

# Transport for the North Monthly Operating Report December 2019



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# Introduction

## Summary from the Chief Executive

December was a short working month for many due to the Christmas and New Year break. However, work has continued during December across all TfN programmes.

The key issue in December has been reliability on the rail network. As such the main focus of Strategic Rail has been the performance of operators following the December 2019 timetable change. TfN is working closely with the Rail North Partnership to ensure operators take appropriate mitigating actions to reduce the passenger impact and improve performance to acceptable levels. Activity to improve the operation of the network in the longer term is also ongoing. Work includes the development of a plan for disaggregating the Long Term Rail Strategy in to specific Delivery Plans, and work on Central Manchester Capacity, in relation to which a report was prepared for the January Board and an officer/member working group established to review short-term changes to services through the corridor.

NPR ended their calendar year positively and to schedule, but the team are preparing for a busy early 2020 with engineering design, cost estimating, and model development works planned for completion in the first few months of the year, ready to support sifting process that will support subsequent partner decision making. The Manchester Piccadilly Independent Review and the review of Stourton Junction are both also due for completion in the new year.

In Phase 1 of IST (smart season tickets), Northern's Platform Validator (PVal) hardware contract has been signed by both parties, and delivery plans are being worked up by Merseyrail and Merseytravel with the chosen supplier. Phase 2 activity continues to progress with work on the Fares Data Build Tool, Disruption Messaging Tool and Open Data Hub ongoing in December. Phase 3 remained on pause until the TfN board meeting on 8<sup>th</sup> January provided direction as to future activity.

Strategic Development Corridor (SDC) activity continues, with the team engaging with partners on the development of the sequencing framework.

An announcement with regard to the RIS2 schemes (2020-2025) is expected in the New Year. The Major Road Network (MRN) report is undergoing a refresh that will be presented to the TfN Partnership Board in Summer 2020.

Work continued around the TfN Assurance Framework with the internal review of three draft framework, while the Member Working Group for the Northern Transport Charter continues to develop the thought process around the new ways of working giving further clarity around TfN's main ambitions. Finally, the Scrutiny Committee met on 18<sup>th</sup> December to scrutinise reports in advance of Board papers being issued.

# Northern Powerhouse Rail (NPR)

## Monthly Summary

There was a positive end to the calendar year for the NPR programme, with progress continuing to schedule in December. In the first few months of the New Year, we will need to have completed engineering design, cost estimating, and model development works to support sifting requirements that subsequently support Partner decision making. Alongside this, the programme team are scheduled to make significant progress on future remit development, which will look at the additional requirements for engineering and modelling & development in Financial Year 20/21. Additionally, a series of programme wide activities are to be remitted and delivered by March 2020 to enable the NPR team to manage the increased volume of work in Financial Year 20/21.

This progress has been achieved despite a £750k underspend against Budget Revision 2 in December. Approximately half of that amount constitutes savings generated from efficiencies delivered by Network Rail that relate to infrastructure development work. The remits for this work are iterative and variations against remit budgets arise as a result. The balance is largely due to delays on Modelling & Appraisal contracts caused by longer than anticipated procurement and mobilisation with the supply chain. This work still needs to be undertaken, however, a review of the programme indicates that this delay does not impact on the critical path for the delivery of the NPR programme. NPR and the TfN modelling team are working closely with modelling & analysis consultants to define delivery requirements for the end of this Financial Year and into 2020/21.

## Activity Update

Engineering design development has continued positively in month with sift dates to be sent to partners to ensure availability. Leading up to all corridor sift dates, NPR technical leads will ensure Partners are engaged appropriately to ensure the process is clear as the output of the sift process will support decision making at TfN Board level in summer 2020.

The NPR Modelling & Analysis team made good progress in the month on NoRMS ("Northern Rail Modelling System") Iteration 1, which will be used to support the sift process. Following completion of the model, model runs will be performed, and the output used alongside Engineering information to inform the sift and support decision making in Summer 2020.

The NPR Engagement team are working closely with the Business Case Development team and PMO to ensure engagement requirements are aligned to key programme milestones. Emerging plans were shared with partners at Working Group in December 2019, and progress will be shared through subsequent Working Groups. A paper is going to TfN Board in January to provide an update on key programme dates.

Making good progress in the period are both the Independent Review on Piccadilly Station and review of Stourton Junction, which forms part of the Leeds City Region (“LCR”) Vision remit being delivered collaboratively with WYCA. The output of both will be taken to the Board in March 2020.

<b>Risks</b>		
<b>Risk/Issue Summary</b>	<b>Summary of Mitigating Measures</b>	<b>KPI</b>
<b>Piccadilly Station Options</b> <b>Issue:</b> There is misalignment with local authority partners on proposed station options for Manchester Piccadilly.	Independent review of development work and conclusions to date by Richard George. Recommendations for next steps following the review will be presented to, and discussed, with Partners.	<b>KPI 1</b>
<b>Stourton Junction</b> <b>Issue:</b> NPR will not get the proposed Stourton junction in the HS2 Phase 2b Hybrid Bill, which means that NPR may struggle to make a positive business case.	The NPR programme team is working with WYCA (and York, Sheffield City Region and Leeds Chamber of Commerce) in the development and forums to deliver the Leeds City Region Vision remit and ensure alignment to remit delivery.	<b>KPI 1</b>
<b>Oakervee Review</b> <b>Risk:</b> A change in government priorities and a view for integration of rail programmes in the North means the network configuration of NPR is questioned and may need rework if HS2 Phase 2a/2b is not fully delivered.	Following September TfN Board, TfN sent letter confirming that there was a need for both NPR and HS2 to continue. Work underway by Richard George and will factor in the conclusions from the Oakervee review.	<b>KPIs 1 &amp; 2</b>
<b>Northern Infrastructure Fund</b> <b>Opportunity:</b> Following the election result (December 2019) and with recent reports in national press about significant commitment to a northern infrastructure fund, an opportunity exists for TfN and NPR to work with government to gain commitment to match the ambition of TfN and NPR.	The opportunity is under further review within TfN, however emerging thoughts on how to exploit this opportunity are as follows; <ul style="list-style-type: none"> <li>- Chief executive and director level discussions with DfT and government</li> <li>- TfN Communications and NPR Engagement team to work together and respond to press.</li> </ul>	<b>KPI 2</b>

## **Programme and look ahead**

- Sift workshops complete – 28 May 2020
- Sifting update to TfN Partnership Board – 29 July 2020
- Pre-governance engagement with Northern Leaders – June to August 2020\*
- Phasing update to TfN Partnership Board – 17 September 2020
- SOC final endorsement governance:

- OBT – 09 November 2020
- Delivery Group – 19 November 2020
- Programme Board – 26 November 2020
- Executive Board – tbc
- TfN Partnership Board – 14 January 2021
- BICC – February 2021 (exact date to be confirmed)

\*Meetings between June and August are to be scheduled with Partners in Q4 FY19/20 and will be to discuss progress to date, sift outputs and emerging SOC development.

# Integrated and Smart Travel (IST)

## Monthly Summary

**Phase 1:** The introduction of Smartcard ticketing on rail in the North. Northern's Platform Validator (PVal) hardware contract was finalised in December and was duly signed by both parties early in the New year. Merseyrail and MerseyTravel have been progressing agreement of the PVal delivery plan with their supplier Init. In both cases delay was a consequence of extended contract negotiations.

**Phase 2:** Customer information, focusing on journey planning, disruption messaging and fares information. Activities are on track this month, following delays earlier in the year. The team undertook further engagement with partner LTA's during the month, further increasing the level of confidence partners have in the products that will be delivered.

**Phase 3:** Creation of Account-based travel paving the way for contactless bank card payments across the North giving passengers confidence in the price they pay for travel. The 'Active pause' continued, as previously reported, in advance of a delivery approach being agreed by TfN Board at the meeting on 8 January. Some preparatory work is underway to be ready to make progress if the Board supports the recommendation included in the Board report.

## Activity Update

**Phase 1** – Delivery has been delayed by 6 months due to issues with agreeing the contracts for the installation of PVals. On a positive note, the contract between Merseyrail and its supplier Init has now been signed and a workshop has been held between Merseyrail, Merseytravel and Init at which the suppliers approach to delivering the hardware was agreed. PVal delivery plans are scheduled to be submitted by Init to Merseyrail, Merseytravel and TfN, week ending 10 January; once received a number of key milestones will be reviewed and approved. The contract between Northern and its supplier Vix was signed on 3 January. Northern has secured business case approval to replace its onboard ticketing devices with new equipment that is Smartcard enabled (allows retailing to Smartcard and supports revenue protection measures through the ability to check Smartcards) and contracts are in place with the supplier, Fujitsu. This milestone is on track to complete by June 2020, 9 months later than baselined, subject to supplier scheduling.

**Phase 2** – Following a 12-week delay in completing contract negotiations the first phase of development of the Fares Data Build Tool progressed in December as rescheduled and is on track to complete the first stage in March 2020. A design workshop was well attended by stakeholders allowing some solution design to commence.

The training milestones for the Disruption Messaging Tool and Open Data Hub have been completed as rescheduled. Testing has begun and is on schedule.

Development of the tools continues to be on course to complete the revised milestone dates in January 2020, and starts to go live in February, with planned disruptions.

In December, South Yorkshire Passenger Transport Executive (SYPTe) joined Transport for Greater Manchester (TfGM) and West Yorkshire Combined Authority (WYCA) by agreeing their acceptance criteria with TfN. This means they have agreed (subject to commercial terms) to take on long-term ownership and funding of the tools once their acceptance criteria are achieved. Progress towards agreement has been made with Merseytravel and Nexus.

**Phase 3** - Work in December was focussed on preparing a recommended delivery option for the TfN Board meeting on 8 January 2020.

## Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p><b>Phase 1 - Northern PVals Supplier Delivery Timescales</b></p> <p><b>Risk:</b> There is a risk that installation of the PVals takes longer than anticipated and extends beyond 19/20 which will delay completion of Flexi-Seasons roll out.</p>	To work with Northern and their supplier to optimise and validate the PVal hardware delivery plan	<b>KPI - 7</b>
<p><b>Phase 2 – Business readiness</b></p> <p><b>Risk:</b> Some Local Transport Authorities may not be ready to use the disruption messaging tool as scheduled in February 2020 which may mean developers cannot use the data and realisation of Phase 2 benefits will be eroded.</p>	To agree with LTAs a plan of critical readiness activities  To keep developers informed and continue to work collaboratively with them and LTAs.	<b>KPI - 8</b>
<p><b>Phase 3 - Delivery of IST ABBOT Infrastructure</b></p> <p><b>Issue:</b> Without the participation of major bus operators, TfN cannot achieve the full customer proposition in the Outline Business Case (OBC) using the current delivery approach.</p>	To develop and understand the feasibility of alternate delivery options before presenting and seeking TfN Board’s approval of the recommended delivery approach.	<b>KPI- 9</b>

## Programme and look ahead

**Phase 1** There were no key milestones in December. The key activities are

- TfN to agree with Merseyrail/Merseytravel and Northern their PVal supplier delivery plans
- TfN and Northern to agree Pval deployment plans (i.e. physical location of PVals)

**Phase 2**

- Sign-off user acceptance testing of the milestone of Disruption Messaging and Open Data Hub on 22 January 2020.
- Deliver live releases of Disruption Messaging and Open Data Hub milestone on 31 January 2020.

**Phase 3**

- Next steps will be set as a result of TfN Board’s decision on 8 January 2020.

# Strategic Development Corridors (SDCs)

## Monthly Summary

Work on SDC2a (taking a qualitative approach to sequencing the Investment Programme) is on schedule; TfN is engaging with Partners on the development of the sequencing framework. This will be presented at the next Partnership Board.

The four strategic road studies (three existing and the new M6 A1(M) project) are ongoing with no milestones programmed till Spring 2020. Announcement of the RIS2 schemes covering the period 2020-25, is expected up to and including the budget on the 11 March, although no date for this announcement has been confirmed.

The Major Roads Report (MRR) is undergoing a refresh, which will be presented to TfN's Partnership Board in Summer 2020, rather than at the Q4 2019/20 Board as originally envisaged.

The budget variance of £100k seen this month for the programme is due to the reprofiling of the SDC2b (quantitatively testing the outputs of SDC2a) budget, which will now be spent in 2020/21. This is a postponement of work due to the delayed availability of analytical framework tools. The total value of work that will be delayed into 2020/21 is £0.83m. While this is a delay to our original timetable, there are no significant consequences as the qualitative work can be used as an evidence base to feed into the spending review. In the meantime, we need to ensure the tools are suitably assured before assessing the Investment Programme and measuring the benefits of transformational change.

## Activity Update

During December, the Major Roads team have focused on:

- Refining the procurement brief for SDC2b
- Defining the tender assessment criteria for SDC2b.
- Reviewing and developing the North's Economic Narrative for SDC2a  
Refining the draft future scenario sets and testing the scenarios for usability within TfN programmes

Current challenges:

- Developing the scope, with Partners, for the quantitative stage of sequencing the Investment Programme.
- Developing an ambitious but credible assumption of the infrastructure funding envelope for the Investment Programme.
- Developing the scope to identify DfT's 'no-regrets' packages of schemes for early delivery for Trans-Pennine Tunnel. These will be reported to BICC in Spring.
- Working with DfT and HE to influence route strategies.

## Risks

Risk/Issue	Summary of Mitigating Measures	KPI
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<b>Summary</b>		
<p><b>Milestone Interdependencies</b>  <b>Risk:</b> There are several interdependencies between SDCs Phase 2A and 2B, including TAME's development of the Analytical Framework. There is the risk of reputational damage if team does not meet Business Plan commitments. Programme delays will potentially increase costs.</p>	<p>Qualitative and Quantitative SDCs project managers to identify dates for interdependent milestones.            PMO to facilitate regular interdependency workshops to monitor interdependencies including the analytical framework, mitigate uncertainty, and support resource management.</p>	<p>KPI 15</p>
<p><b>Partners Input</b>  <b>Risk:</b> Partners slow to respond to requests over the status of 'their' schemes or provide insufficient detail. Partners may not be briefing senior officers and Members. This may lead to partners not endorsing the list of interventions in the ref case vs SOP list, which would prolong the SDC2 programme, resulting in financial and reputational challenges.</p>	<p>To outline partner requirements and a forward look at each Strategic Oversight Group project board            To circulate SOP list and sequencing framework for Partner comments as well as a comments log</p>	<p>KPI 15</p>
<p><b>Negative Perceptions</b>  <b>Risk:</b> Due to the environmental and sustainable impacts of traffic and congestion, road schemes and communities may not get the investment needed to deliver the benefits set out in 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 real impact of road investment and the positive impacts of behaviour changes.            To influence the WebTAG appraisal processes to include social inclusion etc.            Work to address this topic in Major Roads Report and develop an appropriate comms plan.</p>	<p>KPI 12, 13, 14 and 20</p>

## Programme and look ahead

- TfN officers will be presenting the SDC2 qualitative sequencing framework update at the next Partnership Board, 8 January 2020.
- SDC2 quantitative sequencing commission to go out to tender in February 2020.
- The first draft of the Major Roads Report will be completed by the end of January 2020.
- Atkins and EE/BT will be providing data for the whole TfN Major Road Network, which will be help TfN and Partners to monitor network performance.
- Refinement of Future Scenarios with delivery team and Partners during Jan / Feb. Agreement of draft scenario sets agreed at collaborative workshops, including scenario narratives and titles. Testing of agreed scenarios within TfN modelling tools and further reporting on progress later in Q1 2020.
- Three SDC2 drop-in sessions have been scheduled with Partners in February to consider the outputs of the qualitative sequencing framework tool.

# Strategic Rail

## Monthly Summary

There has been a strong operational focus this month following the introduction of the December 2019 timetable and continued poor performance. Cancellations and significantly delayed trains have been caused by staff shortages – due to a combination of training for the introduction of new trains, industrial relations issues and staff sickness compounded by a number of infrastructure issues. TfN is working closely with the Rail North Partnership to ensure operators take appropriate action and mitigations to reduce the passenger impact and improve performance back to acceptable levels.

Work has begun to develop a plan for disaggregating the Long Term Rail Strategy in to specific Delivery Plans, which will address issues on a thematic basis. This will include matters that impact across the entire geography (e.g. reliability, stations, fares), plans relating to a sub-division of our territory (e.g. Calder Valley), major rail hubs (e.g. Leeds or Manchester) and local schemes. A key issue is the dependencies between these plans and the work of the Strategic Development Corridors programme, the Transport Appraisal, Modelling & Economics team, and outputs from external bodies (e.g. Network Rail's Continuous Modular Strategic Plans).

The other key area of focus has been on Central Manchester Capacity with an officer/member working group being established to review short-term changes to services through the corridor. The TfN Board will also consider a series of recommendations from the Rail North Committee about supporting development of infrastructure enhancements in the Manchester area which TfN plans to issue as Statutory Advice to the Secretary of State for Transport.

## Activity Update

As set out above, Northern and TPE performance continues to be a concern and is being closely monitored by the team. Operators are being challenged to improve the current situation and attended Rail North Committee in January.

TfN is in discussion with Department for Transport (DfT) on the Transpennine Route Upgrade scheme and specifically on how a stronger role for TfN, supplemented by adequate resources, could be taken forward to help foster a more open and productive relationship between TfN, Network Rail and DfT, in turn facilitating more effective delivery of the project. A report has been prepared for the January TfN Board meeting.

Work commenced on the Blake Jones Action Plan including the Passenger Promise. A resource plan has now been developed for discussion with DfT and which identifies a significant staffing uplift across the Strategic Rail and Rail North Partnership teams to facilitate delivery of the actions.

## Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
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<p><b>Underperformance of Franchisees</b>  <b>Issue:</b> There is a continued underperformance of the rail franchises, particularly around delivery of committed enhancements to services.</p>	<p>There is a continued close monitoring of franchisees including provision of additional resource to the Rail North Partnership. New more passenger focussed public measures of performance reported through Rail North Committee.</p>	<p>KPI4</p>
<p><b>TfN TRU Statutory Advice</b>  <b>Risk:</b> TfN’s statutory advice issued in September 2018 might not be reflected in the TRU OBC due to be appraised in Spring 2020. Moreover, there is a risk that decisions on TRU might be taken in isolation which are required to be part of a wider investment plan that supports capacity and reliability.</p>	<p>TfN continues to press DfT to help foster a more open and productive relationship between TfN, Network Rail and DfT to ensure that partners and stakeholders are fully informed on the decision making process. The Strategic Rail team and Rail North Partnership (RNP) continue to work together to support Network Rail in producing a plan that meets passengers’ needs and expectations and is cognisant of the need for a much broader investment plan for the North. In addition, there is a plan to implement Blake Jones’ action plan to provide greater focus on passengers and ensure transparency with elected members and to meet with DfT to review TRU and press the case for a coherent rail investment strategy for the North</p>	<p>KPI5</p>

**Programme and look ahead**

- Continued preparation to act on recommendations of the ‘Williams Review’ when the Government publishes a White Paper this year
- Hold an internal workshop on a draft programme for the Long Term Rail Strategy Delivery Plans
- Commission Phase 1 of a workstream to produce a reliability strategy
- Responding to the East Midlands Timetable Consultation
- Assist in assembling the business case for procuring RailSys performance modelling software for the Transport Appraisal, Modelling & Economics team
- Continue working on industry plans to minimise the disruption from construction of the first tranche of TransPennine Route Upgrade (TRU) works in 2020 and agree suitable mitigation measures.

# Operations Summary

## Monthly Introduction

Operational teams across TfN continue to support individual programmes and ongoing initiatives in addition to ensuring compliance with TfN's statutory obligations. Current areas of focus include finalising NPIER (Northern Powerhouse Independent Economic Review) (Economics team), internal review of the draft Assurance Framework (Strategy), issuing statements following rail matters (Communications), ongoing improvements to internal processes (Finance & Procurement) and work on PPPMS (Portfolio, Programme and Project Management System) and the rollout of new licenses for Primavera P6 (TfN's planning software) in February 2020 (Portfolio Office).

## Activity Update

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

### Stakeholder Engagement & Communications

- Several proactive and reactive statements have been issued following rail matters, including the publication of Lord Berkeley's report on HS2 and the timetable change in December 2019.

### Finance & Procurement

- Work is ongoing to finalise the 2020/21 budget proposals, with current forecasting indicating that whilst in the medium-term TfN can present a balanced budget there is the potential for ongoing sustainability issues, subject to the settlement that TfN achieves through this year's Spending Review.
- To support the budget exercise, work is ongoing with stakeholders to develop and understand the procurement pipeline for Q4 and Q1 for 2021
- Officers are engaging with Department colleagues to seek changes to TDF (Transport Development Fund) grant conditionality that would allow for the recruitment of fixed-term employees
- Benefits Management System and Metadata commissions have been placed on temporary hold pending further internal business discussions.

### Strategy & Policy

- Assurance Framework (KPI 18): Internal review of the draft framework is underway. The revised approach for the Assurance Framework is that it will go to Board in March following discussion at the December Scrutiny Meeting.
- Northern Transport Charter (KPI 19): The Member Working Group met in November and in December work continued to develop TfN's thinking around the new ways of working and providing giving further clarity around TfN's main ambitions..

### Economics & Research

- The economics team are finalising the technical update of the Northern Powerhouse Independent Economic Review (NPIER). Arrangements for

disseminating the final report will be agreed with members at the TfN Board in March. The updated projections are being used to inform both the TfN investment programme and the revised Northern Powerhouse Rail business case due at the end of 2020 (KPI 10).

- Following the completion of the Monitoring and Evaluation framework that will support the TfN Assurance Framework, the team are commissioning further work on benchmarking of key metrics to support TfN activity at a programme and portfolio level (KPI 18).

### **Portfolio Office**

- The Portfolio Office continue work on the PPPMS (KPI 22). Approaches to the Benefits Management tool and the Metadata system are currently under consideration to ensure that they are still fit for purpose. The delay to this project is reflected in the Portfolio Office risk register and under KPI22 in the KPI section of this report. The procurement of the Risk Management software has been slightly delayed whilst budgetary issues are resolved. The new Primavera P6 licenses are now available and will be rolled out in February 2020, with the database currently in the process of migration from the current system.

### **TAME (Transport Analysis, Modelling and Economics)**

- The Rail Modelling & Appraisal Partner (RMAP) contract in support of NPR is now forecast to finish around 3 months later than scheduled. This is principally due to delays to the delivery of NoRMS tools and supplier capacity issues. Some activity has also been deferred pending the release of the Oakervee HS2 review. These delays have moved c. £0.59m of activity into the new financial year. Slippage on NPR is a significant element of an overall £0.49m underspend in December, with an additional £0.08m shortfall in the Economics team due to delays in initiating budgeted work.
- The Analytical Framework delivery is on programme except NoRMS (Northern Rail Modelling System) Tranche 3 as indicated in KPI 10.
- Additional resource is now present in the TAME team in the form of Technical Managers. The Technical Managers will have a strong focus on ensuring TAMEs work is presented in Primavera P6 schedules
- There has been a delay to NoRMS Tranche 3 due to the need to resolve contractual matters. The delay on Tranche 3 has been accommodated within the NPR programme as its January modelling needs will be met by NoRMS work that is currently due to complete in January 2020.
- Discussions with DfT and Highways England around the freight modelling roadmap continue.
- Development Log 2019 mapping solution is about to go live to partners as announced in Exec Board in December 2019.
- Positive collaboration meetings continue with DfT, Highways England, Network Rail, Midlands Connect and TfGM, seeking to find significant efficiencies and provide best value.
- The below table summarises the Analytical Framework (AF) downside risks and the consequential effects it might cause in the achievement on TAME's

Key Performance Indicators; and the NPR and SDC business plan objectives.

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p><b>Delayed Development and Application of Analytical Framework (NoRMS)</b>  <b>Risk:</b> Due to several modelling issues and the development of the AF, it is likely that TfN's major programmes such as the NPR and SDCs might be severely delayed resulting in knock-on effects across the organisation if mitigating actions are not successful. For instance, NoRMS Tranche 3 has been re-scheduled to be delivered in April 2020. This might have a consequential impact to the NPR full network testing if delayed further due to unsuccessful mitigation.</p>	<p>There is continued close working with the programme teams to ensure quality and keep planning up to date. The TAME team is developing NELUM and Abstract Supply Model (ASM) which require the inputs from the NoRMS Tranche 3 results. To avoid the delay of the overall programme, TAME will develop and validate the NELUM and ASM models prior to the NoRMS finalisation. Interim data from NoRMS will be used to test the NELUM and ASM models for the Analytical Framework (AF).</p>	<p>KPI10 /NPR KPI1</p>
<p><b>Delayed Development and Application of Analytical Framework (NorMITs Freight)</b>  <b>Risk:</b> TAME is developing the NorMITs Freight tools in-house. These tools will be used to deliver the freight analysis for the SDC2b and the NPR second phase of sequencing, which is scheduled in May 2020. The development of the tools is a first-ever try, which requires serious modelling development and advanced statistical analyses. There is a risk that the tools may not be fully functional which might result in re-scheduling the SDC2b and NPR freight modelling programme and/or reduced quality of evidence base that needs to be used as the inputs to the SDC2b and NPR studies.</p>	<p>The team has developed a detailed freight modelling programme plan and integrated into the PMO P6 programme plan. In addition, we work closely with the programme teams to monitor the work progress and identify the potential risks and mitigations.</p> <p>Moreover, the team continues to engage with the External Reviewer to seek technical advice and technical assurance to secure the quality of the work.</p>	<p>KPI10 / SDC KPI15 (SDC2b)</p>

# Financial Performance

## Financial Update

### December Summary

Expenditure incurred in December: £4.04m

Variance to December's monthly budget: £1.62m

Cumulative expenditure year to-date: £30.07m

Cumulative variance to Revision 2 budget: £3.93m

### Headlines

- Organisation wide underspend in December against the Revision 2 budget adopted in October of £1.62m (29%), bringing cumulative underspend against Revision 2 to £3.93m (12%)
- 85% of the variance has accrued in the programme areas (£1.37m)
- As in October and November, underspend is principally driven from within the IST Phase 1 ITSO on Rail scheme (£0.59m in October, £0.62m in November, £0.48m December):
  - Previous reports have highlighted the delays to contracting by the Northern Train Operating Companies for the installation of platform validator machines which has moved activity and expenditure into later in the year
  - These contracts were signed by the close of 2019, with costs expected to accelerate in Q4 as activity commissioned by the train operating companies ramps up
  - Work is under way to determine whether activity will now slip into the new year
  - Funding associated with this activity is not at risk from the slipped activity
- NPR underspend stands at £0.76m for the month
  - £0.30m of the underspend arises from variances in expenditure on the Sequence 4 contract with Network Rail against the Revision 2 budget.
  - The December Application from Network Rail forecasts a marginal overspend against the full year purchase order, suggesting a recovery of expenditure over Quarter 4
  - Modelling commissions underspent against forecast by £0.38m particularly reflecting significantly lower than forecast activity on the RMAP commission

### Key Challenges

- With only three months of the financial year now remaining it is increasingly unlikely that activity and associated costs will fully catch up to the Revision 2 reforecast.

- Organisation wide underspend for the month of December arising from the TAME team stands at £0.49m and reflects previously reported slipped commissions in both the modelling (£0.41m) and economics (£0.08m) elements of the team.
- This is a particular issue in the NPR area where consents are required from the Department to 'roll' TDF funding from one year to the next based on requests that have to be made at half year. Otherwise, committed but slipped activity will form a draw on the new financial year's allocation.
- It is now being forecast that the SDC Quantitative work will slip out of the year in its entirety. This commission's budget stood at £0.83m for the year, funded from TfN Core Grant resource.
- Underspend on Core Grant funded activity will lead to a higher than forecast reserve balance. The 2020/21 budget will require adjustment for committed but slipped activity.



# Activity Dashboard

TRANSPORT FOR THE NORTH FINANCE DASHBOARD					PERIOD BUDGET CYCLE		9 REVISION 2		DECEMBER 2019/20	
<b>PERIOD ACTUALS VERSUS BUDGET</b>										
	Actuals £m	Budget £m	Var. £m	Var. %						
Integrated and Smart Ticketing	£0.79	£1.30	£0.52	40%						
Northern Powerhouse Rail	£2.68	£3.44	£0.76	22%						
Major Roads	£0.07	£0.17	£0.10	61%						
<b>Programmes</b>	<b>£3.54</b>	<b>£4.91</b>	<b>£1.37</b>	<b>28%</b>						
Rail Operations	£0.14	£0.16	£0.02	15%						
Operational Areas	£0.37	£0.59	£0.22	38%						
	<b>£4.04</b>	<b>£5.66</b>	<b>£1.62</b>	<b>29%</b>						
<b>PERIOD ACTUALS VERSUS BUDGET: PROGRAMMES</b>										
	Actuals £m	Budget £m	Var. £m	Var. %						
IST: Phase 1	£0.27	£0.75	£0.48	65%						
IST: Phase 2	£0.24	£0.24	£0.01	2%						
IST: Phase 3	£0.07	£0.11	£0.04	35%						
IST: Programme	£0.21	£0.20	-£0.01	-6%						
Northern Powerhouse Rail	£2.68	£3.44	£0.76	22%						
Major Roads	£0.07	£0.17	£0.10	61%						
	<b>£3.54</b>	<b>£4.91</b>	<b>£1.37</b>	<b>28%</b>						
<b>YEAR TO-DATE ACTUALS VERSUS BUDGET REVISION 2</b>										
	Actuals £m	Budget £m	Var. £m	Var. %						
Integrated and Smart Ticketing	£8.02	£10.01	£1.99	20%						
Northern Powerhouse Rail	£16.28	£17.54	£1.26	7%						
Major Roads	£1.12	£1.25	£0.13	10%						
<b>Programmes</b>	<b>£25.42</b>	<b>£28.80</b>	<b>£3.38</b>	<b>12%</b>						
Rail Operations	£1.36	£1.42	£0.06	4%						
Operational Areas	£3.29	£3.78	£0.49	13%						
	<b>£30.07</b>	<b>£34.00</b>	<b>£3.93</b>	<b>12%</b>						
<b>FORECAST TO OUTTURN VERSUS ACTUALS</b>										
	Actuals £m	F/cast £m	Var. £m	Var. %						
Integrated and Smart Ticketing	£8.02	£14.06	£6.04	43%						
Northern Powerhouse Rail	£16.28	£28.88	£12.60	44%						
Major Roads	£1.12	£1.86	£0.74	40%						
<b>Programmes</b>	<b>£25.42</b>	<b>£44.79</b>	<b>£19.37</b>	<b>43%</b>						
Rail Operations	£1.36	£2.00	£0.64	32%						
Operational Areas	£3.29	£6.06	£2.77	46%						
	<b>£30.07</b>	<b>£52.85</b>	<b>£22.78</b>	<b>43%</b>						
<b>FUNDING YEAR TO DATE</b>					<b>FUNDING FORECASTS TO OUTTURN</b>					
Funding Stream	Actuals £m	Budget £m	Var. £m	Var. %	Actuals £m	F/cast £m	Var. £m	Var. %		
TDF - Rail	£15.59	£16.82	£1.24	7%	TDF - Rail	£15.59	£27.92	£12.34	44%	
IST - Capital and Revenue	£8.02	£10.01	£1.99	20%	IST - Capital and Revenue	£8.02	£14.06	£6.04	43%	
Core Grant	£5.57	£6.28	£0.70	11%	Core Grant	£5.57	£9.69	£4.11	42%	
Rail North Grant & Contributions	£0.88	£0.89	£0.00	0%	Rail North Grant & Contributions	£0.88	£1.18	£0.30	25%	
TDF - Roads	£0.01	£0.01	£0.00	0%	TDF - Roads	£0.01	£0.01	£0.00	0%	
Reserves	£0.00	£0.00	£0.00	-	Reserves	£0.00	£0.00	£0.00	-	
	<b>£30.07</b>	<b>£34.00</b>	<b>£3.93</b>	<b>12%</b>		<b>£30.07</b>	<b>£52.85</b>	<b>£22.78</b>	<b>43%</b>	

# HR Update

## Human Resources Update

Salaried Establishment as at **06 January 2020**

### Established/ Transition Posts

Area	Established Posts (Over 2 years)	Transition Posts (Up to 2 Years)	Total
CEO/Chair	2 (1.17 FTE)	-	2 (1.17 FTE)
Support Services	27 (26.12 FTE)	8 (7.60 FTE)	35 (33.72 FTE)
Operational & Delivery	83 (82.92 FTE)	37 (37.00 FTE)	120 (118.92 FTE)
<b>Total Establishment</b>	<b>112 (110.21 FTE)</b>	<b>45 (44.60 FTE)</b>	<b>157 (154.81 FTE)</b>
Strength (in post)	102 (100.89 FTE)	41 (40.60 FTE)	143 (141.49 FTE)
Appointed (start date pending)	2 (2.00 FTE)	2 (2.00 FTE)	4 (4.00 FTE)
Active/Pending Recruitment	8 (7.32 FTE)	2 (2.00 FTE)	10 (9.32 FTE)

### Agency Resource - Covering Vacant Posts

Area	Posts (FTE's)
Support Services	4 Post (3.32 FTE)
Operational & Delivery	2 Posts (2.00 FTE)
<b>Total</b>	<b>6 Posts (5.32 FTE)</b>

### Consultancy Resource - Covering Vacant Posts

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

### HR Metrics – 2019/20 Year-to-Date






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






# KPIs

## Key Performance Indicators

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

### Key

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

Area	KPI	Detail	Progress	Rag Status
Northern Powerhouse Rail	1	<b>Fully agree NPR provision within the HS2 Phase 2b Hybrid Bill by June 2019.</b>	Delay	
			TfN is continuing to work closely with DfT and HS2 and is awaiting the output of the Oakervee review. TfN and Partner led development, in relation to Stourton and Piccadilly is underway and once the timescales of, and any possible amendments to, the HS2 programme are understood this KPI will be rephased.	
Northern Powerhouse Rail	2	<b>Agree indicative delivery phasing for the NPR network by February 2020. NB. TfN Board Meeting is now scheduled for 12th March</b>	On Track	
			By Q4 FY19/20, NPR will have completed the first round of engagement with Partners regarding phasing timeline / requirements / decision schedule. This will present a key step in the final agreement to the overall phasing strategy for inclusion in SOC Dec 2020.	
Northern Powerhouse Rail	3	<b>Prepare a mid-way point NPR progress report for Board by February 2020. NB. Board Meeting is now scheduled for 12th March</b>	On Track	
			Q4 FY19/20 remains realistic.	
Strategic Rail	4	<b>Hold the industry to account for the delivery of Franchise commitments and the recovery of acceptable levels of performance.</b>	In Progress	
			Work continuing to use all possible levers to improve performance. Train operator progress being impeded by delayed driver training and new trains programmes. Northern and TPE both invited to attend Rail North Committee in January to account for performance.	
Strategic Rail	5		Achieved	

		<b>Publish the Long-Term Rail Strategy (LTRS) by July 2019 and begin delivery of the LTRS including input to the Trans-Pennine Route Upgrade.</b>	The LTRS was integrated into the STP and the focus is now on developing Delivery Plans. Input / advice in relation to TRU has been submitted through communications with Ministers and at a local level.
<b>Strategic Rail</b>	6	<b>Input TfN view to the Williams Review. Follow up to implement the recommendations on the Joint Rail North Partnership review.</b>	<p>Delay</p> <p>Input to Williams Review complete. Full implementation of Joint Rail North Partnership review delayed until funding has been secured to meet the cost of the required resources.</p>
<b>Integrated and Smart Travel</b>	7	<b>Complete the delivery of the integrated smart ticketing on Rail programme (Phase 1) by September 2019.</b>	<p>Delay BTYE</p> <p>A delay by Northern and Merseyrail in executing the contracts to procure platform validators has delayed this activity. The current target completion date is June 2020.</p>
<b>Integrated and Smart Travel</b>	8	<b>Deliver Phase 2 – 'informed customers' - of the IST programme by December 2019.</b>	<p>Delay</p> <p>The most significant elements – the disruption messaging tool and open data hub will go live in February 2020 with role out planned throughout 2020.. The third element, fares tool, was due to go live in September 2020, now planned for December 2020.</p>
<b>Integrated and Smart Travel</b>	9	<b>Complete the procurement of the Phase 3 ABBOT back office by December 2019.</b>	<p>Delay BTYE</p> <p>Delay - Phase 3 is currently on an 'active pause' pending TfN Board's decision on 8th January 2020 as to how best to proceed.</p>
<b>Modelling &amp; Analysis</b>	10	<b>Develop analysis and modelling capability so that we can accurately represent the economic ambition of the North in our business case submissions by March 2020.</b>	<p>Delay BTYE</p> <p>Technical update of the Independent Economic Review projections completed by Oxford Economics. Current delays experienced in one Feature of the Analytical Framework have delayed the overall programme until the end of April. The programme encompasses significant areas of innovation thus is subject to close monitoring.</p>
<b>Modelling &amp; Analysis</b>	11	<b>Consolidation / Quality Assurance of Analytical Framework by March 2020.</b>	<p>Delay</p> <p>There is a delay to quality assurance activity that is a consequence of the delay to the overall delivery of the Analytical Framework. Significant areas of innovation require close involvement with DfT and external reviewers throughout development activities and remaining areas of uncertainty keeping the programme as red status.</p>
<b>Major Roads</b>	12		On Track

		<b>Input to three strategic road studies by March 2020.</b>	<p>TfN attend Stakeholder Reference Group meetings for Manchester North West Quadrant (MNWQ) and A66. Work is on-going, MNWQ is due to report to BICC in Spring 2020.</p> <p>TfN represented on Project Board for Trans-Pennine Tunnel. In September BICC agreed to further analytical work, including sequencing development and delivery of some elements of the package within the future RIS periods. There will be report back to BICC in Spring 2020.</p> <p>In Spring 2019 DfT announced funding for a feasibility study for upgrading road connectivity between the M6 and A1(M). TfN and local partners are represented on the study project Board. The study is due to report in Spring 2020.</p>
<b>Major Roads</b>	13	<b>Act as an advocate for northern investment and critical friend on RIS2 by November 2019.</b>	<p>In Progress</p> <p>TfN has shared its Investment Programme with Highways England and DfT to inform the RIS2 programme.</p> <p>The RIS2 announcement is expected in the January/February 2020.</p>
<b>Major Roads</b>	14	<b>Working with partners submit priorities for investment through the National Roads Fund' by Summer 2019.</b>	<p>Achieved</p> <p>TfN worked with partners to submit 16 Major Road Network and Large Local Major schemes for funding from the National Roads fund, as was agreed by TfN Partnership Board on 31 July 2019.</p>
<b>Strategic Development</b>	15	<b>Complete the Strategic Development Corridor studies, to at least Option Assessment stage, by September 2019. Monitor and refresh the TfN Investment Programme by February 2020.</b>	<p>Delay</p> <p>Strategic Programme Outline Cases (SPOCs) have been completed for all of the SDCs. The SDC SPOCs for East Coast and West Coast – Sheffield City Region will be published after the general election. Work is underway on SDC Phase 2 to sequence and profile the Investment Programme. A qualitative sequencing exercise is due to complete in Spring 2020. The quantitative analysis is being prepared for procurement and results will be reported in Q4 2020/21.</p>
<b>Strategic Development</b>	16	<b>Develop an Inclusive and Sustainable Growth Framework that will sit alongside the Strategic Transport Plan by February 2020.</b>	<p>Delay</p> <p>This has been included as one of four ambitions that form part of the Northern Transport Charter that is under development. Significant work has also been undertaken on decarbonisation to provide a framework for activity in 2020/21.</p>
	17		Achieved

<b>Strategic Development</b>		<b>Prepare Freight and Logistics and International Connectivity Progress Reports that will reflect how these important areas have been embedded in the TfN Investment Programme and work programmes by July 2019.</b>	Freight and logistics has been embedded alongside the International Connectivity work within TfN's work programme and the outputs have been published. The approach to freight is being developed in light of the discussion at the September 2019 TfN Board. This work continues.
<b>Strategic Development</b>	18	<b>Develop and adapt an Assurance Framework to inform the development of the Investment Programme by February 2020.</b>	<p>Delay</p> <p>TfN has developed a draft Assurance Framework. This is under review and partners will be updated on progress once officers have completed an internal review. The Assurance Framework will be presented to the Partnership Board in March 2020. This remains the case and the approach has been to Scrutiny in December.</p>
<b>Organisational</b>	19	<b>Develop a 5-year corporate strategic plan / develop a spending review submission by September 2019.</b>	<p>In progress</p> <p>As was presented to the TfN Board in September 2019, the intended corporate planning activity has been superseded by the work on the Northern Transport Charter (NTC). NTC principles were agreed at September Board to allow business planning process to take place. Further detailed work on the NTC continues. There was no spending review in 2019.</p>
<b>Major Roads</b>	20	<b>Building on the published STP, the Major Roads Report will be updated in February 2020. Board Meeting is now schedule for 12th March.</b>	<p>Delayed BTYE</p> <p>TfN is currently completing the update to the Major Roads Report but it is likely that the presentation to the board for approval will be delayed until Q2 2020/21, from Q4 2019/20.</p>
<b>Rail Fares</b>	21	<b>A Long-Term Fares Strategy, identifying short-term opportunities to provide enhancement of the current franchises and providing a long-term plan for the next round of franchises, will be published by June 2019.</b>	<p>Delay</p> <p>The fares delivery plan is being presented to the January TfN Board meeting for approval, having been deferred from previous meetings.</p>
<b>PMO</b>	22	<b>A Portfolio, Programme and Project Management System (PPPMS), including a formal assurance framework, will be implemented by December 2019.</b>	<p>Delay</p> <p>PPPMS tools are currently being procured. These were originally scheduled to be delivered in December 2019 and will therefore be delayed.</p>



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@transportfornorth.com](mailto:engagement@transportfornorth.com)

