Rail smart products which are needed for longer term compatibility with the rest of the network. However, no TOC has plans to use these on the Merseyrail PVals. However, customer facing products are on course for availability in October 2020.</p>
Other Impact	N/A

Phase 2 (Fares Data Build Tool)

Risk Effects of COVID-19	<p>The use of buses has declined significantly, creating severe financial difficulties for the bus companies with the result of staff members who are essential to the implementation and roll-out of Phase 2 being furloughed. This will potentially impact on our ability to achieve GDS approval and therefore, unless DfT are minded to reduce compliance with GDS standards preclude the intended novation of the contract to DfT in due course.</p> <p>The team does not believe that the other elements of Phase 2 – Disruption Messaging and the Open Data Hub – will be significantly impacted by Covid-19. Although developer engagement with may be slowed because of COVID-19, but no cost impact is anticipated at this time.</p>
Cost Impact	<p>If the GDS standards are not fully met, remedial work would be required. If this were not completed before the current budget is exhausted (forecast for December 2020), then each week of delay will cost £24.5K. This is a total of £19K supplier cost plus £5.5K TfN cost per week.</p>
Schedule Impact	<p>The team is scheduled to complete the GDS assessment in August and handover to DfT in December 2020. If there is insufficient user research participation, this could delay the GDS assessment by an estimated six weeks.</p>
Other Impact	<p>As noted about, the reduced level of operator participation in user research could result in the project not meeting GDS requirements. This would make it very difficult to novate the contract to the DfT in the future, as is currently intended.</p>

A paper setting out the North’s plans for acceleration of availability of contactless ticketing (Phase 3) is being developed for submission to DfT’s investment committee in June. The Phase 4 SOC was submitted to the DfT in mid-May, with an

intended response date of end-June. The impact of COVID-19 will be built into the project schedule as the work is taken forward.

Investment Programme Benefits Analysis (IPBA)

Risk Effects of COVID-19	<p>We understand that a number of consultants have asked staff to take pay cuts to reflect the reduced workload during the pandemic. This may result in supply chain issues. In addition, the team is currently focused on the TfN response to the pandemic, and in particular the need to support the case-making for TfN's Economic Recovery Plan.</p> <p>In the event that the supply chain issues become a reality, it is also likely to affect TAME's direct consultants which could impact on the development and application of the Analytical Framework. The impact on the AF will have a knock-on effect on the IPBA.</p>
Cost Impact	<p>There is currently no reason to believe that the work cannot be completed within the original budget.</p> <p>In the event that the risk occurs, it is likely that additional costs will be required to procure alternative modelling and technical expertise in the labour market, although this may be mitigated if TfN is able to directly engage those affected.</p>
Schedule Impact	<p>There is a risk of delay to the procurement of consultants, and /or that a reduced number will bid – reducing the choice available to. However, the work is not due to start until September 2020 and currently this is not considered a sufficiently serious risk for the schedule of work to be delayed.</p>
Other Impact	N/A

Strategic Rail

Risk Effects of COVID-19	<p>Covid-19 has further delayed publication of the Williams Review.</p>
Cost Impact	<p>The TfN budget did not include any costs for activity arising from the Williams Review – rather it noted that any such activity would need to be funded from additional sources.</p>
Schedule Impact	<p>TfN's response to the Williams Review has been delayed. The extent of the delay could impact on TfN's ability to respond as resources had been allocation to do this in Q1. Resources will now need to be prioritised from other activities when the review is published.</p>
Other Impact	<p>The government may choose to focus on centrally deliverable initiatives such as the reform of rail franchising as all rail operations are under Emergency Management Arrangements or Operator of Last Resort. Further</p>

	devolutionary powers could be delayed for rail operations until growth and revenue return to pre-COVID levels.
--	---



Transport for the North
2nd Floor
4 Piccadilly Place
Manchester
M1 3BN



Transport for the North
Ground Floor
West Gate
Grace Street
Leeds
LS1 2RP



0161 244 0888



engagement@transportforthenorth.com

