

Transport for the North Monthly Operating Report January 2021



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Introduction

Summary from the Chief Executive

Further to the funding letter that was received from DfT on 4 January, TfN has now agreed with the department that it be given the flexibility to charge £2.5m of direct and allocated costs that were previously resourced from Core funding into the NPR programme. This reduces the pressure on Core budgets and departmental teams are now undertaking revised business planning based on this agreement with a view to presenting a final Business Plan and Budget to the March Board for approval. Unfortunately, the funding position in relation to IST is unchanged from the funding letter and therefore planning is being performed on the basis that it will not be funded into the new year, beyond the requirement to complete Phases 1 and 2 of the programme.

As noted above, the funding letter from 4 January did not include funding for the Integrated and Smart Travel (IST) programme for 2021/22. While discussions are ongoing with DfT around both IST and wider TfN funding, the decision was made at the IST Programme Board meeting to cancel the procurement exercise associated with the Innovation Demonstrator project. Rollout of aspects from earlier stages in the project, including the Disruption Messaging Tool (DMT), and the remaining PVals (Platform Validators), continues.

Following the TfN Board meeting on the 14 January, TfN submitted statutory advice to Government on the Integrated Rail Plan, the Trans-Pennine Tunnel (TPT) and M6-A1(M) studies. TfN colleagues have continued to develop TfN's Decarbonisation Strategy, as well as our approach to freight. Both of which are on track to be agreed at the TfN Board in March. The TfN research team are in the final stages of commissioning important new research on transport related social exclusion.

Work on the Strategic Outline Case (SOC) for Northern Powerhouse Rail (NPR) has continued throughout January, and it remains on track to go to TfN Board in March 2021. Final evidence for use in the SOC, and the preferred NPR network, is scheduled for confirmation in TfN's February Board meeting. However, due to the delay in publication of the Government's Integrated Rail Plan (IRP), TfN Board is considering a request from DfT to delay the submission of the SOC until the IRP can be published. If agreed to, it would delay the submission and delivery of the SOC but may speed up the overall process by moving to single options in more corridors sooner.

We continue to support the North's rail network around Covid-related recovery planning, especially through the Rail North Officer Group and with the Rail North Partnership (RNP).

Northern Powerhouse Rail (NPR)

Monthly Summary

The NPR team continues to develop the Strategic Outline Case (SOC) and remains on track to submit to TfN Board in March. Final evidence for use in the SOC, and the preferred NPR network, is scheduled for confirmation in TfN's February Board meeting. However, due to the delay in publication of the Integrated Rail Plan (IRP), TfN Board is considering a request from DfT to delay the submission of the SOC until the IRP can be published.

Activity Update

Infrastructure

Network Rail (NR) delivered assured costs for the preferred way forward options on 15 December 2020 and assured costs for retained options have started to be delivered to the programme, the first set was delivered on 20 January 2021 and the second is scheduled for 12 February 2021. NR and TfN colleagues are continuing to work closely together to ensure that any changes in costs identified during the assurance process are communicated quickly so that they can be worked into the SOC. An Implementation Agreement to enable ground investigation surveys to commence on the Leeds to Hull corridor has now been signed and returned to Network Rail. Start on site for surveys is planned for 27 February, and due for completion July 2021.

Technical Assurance, Modelling and Economics (TAME)

Iteration 2 of NoRMS (Northern Rail Modelling System) is scheduled to be delivered by 12 February 2021. This version of the model will be used to inform the SOC by undertaking sensitivity tests to the main work undertaken in the Iteration 1D model. Iteration 2 outputs are intended to be presented in the March Board and will also be included in the DfT Investment Portfolio & Decision Committee (IPDC) submission. The appraisal tool, RailEval, has been updated to allow sensitivity tests to be undertaken to reflect emerging guidance. This will allow a full step-change review of the benefit cost ratios (BCRs) to be undertaken and understood.

Programme Planning

A series of remit development workshops have been held between TfN, DfT, NR and HS2 to support cross-programme understanding of delivery requirements for FY21/22. Although further discussions are required between TfN and DfT on the extent of activity to be delivered next year, TfN has received DfT funding commitment for FY21/22 for Network Rail activity, Business Case Development, Modelling and Analysis activity and contract extensions to Infrastructure and Programme Management Office teams on the programme.

Risks

Issue Summary	Summary of Mitigating Measures	KPI
Issue: Infrastructure costs – Network Rail's assured costs have demonstrated an increase of costs for NPR preferred network to £45bn (Q1	Investigate the rationale for increase in Capital Expenditure (CAPEX) costs.	2

2015 including 66% OB), which is an increase of 15% from the SOBC level. This increase is due to several factors and it is both an issue as well as making it more challenging to develop a compelling and viable Strategic Outline Case planned to be submitted in March 2021 (subject to TfN Board decision following advice from SoS).	Working with NR on a series of cost reviews including tunnel rates, overhead line equipment (OHLE) and power, property cost estimates. NPR network re-assured and new assured cost plans created by NR. Two sets of figures are to be created – one with NR assured costs and the second with the NPR Commercial Team cost overlays.	
Issue: Benefit Cost Ratios (BCRs) development - The risk is that the BCRs associated with the transformational programme previously endorsed by members (SOBC Feb 2019) will show a reduction relative to the previous business case, making it more reliant on the quality of the Strategic Case.	Iteration 1D to support SOC will provide further enhancements, alongside Northern Economy and Land-Use Model which provides transformation Level 3 BCRs. A final iteration of NoRMS, Iteration 2, includes a 2018 demand uplift to increase overall benefits. Work is being undertaken with the modelling team to look at optimism bias in Operational Expenditure (OPEX). NR renewals costs allowed for in NPR under review. Modelling to be reviewed against Green Book reforms and DfT proposals for longer appraisal periods.	2
Risk Summary	Summary of Mitigating Measures	KPI
Risk: Partner engagement to support decision-making - The mitigation of the infrastructure costs and BCRs have resulted in an increased challenge to achieve a March 2021 SOC submission date. To support Partner engagement, an additional TfN Board date has been scheduled for 18 February 2021 and the March TfN Board has been rescheduled from 10 March 2021 to 24 March 2021.	Post-sift and Board preparation engagement with partner organisations at a Member level, involving NPR working group throughout the sifting process. One-to-one briefings are taking place by the NPR Director, Tim Wood, with leaders and Executive Board Members. Additional TfN Board date has been scheduled for 18 February 2021 and the March TfN Board has been rescheduled from 10 March 2021 to 24 March 2021.	2
Risk: Integrated Rail Plan (IRP) – The IRP was due to be published by the government in December 2020, however this did not happen, and a revised publication date is yet to be provided. The IRP and its conclusions carry the following risks: The outcome of the IRP process may result in a change in government's approach to NPR, which in turn may drive consequential changes in the SOC that may not be acceptable to TfN as the co-client. The later the IRP is made available to TfN, the less time it will have to understand the impacts of the review on the work done to date and the work needing to be done.	DfT has requested that TfN consider deferring submission of the SOC until after the publication of the IRP. Therefore, TfN is preparing an options paper to February's Board inviting members to form a view on delaying the SOC. While this risk is set out as a potential delay to the SOC it could potentially speed up the next stage of NPR development if the IRP allows more single options in corridors to be identified quickly.	2

Programme and look ahead

TfN Board

18.02.21: Consider the final evidence for the Strategic Outline Case and reach agreement/confirmation on the preferred NPR network. An options paper inviting members to form a view on delaying the SOC until after the IRP will also be presented.

Integrated and Smart Travel (IST)

Monthly Summary

DfT informed TfN that there was no funding allocation for the IST programme in 2021/22. While the withdrawal of funding has been challenged, no funding has been forthcoming and business planning is taking place on the basis of the programme being wound down. In the absence of any funding to continue with the Innovation Demonstrator project, the decision was therefore taken at Programme Board on 13 January to cancel the associated procurement exercise.

Work continues to deliver Phases 1 and 2 of the programme.

Activity Update

Phase 1 - Smartcards on Rail

Northern Trains continued to make progress. There are 91 (of a total of 94) stations equipped with PVal (Platform Validators) ready for live use. The project is well advanced, with the team's focus on resolving important localised problems and expediting key activities. Flexi-seasons are available along five routes but given Covid-19 restrictions DfT has not yet approved further roll out.

Phase 2 - Improving Passenger Information

Disruption Messaging Tool (DMT) – SYPTe rolled out unplanned disruptions for bus and tram. Four City Region LTAs are using the tools to publish all disruptions across all modes. The final set of LTA-requested enhancements (social media and reporting) are 'live' and LTAs have reported they are working well.

Fares Tool – DfT launched the tool nationally in January 2021. Currently more than 500 fares and ticketing products have been created by 30 operators. TfN has now completed activities to close the project. Benefits monitoring and evaluation will be completed by DfT.

Phases 3 and 4 - Contactless on Rail and Local Smart Schemes

DfT informed TfN that there was no funding allocation for the IST programme in 2021-22. Subsequently, IST Programme Board decided to cancel the procurement of the Innovation Demonstrators as there is currently no future funding available to progress projects in 2021-22, which we had stated as our intent to suppliers. All communications with suppliers are complete.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
Risk: Phase 1 - The challenges faced with validation equipment may delay the introduction of smart flexi-seasons in Greater Manchester and the Bradford areas, which could result in not attaining the KPI and costs running into 2021/22.	<ol style="list-style-type: none"> 1. TfN to continue working with Northern to pressure suppliers for delivery in February. An alternative temporary solution could be deployed. 2. Outstanding consents to listed buildings have been escalated by Northern for TfN to expedite. 3. TfGM validator configuration – we will be escalating within TfGM the delayed end date in order to gain assurance that this will be met. 	3
Risk: Phase 2 – Developers do not consume disruptions data in the Open Data Hub (ODH) and publish it in their live applications and as a consequence those LTAs who are currently using the DMT and ODH do not use the tools in the long term. This would have a reputational impact for TfN.	<ol style="list-style-type: none"> 1. Nexus has stated they are implementing using the tools as the other four City Region LTAs. (Developers, including Google, have stated that they require consistency across the North if they are to publish data from the ODH.) 2. If mitigation 1 is attainable ITO World (DMT supplier) to work with LTAs to increase consistency and quality of the data they enter and automate a process to transfer data from the ODH to Google (who a number of LTAs see as essential). 3. To continue to engage with the LTAs to take on responsibility for leading work with other developers e.g. CityMapper to improve data quality in order to improve their data quality and thereby increase the likelihood of developers consuming the data. 	4
Issue: Phases 3 & 4 – DfT informed TfN that there was no funding allocation for the IST programme in 2021/22. The impact is there is a loss of £33.4m investment in the North. There is no date by which the passengers in the North will have access to contactless payments on heavy and light rail, resulting in reduced passenger confidence, a slower return to public transport and a failure to level up.	<ol style="list-style-type: none"> 1. To submit IST schemes for consideration by the DfT Acceleration Unit. 2. Should there be no further funding, replace the IST programme with a smaller alternative structure/set of actions, that support bringing forward the use of digital systems to provide citizens with transit information and payment options. 	5

Programme and look ahead

Phase 1

Merseytravel/rail launching (new date February 2021) their online retailing offer supported by Platform Validators at their 66 stations delivered through Phase 1. Northern to begin live trial of STAR Mobile (on board retailing and validation), due for completion at month end. Delivery of S&B's (Scheidt & Bachmann, the supplier) gate upgrade development in Greater Manchester and Bradford areas as described in the risk above.

Phase 2

Fares: Continued support to DfT - post-implementation review with DfT to assess the effectiveness of training and service performance.

Disruptions Messaging Tool: Nexus (Transport for Tyne and Wear) 'live' with unplanned disruptions for all modes. Receipt from the supplier of improved reporting for user activity.

Phases 3 & 4

Innovation Demonstrators: Complete lessons learned and project closure.

Investment Programme

Monthly Summary

We continue to prepare for next year's Investment Programme Benefit Analysis (IPBA), subject to the business planning process, and through the road, rail and smart travel teams continue to pursue projects in the Economic Recovery Plan. The IPBA commission is critical to understanding the economic, social and environmental benefits of the TfN Investment Programme. The analysis will use DfT's conventional growth scenario, and the four Future Travel Scenarios agreed by TfN Board in July 2020, to assess the three investment programme strategies. This work will enable TfN to make a strong evidence-based case for transport investment and only through completing this analysis will we have a clear picture of the potential impact of the Investment Programme on carbon emissions. This includes reference case schemes including Northern Powerhouse Rail.

Activity Update

The tendered bids for the IPBA commission have now been assessed and TfN has a preferred bidder. Before the contract can be awarded IPBA will be assessed alongside all other priorities in the business planning process. During this month:

- Work on updating the TfN Interventions Log, which maps the road and rail schemes in the Investment Programme, is ongoing, and takes account of recent decisions on the NPR programme. The Interventions Log will be regularly updated and also includes schemes that are under consideration but do not form part of the TfN Investment Programme.
- A commission to bring forward coding of the Investment Programme interventions into TfN's transport models is being procured to de-risk the main commission.
- A commission for freight modelling to support the main IPBA commission has been agreed but procurement has been paused until the business planning process can confirm the funding available.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
NPR Alignment – Risk: A number of interdependencies with NPR have been identified – for e.g. reference case, model development, resource requirements, and freight modelling. If delivery of NPR and IPBA are not aligned: -- - There are potential financial and time risks (for instance, if re-work is required or IPBA has to wait for NPR to complete their programme first); -Resource implications if NPR's priority leaves a skills gap (particularly within TAME) that prevents IPBA from proceeding, as well as reputational impacts if the technical assumptions are not consistent.	<ol style="list-style-type: none">1. Monitor the NPR programme and implications for IPBA via monthly programme reviews.2. To identify and propose a date for NPR decisions to feed into IPBA project, noting in the Appraisal Specification Report (ASR) that work is based on assumptions made on the proposed and agreed date.3. Manage expectations with partners by keeping them up to date with any delays and impact of risk if it occurs.4. Revisit IPBA reference case assumptions with partners in April, to	10

	ensure there is an agreed baseline to work with.	
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Programme and look ahead

- Continue to monitor delivery risks and progress the commissioning process as far as possible to ensure a start in April 2022 subject to business planning.

Major Road Network (MRN)

Monthly Summary

On 30 January, the Government pledged £56 million to the A59 Kex Gill diversion scheme. The proposed new road will divert traffic away from the landslip prone Kex Gill part of the route and will significantly improve connectivity between Harrogate and Skipton. This was a project highlighted in our economic recovery plan in 2020.

Activity Update

- The team has been engaging with DfT and Acceleration Unit to discuss opportunities for speeding up delivery of projects identified in TfN's Economic Recovery Plan.
- The team is continuing to monitor the impacts of Covid-19 on travel, and is engaging with DfT, Highways England (HE) and TfN partners on sharing transport data. This includes sharing of mobile phone data monitoring journey time and reliability on the MRN.
- The team has engaged with HE and DfT following publication of TfN's Future Travel Scenarios, to share findings and discuss planned application towards future outputs.
- The team has assessed the tender bids for the MRN's monitoring and performance project, which uses anonymous mobile device data to provide network data such as journey times, reliability and origin-destination information. The commission will be assessed alongside all other priorities in the business planning process.
- The team is preparing a response to the Transport Select Committee Inquiry on zero-carbon vehicles and road charging.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
Risk: Negative perceptions - Due to the environmental and sustainability impacts of traffic and congestion, stakeholders might assume that road investments could be worsening the situation e.g. greenhouse gas (GHG) emissions. As a result, there is a risk that the road schemes might not get the investment needed to deliver the Strategic Transport Plan (STP).	<ol style="list-style-type: none">1. Working with the Stakeholder Engagement & Communications Team (SECT) to develop a clear narrative on why roads are a critical part of the transport network, and how future management of, and investment in roads can support the North's vision for a sustainable future.2. TfN's Strategy team to influence the transport appraisal processes to include social inclusion etc following publication of the Green Book updates.3. Work to address this topic in the Major Roads Report and work with SECT to develop an appropriate comms plan.4. Await the outcome of DfT's decarbonisation plan (Spring 2021) and use this to help inform TfN's Decarbonisation Pathway.5. To monitor impacts of Covid-19 on travel behaviours, patterns and flows, and use this to inform scenario work and communications.	6

	6. The Investment Programme's benefit analysis project to enable TAME to build the Analytical Framework, which can be used to demonstrate the real impact of road investment and different policy measures	
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Programme and look ahead

- The team will continue to work with other departments in the business planning process, to develop the Major Roads Business Plan for 2021-2022.
- As agreed at the Board, TfN has written to the Secretary of State for Transport setting out TfN's recommendations for next steps on the Trans-Pennine Tunnel (TPT) and M6-A1(M) studies, and, following a high-level response, has requested a meeting with DfT officials.
- Through work with colleagues in the TAME team the team has developed an online 'Power BI' tool enabling partners to access and analyse journey time, reliability, and origin/destination data on the MRN. Access can be granted to TfN partners, subject to receipt of a licence agreement, and access to Power BI software.
- The team is supporting the development of TfN's draft Freight and Decarbonisation Strategies, both due to be considered at TfN Board in March.

Strategic Rail

Monthly Summary

The operational focus remains on supporting Covid-19-related work and planning for the recovery through the Rail North Officer Group (Operations) and working closely with Rail North Partnership (RNP). The team is continuing to support the Manchester Recovery Taskforce timetable consultation.

TfN continues to work closely with the DfT and NR on a range of investment plans across the North of England, including schemes to address congestion hotspots in Central Manchester, train lengthening (capacity) and decarbonisation as part of the Manchester and North West Transformation Programme and also at Leeds.

Activity Update

Rail Operations

Train operators have reduced the level of service following the introduction of the third England-wide lockdown on 4 January to provide a reliable and consistent timetable for passengers within the fluctuating staffing levels because of Covid-19. Passenger demand fell to 8.6% (TransPennine Express) 13.3% (Northern) of pre-Covid levels at the end of January.

Consultation began on 14 January 2021 seeking views from the public and stakeholders on rail timetable options to address the poor performance of the rail network in the Manchester area. The consultation will inform decisions to be made in Spring 2021 on potential changes to the passenger timetable that would be implemented from May 2022. Rail North Committee will consider the next steps at a meeting in April 2021.

Rail Investment

We understand the Outline Business Case for the TransPennine Route Upgrade (TRU) has been deferred pending the Government's publication of an Integrated Rail Plan (IRP) for the North and Midlands. In the meantime, initial work including a major blockade in the Manchester area in summer 2021 is progressing. The IRP is likely to influence the scope choice for TRU and is due for publication in February/March 2021.

Meetings have commenced with TransPennine Express, Northern and Network Rail to identify interventions that will improve the reliability and resilience of the rail network and inform TfN's Delivery Plan.

TfN continues to support the ongoing development of Middlesbrough station where the first phase of improvement works started in January to extend platform 2 to allow the introduction of LNER services between Middlesbrough and London Kings Cross later in 2021.

TfN continues to support partner authorities on local schemes, including the Energy Coast Rail Upgrade in Cumbria, Leamside Line re-opening, station capacity improvements at Darlington and new stations.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
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<p>Risk: The short-term effect of Covid-19 on the reintroduction of services on to the network – Services could be further impacted by resource levels among operators and restrictions around staff training. This will impact on localised areas which will see reductions in connectivity and frequency until driver training is delivered. Furthermore, the rollout of further new trains will also be delayed possibly leading to a reliance on older rolling stock.</p>	<ol style="list-style-type: none"> 1. TfN continues to work closely with operators to review timetables in advance of changes and to feed in key areas of concern to be addressed. 2. Driver training continues to see issues due to the need to create social distance bubbles, along with testing. This results in training being completed at a slower rate than normal. 3. Rail North Partnership is working with operators to understand train crew sickness levels following the recent increase in Covid-19 cases and the third English-wide lockdown and any regional impacts this could have. 	
<p>Risk: The long-term effect of Covid-19 on viability of train services – The third national lockdowns and tighter restrictions on travel are likely to further affect the time it will take for the industry to recover to pre-Covid-19 levels. This may impact on the future of train service 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. TfN's Economic Recovery Plan, including the "quick win" programme, has been issued to the DfT's Acceleration Unit and TfN continues to liaise with the Unit. 2. Messaging and communications will continue to promote safe use of public transport in line with Government guidelines and protect services for key workers. 3. Rail North Committee has endorsed a Roadmap to Recovery. The team is working with train companies identifying ticketing/marketing/offers to rebuild confidence, attract passengers back, and entice new passengers when appropriate. 	9
<p>Risk: DfT reprioritisation and the Williams Review - The coronavirus pandemic has meant DfT has had to focus its resources on response. This has led to the delay in the publication of the Williams Review. In addition, the Government may choose to focus on centrally deliverable initiatives such as franchise delivery and focus less on devolution. 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 and will respond to the Williams White Paper once published. 2. To mitigate the risk further, TfN is working with partners and external consultants to shape our response when the White Paper is published. 	9

Programme and look ahead

- Support, monitor and help shape the industry response to Covid-19 and, when appropriate, to rebuild services, demand and passenger confidence.
- Work with operators for further timetable changes including May 2021.
- Working through the Rail North Committee and TfN Board, respond to industry proposals for mitigating cross-Manchester performance issues.
- Develop proposals for addressing network gaps linked to the Long-Term Rail Strategy (LTRS) and produce a delivery plan for the TfN Stations Strategy.
- Continue to support TfN input and response to the Integrated Rail Plan.
- Continue to work closely with the DfT and Network Rail to secure successful delivery of the TRU project objectives.

Operations Summary

Monthly Introduction

During January, operational colleagues have been focused on; supporting the launch of the Manchester Task Force consultation on rail service change; finance and procurement working to manage the procurement pipeline for NPR and TAME; legal considering the ongoing use of virtual public meetings; strategy continuing work on the decarbonisation and freight strategies as they approach TfN Board; TAME continuing to work on models for the use of a range of programmes including the Investment Programme and NPR.

Activity Update

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

Stakeholder Engagement & Communications Team (SECT)

- The SECT has been promoting TfN's activity across external and internal channels, proactively where possible.
- This month this has included communications following the TfN Board meeting, including media interest in TfN's funding allocation for 21/22, in particular regarding removal of IST funding.
- Statutory advice on the Integrated Rail Plan and Trans-Pennine tunnel was published on the 'Reports' section of the TfN website.
- TfN has supported the launch of the Manchester Rail Task Force consultation on rail service changes, including in the media, across social media and direct communication with stakeholders.
- The team has also proactively partaken in comms on industry updates, including updates on Simister Island with Highways England and publishing TfN's submission to the Union Connectivity Review online.
- External content has also included positive reaction to announcements including updates on TRU works; investment in the A59 and Northumberland rail line; Future Travel Scenarios; and ongoing recruitment of TfN Chief Executive.
- On Northern Powerhouse Rail, preparation is underway to proactively communicate the start of ground investigation works in February, with Member engagement also planned ahead of the February Board meeting.
- Consideration is being given to the communications approach to the Integrated Rail Plan, following a planned meeting with the Secretary of State, and submission of the NPR SOC in March 2021.
- Consideration is also being given to the revised date of the 24 March Board meeting and the potential implications of the pre-election period for local elections on external messaging of Board decisions, including on NPR.
- The team has continued to rollout regular internal communications, including in support of the ongoing business planning process for 21/22.

Finance & Procurement

- The Procurement team is working closely with TAME/NPR colleagues to manage the procurement pipeline and develop the long-term procurement strategy for the for-coming year and beyond. In addition, a number of procurements/contract extensions have been awarded, including IPBA SOP Initial Work, Integrated Train Services, Leeds Station Improvements, NELUM Development and a number of TAME Consultants. The following projects are currently out in the market for tender, due to be released or close to be awarded including, Mobile Device Data, NorMITS Demand Partner, IPBA, Media monitoring, ICT licences, PSO Contract extensions and Internal Audit.
- The team is also currently drafting a reply to the recent green paper around Transforming Public Procurement that was released by the Cabinet Office.
- The Finance team has initiated the 2021/22 budget process in parallel with revised business planning instructions. Planning is also underway for the production and audit of the 2020/21 Statutory Accounts.
- The team has drafted TDF Funding Letter 19, which will capture indicative budgets for 21/22 for the NPR programme and has submitted the final grant claim for Phase 1 of the IST programme.
- The rollout of risk management software, to improve the efficacy of TfN's risk management software, is underway.

Legal & Democratic

- Virtual public meetings continue to be held; the TfN Constitution includes formal procedure rules for this purpose. Regulations allowing virtual meetings are currently due to expire on 6 May 2021. As Government has suggested primary legislation, for which there is insufficient time, would be required to extend the arrangement, Lawyers in Local Government (LLG) has obtained legal advice that secondary legislation is already available and/or existing legislation would be sufficient to extend beyond 6 May; LLG is seeking a declaration from the courts to enable virtual meetings to remain a choice after 6 May.
- The TfN Modern.Gov website, system and "restricted app" are all now in place and working well and further benefits of the system are being explored for future introduction. The team continues to support procurement and governance across a range of areas within TfN.

Strategy, Policy, Economics & Research

- Development of TfN's Decarbonisation Strategy continues on track to be submitted to the March TfN Board meeting. An initial draft of the strategy, including proposals for a pan-Northern carbon trajectory, will be considered at the Partnership Board in February. The final elements of the strategy looking at clean growth opportunities and decarbonisation policy analysis, are well underway, with inputs to be incorporated in time for March TfN Board.
- In relation to the evolving Decarbonisation Strategy, separate engagement sessions have been undertaken (or are planned) with the

electricity Distribution Network Operators (DNOs) and representatives from the Environmental Transport Organisations (ETOs) and the Climate Change Committee (CCC).

- Requirements for the public consultation on the Decarbonisation Strategy are being worked through with SECT and the Legal team.
- Following the publication of the Rail Needs Assessment on 15 December, the team provided technical and strategic advice to the Board in January and then subsequently prepared statutory advice to Government. The team has undertaken further engagement with a number of other bodies including the National Infrastructure Commission (NIC) and Midlands Connect.
- The team is currently preparing a response to DfT's consultation on a Rural Mobility Strategy which closes on 16 February. TfN has also contributed to a joint response from the English Sub-national Transport Bodies.
- To support further development of the Northern Transport Charter's ambition to "champion an inclusive and sustainable North", consultants have begun to scope out proposals for a Northern Citizens panel. The initial piece of work will help TfN better understand the opportunities and challenges of citizens panels, required scale, potential costs and how it could feed into TfN's decision-making process.
- The research team is currently finalising plans for the next phases of the TfN Research Programme, including new work on the North's visitor economy and developing our evidence base on transport-related social exclusion. Both projects will play an important role in shaping the evidence behind our Strategic Transport Plan.

TAME (Technical Assurance, Modelling & Economics)

- TAME is working hard to meet the internal reporting deadline for SOC in early February. Deliverables include the Economic Case for NPR which uses the TAME Analytical Framework to evaluate the benefits of NPR and the Benefit Cost Ratios; as well as wider analysis workstreams which support the strategic case for NPR and feed into the Economic Impact Report which TAME is also drafting.
- TAME and suppliers are now using the recently finalised Northern Rail Modelling System (NoRMS) Iteration 1D version to assess the benefits of the NPR scheme. Three core scenarios for NPR are being tested by TAME's modelling analysis suppliers, along with a range of sensitivity tests which support DfT's modelling uncertainty requirements.
- The Northern Economy and Land Use Model (NELUM) is also being used to feed into the SOC and analysis using this model feeds into both economic and strategic case for NPR. TAME modellers are applying this model to analyse the wider economic impacts of the NPR scheme, as well as improvements in accessibility.
- The final version of the NoRMS Iteration 2 model, which has been updated to reflect a 2018 base year, has been delayed slightly due to ongoing work to validate the model using DfT's updated criteria following the recent NoRMS assurance exercises; this is now expected to be delivered

in February. TAME's modelling and analysis partner has received an interim version of the model for early sight and familiarisation.

- NELUM is also undergoing a similar rebasing exercise to update the model and maintain consistency across the Analytical Framework; this is in development for delivery during March.
- Work continues to further develop TAME's Analytical Framework in readiness for the IPBA commencing in April 2021. Development and testing of the future year scenarios for the Northern Highway Assignment Model (NoHAM) is ongoing and making good progress. The Northern Model Integration Tools (NorMITS) is currently being applied to create future year demand matrices for NoHAM; and will also be used to develop similar inputs to NoRMS. A contract to ready NoRMS for use within the IPBA has been awarded and will be underway during February and March.
- As part of TfN's strategy, TAME is in the final stages of capturing the Development-Log 2020 (D-Log20) which collates and infills data for development opportunities, working with TfN's partners across the North of England.
- TAME analysts are working closely with the Strategy Team to feed analysis and modelling into TfN's Decarbonisation Strategy. This work is being supported by a new contract with Element Energy and Systra.
- TAME has appointed a supplier to provide benefit estimates for a number of rail infrastructure improvements around Leeds station. The supplier will be utilising NoRMS to quantify passenger benefit estimates.
- Work has commenced to scope a major rail data collection programme for NPR, involving counts at Northern railway stations and passenger interviews. The first stage to gather requirements across TfN and partners is underway to help guide the selection of stations and format of passenger interviews.

Financial Performance

Financial Update

Summary

Expenditure incurred in January: £3.21m

Variance to monthly budget: Underspend of £2.40m

Year to-date expenditure: £44.06m

Year to-date variance to budget: Underspend of £5.18m

Headlines

- On 4 January, TfN received notification of a £3m reduction to Core funding in the current financial year. As a result of this decision, the Revision 3 estimate then underway was not completed and therefore monitoring in January continues to be against Revision 2 budget.
- The significant reduction to TfN's core funding, both in the current and next financial year has led to a pause in some external consulting activity.

Programmes:

- Expenditure of £2.66m represented an underspend of £1.97m (43%) in the month. YTD expenditure of £38.29m, an underspend of £4.26m (10%)
- The main driver of underspend was the NPR programme (£1.53m) with an underspend in the month on the IST programme (£0.40m).

Integrated & Smart Travel:

- Programme-wide expenditure of £0.42m resulted in an underspend of £0.40m in the month. On a YTD basis, expenditure of £7.70m resulted in an underspend of £0.65m (8%), as a result of the factors set out below:
 - Phase 1 underspend to date (£0.67m), due to the rephasing of some costs, with elements of delivery slipping into February and March. The underspend also reflects £0.20m of unrequired contingency.
 - Minor rephasing of expenditure in Phase 2. YTD expenditure is £0.04m ahead of budget.
 - As a result of IST funding decisions, expenditure in the programme team and Phase 4 is reduced.

Northern Powerhouse Rail

- Expenditure in the month reflects rail period 10, which includes Christmas and therefore reflects a lower run rate than previous periods.
- Expenditure of £2.22m represented an underspend of £1.53m (41%) in the month. YTD expenditure of £30.16m is 10% under budget.

- Network Rail underspend to date of £2.17m (10%) reflects revised forecasts and a lower level of activity due to uncertainty pending the publication of the IRP.
- Modelling expenditure is ahead of budget in the month, reducing the YTD underspend to £0.17m (6%).
- A YTD underspend of £1.17m (19%) in other programme development areas is driven by a reduced cost estimate for survey work and the majority of the activity slipping into the next financial year, due to time taken to instruct and procure this work.
- Programme support costs to date are within 2% of budget.
- There is a YTD underspend of £0.03m in communications and stakeholder engagement activity, as no commitment has been granted by DfT for this activity.

Strategic Development Corridors (SDC)

- YTD expenditure of £0.43m has resulted in an underspend of £0.08m. This reflects delays to some contracting due to the reduced funding allocation and consequential delays whilst revisions to business planning for next year are undertaken.

Operations:

Rail Operations

- YTD expenditure of £1.79m represents an underspend of £0.16m (8%). This is driven by several vacancies in the team, in addition to a lower than anticipated run rate on consultancy expenditure.

Operational Areas

- YTD expenditure of £3.98m, which is an underspend of £0.76m.
- This reflects a number of areas of savings and slippage, identified since the adoption of the Revision 2 budget, both as a result of the on-going pandemic and due to funding uncertainty following the postponement of the comprehensive spending review.
 - £0.24m of underspend in the Strategy & Policy area, a combination of rephased activity and savings.
 - £0.13m saving on the ERP development contract in relation to the flexitime module.
 - £0.10m underspend on ICT and accommodation, including the postponed Covid-related office redesign.
 - £0.09m communications and stakeholder engagement activity
 - £0.07m underspend in Finance, due to reduced external support costs.
 - £0.04m underspend in HR, due to reduced travel pass costs and recruitment fees.

Activity Dashboard

TRANSPORT FOR THE NORTH FINANCE DASHBOARD					PERIOD BUDGET CYCLE	10 REVISION 2	JAN 2020/21		
PERIOD ACTUALS VERSUS BUDGET									
	Actuals £m	Budget £m	Var. £m	Var. %					
Integrated and Smart Ticketing	£0.42	£0.82	£0.40	48%	<div>Actuals</div> <div>Budget</div>				
Northern Powerhouse Rail	£2.22	£3.75	£1.53	41%					
Major Roads	£0.02	£0.06	£0.04	67%					
Programmes	£2.66	£4.64	£1.97	43%					
Rail Operations	£0.18	£0.24	£0.06	24%					
Operational Areas	£0.37	£0.73	£0.37	50%					
	£3.21	£5.61	£2.40	43%					
PERIOD ACTUALS VERSUS BUDGET: PROGRAMMES									
	Actuals £m	Budget £m	Var. £m	Var. %					
IST: Phase 1	£0.16	£0.59	£0.43	72%	<div>Actuals</div> <div>Budget</div>				
IST: Phase 2	£0.11	£0.06	-£0.05	-79%					
IST: Phase 3	£0.00	£0.00	£0.00	-					
IST: Phase 4	£0.01	£0.01	£0.00	17%					
IST: Programme	£0.14	£0.16	£0.02	10%					
Northern Powerhouse Rail	£2.22	£3.75	£1.53	41%					
Major Roads	£0.02	£0.06	£0.04	67%					
	£2.66	£4.64	£1.97	43%					
YEAR TO-DATE ACTUALS VERSUS BUDGET									
	Actuals £m	Budget £m	Var. £m	Var. %					
Integrated and Smart Ticketing	£7.70	£8.36	£0.65	8%	<div>Actuals</div> <div>Budget</div>				
Northern Powerhouse Rail	£30.16	£33.69	£3.53	10%					
Major Roads	£0.43	£0.51	£0.08	15%					
Programmes	£38.29	£42.55	£4.26	10%					
Rail Operations	£1.79	£1.95	£0.16	8%					
Operational Areas	£3.98	£4.74	£0.76	16%					
	£44.06	£49.24	£5.18	11%					
YEAR TO-DATE ACTUALS VERSUS FORECAST TO OUTTURN									
	Actuals £m	F/cast £m	Var. £m	Var. %					
Integrated and Smart Ticketing	£7.70	£9.51	£1.81	19%	<div>Fcst</div> <div>Actuals</div>				
Northern Powerhouse Rail	£30.16	£42.02	£11.86	28%					
Major Roads	£0.43	£0.55	£0.13	23%					
Programmes	£38.29	£52.09	£13.80	26%					
Rail Operations	£1.79	£2.37	£0.58	24%					
Operational Areas	£3.98	£5.24	£1.26	24%					
	£44.06	£59.69	£15.64	26%					
FUNDING YEAR TO DATE					FUNDING FORECASTS TO OUTTURN				
Funding Stream	Actuals £m	Budget £m	Var. £m	Var. %		Actuals £m	F/cast £m	Var. £m	Var. %
TDF - Rail	£29.37	£32.91	£3.54	11%	TDF - Rail	£29.37	£41.07	£11.70	28%
IST - Capital and Revenue	£7.70	£8.36	£0.66	8%	IST - Capital and Revenue	£7.70	£9.51	£1.81	19%
Core Grant	£5.71	£6.65	£0.94	14%	Core Grant	£5.71	£7.55	£1.84	24%
Rail North Grant & Contributions	£1.08	£1.10	£0.02	2%	Rail North Grant & Contributions	£1.08	£1.30	£0.22	17%
TDF - Roads	£0.00	£0.00	£0.00	-	TDF - Roads	£0.00	£0.00	£0.00	-
Trading Income	£0.20	£0.22	£0.03	12%	Trading Income	£0.20	£0.26	£0.07	25%
	£44.06	£49.24	£5.18	11%		£44.06	£59.69	£15.64	26%

HR Update

Human Resources Update

Salaried Establishment as at **5 February 2021**

Established/ Fixed-term (Transition) Posts

Area	Established Posts (Over 2 years)	Fixed-term (Transition) Posts (Up to 2 Years)	Total
CEO/Chair	2 (1.17 FTE)	-	2 (1.17 FTE)
Support Services	30 (29.32 FTE)	6 (6.00 FTE)	36 (35.32 FTE)
Operational & Delivery	91 (89.10 FTE)	38 (37.60 FTE)	129 (126.70 FTE)
Total Establishment	123 (119.59 FTE)	44 (43.60 FTE)	167 (163.19 FTE)
Strength (in post)	104 (101.27 FTE)	26 (25.60 FTE)	130 (126.87 FTE)
Appointed (start date pending)	0 (0.00 FTE)	0 (0.00 FTE)	0 (0.00 FTE)
Active/Pending Recruitment	2 (2.00 FTE)	0 (0.00 FTE)	2 (2.00 FTE)
Vacant – On-hold	17 (16.32 FTE)	18 (18.00 FTE)	35 (34.32 FTE)

Chief Executive Recruitment – this vacancy is now live and the closing date for applications is 11 February 2021. Aligned to TfN's Constitution, the final appointment will be subject to TfN Board approval.

Barry White leaves TfN on 15th May 2021 (his last working day will be on or around 20th April 2021).

Agency Resource - Covering Vacant Posts

Area	Posts (FTE's)
Support Services	2 Post (2.00 FTE)
Operational & Delivery	2 Posts (2.00 FTE)
Total	4 Posts (4.00 FTE)

Consultancy Resource - Covering Vacant Posts

Area	Posts (FTE's)
Support Services	0 Post (0.00 FTE)
Operational & Delivery	10 Posts (9.80 FTE)
Total	10 Posts (9.80 FTE)

HR Metrics – 2020/21 Year to Date

Corporate Sickness Level:	2.7%
Employment Policy Application:	5.4%
Employee Turnover (Voluntary Leavers):	9.3%
% of Employees from an Ethnic Minority Background:	15%
% of Employees declaring a Disability:	12%
Gender Mix - % of Female Employees:	40%
% of Male Employees:	60%

KPIs

Key Performance Indicators

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

Key	Number of KPIs with this status	
Achieved		4
On Track		5
In Progress		2
Delay		3
Delay – beyond this year end (BTYE)		2

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	Delay	
			TfN has submitted public statutory advice to Government on the IRP following the publication of the Rail Needs Assessment. The Integrated Rail Plan is now expected to be published as soon as possible in 2021.	
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 and was approved at TfN Board on 29 April 2020. The revised SOC submission date is March 2021. The SOC completion may be rescheduled to allow the IRP to be published and taken into account.	
Integrated and Smart Travel	3	Complete the delivery of the Integrated and Smart Travel on Rail Project (Phase 1). November 2020	Delay	
			MerseyRail has completed installation of PVals at all 66 stations. Northern is still on schedule to complete this financial year. However, upgrades to gates at Manchester stations and Bradford Interchange have been delayed until February 2021.	
Integrated and Smart Travel	4	Complete the delivery of Phase 2 of the Integrated and Smart Travel programme (informed customers). March 2021	On Track	
			The phase remains on track to meet the KPI. The project which delivered the Fares Tool to DfT closed in January 2021. DMT (Disruption Messaging Tool) and ODH (Open Data Hub) are in Business As Usual. There is some residual additional development work to be completed.	
Integrated and Smart Travel	5	Agree a plan for the delivery of contactless payments on rail, in collaboration with the	Delay BTYE	
			DfT informed TfN in January that funding for the programme would not continue beyond the current financial year. DfT	

		DfT and Rail Delivery Group (Phase 3). December 2020	have indicated that they see this being delivered through rail reform at a national level.	
Major Roads	6	Agree and approve the Transport for the North Major Roads Report. March 2021	Delay BTYPE	
			The technical report has been completed. The publication of the final Major Roads Report has been postponed so the report can take account of both the TfN Decarbonisation Strategy, and DfT's delayed Transport Decarbonisation Plan. This will not have any negative implications for other programmes.	
Strategic Rail	7	Implement the recommendations in the Blake-Jones review. June 2020	Achieved	
			The Blake-Jones Action Plan was approved at Rail North Committee in July 2020 and the team continues to embed the actions into the business as usual operating model. There are longer-term issues on funding for additional resource, and a response is awaited from DfT.	
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 be 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 Rail North Officer Group (Operations). A plan to support the economic recovery by investment in infrastructure has been developed and submitted to DfT as part of the TfN Economic Recovery Plan and work has been completed on developing a "quick win" programme which has been shared with the DfT's Acceleration Unit.	
Investment Programme	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	Achieved	
			The update of the Investment Programme following the qualitative sequencing process, and applying the developing Assurance Framework, has been achieved.	
Strategy	11	Develop a Decarbonisation Strategy for approval by the TfN Board and ensure that this is embedded in TfN's Investment Programme Assurance Framework. March 2021	On Track	
			Work is progressing well on the draft strategy. The draft Decarbonisation Strategy will be considered at the next Partnership Board in February and submitted to March TfN Board for approval.	
Strategy	12		In Progress	

		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	Following completion of KPI 16, work is ongoing to finalise the approach to the assessment of the TfN's Investment Programme utilising TfN's Decarbonisation Trajectory (to be agreed through Decarbonisation Strategy), Future Travel Scenarios and accompanying Decarbonisation Pathways developed by TAME.
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	<div>On Track</div> <div>Work on the TfN Freight Strategy is nearing completion and remains on track to be presented to the Board in March. Members will consider progress at the Partnership Board meeting in February.</div>
Modelling and Analysis	14	Complete and deploy the Analytical Framework throughout TfN's programmes. March 2021	<div>On Track</div> <div>Substantial progress has been made in preparation of the Analytical Framework for NPR and IPBA programmes, with the programme of activities to March 2021 fully mapped. Delivery is still subject to risk, as evidenced by the recent change to the NPR open-year assumption which creates a number of remedial tasks. These risks are being proactively managed by TAME programme leads.</div>
Organisation	15	Develop and provide a Comprehensive Spending Review submission to Government. At date set by HMT	<div>Achieved</div> <div>A CSR submission was provided to the DfT on 28 August in line with departmental deadlines. On 21 October the Chancellor announced a revised one-year process to conclude at the end of November. TfN submitted a supplemental SR submission to the Department, reflecting the move to a single-year settlement, on 6 November.</div>
Organisation	16	Develop and adopt the Northern Transport Charter. June 2020	<div>Achieved</div> <div>The team completed work on the remaining Northern Transport Charter (NTC) proposals which were endorsed and adopted by the Board in July. There is now ongoing follow-on work about how to embed demonstrating TfN's capability for greater devolution in next year's business plan.</div>



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