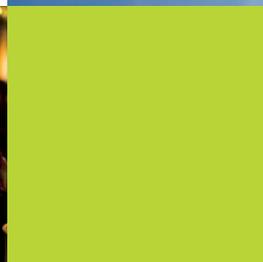
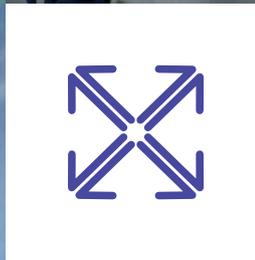
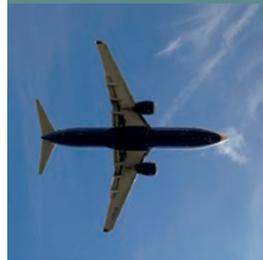
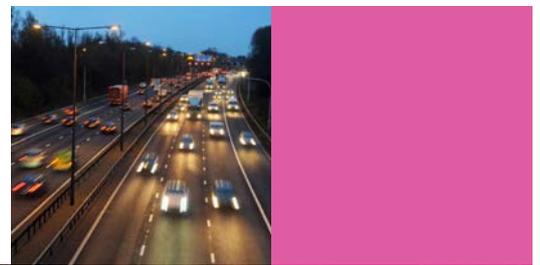


# INTEGRATED BUSINESS PLAN

2018 – 2019



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**John Cridland**  
Chairman

**Having been Independent Chairman of Transport for the North for just over two years, I am very proud of the progress made by all our Northern Partners in creating a credible and supportive partnership that can truly act as 'one voice' for the North.**

As England's first Sub-national Transport Body, we are a flagship organisation for devolution in the UK. We are paving the way for regional decision-making and accountability. Speaking with a single united voice brings with it an historic opportunity around a clear remit to identify and plan investments in transport infrastructure which support transformational economic growth and which, in turn, will help rebalance the UK economy.

The North has now come together and, over the last year, has continued work leading to the presentation of a unified vision for the region expressed in our draft Strategic Transport Plan that stretches 30 years through until 2050. Our plan proposes a revolutionary investment programme that will make it possible for

## Chairman's Welcome

people to travel to high quality jobs and for employers to reach a wider pool of high quality people. This is an ambitious programme, one which will improve our roads and railways, will drive a sea change in skills development in the North, and one which will aim to close the historic gap in transport investment.

The Northern Powerhouse Independent Economic Review set out a realistic and achievable view of the considerable economic potential of the Northern Powerhouse. It suggested that with the right investments at the right times we could increase GVA by £100 billion and create an additional 850,000 jobs by 2050. Our plan aims to deliver on that potential.

On 1 April, we assume statutory status. This means the Government is obliged to take into account our view on where transport spending should go. For the first time ever, the North's transport needs and its opportunities for economic growth are being considered at a regional level and by people who are living and working in the North. That matters.

Since 2015, I have seen the organisation thrive as it continues to establish a highly

skilled workforce combining public and private sector experience and in doing so creating an agile and dynamic culture. In January 2018 we welcomed Barry White as our second Chief Executive.

The challenge for Barry is huge, but I know he has the knowledge, experience and leadership qualities to take Transport for the North into its exciting next phase and deliver on the vision of a thriving North of England where modern transport connections drive economic growth and support an excellent quality of life.

Of course, the progress we have made has only been made possible with the collaboration and support of our partners. We now have a responsibility to foster and maintain these relationships to ensure through partnership we can develop and deliver one strategy to drive economic growth in the North for the benefit both of the citizens of the North and the country as a whole – a strategy everyone can, and wants to, support.

This business plan reflects on the progress and achievements over the last year, looking forward to our first year operating as a statutory body.

# Chief Executive's Foreword

**I'm delighted to have joined Transport for the North in what is arguably the organisation's most important year to date. In the few months since I became the second Chief Executive, we have gained statutory status and, in doing so, have become a stand-alone entity as England's first Sub-national Transport Body. We have also incorporated Rail North and its operations into our organisation.**

Whilst we've set the ambitions of our 30-year draft Strategic Transport Plan, we're already having a positive impact on investment in transport infrastructure, as well as making a tangible difference to transport in the North of England. Our Integrated and Smart Travel team have commenced rollout of the programme's first phase, Smart on Rail. This has started with smart rail season tickets, which will be available to customers across the North by the end of the year, helping to reduce queuing times.

Through Rail North, as the Department for Transport's co-client, we've played an instrumental role in securing transformational rail franchises.

This means that people are already seeing refurbished trains, enhanced station facilities and faster and more frequent services. By 2020 all Pacer trains will be replaced with new stock and innovative technology will be introduced. Our work on Northern Powerhouse Rail led to £300m of funding being allocated in the Autumn Budget, as a down payment for the programme, to enable links between our proposed network and HS2.

In collaboration with our partners we've agreed a Major Road Network for the North of England. Working with Highways England and the Department for Transport we've developed the business cases for the dualling of the A66 and for improvements to the Manchester North West Quadrant as well as providing further research to support road improvements between Greater Manchester and Sheffield City Region.

Enacting statutory status is momentous for both Transport for the North and our partners. It represents the culmination of a lot of hard work over the past two years. The work we are undertaking, to look at the region's priorities through a northern lens, is the first of its kind. And the opportunity to transform the economy of the North and the UK is huge.

We have a genuine passion behind our vision of a thriving North of England, where modern transport connections drive economic growth and support

an excellent quality of life. And we are confident that we can achieve this, setting the path for other regions to follow.

The powers that we have secured include:

- Development and implementation of the Strategic Transport Plan
- Coordination and delivery of a smart ticketing system for the whole of the North
- Specifying and overseeing, jointly with the DfT, franchised rail services covering the Northern and TransPennine Express franchises and the right to be consulted over other rail franchises covering the area
- A statutory partner in both road and rail investment processes

These powers give weight to the work that we are doing. They enable us to become the client for investment in the North's transport infrastructure. Our success in securing these powers and in putting them to use in the future depends on our people and our partners. I'm confident that we have the right people with the right skills to continue to perform at pace. We remain committed to collaborating with our partners to ensure our plans truly reflect our collective ambition for the North so we can drive them forward together.

We are now building on the great progress we have made across our programme of work. This includes, developing and publishing our vision for

a Long Term Rail Strategy for the North including Northern Powerhouse Rail – a catalytic transport intervention which will bring our economic centres closer together than ever before. It includes too, explaining how this transformational rail network might be delivered through a combination of upgrades, new lines, existing and planned infrastructure, including HS2 and the Trans-Pennine Route Upgrade.

We have also agreed with our partners on Major Road Network proposals for the region, a network linking both current economic centres and locations which will be vital to drive future economic growth. And we have made significant progress on our programme to deliver Integrated and Smart Travel across the North. This is now progressing at pace with the Full Business Case for the second phase and the Outline Business Case for the third phase now both approved by central government.

What we as an organisation and partnership have achieved is a true reflection of our core values, to make a difference, to collaborate, to do the right thing and to be driven to succeed.

These values will continue to underpin and guide our plans for the future as we work to finalise the North's 30-year Strategic Transport Plan and move it towards delivery.

**Barry White**  
Chief Executive Officer

# Transport for the North

Transport for the North is a unique partnership of civic and business leaders from across the North of England. We're making the case for pan-Northern strategic transport improvements which are needed to drive transformational economic growth. This is the first time that the North's transport needs have been considered at a regional level and from a Northern perspective. This approach will allow the North to increase its productivity, create more job opportunities and make a greater contribution to the UK economy.

We want to support diversity in transport, through encouraging and promoting the study of Science, Technology, Engineering and Maths (STEM) subjects by students, so they can become the next generation of transport engineers, planners, and professionals. We also recognise that more needs to be done to support and encourage more women, BAME, those with disabilities, and LGBT professionals in to the transport sector.

We have developed an ambitious 30-year strategic transport plan to transform the North. Our plans look at improvements that bring together different modes of transport, including road and rail, as well as making better use of technology and travel information. By connecting the key economic areas of the North, we will drive growth, improve access to jobs and ensure the North is a great place to invest and live.

Having enacted statutory status, we are England's first Sub-national Transport Body, giving a clear voice to the North and ensuring it is heard. Rail North has also merged with us to become our rail franchising arm.

Overseen by the North's transport authorities, statutory status gives us the authority to make recommendations on behalf of the North to the Department for Transport, Network Rail, Highways England and HS2.



# Governance

Transport for the North is a unique arrangement that sees Northern elected leaders and Local Enterprise Partnerships (LEPs) working together to speak to central government with a united voice.

Our Partnership Board is made up of elected and LEP representatives from all areas of the North, along with the Secretary of State for Transport and representatives from Highways England, Network Rail and HS2 Ltd. The Board is chaired by an independent Chairman – John Cridland CBE. This body allows the North to speak with one voice on the transport infrastructure investment needed to boost the North's economy.



## Transport for the North Constituent Authorities



The faded section of the map consists of the Sheffield City Region LEP area but is not part of the of the constituent authority

# Transition to a Statutory Organisation

At the beginning of 2018 we received parliamentary approval to become a statutory organisation as the first Sub-national Transport Body in England.

Our primary function as a statutory body is to develop a long-term transport strategy for the North of England that will help to rebalance the UK economy and drive economic growth in the region. The strategy is being developed in the form of our Strategic Transport Plan, which has seen our partners from across the region coming together to decide what transport infrastructure the North needs over the next 30 years to drive economic growth. Statutory status is vital as it ensures that central government will be legally obliged to take into account the North's priorities when making transport infrastructure investment.

In order to get a Statutory Instrument laid before parliament we had to achieve the consent of 56 authorities across the North, including all 19 of our constituent authorities for our draft regulations. The powers that are included within our draft regulations were welcomed by our 19 constituent authorities and are broadly consistent with those which were envisioned when Transport for the North was formed in 2015.

Having received the approval to become a statutory body, we have embarked on a process of transition. Until now, we have not been a standalone organisation, instead we have been run and managed under the terms of a Principles Document agreed between the Department for Transport and Northern Local Transport Authorities, with the active participation of Northern Local Enterprise Partnerships and the national agencies (Network Rail, Highways England and HS2 Ltd).

As a statutory Sub-national Transport Body, we will move from these temporary arrangements to being a standalone statutory entity. This will allow Transport for the North to hold its own funds, transact on our own behalf, and employ our own staff.



# Vision and Objectives

**Our vision is of a thriving North of England, where modern transport connections drive economic growth and support an excellent quality of life.**

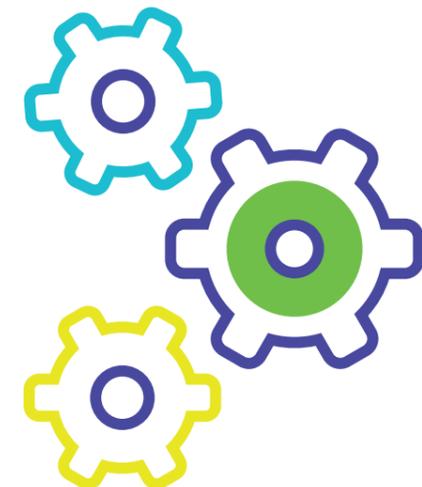
We are making the case for strategic transport improvements across the whole of the North, which are needed to drive transformational economic growth to rebalance the UK economy. We are doing this by looking at how poor transport infrastructure is holding back the North's economic potential, to provide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

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

To help us deliver our vision, we have worked with our partners to develop four pan-northern transport objectives:

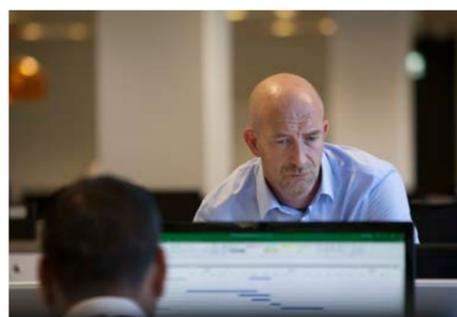
- ⇒ Transform economic performance
- ⇒ Increase efficiency, reliability and resilience in the transport system
- ⇒ Improve access to opportunities across the North
- ⇒ Promote and support the built and natural environment

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



# Values and Behaviours

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



# Our Core Values



## We make a difference

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



## We do the right thing

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



## We collaborate

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



## We are driven to succeed

- We want to be the very best we can be. The drive for excellence and innovation informs everything we do
- We will develop and grow, learning from both our mistakes and successes and sharing this with our partners
- We are proud to represent the North and will facilitate a step change in connectivity across the North of England by being role models for how things are done



# Our Core Behaviours

## Cultivate Innovation

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

## Ensure Accountability

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

## Collaborate

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

## Instil Trust

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

## Financial Acumen

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



# Summary Activity Schedule

TfN Integrated Business Plan 2018 - 2019		2018										2019						
		Q4		Q1			Q2			Q3		Q4		Q1		Q2		
Strategic Transport Plan	Complete formal public consultation of the draft Strategic Transport Plan and update to reflect consultation feedback																	
	Update the long term Investment Programme to align with the outputs of TfN's programmes, including Northern Powerhouse Rail, Long Term Rail Strategy & Strategic Development Corridors																	
	Prepare an outline review of the challenges and opportunities of innovation in the delivery of the Strategic Transport Plan & Long Term Investment Programme																	
	Completion of work on Strategic Development Corridors by Autumn 2018																	
Transport Analysis and Economics Modelling	Support the development and implementation of the Strategic Transport Plan providing the underpinning evidence that supports it																	
	Deliver research to enable a step change in delivery of successful Transport for the North policy and Strategic Development Corridor outcomes																	
	Refresh and update the Northern Powerhouse Independent Economic Review																	
	Complete work on Transport for the North future scenarios to support the Strategic Transport Plan																	
	Provide analytical support for Transport for the North programmes including Northern Powerhouse Rail																	
	Continue to improve and enhance the analytical capability of Transport for the North																	
Northern Powerhouse Rail	Undertake economic modelling and analysis to support the NPR Strategic Outline Business Case																	
	Continue engineering option development for station and corridor concepts, providing connectivity with other significant economic centres and continuing to develop an optimum solution for Manchester Piccadilly																	
	Continue to work closely with HS2 Ltd to ensure the required NPR touchpoints are incorporated in HS2 Phase 2b hybrid Bill, and develop a South Yorkshire Parkway solution																	
	Develop and submit NPR Strategic Outline Business Case																	
	Develop scope and early procurement activity for NPR Outline Business Case																	
	Further develop the Indicative Train Service Specification for Northern Powerhouse Rail Outline Business Case																	
Rail North Programme	Secure commitments outlined in franchises																	
	Complete a Long Term Fares Strategy																	
	Implement, with Great North Rail Partners, the next major timetable upgrade																	
	Shape the Department for Transport's Rail National Enhancements Pipeline																	
	Support the completion of Strategic Transport Plan and accompanying Long-Term Rail Strategy																	
	Make a submission for funding from the Department for Transport's National Enhancements Pipeline																	
	Secure key outcomes for the Trans-Pennine Route Upgrade																	
	Progress the next phase of rail devolution outlining a policy and strategy for consultation and outline expectations																	
	Produce initial delivery plans for fares, infrastructure, services and network expansion																	

TfN Integrated Business Plan 2018 - 2019		2018												2019				
		Q4		Q1			Q2			Q3			Q4		Q1		Q2	
Integrated and Smart Travel	Submit and Obtain Approval of a Full Business Case for Phase 2 of the Programme																	
	Deliver the First Stage of Phase 2 Bus & Light Rail Fares, Disruption, Open Data Hub, Knowledge Network & Inno Pilots																	
	Deliver the Phase 1 Integrated Smart Ticketing on Rail across the Northern Transpennine & Merseyrail Train Srv																	
	Submit a Full Business Case for Phase 3 of the Programme																	
	Establish a Special Purpose Vehicle with Operators which will communicate, accept and run the Phase 3 systems when they are delivered																	
Major Road Network	Monitor the performance of the Major Road Network using the conditional outputs																	
	Work with the Department for Transport and our partners to respond to the consultation on Major Road Network for England																	
	Develop Strategic Outline Programmes and Strategic Outline Business Cases for three of the Strategic Development Corridor Central Pennines, Energy Coasts & West and Wales																	
	Finalise and adopt the integrated Major Roads Network plan for the strategic and major road network for the North																	
	Continue to work with DfT and Highways England to respond to and inform their Road Investment Strategy (2020-2025)																	
	Procure and manage the delivery of one new Strategic Development Corridor Commission, the Southern Pennines																	
	Integrate the programme with other internal programmes and delivery agencies.																	
	Continue to work with the Department for Transport and Highways England on the three Northern Strategic Road Studies (Trans Pennine Tunnel, including the Wider Transport Connectivity Assessment, Manchester North West Quadrant and Northern Trans Pennine Routes, A66/A685 and the A69)																	
Freight & Logistics	Prepare a Freight and Logistics Report/Update to reflect how freight has been embedded in the Strategic Development Corridor																	
	Continue to promote the role of freight and logistics as an enabling capability that can help drive economic growth																	
	Develop scheme priorities in line with future road and rail work programmes																	
International Connectivity	Prepare an international connectivity progress report / update to reflect how it has been embedded in all programmes																	
	Ensure that the Independent International Connectivity Commission's report is used as evidence to inform all programmes																	
	Secure Partner and stakeholder collaboration to work towards delivering the Independent International Connectivity Commission																	

# Measuring Success

Last year we established a framework to monitor and measure the progress and performance of Transport for the North and ensure that we provide value for money. This framework focuses on three areas of performance:

**Strategic Key Performance Indicators:**

To measure the performance of pan-northern transport and travel solutions in the delivery of our strategic objectives. There are five Strategic Key Performance Indicator themes, journey times, resilience, flows, user experience and sustainability. Our work over the last year on the development of the Strategic Transport Plan, Economic Framework and Integrated Sustainability Appraisal provides a baseline to measure against.

**Organisational Key Performance Indicators:**

To measure our performance in the establishment of Transport for the North as a Sub-National Transport Body and our operation in the future. This includes ensuring we have the right capability and culture to deliver our vision. Our organisational performance is measured by nine Key Performance Indicators covering the business plan objectives, resources, commercial, procurement and contracts, technical performance, communication and engagement, legislation and regulation, supply chain, governance and service delivery. These are reported to our boards on an ongoing basis.

**Programme Key Performance Indicators:**

To measure the performance of all our work programmes. There are four measures used to monitor the performance of our programme delivery, project scope; meeting programme objectives; milestone delivery; and budget. These are reported internally to our boards and externally through the Business Plan to demonstrate progress achieved in the previous year.

**Measuring our success in 2017-2018**

In our 2017-2018 business plan we set 15 Key Performance Indicators to ensure a culture of accountability and excellence for our organisation and our partners. The Key Performance Indicators were developed by:

- Reviewing our strategic, organisational and programme level objectives
- Understanding the actions needed to deliver those objectives
- Developing indicators to demonstrate the extent to which our actions are delivering changes
- Developing metrics to ensure that the changes can be measured

We have monitored our performance against these Key Performance Indicators using a combination of qualitative and quantitative measures. The following table recaps the 15 Key Performance Indicators for the past financial year and reports on our progress against them.



Area	KPI	Detail	Progress
Measuring success	1	Developing a framework of strategic and organisational KPIs. The framework will include data capture and evaluation processes, which capture Transport for the North's ambitions of improving journey times, resilience, flows, user experience and sustainability and ensure we have the capabilities to deliver.	<b>Achieved.</b> We have developed a KPI Framework and reporting process.
Economic framework and analytical programme	2	Development of an evidence based economic evaluation framework. This framework will link transport priorities identified in the Strategic Transport Plan to achieving the transformational growth set out in the Northern Powerhouse Independent Economic Review. The evaluation framework must also support the development of robust business cases for investment in the North. A draft will be issued for feedback by the end of the first quarter of the financial year 2017-2018.	<b>Achieved.</b> Our Analytical Framework has been established and forms part of the draft Strategic Transport Plan. Working with our partners, we have made rapid progress towards developing the underpinning data, tools, and models.
Strategic Transport Plan	3	Deliver a Strategic Transport Plan and Investment Programme that enables and drives transformational growth with one voice. This will be issued in the fourth quarter of the financial year 2017-2018 for statutory consultation.	<b>In progress.</b> This was published in draft for consultation.
Major Roads Report	4	Produce a Major Roads Report that informs and fully integrates with the Strategic Transport Plan, Integrated Rail Report and Freight and Logistics Analysis by demonstrating how improved road connectivity will drive growth by improving the movement of people and goods. This will be issued as an initial draft in the first quarter of the financial year 2017-2018 and a final report will be issued alongside the Strategic Transport Plan	<b>Achieved.</b> This was published as part of the evidence base of the Strategic Transport Plan in June 2017 and forms a key part of the draft Strategic Transport Plan.
Integrated Rail Report	5	Produce Freight and Logistics Analysis to inform the Strategic Transport Plan and Investment Programme, the Major Road Report, Integrated Rail Report and International Connectivity agenda to drive and facilitate growth of goods distributed into, within, and out of the North. This work will inform the Major Roads Report, Integrated Rail Report and Strategic Transport Plan.	<b>Achieved.</b> Partners have reviewed the analysis and it has been incorporated into the draft Strategic Transport Plan. The analysis is also supporting the work on the Strategic Development Corridors.

Area	KPI	Detail	Progress
Freight and Logistics	6	Produce Freight and Logistics Analysis to inform the Strategic Transport Plan and Investment Programme, the Major Road Report, Integrated Rail Report and International Connectivity agenda to drive and facilitate growth of goods distributed into, within, and out of the North. This work will inform the Major Roads Report, Integrated Rail Report and Strategic Transport Plan.	<b>Achieved.</b> Partners have reviewed the analysis and it has been incorporated into the draft Strategic Transport Plan. The analysis is also supporting the work on the Strategic Development Corridors.
International Connectivity	7	Through a balanced and weighted suite of measures, demonstrate how a step change in market intelligence of the North's International connectivity issues has been achieved and how that intelligence is integrated into the Strategic Transport Plan.	<b>Achieved.</b> We have undertaken engagement with airports and ports and incorporated our international connectivity analysis into the draft Strategic Transport Plan. The analysis is also supporting the work on the Strategic Development Corridors.
Sustainability Appraisal	8	Deliver a Sustainability Appraisal process that supports and enhances the Economic Framework and analytical functions and has informed the development of the Strategic Transport Plan. This will be issued in draft for feedback in the first quarter of the financial year 2017-2018 and as a final report alongside the Strategic Transport Plan.	<b>Achieved.</b> Our Sustainability Appraisal forms an integral part of the draft Strategic Transport Plan published in January 2018.
Integrated and Smart Travel	9	Achieve Transport for the North's first pan-Northern operational travel solution, develop best practices for business case preparation and develop KPIs and metrics frameworks in accordance with the Integrated and Smart Travel programme.	<b>Achieved</b> Phase 1 Full Business Case and Ministerial approval. <b>Achieved</b> Phase 2 Outline business case and Ministerial approval <b>In progress</b> Phase 2 procurement documents currently in development prior going to tender. <b>In progress</b> Phase 3 Outline Business Case to be submitted to DfT February 2018 for approval.

Area	KPI	Detail	Progress
Rail North	10	Through a balanced and weighted suite of measures, demonstrate how Rail North has influenced and developed the outputs and outcomes planned to be delivered in 2017/2018, and integrate these into the Strategic Transport Plan.	<b>Complete.</b> An updated copy of the Long Term Rail Strategy has been published in January 2018 and a Long Term Fares Strategy has been issued.
Resourcing and funding the programme of work	11	Deliver a planned resource programme and implement the systems and processes that will support status as a Sub-national Transport Body in 2017/2018. In accordance with KPI1, we will develop and progress the organisation's capabilities and ways of working to achieve the strategic aims of the Northern Transport Strategy and delivery of the Strategic Transport Plan and Investment Programme.	<b>Complete.</b> In advance of becoming a Sub-national Transport Body we have: • Procured an ERP system • Procured and are implementing a Stakeholder Relationship Management system. Our resourcing plan has been delivered to time and budget.
Risks and Challenges	12	Implement a risk management framework that achieves risk avoidance, minimisation and mitigation for Transport for the North's programmes, organisation and supports the delivery of strategic objectives.	<b>Complete.</b> We have a Risk Management Strategy in place which is an on-going, iterative, rigorous cycle to ensure understanding of possible events and risks that may hinder our strategic objectives.
Expenditure	13	Track planned expenditure and the value for money that this is delivering against our strategic objectives, ensuring we have the right governance, controls and measures in place for status as a Sub-national Transport Body.	<b>Complete.</b> We undertake quarterly budget revisions and report these to our boards. Financial regulations and all associated documentation have been developed in preparation for statutory status.
Health and Safety	14	Through the finalised risk management process, outline the health and safety standards, strategic indicators and metrics that will be used to manage the business, programmes and projects.	<b>Complete.</b> We have developed a framework and supporting process, policies and procedures during 2017/18.
Forward look	15	Develop and implement a stakeholder engagement strategy and plan that supports better ways of working with partners, local business and National Transport Bodies.	<b>Complete.</b> Stakeholder engagement and collaboration remains core business across all programmes and has been at the heart of the work we have undertaken.

# Programme of Work

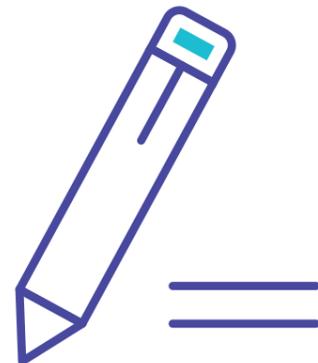
## Strategic Transport Plan

In January 2018, we published our draft Strategic Transport Plan for public consultation. The ambitious 30-year plan sets out a compelling case for investment in the North of England. With an objective and long-term view, we are working to evaluate, prioritise and sequence improvements to transport infrastructure that will benefit the whole of the North.

We want to transform the North's performance driving economic growth to help rebalance the UK economy. Our plans take a 'corridor approach', identifying seven Strategic Development Corridors that connect people and places with key economic centres:

- **Connecting the Energy Coasts**, improving connectivity between some of the UK's important non-carbon energy advanced manufacturing, research assets and economic centres in Cumbria, Lancashire, North Yorkshire, the North East and Tees Valley

- **West and Wales**, moving people and goods, to, from and through the important economic centres and assets of Cheshire, Liverpool City Region and Greater Manchester with strategic connectivity in to North Wales and the Midlands
- **Central Pennines**, driving strategic east-west connectivity for some of the North's important economic centres and assets in North Yorkshire, West Yorkshire, East Riding and Hull and Humber through Greater Manchester, Lancashire and Liverpool City Region
- **Southern Pennines**, linking the economic centres, industries and ports within Liverpool City Region, Greater Manchester, Cheshire, Sheffield City Region and Hull and the Humber. Also considering cross-border connections with the Midlands
- **North West to Sheffield City Region**, strengthening rail links between the advanced manufacturing sites in Cumbria, Lancashire, Greater Manchester and Sheffield City Region, with improved connectivity from the North in to Scotland



- **East Coast to Scotland**, improving rail reliability, speed and reach along the East Coast Main Line and other key lines to provide enhanced strategic and local connectivity in the North East, Tees Valley and North Yorkshire as well as onward connections into Scotland
- **Yorkshire to Scotland**, building on existing road investment commitments to further strengthen road connectivity between the Midlands, South Yorkshire, West Yorkshire, North Yorkshire, Tees Valley, the North East and Scotland





The draft plan has been developed in close collaboration with our partners, informed by and built around the North's economic strengths and constraints, including those evidenced in the Northern Powerhouse Independent Economic Review.

Last year we:

- Published the evidence base for our Strategic Transport Plan in June 2017, undertaking targeted engagement with our partners and stakeholders
- Incorporated findings from this evidence base into the draft Strategic Transport Plan including from the Integrated Sustainability Report, Major Roads Report, Future Transport Demand, Integrated Rail Report, Freight and Logistics Analysis as well as evidence from the Independent International Connectivity Commission
- Published our draft Strategic Transport Plan in January 2018 and commenced a 13 week period of public consultation

- As part of the development of our draft Strategic Transport Plan we identified seven Strategic Development Corridors and worked with our partners to prioritise and sequence potential interventions within these corridors that can contribute towards our overarching aim of transformational economic growth
- Used our work to inform Highways England's and Network Rail's industry processes, RIS2 and CP6
- Commenced work on developing Strategic Outline Business Cases for the Strategic Development Corridors identified in our draft Strategic Transport Plan

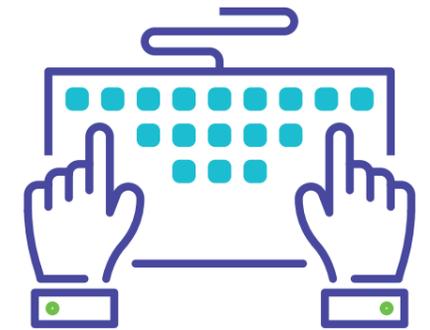
In 2018-2019 we will:

- Complete formal public consultation on the draft Strategic Transport Plan
- Publish a final version of the Strategic Transport Plan taking into account consultation responses
- Update and publish the long-term Investment Programme to reflect the Long-Term Rail Strategy and Strategic Development Corridors work

- Prepare an outline review of the opportunities and threats for innovation in the delivery of the Strategic Transport Plan
- Complete work on all seven Strategic Development Corridors, sufficient to inform the first published version of the long term Investment Programme, by Autumn 2018. This work is being delivered by teams within TfN, supported by external resources where necessary to complete the work within the required timescales

The development of the Strategic Transport Plan represents the first time civic and business leaders and transport operators are speaking with one voice on transport to enable the North to fulfil its economic potential. The plan proposes an ambitious but deliverable Investment Programme that will make it possible to travel to high quality jobs. The ambitious programme will improve our roads and railways ensuring we address the historic gap in investment.

## Transport Analysis, Modelling and Economics



Producing a robust evidence base that supports our proposals is a key element of the work that Transport for the North will undertake. In 2017/18 we have substantially developed our analytical capability and capacity to inform the development of the draft Strategic Transport Plan, inform the sequencing of the investment programme and support a wide range of TfN Programmes. The TfN Analytical Framework will link the transport priorities within the Strategic Transport Plan to achieving our ambition of transformational economic growth. going forward, the developing evidence base can support a wider range of TfN Partners, helping the development of robust business cases for investment in the North.



Last year we:

- Agreed and published our Analytical Framework for TfN and its partners to deliver a robust evidence base behind our programmes, integrated into national planning activities
- Delivered the innovative data, models and internal expertise needed to represent and assess the North's future economy and travel markets in the development corridors, the business case for Northern Powerhouse Rail and other our Programmes
- Developed and published innovative new analysis of future travel demand in the North that has informed the Strategic Transport Plan and helped identify the seven development corridors
- Worked with HS2, Network Rail and DfT to provide the evidence base for investment in Northern Powerhouse Rail, including touchpoints with HS2 Phase 2b, identifying the emerging vision for Northern Powerhouse Rail and preparing for the Northern Powerhouse Rail Strategic Outline Business Case
- Broadened our research and wider evidence strategy on the relationship between transforming connectivity and economic development, including establishing an initial user insight programme

In 2018-2019 we will:

- Provide the evidence and analysis for Transport for the North programmes and key investment decisions, including the Northern Powerhouse Rail business case, the corridor studies and the Strategic Transport Plan
- Further develop the key modelling tools behind the Analytical Framework, including a new rail model for the North, working with Highways England and DfT to enhance the performance of existing models
- Explore options for opening access to Transport for the North models and data to our partners and other bodies
- Refresh and update the Northern Powerhouse Independent Economic Review
- Collaborate with partners to finalise the Transport for the North future travel scenarios and incorporate within the models, including detailed market segmentation approaches
- Establish an external research and evidence strategy to enable a step change in delivery of successful Transport for the North policy and strategic business case outcomes

# Integrated Sustainability Appraisal



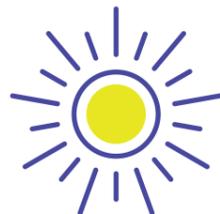
Creating and sustaining transformational economic growth requires an environment where people want to live and work, businesses of the future want to invest and individuals have access to opportunities, including employment, education, healthcare and other services. Environmental considerations will continue through to the construction and operation of individual schemes, through the implementation of effective Environmental Management Plans.

In 2017-2018 we developed our Integrated Sustainability Appraisal to ensure that consideration of sustainability is at the heart of our plans. This Integrated Sustainability Appraisal was consulted



on alongside the draft Strategic Transport Plan and is an iterative assessment process informing the Strategic Transport Plan as it develops providing a framework to review and challenge our objectives, policies and programmes.

Following consultation, in 2018-2019 we will produce a post-adoption statement that will inform the final version of the Strategic Transport Plan and provide a framework for the assessment of future programmes and projects that are proposed by TfN.



# Northern Powerhouse Rail

## Connecting the key economic areas and cities of the North

Rail



Northern Powerhouse Rail is a transformational rail programme to better connect the key economic areas and cities of the North, including improved east-west connections. We are striving for a radical change in performance; improving journey times and reliability and increasing the capacity and frequency of routes. The programme will combine new, existing and planned infrastructure, including integration with HS2 to unlock its benefits for the North.

The current rail network cannot accommodate the number of additional trains required to cater for increasing demand. Over the past five years there has been considerable growth in rail passengers, with five northern cities all seeing growth of more than 20%: Leeds (31%), Manchester (24%), Sheffield (21%), York (25%) and Newcastle (21%). This increase in rail use has not been matched in network growth or service provision and although current plans for infrastructure upgrades will start to address this legacy of under investment, they will not transform connectivity in the way that is required to enable significant economic growth. This shortfall will hold back the North's ability to realise its economic potential.

Northern Powerhouse Rail will:

- Bring 1.3 million people within one hour's reach of four or more of the North's largest cities. Currently this figure is just 10,000 people
- Bring 58,000 businesses within 45 minutes of two or more of our largest cities and treble the number of businesses within 90 minutes of four or more cities

- Increase east-west freight capacity on rail to support current and planned private sector investment in Northern ports
- Improve access to Manchester International Airport as a global gateway for the North of England

Over the last year we have:

- Published our emerging vision for the Northern Powerhouse Rail network setting out how this could be delivered through a combination of existing infrastructure, upgrades, new line and planned infrastructure, including HS2
- Taken evidence based decisions about the required touchpoints between Northern Powerhouse Rail and HS2 so that these could inform the HS2 Phase 2b hybrid Bill
- Delivered an integrated strategy for Northern Powerhouse Rail, HS2 and the trans-Pennine Route Upgrade in line with the National Infrastructure Commission recommendations
- Progressed the development of our Strategic Outline Business Case for Northern Powerhouse Rail

In 2018-2019 we will:

- Continue to develop and narrow the number of station and corridor options for Northern Powerhouse Rail that either deliver, or move substantially towards meeting the aspirational journey times and service frequencies identified in the 2015 Northern Transport Strategy report by One North

- Continue to work closely with HS2 Ltd to ensure our required touchpoints with Northern Powerhouse Rail are incorporated in the HS2 Phase 2b Hybrid Bill
- Continue to explore feasible engineering options that provide connectivity with other Significant Economic Centres to the Northern Powerhouse Rail network
- Incorporate freight modelling into the Northern Powerhouse Rail approach to understand the benefits it can deliver to the sector
- Develop the case and identify the preferred location for a South Yorkshire Parkway station on the Northern Powerhouse Rail network
- Complete analysis work at Manchester Piccadilly to provide an evidence base for the preferred solution to accommodate Northern Powerhouse Rail
- Develop and submit our Strategic Outline Business Case
- Undertake wider economic modelling to provide evidence of the benefits of Northern Powerhouse Rail
- Develop Indicative Train Service Specification for Northern Powerhouse Rail
- Continue to develop the programme with our co-client DfT and our delivery partners Network Rail and HS2



## Rail North

Rail



### Working towards a world class rail network for the North, improving passengers' journeys with better times, frequency and capacity

Upon Transport for the North becoming a statutory body, Rail North and its operations will be incorporated into the organisation. We are working to improve the rail network across the North encompassing every route, every train and every journey. This means we are co-managing the Northern and TransPennine Express franchises with the Department for Transport to ensure that operators deliver what they have promised and we are working with Network Rail and other partners to ensure that the new stock delivered by the franchises is supported by track and other upgrades, reducing journey times.

Rail in the North is underperforming compared with networks elsewhere, with poor connectivity between some of the North's urban centres and the other major cities in the country. In many cases rail journey times do not compete with the car equivalent, despite congestion on both urban and strategic routes. Many trains are the oldest on the national network and do not meet modern expectations or accessibility standards. Crowding is also a problem on many routes, and not just in peak periods. A more effective network could double rail use across the North and carry more freight. This would mean rail could play a better role in driving economic growth.

Over the last year we have:

- Ensured franchise commitments are delivered, (including the delivery of the first refurbished trains and timetable enhancements), contract changes to support the first phase of our Integrated and Smart Travel programme
- Contributed to the Office of Rail and Road's 2018 Periodic Review (PR18)
- Worked with Network Rail to progress the first North of England Route Study
- Established, and proactively managed, a Rail North Change Programme
- Developed a draft Long Term Rail Strategy for Consultation

In 2018-2019 we will:

- Secure commitments outlined in franchise agreements
- Secure key outcomes for the Trans-Pennine Route Upgrade
- Support the completion of the Strategic Transport Plan and accompanying Long-Term Rail Strategy
- Progress the next phase of rail devolution outlining a policy and strategy for consultation and outline expectations for the next franchise process
- Complete a Long-Term Fares Strategy
- Shape the Department for Transport's National Enhancements Pipeline
- Make a submission for funding from the Department for Transport's National Enhancements Pipeline
- Implement with Great North Rail Project partners the next major timetable upgrade

## Integrated and Smart Travel

### Making it easier to plan and pay for your journey in the North

We are implementing smart and integrated travel initiatives that will make traveling on public transport easier and quicker for passengers across the North. We want to enhance choice and ensure passengers pay prices that are fair for the journeys they have made. By doing this we will increase the number of people travelling by public transport and broaden people's access to jobs.

Currently customers can only use a smartcard, contactless bank card or their smartphone to pay for travel by public transport in certain parts of the North of England. There are also limitations in the transparency of, and access to, bus fare information, customer communication and disruption to travel. This can influence people's decisions not to take public transport for their journey.

For the first phase of our programme we are working with rail operators to launch a smart ticketing system that will allow train passengers to move from paper tickets to smart cards tickets that can be used with multiple operators across the region. This will see smart ticketing becoming the default for season tickets, allow operators to introduce flexible season tickets, reduce ticket queues and make it quicker to get from the platform onto a train.

The second phase will see benefits extended to bus passengers. We are working with bus operators to create one central, up to date store of all bus

fares and information about planned disruptions right across the North. This information will be made available as open data to journey planning apps and will mean that passengers can find out about the cost of journeys and route disruption easily in advance of travel.

The third phase of the scheme is the implementation of a 'back office' which will enable customers to use contactless bank cards to travel on different modes of transport including buses, across the North. It will collate and read customer data to facilitate the capping of multi-modal, multi-operator journeys. This will help ensure that customers pay the best possible price for their travel on public transport.

Last year we:

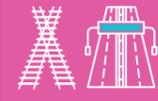
- Submitted and had approval of an Outline and Full Business Case for phase one of the programme (Smart on Rail) and received funding approval for its implementation
- Submitted and had approval of an Outline Business Case for phase two of the programme
- Submitted an Outline Business Case for phase three of the programme
- Reduced reliance on consultancy support, enhancing in-house capability
- Established an Integrated and Smart Management System and governance for the programme
- Completed the design of an Integrated and Smart Travel programme, defining an overall procurement and implementation strategy

- Established a formal collaboration agreement with the Department for Transport's Bus Unit on open data and with Traveline Information Limited on open fares data for bus and light rail operators
- Agreed Heads of Terms with Arriva, Stagecoach, First, Go-Ahead, TfGM and Nexus for phase three of the programme
- Reached agreements with Arriva Northern Rail, First Transpennine Express and Merseytravel for the implementation of phase one

In 2018-2019 we will:

- Submit and obtain approval of a Full Business Case for phase two of the programme
- Submit a Full Business Case for phase three of the programme
- Deliver the phase one integrated smart ticketing on rail across the Northern, Transpennine and Merseyrail train services throughout the North
- Deliver the first stages of phase two bus and light rail fares, disruption, open data hub, knowledge network and innovation pilots
- Establish a Special Purpose Vehicle with operators which will commission, accept and run the phase three systems when they are procured and delivered

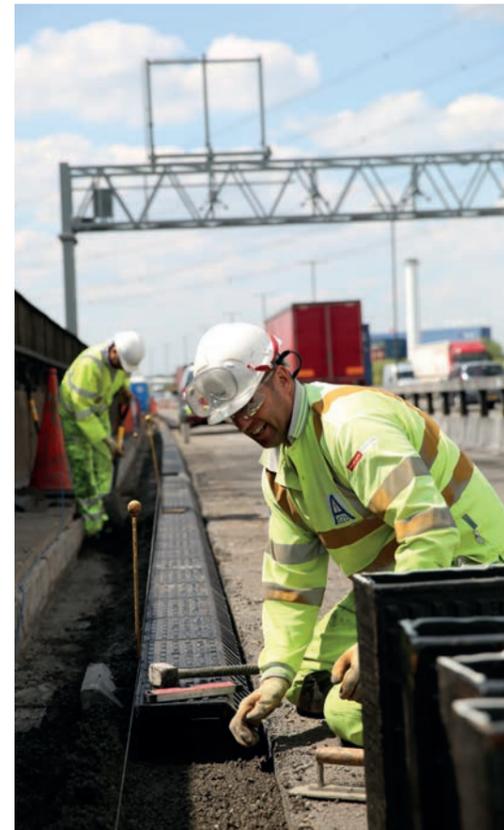
Multi-Modal



## Major Road Network

### Creating a reliable, safe and efficient road network for the future

Roads



We are working with partners to improve the North's road network. This includes new routes as well as better use of existing infrastructure and planned upgrades. We are also looking to alleviate pressure on the road network by exploring opportunities to support increased use of rail and other public transport.

Last year we:

- Published an Initial Major Roads Report in June 2017 as part of the evidence base for our Strategic Transport Plan setting out an agreed Major Road Network for the North
- Informed Government's Road Investment Strategy 2 (RIS2), ensuring alignment with the emerging priorities for roads investment in the North of England as outlined in our draft Strategic Transport Plan
- Worked with the Department for Transport and Highways England to complete Strategic Outline Business Cases for the three northern Strategic Road Studies: Trans Pennine Tunnel (including the Wider Transport Connectivity Assessment); Manchester North West Quadrant; and Northern Trans Pennine Routes (A66/A685 and the A69)
- Published an updated Major Roads Report alongside the draft Strategic Transport Plan in January 2018

In 2018-2019 we will:

- Finalise and adopt the integrated Major Road Network plan for the strategic and major road network for the North
- Continue to work with DfT and Highways England to respond to and inform their Roads Investment Strategy (2020-2025)
- Integrate the programme with other internal programmes and delivery agencies, including our Sustainability Appraisal and Economic Appraisal
- Continue to work with the Department for Transport and Highways England on the three northern Strategic Road Studies: Trans Pennine Tunnel (including the Wider Transport Connectivity Assessment); Manchester North West Quadrant; and Northern Trans Pennine Routes (A66/A685 and the A69). We will then consider the findings of the reports, and agree next steps with Local Authority partners, Highways England and the Department for Transport
- Work with the Department for Transport and our partners to respond to the consultation on the Major Road Network for England



## Freight and Logistics

### Improving the movement of goods in, around, and out of the North



We are working with freight and logistics partners to understand what the industry needs if it is to help drive economic growth. We are researching and reviewing options to improve the movement of goods, in, around and out of the North and developing plans for consultation.

We want to increase the capacity of the whole transport network so that it can take more freight, including improving the road networks for delivering goods. Increasing capacity will improve the speed and reliability of deliveries. This will make a huge difference to the many businesses that rely heavily on goods arriving on time. We want to reduce the cost to businesses of moving goods and increase the volume and profitability of imports and exports. If there is a strong and reliable infrastructure in place, it will encourage further private investment from industry. We want to see more environmentally sustainable solutions in freight and logistics and will work with partners to share ways in which this can be done.

We understand goods are mainly moved by road in the North. There is a thriving Road Haulage industry that supports this. By improving the roads, we aim to help the industry be more efficient. This will help drivers arrive at destinations when they plan to. This reduces unnecessarily extended journeys which affects future deliveries and whether drivers spend extra time on the road.

Businesses face choices every day about the most profitable way to move their goods to customers or to export destinations. We want this to be easy. This includes where goods could be moved by rail. The challenge is finding the space on the railway for freight trains to run and booking those services onto it. We will continue to work with Network Rail to seek improvements for freight across the railway.

Additionally, we will continue to work on a one to one basis with businesses looking to relocate to the North. We will champion the opportunities provided by the Northern Ports, continuing to build on our strong relationships. We will work with Local Authority partners so they can support relocation processes outside of our remit. We will continue to promote the delivery of a Freight Superhighway linking the Atlantic Gateway to the Humber Ports.

Last year we:

- Finalised the Freight and Logistics analysis so that it could be incorporated into the Major Road and Integrated Rail reports and ultimately the draft Strategic Transport Plan
- Shared the results of research with our partners through the Freight and Logistics Working Group
- Contributed, on an ongoing basis, our analysis to utilise outputs from the Liverpool Humber Optimisation of Freight Transport project, funded by Innovate UK
- Incorporated the study of Intermodal Gateway opportunities into the Strategic Development Corridor studies

In 2018-2019 we will:

- Prepare a Freight and Logistics report/update to reflect how freight has been embedded in the Strategic Development Corridors and identify key next steps
- Continue to promote the role of freight and logistics as an enabling capability that can help drive transformational economic growth in the North ensuring that this continues to feed into the final Strategic Transport Plan
- Developing scheme priorities influencing future road and rail work programmes

## International Connectivity

### Supporting the North's global reach



We are identifying and evaluating transport interventions that will improve access to our ports and airports. We want to increase the North's international connectivity so that it can perform on the global stage. We want to see more people and goods entering the North directly from across the world – increasing visitor numbers, boosting the economy and reducing congestion on key North – South routes. If we can increase the range of international destinations that have direct connections from our ports and airports, then we will become accessible to many more people and opportunities. We also want to increase the frequency of services to and from these destinations.

Connecting the North to the world needs to start on the ground. We want people and goods to be able to get to and from the North easily from our ports and airports by car and public transport. If the North is well connected, it will be faster and cheaper for businesses to access international markets. This will drive economic growth, increasing international trade and inward investment across the North.

Last year we:

- Ensured that the surface access needs of the North's airports were addressed through further development of the Major Road and Integrated Rail reports, which have fed directly into the draft Strategic Transport Plan
- Worked with partners in both the public and private sectors to build further market intelligence and explore opportunities to increase the North's international connectivity
- Contributed to the Government's Aviation Strategy consultation and explored policy options, including continuing discussions on Air Passenger Duty
- Identified options towards marketing and promotion of the North, following recommendations to consider a co-ordinated route development and marketing approach

In 2018-2019 we will:

- Prepare an International Connectivity progress report/update to reflect how international connectivity has been embedded in the Strategic Development Corridor work and identify key next steps
- Ensure that the Independent International Connectivity Commission's report is used as evidence to inform other work programmes
- Develop scheme priorities influencing future road and rail programmes
- Secure partner support for our international connectivity agenda and the Strategic Transport Plan

## Resourcing and Funding the Programme of Work



Our people are central to the realisation of our vision. In the last year, we have continued our rapid mobilisation to establish a highly capable and professional team of employees. This is essential in ensuring that we are established as a fit for purpose Sub-national Transport Body that can truly speak with one voice for the North.

Our workforce is agile and resilient and combines the best of the public and private sectors to ensure we have the right skills and expertise to make the best decisions and fulfil operational delivery.

In both our Manchester and Leeds offices we have created a dynamic environment and high-performance driven culture where reward, recognition and management are led by outcomes so that we attract and retain great employees and deliver value for money.

Prior to enacting statutory status in April 2018, Transport for the North has not been a standalone organisation. It has been run under the terms of a Principles Document agreed between the

Department for Transport and Northern Local Transport Authorities, with the active participation of Northern Local Enterprise Partnerships and the national agencies, Network Rail, Highways England and HS2 Ltd.

This has required us to transact via partner bodies, principally Greater Manchester Combined Authority, Sheffield City Region, Transport for Greater Manchester and West Yorkshire Combined Authority. As a statutory Sub-national Transport Body we are in the process of moving from these temporary arrangements to the arrangements and processes of a standalone statutory entity. This will allow us to hold our own funds, transact on our own behalf and directly employ our own staff.

The rapid mobilisation to establish our workforce has been a crucial part in the organisation's journey. The pace has been fast, as in 2015-16 we were primarily resourced through partners. In 2016-17 this reliance on the goodwill of partners reduced with an increase in our workforce supported by external consultants to

support the agility required. In 2017-18 we have further reduced our reliance on external consultants' posts, increasing our directly employed highly skilled workforce to circa 100 employees. This offers better value for money and includes 16 short-term transition posts to support the organisation's 2018-19 mobilisation programme.

Looking to the year ahead we are confident that we now have the right people in post to continue to deliver at pace and will be adding a further 10 posts to support operational delivery. Additionally, during 2018-19 Rail North employees will transfer to Transport to the North. As a result, by the end of 2018-19 it is projected that our workforce including Rail North will have increased to 116 in total.

As an independent organisation, we have taken more responsibility for our work. This recognises the importance of working with our stakeholders and partners and enables our employees to speak with 'one voice' and have a positive impact both internally and externally.

The financial year 2018/29 brings significant change to our financial operating environment. We will be directly responsible for our own financial affairs as we become a statutory Sub-national Transport Body (STB) and be subject to the same statutory frames as partner local transport and combined authorities. This together with our relationship with the Department for Transport sets the parameters within which we will manage our operations in relation to funding.

We have prepared for statutory status by adopting a Financial Framework that is reflective of the requirements of a public body, allowing it to operate in collaboration with (and under the supervision of) its Accountable Body (Greater Manchester Combined Authority) and other contracting and delivery partners.

The programme of activity set out in this business plan has been used to develop a budget for 2018/19. The business planning process identified our key strategic priorities and identified a common 'golden thread' from strategy to delivery. This 'golden thread' ensured that when detailed individual departmental plans were being designed and objectives set, there was a common and coordinated approach to delivery across the organisation. These common goals are what underpin the expenditure profile and budget for 2018/19.

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

### Value for Money

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

### Expenditure

In order to deliver the activity set out in the business plan, we have a total budgeted expenditure for 2018/19 of £80.0m. This includes £69.7m of programme expenditure and £10.2m of expenditure on core operations. As a Sub-national Transport Body, we will not be able to recover VAT on our purchases of goods and services, meaning that £12.5m, or 15.6% of our forecast spending will be irrecoverable VAT.

In 2018/19 it is expected that there will be three elements of the programme budget:

Programme	£m
Integrated & Smart Travel	48.6
Northern Powerhouse Rail	18.8
Highways (Strategic Development Corridors)	2.3
Total Programme Expenditure	69.7

Forecast costs recognise the highest level of spend expected on each area based on available resource, accounting for contingency (for both cost variances and emerging priorities) and Optimism Bias.

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

Accordingly, the activity carried out within these areas represents the required

enabling functions familiar to all public-sector organisations, but also the teams that develop and deliver upon much of our aspirations. This includes the Policy team that defines the strategic vision; the Corporate Communications and Stakeholder Engagement team that supports the North's ability to speak with one voice; the Transport Analysis, Modelling and Economics (TAME) team that underpins our commitment to evidenced-based decision-making; and the Rail North team that co-manages the Northern and TransPennine Express rail franchises.

The total value of this budget area is £10.24m, with the majority of expenditure falling within the front and middle office functions:

Designation	Value (£m)
Total Back Office	3.72
Total Middle Office	1.20
Total Front Office	5.03
Total Business Infrastructure	0.29
<b>Total Operational Costs</b>	<b>10.24</b>

### Risk Management

We have developed risk management processes through which we identify and address the risks associated with our programme of activity. We have adopted a Risk Management Strategy, adopting industry best practice in creating a framework within which risks are identified and evaluated prior to mitigation plans being put in place. Programme and corporate risks are monitored regularly, with monthly and quarterly risk reporting being provided to boards as appropriate.

### Funding

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

Resourcing	Value (£m)	
Core grant	10.0	Flexible grant to fund Transport for the North activity. To be paid in two instalments during the year as required.
Core grant Reserves brought forward	2.5	Carry forward of core grant from prior years.
Rail North grant and Contributions	0.9	Ringfenced to support Rail North activity, to be paid at the start of the financial year.
IST grant	48.6	Ringfenced to support Integrated and Smart Travel activity, to be draw as needed by agreement with the DfT.
Transport Development Fund grant	18.0	Ringfenced to support Northern Powerhouse Rail activity, to be draw as needed by agreement with the DfT.
	<b>80.0</b>	

### Reserves Strategy

All local government bodies – including Transport for the North – are required to operate to a locally defined reserves strategy that ensures that the organisation always holds a prudent level of reserves. A prudent reserve strategy is particularly important to us as an organisation as we have few other levers to mitigate financial risk. We cannot access credit for short-term cash flow

management or long-term investment, nor can we levy or precept upon a local tax-base to underwrite our operations.

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

We have forecast a 2017/18 year-end cash balance of £5.5m. This has been agreed with the DfT.

It is proposed that £2.5m of this balance be drawn upon in 2018/19 to help meet the spike in the cost-base that will occur in 2018/19, including the delivery of the Strategic Corridor Studies and one off costs of transitioning to be a statutory entity. This would reduce the reserve levels to £3.0m by the end of 2018/19, with a further draw to be made in 2019/20 of £1m. This will allow us to deliver the level of activity currently anticipated whilst still allowing us to maintain a reserve of at least £2.0m at the end of 2019/20. Operations thereafter will be managed within the core funding available year-on-year.

## Health and Safety



In preparation for the integration of Transport for the North and Rail North, and the transition from our host employers to a statutory organisation, we have developed our own health and safety management system and underlying policies and procedures.

Our health and safety policies and procedures meet legal requirements and have been developed to include arrangements that protect both our employees and others affected by our actions.

Whilst we will not be commissioning any major infrastructure projects in this financial year, this remains part of our long-term ambition. Health and safety will be at the heart of our planning for such major projects that are taken forward and commissioned in the future.

## Forward Look

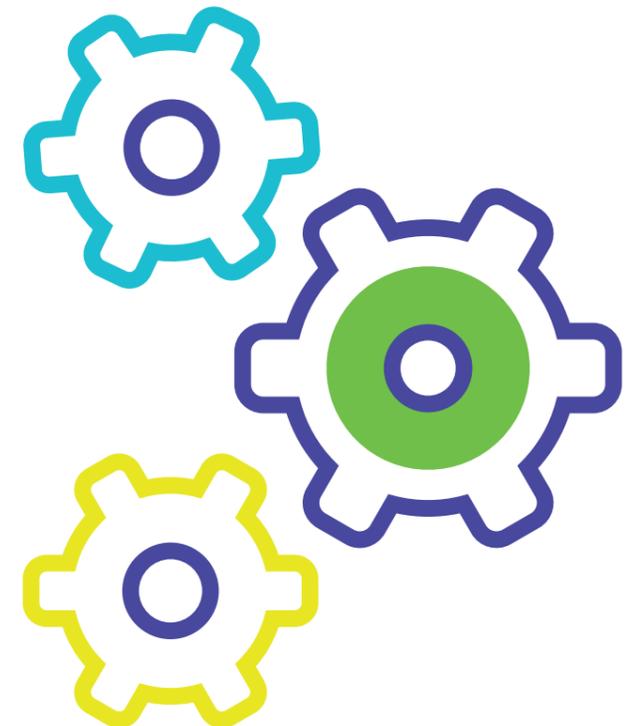


Over the past year we have established a highly-skilled workforce that combines public and private sector experience to create an agile and dynamic culture. We are a flagship organisation for devolution in the UK, leading the way for regional decision making and accountability. Securing statutory Sub-national Transport Body status is crucial to the delivery of transformational change in the North of England. It means that we can speak with one voice on behalf of the North and ensure that this voice is heard. This is a tremendous step in helping us to achieve our vision of a thriving North of England where modern transport connections drive economic growth and support an excellent quality of life.

To achieve this overarching vision, all of our work and planning is underpinned by a golden thread linking our short, medium and longer-term plans to our objectives at an organisational, departmental and individual level. We will continue to monitor and measure our success using the Key Performance Indicator approach outlined in this business plan.

This business plan has outlined the achievements we have made in the last year and provides clear direction for what work will undertake in the year ahead.

In addition, TfN will undertake a Strategic Planning exercise. This will allow it to agree its future role with partners and provide the basis for its Medium Term Financial Strategy. This exercise will be led by the Chief Executive and be undertaken during the first half of 2018/19 so as to be able to inform next year's business planning process.



# 2018-2019 Key Performance Indicators

Area	KPI	Detail
Analytical Framework	1	Development of an evidence based analytical framework by spring 2019, linking transport priorities identified in the Strategic Transport Plan to achieving the transformational growth. The evaluation framework will support the development of robust business cases for investment in the North.
Strategic Transport Plan	2	In-line with TfN's statutory responsibilities, publish the Strategic Transport Plan (STP) in autumn 2018 (following extensive public consultation), which will enable and drive transformational growth.
Strategic Development Corridors	3	A major development emerging from the STP is the concept of Strategic Development Corridors. TfN will complete Strategic Outline Plans for 3 SDCs in autumn 2018, and commission further SDC development work by the end of 2018.
Freight & Logistics and International Connectivity	4	The STP will be followed by updates to the Freight & Logistics and International Connectivity Reports by the end of 2018.
Major Roads	5	In tandem with the STP, the Major Roads Report will be updated in autumn 2018.
Strategic Road Studies	6	TfN is working in partnership with Highways England and the Department for Transport to ensure the 3 northern Strategic Road Studies are taken to Outline Business Case (OBC) by spring 2019.
Northern Powerhouse Rail	7	Transport for the North is working in partnership with the Department for Transport, and closely with Network Rail and HS2, to ensure the NPR programme is developed and the Strategic Outline Business Case (SOBC) is submitted by the end of 2018.
Existing rail network	8	Secure key outcomes for TransPennine Route Upgrade (TRU), establishing 'one view from the north' of the preferred combination of options to achieve the TRU.

Area	KPI	Detail
Rail Franchising	9	Following public consultation, publish the Long Term Rail Strategy (LTRS) alongside the STP in autumn 2018.
Rail Fares	10	Delivery of a Long-Term Fares Strategy by the end of 2018, identifying short term opportunities to provide enhancement of the current franchises and providing a long-term plan for the next round of franchises to better inform the fares strategy.
Integrated and Smart Travel	11	The delivery of SMART travel choices across the north's public transport network, including: Phase 1 of the integrated smart ticketing on rail across the Northern, Transpennine and Merseyrail train services by the end of 2018; The first stages of phase 2 bus and light rail fares, disruption, open data hub, knowledge network and innovation pilots by spring 2019; and Establish a Special Purpose Vehicle with transport operators that will commission, accept and run the ticketless travel systems when they are procured and delivered by the end of 2018
PMO	12	Implement the Portfolio, Programme and Project Management System (PPPMS) by the end of summer 2018, including a formal assurance framework
Resourcing the programme of work	13	Following confirmation of Sub-national Transport Body (STB) status, TfN will be established as the first STB on 1st April 2018. Employees will be transferred via TUPE to TfN during summer 2018 and resourcing plans will be delivered to timescale and budget specified by the end of 2018.
Health & Safety	14	Full H&S framework implemented including staff training complete by June 2018, including development of H&S Committee reporting to TfN's Boards
Funding & finance	15	An agreed funding framework will be produced during 2018/19 and the new operating processes and procedures, including a new ERP system will be successfully implemented.



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