

Transport for the North Scrutiny Committee Agenda

Date of Meeting	Wednesday 08 July 2020
Time of Meeting	11.00 am
Venue	MS Teams

Item No.	Agenda Item	Page
1.0	Welcome & Apologies	
2.0	<p>Declarations of Interest</p> <p>Members are required to declare any personal, prejudicial or disclosable pecuniary interest they may have relating to items on the agenda and state the nature of such interest.</p>	
3.0	<p>Minutes of the Previous Meeting</p> <p>To approve as a correct record the minutes of the previous Scrutiny meeting</p>	3 - 8
4.0	<p>Annual Governance Statement</p> <p>To consider the Annual Governance Statement and to provide any comments to the TfN Board.</p>	9 - 30
5.0	<p>Financial Outturn 2019/20</p> <p>To note the update from the Finance Director and note the potential for carry forwards of resource to be made at the July Board when the Revision 1 budget reforecast is presented.</p>	31 - 48
6.0	<p>Monthly Operating Report</p> <p>To note the update from the Strategy and Programme Director.</p>	49 - 74

<p>7.0</p>	<p>Economic Recovery Plan</p> <p>To note the initial submission to Government set out in the report from the Major Roads Director.</p>	<p>75 - 98</p>
<p>8.0</p>	<p>Exclusion of the Press and Public</p> <p>To resolve that the public be excluded from the meeting during consideration of Item[s] [11 & 12] on the grounds that:</p> <p>(1) It is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during such item(s), confidential information as defined in S100A(2) of the Local Government Act 1972 (as amended) would be disclosed to them in breach of the obligation of confidence; and/or</p> <p>(2) it / they involve(s) the likely disclosure of exempt information as set out in the Paragraphs [where necessary listed below] of Schedule 12A of the Local Government Act 1972 (as amended) and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information</p>	
<p>9.0</p>	<p>Strategic Development Corridors Phase 2 Qualitative Programme</p> <p>To consider the update from the Major Roads Director.</p>	<p>99 - 168</p>

Scrutiny Committee

**14 May 2020
Microsoft Teams**

Present:

Local Authority

North Yorkshire
Blackpool
Cheshire East
Cheshire West & Chester
Cumbria
Greater Manchester
Hull
Lancashire
North East Combined Authority
North Lincolnshire
Sheffield City Region
Tees Valley
Warrington
West Yorkshire

Attendee

Cllr Paul Haslam (Chair)
Cllr Martin Mitchell
Cllr Rod Fletcher
Cllr Andrew Cooper
Cllr Neil Hughes
Cllr Roger Jones
Cllr Sean Chaytor
Cllr Matthew Salter
Cllr Michael Mordey
Cllr John Davison
Cllr Chris Lamb
Cllr Ashley Waters
Cllr Steve Parish
Cllr Manisha Kaushik

Officers in Attendance:

Name

Barry White
Gary Rich
James Lyon
Maria Unwin
Iain Craven
Julie Openshaw
Rosemary Lyon
Deborah Dimock
Tim Wood
David Hoggarth
Lucy Hudson
Salim Patel

Job Title

Chief Executive
Democratic Services Officer
Executive Assistant
Executive Assistant
Finance Director
Head of Legal Services
Legal and Democratic Services Officer
Legal Services Officer
NPR Director
Strategic Rail Director
Principle Policy Officer
Programme Manager for Rail North

**Item
No:**

Item

1.0 Welcome and Apologies

- 1.1 The Chair welcomed all in attendance and informed Members that the meeting is being streamed live.
- 1.2 Apologies were received from Cllr Dave Taylor.

2.0 Declarations of Interest

2.1 There were no declarations of interest.

3.0 Minutes of the Last Meeting and Matters Arising

3.1 The minutes of the meeting held on 13 February 2020 were considered and their accuracy as a correct record confirmed. The minutes were proposed by Cllr Davison and seconded by Cllr Cooper.

3.2 Cllr Hughes questioned why the Committee has two Vice Chairs. The Legal Services Officer explained that there is a requirement to have majority and minority party Vice Chairs.

RESOLVED:

That the minutes of the meeting held on 13 February be approved as a true and accurate record.

4.0 Coronavirus Update (p)

a) Impact on Rail

b) Impact on TfN

c) High-Level Corporate Risk Assessment

d) Economic Recovery Plan

4.1 Members received a presentation from the Programme Manager for Rail North which was taken as read, an update was also provided following the Prime Minister's announcement earlier that week. Following the presentation Members were able to comment and ask questions.

4.2 The issue of support for non-franchised operators was raised, as these operators will need financial support and assurance that they will get their slots on the main line once services recommence.

The Programme Manager for Rail North Services explained that services are currently suspended and staff have been furloughed however he would look into the issue and provide a response on this matter.

4.3 Cllr Mitchell stated that it would be better to put on more trains giving greater capacity and having empty trains rather than the other way.

The Programme Manager for Rail North Services explained that this is something that will be explored, and operators are following the Rail Delivery Group (RDG) guidance on their rolling stock.

4.4 Cllr Jones requested that Scrutiny should be able to see the plans of organisations such as Network Rail

The Chair suggested that Members could get this information by contacting the individual companies, however the Programme Manager of Rail North Services stated he would look into it.

- 4.5 Cllr Davison suggested that the Government should be lobbied on the issue of face coverings.

The Programme Manager for Rail North Services explained that it is important public health guidance be followed and they are working with RDG on this issue.

The Chair suggested that Members should lobby through their own councils in order to ensure consistency on this issue.

- 4.6 Members asked questions about the acceleration of new fleet introduction post-lockdown and the performance of Northern.

The Programme Manager for Rail North Services explained that it is difficult to say if there can be an acceleration due to the fact that social distancing will impact on driver training.

He also explained that Northern Services had improved dramatically due to less trains on the network and less people travelling.

- 4.7 Members received a presentation from the Chief Executive on the impact of Covid 19 on Transport for the North and the economic recovery which was taken as read. He thanked the train operators and Network Rail for the work they have done and their flexibility during these challenging times.

- 4.8 The Chair asked about active travel and whether more space is needed on trains for bikes.

The Chief Executive stated that he believes that active travel will be vital to the recovery.

- 4.9 Cllr Parish raised the issue of the franchises and whether they would be helped or just be handed back to the companies.

The Chief Executive explained that this is a question that there is currently no answer to at the moment.

- 4.10 Cllr Salter asked about whether economic support to aid recovery would be concentrated on areas with greatest need.

The Chief Executive explained that Transport for the North are not concentrating on any one specific area but are representing the need to invest across the North.

RESOLVED:

That the report and presentations be noted.

5.0 Freight and Logistics Update (r)

5.1 Members received the report from the Principle Policy Officer which was taken as read. The key areas of the report were highlighted for Members who were then invited to make comments and ask questions.

5.2 Cllr Parish requested a list or map of routes that are unable to take larger containers. The Chair also requested the number of bridges that this would be dealing with.

The Principle Policy Officer did not have this information but agreed to share with Members once she had it.

5.3 Cllr Jones stated that Transport for Greater Manchester are conducting a Freight Routing Strategy and hoped the organisations could work in partnership on this.

The Principle Policy Officer stated that she was aware of this work as well as the work being done by Network Rail on freight routing.

5.4 Cllr Fletcher raised the issue of extra height also being needed, he also requested that the line between Hadfield and Penistone be reopened.

The Principle Policy Officer agreed to take this away.

5.5 The Chair believed that the report needs to include how we can contribute to the Government's Decarbonisation Programme.

The Principle Policy Officer stated that Transport for the North are working closely with the Road Freight Industry and a number of options are being explored such as platooning and different fuelling.

5.6 Cllr Hughes asked if there was any evidence that the RTA are looking at encouraging members to change their vehicles to those that are more environmentally friendly. The Principle Policy Officer said that she would look into this and get back to him with a response.

5.7 Members asked specific questions relating to specific issues in their areas.

RESOLVED:

That the report be noted

6.0 Monthly Operating Report

6.1 Members received the Monthly Operating report from the Finance Director who took questions from Members on the report.

6.2 The Finance Director explained that an impact review has been undertaken on all the programmes as a result of the current situation.

The Finance Director stated that the next monthly report will look at shorter term impact on the programmes and it is likely that some of the programmes will be pushed back slightly.

- 6.3 Cllr Mordey requested more detail regarding the "Leeds-Newcastle Capacity development on the Durham Coast & Leamside leaving little time for TfN and partners to review ahead of sifting.

The Finance Director stated he would get a member of that team to look into this further.

- 6.4 Cllr Salter asked if there has been a change of tone from Department for Transport and if they remain supportive.

The Finance Director explained that there had been nothing specific.

He explained that Transport for the North are still working on a £10 million funding envelope which is in 2015 money and has not been increased since. It was also explained that Transport for the North are unable to recover the VAT.

The Finance Director explained that there have been some issues with regards to the funding agreements for NPR but these are in the process of being resolved.

- 6.5 Cllr Jones requested an update on the Atherton line which had been identified by the former Secretary of State Chris Grayling MP as a tram train line. He also looked for an update on the A57-M60 link, whilst Cllr Salter asked about the outcome on the Trans Pennine Route Upgrade Outline Business Case.

The Finance Director stated that he would ask the specific teams to look at these questions and responses would be circulated.

RESOLVED:

That the presentation be noted.

7.0 Exclusion of Press and Public

RESOLVED: that the public be excluded from the meeting during consideration of the following items of business because it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, there will be disclosure of confidential information as defined in Section 100A of the Local Government Act 1972 (as amended) and/or exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended)

8.0 Part 2 Minutes 13 February

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- 8.1 The private minutes of the meeting held on 13 February 2020 were considered and their accuracy as a correct record confirmed.

RESOLVED:

That the part 2 minutes of the meeting held on 13 February 2020 be approved as a true and accurate record.

9.0 Minutes of the Consultation Call 8 April

- 9.1 The minutes of the consultation meeting held on 8 April 2020 were considered. Members asked for amendments to be made to section 3.3 and 3.4.

Resolved:

That the consultation meeting minutes of 8 April be approved as a true and accurate record subject to the above changes being agreed and made.

10.0 NPR Update (P)

- 10.1 The presentation was received by Members and they were invited to ask questions and make comments on it.

Resolved:

That the presentation be noted.

Transport for the North Scrutiny Committee Meeting Report

Subject: Corporate Governance Review and Annual Governance Statement

Author: Deborah Dimock

Sponsor: Iain Craven

Meeting Date: 8th July 2020

1. Purpose of the Report:

- 1.1 The purpose of this report is for Members to consider the corporate governance review and recommend to the Transport for the North Board approval of the Annual Governance Statement

2. Executive Summary:

- 2.1 Under Regulation 6(1) of the Accounts and Audit Regulations 2015 Transport for the North is required to carry out an annual review of the effectiveness of its system of internal controls and to publish a report of the review in its Annual Governance Statement.
- 2.2 The Annual Governance Statement is set out at Appendix 1

3. Discussion:

- 3.1 Under the provisions of the Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 Transport for the North is required to carry out an annual review of the effectiveness of its internal systems of control and to publish a report of that review. This report, the Annual Governance Statement should normally be published before the beginning of June along with the Statement of Accounts and Narrative Statement. Although this rule has been relaxed during the current pandemic Transport for the North has chosen to comply with the requirements of the Regulations
- 3.2 The system of internal controls are all the measures taken together which Transport for the North has put in place to safeguard the expenditure of public money and to ensure value for money. These include Transport for the North's financial regulations and contract

procurement rules which are set out in the Constitution. It also includes the risk management framework through which Transport for the North ensures that risks to its operations are identified and managed.

- 3.3 In carrying out the annual corporate governance review, Transport for the North is required to comply with the guidance issued by CIPFA in its guidance "Delivering Good Governance". The Guidance sets out six principles of good governance:

A Behaving with Integrity, demonstrating strong commitment to ethical values and respect for the rule of law

B Ensuring openness and comprehensive stakeholder Engagement

C Defining outcomes in terms of sustainable economic, social and environmental benefits

D Determining the interventions necessary to optimise the achievement of the intended outcomes

E Developing the organisation's capacity including the capacity of its leaders and the individuals within it

F Managing risks and performance through robust internal control and strong public financial management

G Implementing good practices in transparency, reporting and audit to deliver effective accountability

- 3.4 In carrying out the review we have assessed our activities against these six principles of good governance and provided evidence of the way in which Transport for the North has conducted itself in accordance with these principles during 2019/20. The review team have:

- Considered the extent to which TfN complies with the principles of good governance
- Identified systems processes and documentation that provide evidence of good governance
- Identified the individuals and committees responsible for monitoring and reviewing the systems, processes and documentation identified
- Identified any issues that have not been addressed and considered how they should be addressed
- Identified the individuals responsible for carrying out any identified actions

- 3.5 The review assesses to what extent Transport for the North can demonstrate that it has acted in accordance with these principles in carrying out its functions over the year 2019/20.

- 3.6 The report of the review is set out in the Annual Governance Statement which is at Appendix 1
- 3.7 The Regulations require that the Transport for the North Board consider and approve the Annual Governance Statement before approving the Statement of Accounts

4. Conclusion:

- 4.1 The corporate governance review has demonstrated that Transport for the North has an effective system of internal controls and that it has acted in accordance with the six principles of good governance during 2019/20. The report of this review is set out in the Annual Governance Statement.

5. Recommendation:

- 5.1 It is recommended that the Scrutiny Committee consider the corporate governance review and recommend to the TfN Board approval of the Annual Governance Statement.

6. Appendices:

- 6.1 Appendix 1 –
Annual Governance Statement

List of Background Documents:

There are no background papers to this report.

Required Considerations

Equalities:

Age	No
Disability	No
Gender Reassignment	No
Pregnancy and Maternity	No
Race	No
Religion or Belief	No
Sex	No
Sexual Orientation	No

Consideration	Comment	Responsible Officer	Director
Equalities	A full Impact assessment has not been carried out because the report does not propose any new strategy or service provision	Deborah Dimock	Julie Openshaw

Environment and Sustainability

Yes	No
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Consideration	Comment	Responsible Officer	Director

Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out because the report does not propose any new strategy or service provision	Deborah Dimock	Julie Openshaw
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Legal

Yes

Consideration	Comment	Responsible Officer	Director
Legal	The legal implications have been considered and are included in the report.	Deborah Dimock	Julie Openshaw

Finance

No

Consideration	Comment	Responsible Officer	Director
Finance	TfN Finance Team has confirmed there are no new financial implications.	Paul Kelly	Iain Craven

Resource

No

Consideration	Comment	Responsible Officer	Director
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Resource	TfN HR Team has confirmed there are no new resource implications.	Stephen Hipwell	Dawn Maden
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Risk

No

Consideration	Comment	Responsible Officer	Director
Risk	A risk assessment has been carried out and the key risks are included in the report.	Haddy Njie	Iain Craven

Consultation

Yes

Consideration	Comment	Responsible Officer	Director
Consultation	No consultation has been carried out since this report does not propose any new policy or strategy	Deborah Dimock	Julie Openshaw

Annual Governance Statement 2019/20

Introduction

This statement provides an overview of how Transport for the North's governance arrangements operate and reports on how they have been reviewed to ensure that they provide an effective system of internal control. It also summarises the governance challenges that the organisation faces, together with an explanation of what actions will be taken to implement improvements.

Transport for the North was established by the Sub-National Transport Bodies (Transport for the North) Regulations 2018 and came into being on the 1st April 2018, holding its inaugural meeting on 5th April 2018. This is therefore its second Annual Governance Statement and the organisation's Constitution, policies, procedures and systems continued to be developed during 2019/20. As a Sub-National Transport Body, Transport for the North's core functions are to prepare a transport strategy for the area and to provide advice to the Secretary of State regarding the exercise of transport functions in the area. Transport for the North is funded in these activities by the Department of Transport.

The Transport for the North Board is made up of the representatives of the twenty Constituent Authorities in the North who are the voting Members of the Board, together with representatives of the six Rail North Authorities and the Independent Chairman of the Partnership Board who are all co-opted Members on the Board. At its inaugural meeting the Transport for the North Board also appointed, as co-opted members, the representatives of the eleven Local Enterprise Partnerships in the Transport for the North Area and representatives of Highways England, Network Rail and HS2.

Transport for the North's governance arrangements are set out in its Constitution. All decisions relating to the Constitution, approval of the Budget and Business Plan and adoption of the Strategic Transport Plan are reserved to the Transport for the North Board. Other decisions may be taken under delegated powers by Committees, the Chief Executive, and other senior officers under the arrangements set out in the Constitution. Under the Board the Rail North Committee oversees the management of the performance of the Northern and TransPennine Express rail franchises under a Partnership Agreement with the Secretary of State for Transport.

The Regulations which established Transport for the North provided for the appointment of a Partnership Board to advise on matters relating to transport in the area. The membership of the Partnership Board mirrors the membership of the Transport for the North Board with the addition of a representative of the DfT. During 2019/20 Transport for the North decided to enlarge the Partnership Board and invited a representative of groups representing the interests of those with disabilities, environmental concerns and the travelling public and the three regional TUC representatives to become members.

Transport for the North has a Scrutiny Committee made up of elected Members appointed by the twenty Constituent Authorities whose role is to review the decisions of the Transport for the North Board and to make recommendations in relation to transport in the area. Transport for the North has decided to adopt a policy of "Scrutiny First" under which the Scrutiny Committee has an opportunity, whenever possible, to comment on and influence decisions before they are made rather than scrutinising decisions which have already been taken.

Transport for the North has also established an Audit and Governance Committee consisting of five Board Members and three Independent Members who have been publicly recruited on the basis of

relevant skills whose role is to provide assurance to the Board on governance, risk management and the internal control framework.

During March 2020 Transport for the North in common with the whole of the UK was affected by the Covid 19 pandemic. In response to the emergency, Transport for the North has implemented its Business Continuity Plan and has been able to move to full remote working. The implementation of the Business Continuity Plan has enabled the continuation of Transport for the North's governance arrangements and enabled its internal system of controls to continue to function.

1.0 Scope of Responsibility

1.1 Transport for the North is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. Transport for the North also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

1.2 In discharging this overall responsibility, Transport for the North is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

1.3 Transport for the North has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework, Delivering Good Governance in Local Government. A copy of the Code of Governance is included in Transport for the North's Constitution and is on Transport for the North's website at <http://www.transportfornorth.com> Alternatively it can be obtained via a written request from the Head of Legal, Transport for the North, 4, Piccadilly Place Manchester M1 3BN. This Annual Governance Statement demonstrates how Transport for the North has reviewed the effectiveness of its internal systems of control and how it has complied with its adopted Code of Governance in carrying out its functions. It is published in accordance with the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015.

2.0 Delivering Good Governance in Local Government

2.1 The governance framework comprises the systems, processes, culture and values, by which Transport for the North is directed and controlled and the processes through which it accounts to and engages with the community. It enables Transport for the North to monitor the achievement of its strategic objectives and to consider whether those objectives will lead to the delivery of its goal of transformational economic growth in the North of England facilitated by improved transport infrastructure.

2.2 The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

2.3 The system of internal control consists of a number of processes, policies and procedures that have been put in place in order to identify and prioritise the risks to the achievement of Transport for the North's aims and objectives, to evaluate the likelihood and resultant impact of those risks materialising and to manage them efficiently, effectively and economically.

2.4 The governance framework was in place at Transport for the North for the 2019/20 financial year and up to the date of approval of the Statement of Accounts.

3.0 The Corporate Governance Framework

Transport for the North has adopted a Corporate Governance Framework that incorporates the following Core Principles:

1. Focusing on the purpose of Transport for the North and the outcomes for the community and creating and implementing a vision for the area;
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles;
3. Promoting values for Transport for the North and demonstrating the value of good governance through upholding high standards of conduct and behaviour;
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
5. Developing the capacity and capability of Members and officers to be effective;
6. Engaging with local people and stakeholders to ensure robust public accountability,
7. Section 102I of the Local Transport Act 2008 imposes a requirement on Transport for the North, in the preparation of its Strategic Transport Plan, to have regard to the promotion of economic growth and the social and environmental impacts of the implementation of its proposals. This includes having regard for the impact of decisions on future generations.

The table below sets out examples of how Transport for the North has met the principles set out in the CIPFA Framework and also adhered to its governance commitments set out in the Code of Governance and includes hyperlinks to sources of further information.

A Behaving with Integrity, demonstrating strong commitment to ethical values and respect for the rule of law	
Core Principle Promoting values for Transport for the North and demonstrating the value of good governance through upholding high standards of conduct and behaviour.	
<i>How we met the principle</i>	<i>Evidence</i>
Those Members of Transport for the North who are elected Members of a Local Authority are expected to adhere to the adopted Code of Conduct of their Local Authority while carrying out their duties in respect of Transport for the North. Other co-opted Members are expected to adhere to the Cabinet Office's Code of Conduct for Board Members of Public Bodies.	Constitution
Transport for the North has adopted a Code of Conduct for Officers and a Protocol on Member /Officer Relations, to which all officers are expected to adhere. Serious breaches of these Codes by officers would be investigated under the organisation's disciplinary code.	Code of Conduct for Officers Member/Officer Relations Protocol
Transport for the North's induction process for new recruits outlines the behaviours and values that are expected from officers.	Human Resources On-boarding Policies Anti-Fraud and Corruption Policy

<p>Transport for the North has a zero-tolerance approach to fraud and corruption and has adopted strong Anti-Fraud & Corruption and Whistleblowing Policies.</p> <p>Members are required to make a declaration of their disclosable pecuniary interests and also to declare any disclosable pecuniary interests in the business of the meeting at the start of all meetings of the Transport for the North Board or its Committees, and to take no part in such business, but to leave the meeting.</p> <p>Employees are required to notify their Executive Director or the Monitoring Officer about any potential conflict of interests. The Supplier Recommendation Request Form, which must be signed off at the end of the procurement process but prior to contract award, specifically requires officers to state that they have no conflict of interest in the procurement.</p> <p>The adopted Code of Practice in relation to Gifts and Hospitality has been reviewed during 2019/20 and training on the Code has been rolled out across the organisation. A register of Gifts and Hospitality is maintained by the Monitoring Officer, in which officers are required to declare any gifts or hospitality of more than nominal value which they have been offered, whether or not it has been accepted. An annual reminder is issued to all Employees.</p> <p>Transport for the North has appointed a Monitoring Officer who works with Members and Officers to ensure that Transport for the North complies with its legal duties and all legal requirements. The legal implications of any report are considered and, where appropriate, legal advice provided within reports that inform decisions that are taken by Members. Legal advice is available to Members at all meetings of the Transport for the North Board and its Committees.</p> <p>The Monitoring Officer has statutory reporting responsibilities in relation to any unlawful decisions or maladministration.</p> <p>The Finance Director has statutory reporting duties in respect of unlawful expenditure and financially imprudent decision making.</p> <p>During 2019/20 we have reviewed Transport for the North's Whistleblowing Policy to ensure that it up to date and provides guidance for officers and other workers wishing to raise concerns in the public interest. Transport for the North has signed up to Protect (formerly Public Concern at Work)</p>	<p>Whistleblowing Policy</p> <p>Constitution</p> <p>Contract Procurement Rules</p> <p>Code of Practice on Gifts and Hospitality Register of Gifts and Hospitality</p> <p>Constitution</p> <p>Board Reports</p> <p>Constitution</p> <p>Whistleblowing Policy</p>
<p>B Ensuring openness and comprehensive stakeholder engagement</p>	
<p>Core Principle Engaging with local people and stakeholders to ensure robust public accountability</p>	

<i>How we met the principle</i>	<i>Evidence</i>
<p>Transport for the North’s website is set out in a clear and accessible way, providing clear access to reports and minutes from Board meetings, along with updates on our core programmes and links to relevant documents. Transport for the North is also very active on social media, which regularly tweets links to the website where more information can be found.</p> <p>All meetings of the Transport for the North Board and its formal Committees are held in public, unless information which is either confidential under section 100A or exempt under Part 1 of Schedule 12A of the Local Government Act 1972 is to be disclosed. Copies of all minutes and agendas of the Board and formal Committees are available on Transport for the North’s website. All reports contain details of options considered and the advice provided by officers regarding legal and financial implications. The minutes include the reasons behind the decisions made. Transport for the North has a Freedom of Information Publication Scheme in place and seeks to publish information openly on its website wherever possible and practicable to do so.</p> <p>During 2019/20 Transport for the North has procured equipment and services to allow it to televise certain meetings via a live stream available from the website. This commenced at the Transport for the North Board held in September 2019. Live streams are publicised via Transport for the North’s social media platforms.</p> <p>In response to the Covid 19 Pandemic Transport for the North will be moving to holding virtual Board and Committee meetings with public attendance enabled through a live stream to its website. All agenda and minutes will continue to be available on the website .</p> <p>Under its Regulations, Transport for the North is required to establish a Partnership Board to advise it on all matters relating to transport to, from and within its area. The Partnership Board is a forum in which the elected Members of Transport for the North engage and consult with the business leaders of the area through representatives of the eleven northern Local Enterprise Partnerships and with the national transport delivery agencies Network Rail Highways England and HS2. During 2019/20 Transport for the North reviewed the membership of the Partnership Board and agreed to widen its membership to include representatives of the Northern Regional TUC and of groups representing environmental interest groups, people with disabilities and the travelling public to enable these additional voices to be heard.</p>	<p>Transportforthenorth.com website</p> <p>Board and Committee Agenda and Minutes</p> <p>Transport for the North website</p> <p>Transport for the North Regulations Constitution</p>

<p>Transport for the North carries out extensive stakeholder engagement through its Engagement team and the wider organisation. Transport for the North Officers meet regularly with Parliamentarians, Members and officers of other Authorities, representatives of the Welsh and Scottish devolved governments, representatives of business organisations, and other stakeholders, such as community groups. The types of events vary from attending APPG meetings in parliament, to roundtable events, and speaking engagements across the North and the rest of the UK.</p> <p>Transport for the North is committed to full public engagement. Extensive public consultation was carried out prior to the adoption of the Strategic Transport Plan and public consultation will be carried out in relation to all Transport for the North's other programmes when they have been developed to an appropriate stage. In the meantime, Transport for the North will continue with its broader engagement to raise its public profile and awareness of Transport for the North programmes.</p> <p>Transport for the North has undertaken to engage fully with its Constituent Authorities and has established officer reference groups for all its major work programmes where officers from the different Local Authorities across the region have an opportunity to help formulate Transport for the North's policies and proposals at an early stage.</p> <p>Engagement with the eleven Local Enterprise Partnerships takes place through their membership of the Transport for the North Board and of the Partnership Board, individual meetings on specific topics, and through meetings with the NP11 an organisation made up of the Local Enterprise Partnerships across the region.</p> <p>Transport for the North has also brought together a Members Working Group to ensure the views of Transport for the North's constituent authorities and their communities are heard and understood via their elected representatives. This engagement has contributed to the development of the Northern Transport Charter.</p> <p>During 2019/20 Transport for the North has developed a new monthly operating report for Members designed to support scrutiny and challenge of its programmes and operations. This report provides qualitative and quantitative performance information in a single report.</p>	<p>Memoranda of Understanding signed with the Welsh Government and Midlands Connect</p> <p>Strategic Transport Plan</p> <p>Constitution</p> <p>Constitution</p> <p>Member Working Group</p> <p>Monthly Operating Reports</p>
<p>C Defining outcomes in terms of sustainable economic, social and environmental benefits</p>	
<p>Core Principle</p>	

Having regard to the promotion of sustainable economic growth, and the social and environmental impacts of its proposals and having regard for the impact of current decisions and actions on future generations.	
<i>How we met the principle</i>	<i>Evidence</i>
<p>The creation of sustainable economic growth is a key driver behind the Strategic Transport Plan. The initial Northern Powerhouse Independent Economic Review published in 2014 identified the persistent gap in GVA per capita and productivity performance in the North compared to the rest of the United Kingdom. The main purpose behind the establishing of Transport for the North is to achieve a rebalancing of the United Kingdom’s economy through improvements to transport and connectivity between the major conurbations in the North and across the region.</p> <p>During 2019/20 a review of the Independent Economic Review has been undertaken</p> <p>In developing the Strategic Transport Plan (STP) we undertook a thorough evaluation of the environmental and sustainability impacts of the proposals contained in the Plan.</p> <p>The STP outlined how the climate and environment will be factored in the design and development of transport interventions and plan. A “Pathway 2050” has been developed to collaborate with partners and the government to deliver the ambitions of the STP and local transport plans in tackling carbon impacts and reductions from transport.</p> <p>The Northern Transport Charter outlines an ‘Inclusive and Sustainable North’ as a key Transport for the North priority. This recognises that Transport for the North’s investment programme must: contribute towards a reduction in carbon emissions; minimise the impact on the historical and natural environment; and, wherever possible, seek to deliver environmental enhancements.</p> <p>Proportionate environmental and sustainability assessments will be undertaken in relation to all proposals for infrastructure developments as part of the development or appraisal of options.</p> <p>Transport for the North’s TAME function is also developing an Analytical Framework which consists of a series of analytical and modelling tools such as NELUM (Northern Economic and Land Use Model), NoHAM (Northern Highways Assignment Model) and NorTMS (Northern Transport Modelling System). The tools contribute to the provision of evidence to support the promotion of the economic and social evidence-based analysis of Transport for the North’s transformational programmes.</p> <p>The Analytical Framework reflects Transport for the North’s commitment to evidence-based decision making and will form part of Transport for the North’s Assurance Framework. The Assurance</p>	<p>Northern Powerhouse Independent Economic Review</p> <p>STP Evidence base Integrated Sustainability Appraisal</p> <p>The Northern Transport Charter</p> <p>Transport for the North’s Analytical Framework</p>

<p>Framework will provide for a consistent decision making process on the sequencing of future interventions, providing comfort to its Members, Constituent Authorities and the Department for Transport that Transport for the North has fit-for-purpose decision making processes.</p> <p>All reports presented the Transport for the North Board and its formal Committees contain an assessment of the implications of the report in terms of sustainability, environmental impact and equality impacts.</p> <p>The Strategic Plan and Investment Programme set out transport interventions which will benefit future generations beyond 2050.</p>	<p>The Assurance Framework</p> <p>Board Reports</p> <p>Strategic Transport Plan Investment Programme</p>
<p>D Determining the interventions necessary to optimise the achievement of the intended outcomes</p>	
<p>Core Principle Focusing on the purpose of Transport for the North and the outcomes for the community and creating and implementing a vision for the area.</p>	
<p><i>How we met the principle</i></p>	<p><i>Evidence</i></p>
<p>The Strategic Transport Plan for the area is based on a robust evidence base and sets out our vision for transformational change in relation to transport infrastructure in the North.</p> <p>The Investment Programme sets out an ambitious programme of infrastructure projects to be delivered over the period 2019 to 2050 that will implement Transport for the North’s Strategic Transport Plan. Proposed projects have been developed in collaboration with local partners and represent the best options for securing transformational change.</p> <p>Transport for the North is committed to improving the standard of service provided by the railway network in the North and under a partnership with the Secretary of State manages the performance of the franchised railways in the region, Northern Rail and TransPennine Express. Through rigorous monitoring of the performance of these railways Transport for the North has held their management to account and been instrumental in ensuring that the Northern Rail Franchise was taken back into public control.</p> <p>During 2019/20 The Members of Transport for the North in partnership with the Secretary of State have carried out a review (the Blake-Jones Review) looking at the role and remit of Transport of the North with a view to achieving greater devolution of decision making to the north and ensuring that the interests of the travelling public are placed at the heart of decision making.</p>	<p>Strategic Transport Plan Evidence Base</p> <p>Investment Programme</p> <p>Blake-Jones Review</p> <p>Northern Transport Charter</p>

<p>Transport for the North continues to actively engage with its constituent members and has throughout the year held a number of sessions of the Member Working Group. This Group has contributed to the development and publication of the Northern Transport Charter which reasserts Transport for the North's ambitions for devolution of decision making to the North</p> <p>Transport for the North reassesses ongoing projects to ensure that they continue to deliver the intended outputs. Where this is no longer the case, as became clear with the IST Phase 3 project, Transport for the North reconsidered how the approach to the project could be amended so that whilst it will achieve different benefits, these are still aligned to its ambitions.</p>	
<p>E Developing the organisation's capacity, including the capacity of its leaders and the individuals within it</p>	
<p>Core Principle Developing the capacity and capability of members and officers to be effective</p>	
<p><i>How we met the principle</i></p>	<p><i>Evidence</i></p>
<p>Transport for the North has adopted officer development programmes, including a thorough initial Corporate induction programme for all new officers and line managers.</p> <p>All new employees to Transport for the North are subject to a formal six-month probationary process where performance is assessed alongside the provision of initial learning and development support and guidance.</p> <p>Annual staff appraisals and half yearly reviews enable the management team to review both capacity and capability within their teams and identify any individual training and development needs. Key Performance objectives are captured in the online appraisal tool 'PERFORM' and training is delivered via the core curriculum of training.</p> <p>Role specific training needs are met through work-based learning and investment in software to enable effective outputs. Further career development is supported via the procurement of appropriate interventions to best meet individual and organisation needs.</p> <p>Where appropriate the organisation funds specialist training courses for officers and supports continuous professional development. Senior managers have undertaken leadership training.</p> <p>Transport for the North has incorporated Apprentices into the workforce plan at key points of entry and over the last 2 years 3 Apprentices have progressed to employment in permanent roles</p>	<p>Corporate Induction Guidance</p> <p>Probationary Policy</p> <p>Transport for the North Appraisal Guide</p> <p>Learning and Development Policy</p>

<p>with Transport for the North. This is underpinned by strong relationships with Training Providers and internal support via Mentors and Line Managers. Mentors are provided with full Training.</p> <p>As Transport for the North introduces new policies and procedures, training sessions are held to make officers aware of these. Information on all policies and procedures is available on the Intranet and through our Learning Management system via e-learning modules.</p> <p>Transport for the North has invested in an e-learning and development tool “Learn” and all officers are encouraged to take advantage of this.</p> <p>Employee well-being forms a core element of Transport for the North’s learning and development programme with the management of mental health at the heart of this activity. Well-being events on a quarterly basis and Mental-Health First Aiders are on hand at both our operational bases in Leeds and Manchester.</p>	<p>Mental-Health First Aiders Protocol</p>
<p>F Managing risks and performance through robust internal control and strong public financial management</p>	
<p>Core Principle Taking informed and transparent decisions which are subject to effective scrutiny and managing risk</p>	
<p><i>How we met the principle</i></p>	<p><i>Evidence</i></p>
<p>Transport for the North has adopted robust procedures for identifying, analysing and managing risk.</p> <p>To strengthen the robustness of the RMS, Transport for the North is implementing risk management software which will assist directorate and programme teams in the timely capture, escalation and reporting risks, as set out in the RMS.</p> <p>The Audit and Governance Committee is responsible for independently monitoring and assessing the adequacy and effectiveness of the risk management framework with particular focus on</p> <ul style="list-style-type: none"> (i) the risk management strategy for managing key risks; (ii) risk ownership, accountability and the development of mitigating actions; (iii) the alignment of internal audit and other assurance planning through a risk-based approach to auditing; and (iv) receiving reports from management on the adequacy and effectiveness of the internal control and risk management framework. 	<p>Risk Management Strategy (RMS)</p> <p>Risk Management System (Part of Transport for the North’s Risk Management Strategy)</p> <p>Constitution Governance Framework</p>

<p>Transport for the North has a Risk Manager who is responsible for reporting on risk to the Finance Director and to the Audit and Governance Committee. The organisation has adopted a robust process for identifying, assessing and mitigating risks and these are reported regularly to the internal Operations Board of Directors, to the Executive Board and to the Audit and Governance Committee. Per the Constitution, the Finance Director is responsible for the presentation of Corporate Risks to the Transport for the North Board.</p> <p>Project management systems are in place for all programmes and programme Directors report regularly on performance to Programme Boards and to the Transport for the North Board</p> <p>Transport for the North has put in place a strong system of financial governance to manage and control its financial affairs. The Finance Director has overall responsibility for ensuring the effectiveness of internal controls. The Finance Director is supported by the Finance Controller who has day-to-day responsibility for ensuring adherence to the adopted processes and procedures. Transport for the North has adopted rigorous procurement approval procedures which ensure that all procurements comply with its contract procurement rules.</p> <p>Robust people management policies and procedures have also been adopted and embedded within Transport for the North in relation to code of conduct, recruitment and selection, probationary management, performance management, conduct and capability and absence management. This framework of policies and procedures for managing individual performance, conduct, capability and attendance at work.</p>	<p>Reports to Audit and Governance Committee and Transport for the North Board</p> <p>Contract Procedure Rules</p> <p>Recruitment & Selection, Probationary, Absence & Welfare, Performance Improvement, Disciplinary, Code of Conduct Policies</p>
<p>G Implementing good practices in transparency, reporting and audit to deliver effective accountability</p>	
<p>Core Principle Taking informed and transparent decisions which are subject to effective scrutiny and managing risk</p>	
<p><i>How we met the principle</i></p>	<p><i>Evidence</i></p>
<p>Transport for the North considers the available evidence when making decisions. Transport for the North commissions extensive research for all its programmes and explores different options before prioritising proposals.</p> <p>The Strategic Transport Plan is based on a robust evidence base and was subject to a 13-week statutory consultation exercise during which officers and Members considered in detail the representations made by members of the public and stakeholders. The Strategic Plan is available for public inspection on the website</p>	<p>STP and Evidence base Transport for the North Work Programmes</p> <p>Strategic Transport Plan</p>

<p>Transport for the North has established a Scrutiny Committee made up of elected representatives from the 20 Constituent Authorities. The Board made a decision at its inaugural meeting to adopt a “Scrutiny First” model and so whenever possible all major decisions are subject to scrutiny before they are presented to the Board. The Scrutiny Committee therefore mostly has an opportunity to influence the Board’s decisions before they are made, rather than reviewing decisions after they have been taken.</p>	<p>Constitution</p>
<p>The Committee meets regularly and is supported by Transport for the North officers. It subjects proposals to scrutiny before they are presented the Transport for the North Board, with the recommendations of the Scrutiny Committee being included in the officer’s final report to the Board.</p>	<p>Scrutiny Committee</p>
<p>All policies and proposals developed by Transport for the North are considered first at Officer Reference Groups made up of officers from all the Constituent Authorities and then by the internal Operating Board of Transport for the North Directors. Policies and proposals are then further considered by the Executive Board comprising the Chief Executives or their nominees of all the Constituent Authorities before being reported to the Transport for the North Board.</p>	<p>Constitution</p>
<p>All major work programmes also have Programme Boards which are attended by representatives of the DfT where the progress of these programmes is regularly reviewed against agreed milestones and where major funding decisions are determined.</p>	
<p>The Northern Powerhouse Rail project is co-cliented with the DfT and a Memorandum of Understanding with the DfT was approved by the Transport for the North Board on the 12th March 2020 setting out governance arrangements including regular reporting of finances, performance and risk to a Programme Board</p>	
<p>Transport for the North operates under Memorandum of Understanding with the Secretary of State for Transport and Officers of Transport for the North meet with representatives of DfT at regular Sponsorship Meetings where all funding decisions are discussed.</p>	<p>Memorandum of Understanding with the Secretary of State</p>
<p>During 2019/20 Transport for the North has introduced new monthly monitoring reports bringing together performance and financial information to provide greater transparency in relation to ongoing operations.</p>	<p>Monthly Operating Report</p>
<p>The Rail North Partnership Team reports regularly to the Rail North Partnership Board made up of officers of the Constituent Authorities and the DfT where decisions in relation to the management of the performance of the franchised railways are made.</p>	<p>Rail North Partnership Board</p>

<p>Transport for the North has adopted robust procedures for identifying, analysing and managing risk. The risks are presented for discussion to Transport for the North’s Operating Board, Audit and Governance Committee, DfT, and Transport for the North Board.</p> <p>Transport for the North has an Audit and Governance Committee which is responsible for independently monitoring and assessing the adequacy and effectiveness of the risk management framework.</p> <p>The Audit and Governance Committee receives a risk report at every meeting and the Committee selects key risks which it wishes to explore in greater detail.</p> <p>The Audit and Governance Committee includes three Independent Members appointed after a public recruitment exercise to provide an independent focus and additional expertise to support the Committee in its role.</p> <p>The Finance Director is responsible for the internal audit function. This has been contracted out to RSM which operates within an Annual Audit Plan that is approved by the Audit & Governance Committee. RSM attends each committee meeting and reports on progress against the Audit Plan.</p> <p>Transport for the North has appointed Mazars as its external Auditors. The firm is updated throughout the year through the reports of the Audit and Governance Committee and are invited to attend every meeting of the Committee and so have an in-depth insight into the workings of Transport for the North.</p> <p>In line with best practice, Transport for the North publishes financial transparency reports each quarter detailing all individual items of expenditure greater than £500 and all procurement card spend.</p> <p>Organisational organograms and salary information is also made available for public consumption on the external website.</p>	<p>Programme and Corporate Risk Reports Constitution Corporate Governance Framework</p> <p>Constitution</p> <p>Reports to Audit and Governance Committee and Transport for the North Board</p> <p>Annual Audit Plan</p> <p>Transparency Reports</p>
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Annual Review of the Effectiveness of the Governance Framework

The effectiveness of key elements of the governance framework are assessed throughout the year by the Chief Executive and Directors meeting as the Operations Board (OBT), by internal audit and by the Audit and Governance Committee. Performance in relation to key risks is reported to (OBT) on a monthly basis and regularly to the Audit and Governance Committee and also to the Transport for the North Board. Significant risks and performance in relation to key programmes is also reported to the Executive Board of Senior Officers of the Constituent Authorities at a monthly meeting.

Governance Challenges identified in 2018/19 for 2019/20 onwards –

Subject	Action	Progress	Target Completion Date
Review of the Constitution	Undertake a full review of the Constitution to clarify decision making procedures	Amendments to the Constitution were approved and adopted from the Annual Council on 31/07/19 to address the issues which had been identified through the Constitution Review. The Constitution will be further reviewed to address the issues raised through the Blake Jones Review of the Rail North Partnership and to address other issues identified during the year including the adoption of the new Whistleblowing policy	July 2020
Review of the Rail North Partnership with the Secretary of State	Implement the recommendations of the Blake/Jones Review into the Rail North Partnership	Implementation of the recommendations of the Blake/Jones Review will be incorporated within the wider governance review being carried out to establish The Northern Charter.	July 2020
Developing the Scrutiny Function	Providing training and development for the Scrutiny Committee to enable it to fully develop its role of Scrutiny First	A Scrutiny Committee training provider was engaged during the year.	July 2020
Key Corporate Risks		<p>The Risk Management Strategy was reissued during the year with continual recognition and management of risks</p> <p>Since Procurement is a key risk a review into the efficiency of Transport for the North's internal</p>	

		commissioning processes was undertaken leading to a move to e-commissioning processes.	
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Governance Challenges for 2020/21 and beyond

Subject	Action	Responsible Officer	Target Completion Date
Review of the Constitution	To review the Constitution to bring in changes flowing from the Blake-Jones Review and the wider Members' review of the role of Transport for the North.	Monitoring Officer	31/07/21
Adoption of the Assurance Framework	Implement and embed the Assurance Framework in Transport for the North decision making processes.	Strategy & Programmes Director	31/07/21
Board Reporting	Embed and refine the Monthly Operating Report to ensure alignment of quantitative and qualitative reporting.	Strategy & programmes Director	31/07/21
Virtual Meetings in response to the Covid 19 Pandemic	Enable remote attendance by both Members and the public at meetings of the Transport for the North Board and other Committees.	Monitoring Officer	01/05/20

Conclusion

The governance arrangements as described above have been applied throughout this year and upto the date of the Annual Accounts providing an effective framework for identifying governance issues and taking mitigating action. Over the coming year Transport for the North will continue the operation of the governance framework and take steps to carry out the actions for improvement identified in the review of effectiveness to further strengthen its governance arrangements.

Signed

Signed.....

Chair of the Transport for the North Board

Chief Executive

Transport for the North Scrutiny Committee

Subject: Financial Outturn 2019/20

Author: Gareth Sutton, Financial Controller

Sponsor: Iain Craven, Finance Director

Meeting Date: Wednesday 08 July 2020

1. Purpose of the Report:

- 1.1 This report details the financial position of TfN as at the outturn of financial year 2019/20.
- 1.2 The report details expenditure against the base budget, and the three reforecasts of that budget over the course of the year.
- 1.3 The report shows the use of resource over the course of the year, and the unapplied grants and contributions that can be used in future periods.
- 1.4 Finally, the report presents the unaudited balance sheet position.

2. Executive Summary:

- 2.1 Over the course of financial year 2019/20, TfN incurred expenditure of £46.82m.

Summary

- 2.2 The majority of this expenditure was incurred in TfN's revenue and capital programme areas (£39.26m/84%), with £7.63m (16%) incurred in TfN's operational areas.

Total Net Expenditure	Outturn £m	Outturn %
Revenue Programmes:		
Northern Powerhouse Rail	£27.89	60%
Major Roads	£1.43	3%
Integrated & Smart Ticketing	£5.36	11%
	£34.68	74%
Capital Programmes:		

Integrated & Smart Ticketing	£4.55	10%
Rail Operations	£1.86	4%
Operational Areas	£5.73	12%
£46.82		

- 2.3 Reflecting TfN's role as a strategy and commissioning organisation, the majority of this expenditure was incurred on professional services (£25.64m) and people related costs (£9.30m). TfN's inability to recover VAT added £5.77m to its costs:

Cost Category	Outturn £m	Outturn %
Professional Services	£25.64	55%
Employee and Agency	£9.30	20%
VAT	£5.77	12%
Grants Awarded	£3.78	8%
Consumables & Supplies	£1.14	2%
Accommodation	£0.56	1%
ICT and Communications	£0.47	1%
Travel	£0.17	0%
£46.82		

- 2.4 This expenditure was resourced principally from grant and contributions, with some income generated from contracts where TfN provides services for partner bodies.

Funding	£m
Revenue Resource	
Core Grant	£8.72
Transport Development Fund - Rail	£26.94
Transport Development Fund - Road	£0.01
Rail North Grants and Contributions	£1.19
Integrated & Smart Ticketing Grant	£5.36
Contract Income	£0.05
	£42.27
Capital Resource	
Integrated & Smart Ticketing Grant	£4.55
	£46.82

Variance to Budget

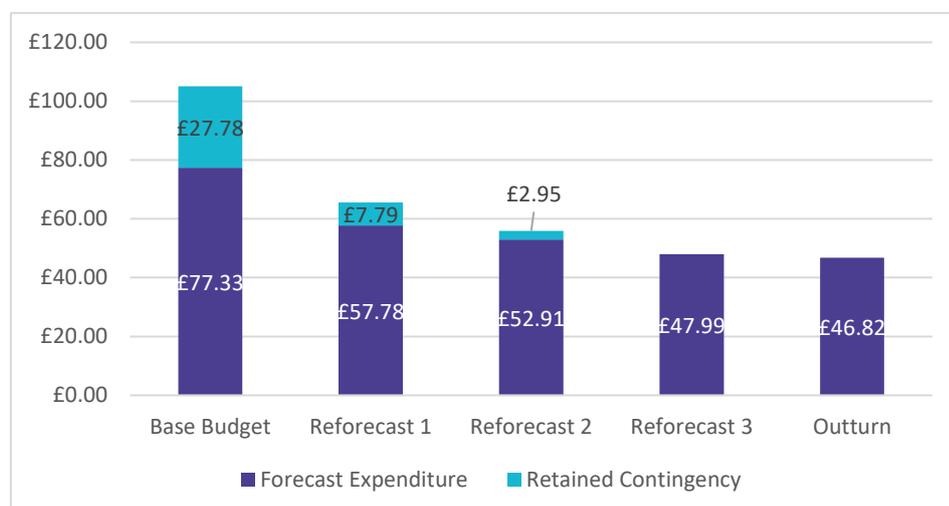
- 2.5 TfN's budget for the year was adopted by the Board in February 2019. This budget had been developed as part of the organisation's business

planning exercise and was periodically revised at the end of each quarter to ensure financial planning remained aligned to the latest delivery profiles.

- 2.6 Financial reporting throughout the year has been dominated by the cancellation of the Phase 3 ABBOT scheme within Integrated and Smart Travel programme.
- 2.7 Principally, the cancellation of the planned capital development led to a major reduction in the capital programme whilst, conversely, the switch to the development of alternative options led to higher than originally forecast revenue costs:

Total Net Expenditure	Outturn £m	Opening Budget £m	Variance £m
Revenue Programmes:			
Northern Powerhouse Rail	£27.89	£29.75	£1.86
Major Roads	£1.43	£2.57	£1.14
Integrated & Smart Ticketing	£5.36	£3.28	-£2.08
	£34.68	£35.60	£0.92
Capital Programmes:			
Integrated & Smart Ticketing	£4.55	£33.00	£28.45
Rail Operations	£1.86	£1.92	£0.06
Operational Areas	£5.73	£7.19	£1.46
	£46.82	£77.71	£30.89

- 2.8 As the year progressed, better delivery planning information became available which, along with completed procurement exercises, gave better cost and timing information. This allowed the budget to be revised and ensured that at outturn TfN's actual expenditure was better aligned to its forecasts:



Carry-forwards

- 2.9 Throughout the year, underspends have arisen from savings generated from vacancy management, activity being reduced, and efficient procurement of goods and services.
- 2.10 Slippage of activity has also pushed costs associated with that activity out of the financial year and into future periods.
- 2.11 Known activity slippage and cost-savings were fed into the business planning process for 2019/20 to enable resource to be deployed to support future activity.
- 2.12 Over the final quarter of the year, further slippage and cost savings were identified which changes the profile of expenditure in 2019/20 and the resource available in grants unapplied and reserves.
- 2.13 As at the financial year-end, slippage of c. £4.47m was identified in the programme areas, principally within the IST programme (£3.10m) and the NPR programme (£1.37m). IST programme slippage can be resourced from existing funding envelopes, whilst approval has been gained from the DfT to use 2020/21 funding envelopes to resource slipped NPR activity.
- 2.14 Should it be forecast that the budget ceiling will require adjustment to accommodate the expenditure, a request will be made to the TfN Board to approve the carry forward of this expenditure and associated resource. The requirement for such carry forwards will be considered as part of the Revision 1 budget reforecast exercise.
- 2.15 As at the financial year-end, slippage in the Operational Areas totalled £0.35m against the Revision 3 budget.
- 2.16 Requirements for carry forwards will be considered as part of the Revision 1 budget reforecast exercise, which will be provided to the Board in July.

3. Programme Area Analysis

- 3.1 TfN's programme areas account for the majority of its expenditure and consist of both capital and revenue activity.
- 3.2 Over the course of the year there were major developments in TfN's programme areas:
- The Phase 1 ITSO on Rail scheme fell behind schedule as train operator company procurement exercises were delayed and then affected by the COVID-19 restrictions.

- The Phase 2 Customer Information scheme saw its Disruption Messaging Tool go-live in March 2020, with a number of LTAs amongst the first adopters.
- The Phase 3 ABBOT Integrated and Smart Travel procurement was paused in July 2019 and then cancelled in January 2020.
- Over Quarter 4 of the year the scheme was split into two new but aligned spheres of activity, assessing how a 'Smart on Rail' scheme and support for local schemes could deliver on the former scheme's original objectives.
- The NPR programme advanced towards the delivery of its Strategic Outline Case (SOC) with significant sifting work undertaken.
- The Strategic Development Corridor programme saw the completion of the qualitative workstreams, though the quantitative element was deferred to 2020/21.

3.3 Programme area activity is inherently more sensitive to delivery hurdles, such as gateway approval processes and partner performance, than the operational areas which have more stable activity and expenditure profiles.

3.4 As at the financial outturn TfN's programme areas had incurred expenditure of £39.23m, significantly below the opening base budget forecast of £68.60m.

Integrated & Smart Travel Programme (IST)

3.5 The opening budget reflected a programme consisting of three phases of activity and encompassed both revenue and capital activity.

3.6 The opening base budget for the IST programme stood at £62.46m across its three phases. However, of this value £26.18m (42%) was contingency, consisting of optimism bias, qualified risk assessment and inflation adjustments. This contingency would only be called upon if required. This gave a net best estimate of cost for the programme of £36.28m that has been used for reporting purposes throughout the year.

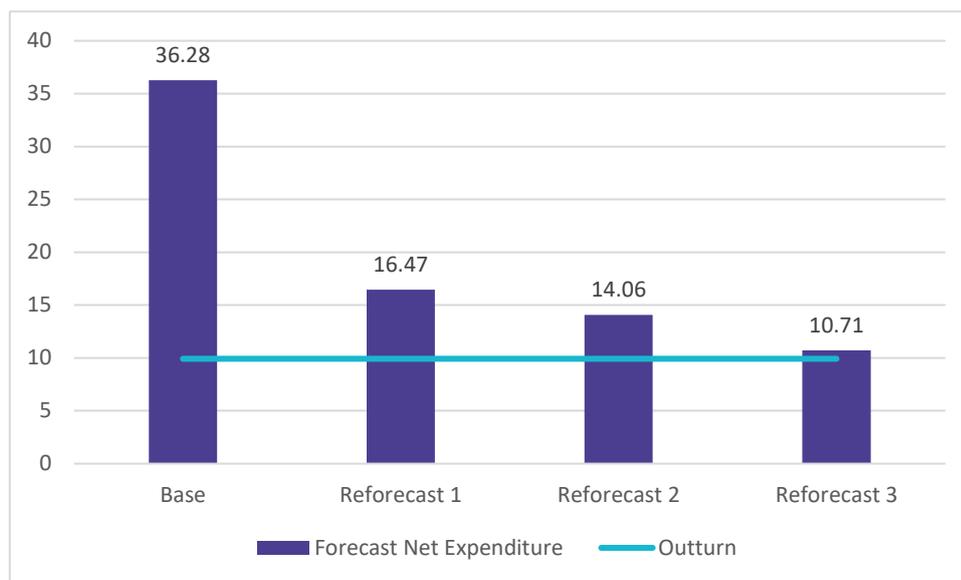
3.7 The IST programme was particularly sensitive to change in both the cost and pace of activity as there were significant technological, stakeholder, supply-chain, and approval challenges to overcome in the year.

3.8 As at the year-end the programme has incurred total expenditure of £9.91m. This placed the programme £26.37m below the opening net budget:

Budget Cycles >	Base £m	R1 £m	R2 £m	R3 £m
Net Budget	£36.28	£16.47	£14.06	£10.71

Outturn	£9.91	£9.91	£9.91	£9.91
Variance	£26.37	£6.56	£4.15	£0.80

- 3.9 The above table highlights that as the year progressed, forecasts of programme expenditure were revised down to realign to the latest delivery profiles developed by the project teams:



- 3.10 Underspends were incurred across all of the phases. Phase 1 (ITSO on Rail) underspent against the opening net base budget by £1.66m, and against the net Revision 3 budget adopted in Quarter 4 by £0.61m:

Budget Cycles >	Base £m	R1 £m	R2 £m	R3 £m
Phase 1				
Net Budget	£5.68	£6.59	£6.00	£4.63
Outturn	£4.02	£4.02	£4.02	£4.02
Variance	£1.66	£2.57	£1.98	£0.61

- 3.11 Underspends in the Phase 1 area principally reflect slippage in the implementation of field ticketing components, such as mobile ticketing devices and platform validators. Purchasing of these items is managed through the northern train operating companies (TOCs) as part of their franchise obligations, with TfN providing grant support. Over the course of the year it has been reported that this activity had fallen behind schedule, with delays exacerbated by COVID-19 restrictions in Quarter 4.

- 3.12 The project remains ahead of the national ITSO on Rail scheme, and work is underway with the TOCs to determine how field equipment can be implemented in a safe way given ongoing restrictions around station concourses and sites. The project remains on course to deliver within budget.
- 3.13 Phase 2 of the programme is the smallest of the three phases and seeks to improve passenger access to journey time and disruption information. Over the year, Phase 2 workstreams have advanced towards completion with the Disruption Messaging Tool going live to users in March 2020.
- 3.14 By the end of the financial year, Phase 2 had underspent against the base budget by £0.20m:

Budget Cycles > Phase 2	Base £m	R1 £m	R2 £m	R3 £m
Net Budget	£2.28	£2.65	£2.21	£2.20
Outturn	£2.08	£2.08	£2.08	£2.08
Variance	£0.20	£0.57	£0.13	£0.12

- 3.15 It is forecast that the residual Phase 2 work streams will complete in 2020/21, with systems and tools being passed to LTAs and the DfT for ownership. The project remains on course to deliver within budget.
- 3.16 The major forecast development for the programme in 2019/20 was the expected move into procurement for the Phase 3 ABBOT contracts. These contracts would allow for the major capital delivery element of the scheme: designing and implementing the back-office infrastructure that would facilitate the multi-modal, multi-operator ticketing system that would give the Northern public-transport user a similar ticketing experience to that enjoyed in London's integrated transport system.
- 3.17 As has been reported extensively over the course of the year, in order to move into the procurement phase at significant expense to the public-purse, TfN required greater confidence around major bus-operator support beyond that which it had already received. However, during Spring 2019 it became apparent that the major bus-operators were no-longer willing to commit to support the scheme in its proposed form.
- 3.18 In July 2019 the TfN Board took the decision to implement an 'active-pause'. This halted all development activity whilst efforts were made to identify a route forward with the operators. However, by January 2020, with no resolution forthcoming, the TfN Board took the decision to cancel the current scheme and instead concentrate on two new but aligned workstreams. These would develop proposals to support a 'Smartcard on Rail' system for the North whilst bringing forward local

schemes that could deliver the original objectives of the Phase 3 scheme.

- 3.19 The pause and then cancellation of the scheme significantly impacted upon the capital programme, with no capital expenditure incurred in-year. However, conversely, the work undertaken throughout the year fell to be resourced from revenue grant, which led to higher than originally forecast revenue expenditure.
- 3.20 TfN has worked closely with the DfT during the year to manage these issues. Principally, the DfT has supported TfN through the award of new revenue grant to meet those higher costs and new revenue grant to resource the development of 'Smartcard on Rail' and local scheme proposals, whilst collaborative work has reviewed how the existing IST programme envelope could be used to support capital development activity associated with those new proposals into the future.
- 3.21 TfN reflected the major movement on the capital programme after Quarter 1 when the first reforecast of the budget was performed. This removed over £21m from the Phase 3 budget. Over the course of the year the budget has been adjusted, reflecting the deeper than forecast expenditure reductions caused by a halt on all contractual expenditure beyond urgent requirements over the summer, and lower than forecast development costs for the two new schemes:

Budget Cycles > Phase 3	Base £m	R1 £m	R2 £m	R3 £m
Net Budget	£25.69	£4.49	£3.23	£2.39
Outturn	£2.37	£2.37	£2.37	£2.37
Variance	£23.32	£2.12	£0.86	£0.02

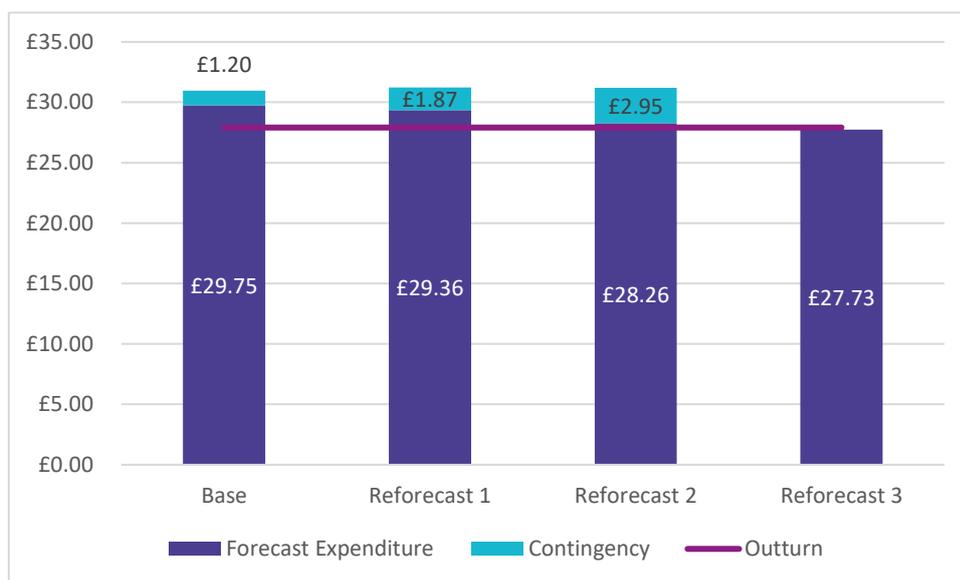
- 3.22 The DfT has advanced TfN sufficient resource to develop the 'Smartcard on Rail' and local scheme proposals to initial gateway review with the DfT's investment committee, scheduled for May/June 2020. Should the schemes proceed through those gateways new resource will be made available to TfN.
- 3.23 Reflecting wider uncertainty and sensitivity to timescales, the DfT has also advanced TfN a general revenue grant to allow it to manage its fixed and employee costs.

Northern Powerhouse Rail (NPR) Programme

- 3.24 Over the course of the year the NPR programme has continued to advance towards submission of its Strategic Outline Case, with significant amounts of resource and effort deployed to route and station sifting exercises.

3.25 During 2019/20 the programme incurred expenditure of £27.89m. This consisted of its Core Grant funded staffing and related costs, and professional services – principally through contracting with Network Rail – funded from DfT awarded Transport Development Fund (TDF) grant.

3.26 As the year has progressed the NPR budget has fluctuated. Mid-year expenditure forecasts provided by Network Rail fluctuated materially, precipitating the need to hold higher than planned amounts of contingency reserve to mitigate potential adverse variances. Conversely, planned activity to be undertaken by TfN’s analysis and modelling teams has been delayed across a number of commissions leading to contract underspend.



3.27 At the financial year-end the NPR programme had underspent against the opening net base budget by £1.86m but overspent by £0.16m against the Revision 3 budget:

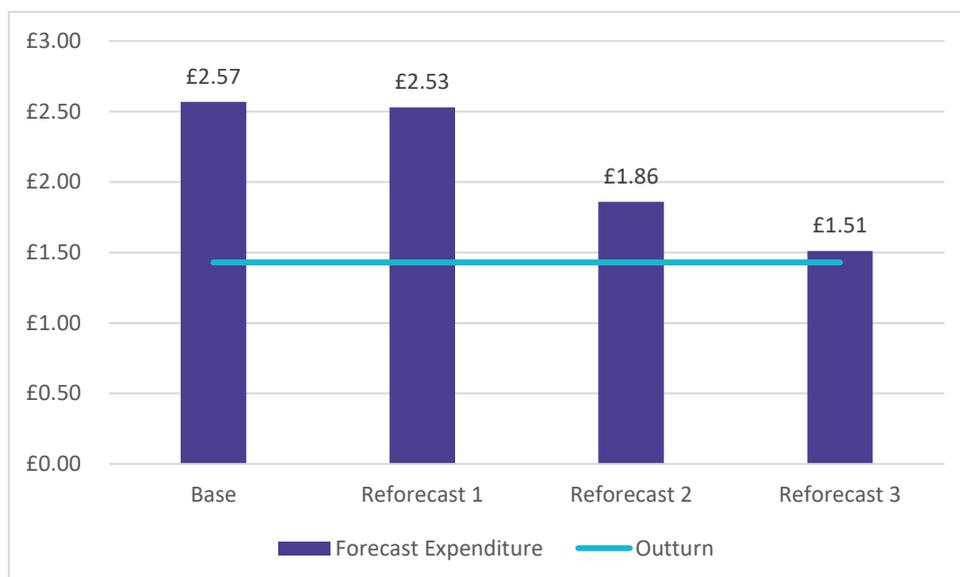
Budget Cycles >	Base £m	R1 £m	R2 £m	R3 £m
Northern Powerhouse Rail				
Net Budget	£29.75	£29.36	£28.26	£27.73
Outturn	£27.89	£27.89	£27.89	£27.89
Variance	£1.86	£1.47	£0.37	-£0.16

3.28 Overspend against the Revision 3 forecast reflects a net position. Network Rail contract costs were significantly over forecasts provided in March 2020, leading to an overspend of £0.38m for Quarter 4. This was partially offset by modelling team underspends. Reflecting the need to manage adverse variance the DfT had advanced sufficient grant resource to TfN to manage the overspend.

- 3.29 TfN has secured approval for slipped modelling activity to be rolled forward into the new financial year and be resourced from TfN's 2020/21 TDF allocation.

Strategic Development Corridors

- 3.30 The SDC programme budget was set at £2.57m with sufficient resource to complete the 'qualitative' and 'quantitative' elements of the programme. The qualitative elements reflect the seven initial corridor studies, whilst the quantitative element covered the means and method of analysing how interventions could be sequenced in the most efficient manner.
- 3.31 This activity does not attract discrete grant funding, so is resourced from TfN's general Core Grant resource.
- 3.32 Over the course of the Strategic Programme Outline Cases were completed for each corridor, but the major piece of work around sequencing the proposals was first delayed and then deferred out of the year in its entirety.
- 3.33 Despite the absorption of some slippage from the prior year, the delays to the quantitative element of the programme have meant that programme expenditure has continuously been revised down:



- 3.34 At the end of the financial year the programme had incurred expenditure of £1.43m, placing it behind the opening budget by £1.14m:

Budget Cycles >	Base	R1	R2	R3
Strategic Development Corridors	£m	£m	£m	£m
Net Budget	£2.57	£2.53	£1.86	£1.51

Outturn	£1.43	£1.43	£1.43	£1.43
Variance	£1.14	£1.10	£0.43	£0.08

- 3.35 Underspends almost entirely reflect the deferment of the sequencing work, with some staffing underspend. Resource has been made available within the 2020/21 budget to complete this activity.

Rail Operations

- 3.36 The Rail Operations budget resources the work Rail North Partnership Team and the Strategic Rail Team. Both these teams support TfN in discharging its statutory responsibilities for overseeing the northern rail franchises.
- 3.37 Budgets for both teams largely resource staffing and operational overhead costs, so are relatively stable. Some professional services resource is also afforded to the Strategic Rail Team.
- 3.38 The expenditure of the Rail North Partnership Team and the Strategic Rail team is resourced from a direct grant from the DfT to meet some of the costs of the RNP team; contributions provided from the Rail North authorities; Rail Grant passported through from the northern combined authorities; and c. £1m of contribution from TfN's Core Grant. TfN also provides services to a number of TfN partners on a 'cost' basis.
- 3.39 At outturn the two teams had incurred expenditure of £1.86m, leading to an immaterial underspend for the year of £0.06m.

Operational Areas

- 3.40 TfN's core operations areas cover the back, front, and middle office teams familiar to any public body. They include the teams that allow TfN to discharge its statutory obligations towards good governance and the sound-stewardship of public funds, along with the policy and strategy teams that help shape TfN's activity and its commitment to evidenced-based decision making, and the communications and engagement teams that allow TfN to speak with one voice on behalf of the North.
- 3.41 The Operational Areas are generally funded from TfN's un-restricted Core Grant, though where permissible TfN recharges the costs of support functions into programme grant streams.
- 3.42 The opening base budget for these teams stood at a net £7.19m for the year after forecast recharges into programmes of £2.00m.

3.43 Over the course of the year savings have been generated due to staffing vacancies and the removal of activity that was deemed unnecessary as the year progressed. Savings were also generated from procurement efficiencies and the deferment of some significant pieces of activity within the Economic Appraisal function as other priorities displaced capacity. Conversely, these underspends will be offset, in part, by a lower than forecast recharge into the IST programme (£1m) reflecting the significantly reduced activity in that area.

3.44 By the financial year-end, the Operational Areas had incurred expenditure of £5.73m, placing them behind the base budget by £1.46m and the Revision 3 budget by £0.29m.

Operational Areas	Base Budget £m	Outturn £m	Var. £m	Revision 3 £m	Outturn £m	Var. £m
Leadership	£0.27	£0.31	-£0.04	£0.33	£0.31	£0.02
Finance	£1.23	£1.01	£0.22	£1.01	£1.01	£0.00
Business Capabilities	£3.72	£3.24	£0.48	£3.33	£3.24	£0.09
Programme Management Office	£0.39	£0.20	£0.19	£0.26	£0.20	£0.06
Strategy & Policy	£3.58	£1.91	£1.67	£2.21	£1.91	£0.30
	£9.19	£6.67	£2.52	£7.14	£6.67	£0.47
Recharges	-£2.00	-£0.94	-£1.06	-£1.12	-£0.94	-£0.18
	£7.19	£5.73	£1.46	£6.02	£5.73	£0.29

Reserves & Grants Unapplied

3.46 At the year-end TfN had not applied all the grants that had been received over the course of the year to expenditure. Dependent on the conditions placed on those grants, TfN holds unused allocations as either:

- Grants received in advance
 - Noting that there are restrictions on these grants that mean they may have to be returned to the Department for Transport if not used
- Grants Unapplied
 - This is a reserve for capital grants where conditions of use have been met but the resource has not yet been applied to meet expenditure
- Earmarked Revenue Reserves
 - This is a reserve for revenue grants that may only be applied to specific expenditure where conditions of use have been met but the resource has not yet been applied to meet expenditure
- General Fund Reserves

- This our general reserve where revenue grant without restrictions on usage is held - in practice, this is where we hold unused allocations of our Core Grant.

3.47 As at the year-end, unapplied grants held in this manner are as follows:

	2019/20 £m
Revenue Grants Received in Advance	
- Transport Development Fund – Road	£0.01
	£0.01
Usable Reserves	
Capital Grants Unapplied	
- Integrated & Smart Ticketing Phase 1 Grant	£0.30
- Integrated & Smart Ticketing General Grant	£3.69
	£3.99
General Fund Revenue Reserves	
- Core Grant	£6.46
- Devolved Powers (Earmarked)	£0.50
- Integrated & Smart Ticketing Grant (Earmarked)	£0.94
	£7.90
Total Usable Reserves	£11.89
Total Resource	£11.90

- 3.48 These grants will be applied to expenditure in 2020/21 and future accounting periods where possible or be returned to the DfT if the grant conditions require us to do so.
- 3.49 The Core Grant allocations held in our General Fund Reserve provide the basis for our medium-term financial plan, enabling both a gradual draw on that resource to support key development aspirations and underpinning our risk mitigation around our sensitivity to financial shock.
- 3.50 The 2020/21 budget was set with a draw on reserves of £1.39m. Since that budget was set there is c. £0.34m of further slippage. This leaves an adjusted available Core Grant reserve of £4.73m.

Balance Sheet

- 3.51 As at the financial year-end, TfN's un-audited balance sheet recognised these grants and reserves, along with other items such as TfN's capital investment in intangible assets via the IST programme, and working capital.

- 3.52 The balance sheet also includes several items required to be shown under international accounting standards, including a provision for untaken leave, and specific accounting around pensions liabilities.
- 3.53 The balance sheet can be summarised as follows:

Balance Sheet 2019/20		£m	
Assets		Reserves	
Cash & Equivalents	£19.31	<u>Unusable Reserves</u>	
Intangible Asset	£3.53	Absence Reserve	£0.16
Receivables	£0.60	Capital Adjustment Account	-£3.53
	£23.44	Pension Reserve	£6.08
Liabilities			£2.71
Provisions	-£0.13	<u>Usable Reserves</u>	
Grants Received in Advance	-£0.01	Capital Grants Unapplied	-£3.99
Pension Liability	-£6.08	Earmarked Revenue Grants	-£0.94
Payables	-£8.05	Devolved Powers Reserve	-£0.50
	-£14.27	General Fund Reserve	-£6.46
			-£11.89
Net Assets	£9.17	Reserves	-£9.17

4. Conclusion:

- 4.1 This report details the financial performance of TfN at the outturn of financial 2019/20.
- 4.2 The report notes that budgets have been revised over the course of the financial year to realign financial forecasts with the latest delivery profiles received from project teams.
- 4.3 The report further notes the underspend against these budgets and associated impact on reserves and grants unapplied.
- 4.4 The report notes that where possible grant received but not applied will be held and used to resource expenditure in the new financial year, but some unapplied balances may have to be returned.

5. Recommendation:

- 5.1 Note the potential for carry-forwards of resource to be made at the July Board when the Revision 1 budget reforecast is presented.

List of Background Documents:

There are no background papers to this report.

Required Considerations

Equalities:

Age	Yes	No
Disability	Yes	No
Gender Reassignment	Yes	No
Pregnancy and Maternity	Yes	No
Race	Yes	No
Religion or Belief	Yes	No
Sex	Yes	No
Sexual Orientation	Yes	No

Consideration	Comment	Responsible Officer	Director
Equalities	A full Impact assessment has not been carried out because it is not required for this report.	Gareth Sutton	Iain Craven

Environment and Sustainability

Yes	No
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Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out because it is not required for this paper.	Gareth Sutton	Iain Craven

Legal

Yes	No
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Consideration	Comment	Responsible Officer	Director
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Legal	The legal implications have been considered and are included in the report.	Julie Openshaw	Dawn Madin
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Finance

Yes	No
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Consideration	Comment	Responsible Officer	Director
Finance	The financial implications have been considered and are included in the report.	Gareth Sutton	Iain Craven

Resource

Yes	No
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Consideration	Comment	Responsible Officer	Director
Resource	TfN HR Team has confirmed there are no resource implications.	Dawn Madin	Dawn Madin

Risk

Yes	No
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Consideration	Comment	Responsible Officer	Director
Risk	A risk assessment has been carried out and the key risks are included in the report.	Haddy Njie	Iain Craven

Consultation

Yes	No
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Consideration	Comment	Responsible Officer	Director
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Consultation	A consultation has not been carried out because it is not required for this report.	Gareth Sutton	Iain Craven
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Transport for the North Monthly Operating Report May 2020



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Introduction

Summary from the Chief Executive

In common with many organisations in the UK at this point in time, TfN continued to work remotely throughout May in line with government recommendations around COVID-19. The impact of COVID-19 on TfN programmes continues to be closely monitored. Remote working is proving productive, though not ideal in every circumstance.

The Strategic Rail team remain focused on COVID-19 related work and recovery planning. There continues to be strong joint working between TfN, DfT, the Rail North Partnership and the train companies working through the North of England Contingency Group. Work also continues with Network Rail and the DfT around investment plans across the North, including schemes to address congestion hotspots in Central Manchester (including through the Manchester Recovery Task Force) and at Leeds.

The TfN response to the National Infrastructure Commission (NIC) call for evidence on the Integrated Rail Plan was submitted at the end of May. The focus of the IRP work will now shift to the development of more specific phasing proposals, with a view to briefing the TfN Board at the end of July. How the DfT intends involving TfN in reaching conclusions on the IRP process remains unclear.

The NPR team continue to focus on preparation for the corridor sift process. The programme to Strategic Outline Case submission in March 2021 remains under review, as business case and cost estimating work continues to mature.

The Integrated and Smart Travel (IST) team, continues to be impacted by COVID-19. Train Operating Companies (TOCs) have put plans in place for onsite works to be implemented once lockdown restrictions will allow them to resume civils work to install platform validators, but social distancing and travel restrictions are still expected to impact the work.

Work on the economic recovery plan has continued with an initial letter highlighting the approach being taken with examples of quick wins planned to be sent to DfT in June, after the TfN Board meeting. A longer list of proposed projects will be taken to the July Board.

Northern Powerhouse Rail (NPR)

Monthly Summary

Focus remains on confirming sifting dates and subsequent decisions required at TfN Boards in this financial year (FY). However, the NPR team has continued to ensure momentum in developing the scheme is maintained at pace, supporting transition from Strategic Outline Case (SOC) into Outline Business Case (OBC) development.

Confirmation of dates for key information from Network Rail (NR) to support sifting and decision-making have been confirmed in the month

Modelling and benefits enhancement activity continued in the month, which is a key activity in determining sift dates across the network.

Finally, following discussions between TfN and DfT, we have received full funding approvals for c.£40m of activity to agree a preferred network and phasing strategy for NPR ahead of submitting a refreshed SOC next Spring. In addition, approval for a further £6m to undertake Pre-Sequence 5 activity (preparatory work for the OBCs that will be required once the SOC has been approved) has been received, subject to a review that is currently being undertaken by TfN and the DfT.

Activity Update

Transport Analysis, Modelling and Economics (TAME)

Delivery of Benefit-Cost Ratios (BCRs) in the timescales required to support sifting and decision-making remains challenging. Mott MacDonald has been commissioned to work within TAME to support the team in model development and appraisal and work is currently underway to confirm when modelling outputs, inc. BCRs, will be available for sifting and to support decision-making at TfN Board.

Draft Level 3 (Transformational) outputs for the Liverpool-Manchester corridor have been produced in the month and the remaining five corridors are expected to have Level 3 benefits produced in June.

Infrastructure

Delivery of infrastructure outputs required at sift remain achievable in-line with the rephased programme, which was endorsed at NPR Programme Board 16 April 2020 and briefed to TfN Board 29 April 2020. However, and in relation to delivery to achieve sift, agreement has been reached with Network Rail (NR) to share cost information at the point they are approved at Regional Panel, the first NR assurance forum. This is important to allow enough time for co-clients to review and challenge ahead of sifting and for TAME to include the emerging costs into required model runs for sift. The NR NPR delivery team will still be required to take cost estimates through to National Panel, the second and final NR assurance forum, before NR will support their use at sifting and for wider decision-making.

Wider activity to support Strategic Outline Case (SOC) delivery (Sequence 4.1) and readiness for commencement of Outline Business Case (OBC) (Pre-Sequence 5) also have progressed as planned.

NR has continued to mobilise its enhanced Engineering and Programme Management Office (PMO) to support delivery of co-client requirements within the FY.

Business Case

The SOC team shared a draft version of the Management Case with partners (specifically working group officers) for comment on the 14 May 2020 and developed the approach for NPR’s future business case development, approved through Programme Board on 15 May 2020. Additionally, comments from Partners on the Strategic Alternatives report have been captured and the report amended in the month to reflect these where possible.

Team Structure

Atkins and Mace have been awarded contracts for the Infrastructure Development Partner (IDP) and Programme Support Office (PSO) respectively. These contracts allow the NPR team to expand in-year to respond to the delivery demands and challenges faced. Further, the contracts enhance the NPR team’s capacity to adequately plan ahead for future years and establish a solid foundation now to transition from SOC to OBC development.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p>NPR SOC Delivery - Risk: To support SOC submission and approval by TFN Board, TfN must secure Partner endorsement of a maximum of four (4) phasing scenarios for the SOC, agreement to sifting outputs and collective agreement to a preferred network. There is a risk that the outcome of Integrated Rail Plan (IRP) could impact the SOC as well as the next stage of the NPR programme sequence of delivery and in particular Outline Business Case (OBC).</p> <p>Impact: If these agreements cannot be reached, it is likely to cause a delay in finalising the SOC and achieving endorsement by TfN Board. Also, the outcome of the IRP may influence the Northern Powerhouse Rail programme, the next sequence of delivery and the OBC.</p>	<ol style="list-style-type: none"> 1. NPR are continuing to confirm sift dates, to support in the refinement of options at SOC. This action also supports developing the preferred network. 2. The programme team continues to work on the development of the phasing criteria set out in the Management Case. 3. TfN has set up a working group to develop its response to the IRP and to ensure that it is effectively communicated to Members, Partners, stakeholders and government, and that interfaces and interdependencies between IRP and NPR (including SOC) are closely managed. 	2

Programme and look ahead

Sift dates are to be confirmed following the completion of key modelling activity and cost assurance activity.

TfN Board	Recommendations
29 Jul 20	Agree scope and outline of SOC refresh.
17 Sep 20	Agree shortlist of corridor options to be progressed (Phase 1), the current preference on these corridors, the aggregation of these corridor preferences into the current preferred network, subject to network-wide tests. Note SOC 1 st Partial Draft.
18 Nov 20	Agree shortlist of corridor options on any remaining corridors (Phase 2), current preferred phasing plan. Confirm current preferred network. Note SOC 2 nd Partial Draft.
14 Jan 21	Note SOC Near Final Draft. Advise on essential changes to support approval.
10 Mar 21	Agree SOC, submission of SOC to government, Statutory Advice, comms strategy and handling.

Integrated and Smart Travel (IST)

Monthly Summary

Usage of our Disruption Messaging (DMT) and Open Data Hub (ODH) tools continues to increase. They are now being used by three Combined Authorities on a regular basis with a fourth to go live in early June. . An increasing number of private sector public transport information service providers are showing interest in being able to publish disruption information to customers using the tools with two (Moovit and Bus Times) already doing so. In relation to our 'smart on rail' work, the past month has seen the resumption of enabling works related to the installation of Platform validators (PVals), and the live testing of flexi-seasons. A Strategic Outline Case (SOC) for a series of local smart travel projects has been submitted to DfT for consideration at Investments Projects and Delivery Committee (IPDC) on 29 June. Our proposal to begin the development of contactless ticketing on rail in the North ahead of the Williams Review is being presented verbally to IPDC on 15 June.

Activity Update

Phase 1: (Smartcards on Rail). With the relaxation of some COVID-19 restrictions, there has been a recommencement of delayed PVal civils work at Northern and Merseyrail stations and Northern's live flexi-season testing is again underway. Live launch of flexi-seasons is however on hold at the direction of the DfT. The fact that works were on hold from early March has inevitably impacted on the completion date for PVal installation. We await revised plans from the contractors. The current end date of January 2021 is however not expected to be compromised as the critical path is set by Merseyrail's software procurement rather than the hardware issues.

Phase 2: (Public Transport Open Data) MerseyTravel, TfGM and WYCA are increasing their use of the Disruption Messaging Tool (DMT). Nexus will go live in early June. Work continues to encourage developers' interest in the Open Data Hub (ODH). Two developers are adding disruptions data to their platform for customers to use and there are varying levels of testing by a further 32 organisations. Several enhancements to the DMT have been delivered on time by our supplier and will go live in early June. The most significant is a change that enables integration with social media systems used by the LTAs. In relation to the Fares Tool, the two most recent 'Sprints' have shown good progress. Progress has been made on two identified risks: a solution has been agreed to authentication (logging on) functionality and implementation has now started; and we have briefed the Government Digital Service on the challenges we have experienced in recruiting test users from bus companies due to Covid-19. Discussions have begun with DfT regarding acceptance criteria in relation to the eventual transfer of the tool to them.

Phase 3: (Contactless on Rail): TfN has developed a paper, supported by TfN Board, which sets out the North's proposal to accelerate the national rollout of contactless on rail – against a backdrop of waiting for DfT to publish the Williams Review. DfT's Investment Projects and Delivery Committee will be provided with a verbal update on our proposal on 15 June. Both Northern and

Merseyrail have given strong support. There continue to be discussions with TOCs to understand their plans and to seek opportunities for collaboration.

Phase 4: (Local Smart Schemes) The SOC has been finalised and submitted to DfT’s Centres of Excellence for their review and then onward submission for consideration by the Investment Committee on 29 June.

Risks		
Risk/Issue Summary	Summary of Mitigating Measures	KPI
Phase 1 – Risk: There has been recommencement of delayed civils work. Going forward the impact of COVID-19 on civil works (social distancing and travel restrictions) and delay to readiness of PVal heads may further stall the installation and commissioning of PVals, and subsequently the completion of the full rollout of flexi-seasons.	1. TfN continues to engage with Train Operating Companies to support mitigations to delays. TfN to keep aligned with DfT to understand and influence decisions about the introduction of flexi-seasons and ensure ‘go live’ readiness.	3
Phase 2 – Risk: If there is a delay in agreeing acceptance criteria with the DfT it could affect the timely handover of the Fares Data Built Tool to them with consequential time and cost impact on TfN.	1. To agree with DfT the acceptance criteria, the handover process and timeline to ensure that we remain within time and budget.	4
Phase 3 – Risk: The DfT’s rollout plan for contactless on rail may not align with IST proposals and as a result, contactless ticketing may not be rolled out in the North as an early part of a national programme as agreed at TfN Board.	1. Submit TfN proposal for a way forward for Contactless on Rail in the North for consideration at DfT investment committee on 15 June. Lobby DfT officials.	5
Phase 4 – Risk: There is a risk that the funding for the Phase 4 proposal may not be secured because it is not approved by DfT’s investment committee.	1. Respond to DfT Centres of Excellence queries prior to submission of the Strategic Outline Case to the Investment Committee on the 29 June. Lobby DfT officials.	

Programme and look ahead

Phase 1

- Further progress of Northern landlord and listed building consents for station PVal installations.
- Full resumption by Merseyrail and Northern of PVal installation civils work in readiness for the heads to be fitted in August and September.
- Northern and Merseyrail initial PVal testing.

Phase 2

- DMT social media messaging capability ‘go live’ for LTAs to use.
- Work with NEXUS to ‘go live’ with the DMT.

Phase 3

- Include contactless on rail as part of the economic recovery plan letter to DfT.

Phase 4

- Finalise SOC by responding to DfT Centres of Excellence for discussion at Investment Committee on 29 June.

Strategic Development Corridors (SDCs)

Monthly Summary

This month's work has focused on identifying proposed schemes to be included in an Economic Recovery Plan and continuing to mitigate risks to the Investment Programme Benefit Analysis workstream.

Activity Update

During this month TfN has:

- Presented the Investment Programme 'sequencing report' and Future Travel Scenarios to Partners at the Strategic Oversight Group (SOG) and to Executive Board on 14 May 2020. These reports detail how we developed three sequencing options for the Investment Programme, and a framework to ensure investments are robust, resilient and agile to future change uncertainties. This will be presented at TfN Board for comments on 11 June 2020.
- Developed a public-facing publication for the Future Travel Scenarios and will ensure alignment with other relevant material such as the decarbonisation pathways. Work to build the scenarios into TfN's Analytical Framework modelling tools has also begun, so that we can run sensitivity tests as part of the benefits analysis work, which will start in the Autumn. Partner engagement continues via SOG and Analytical Assurance Group.
- Developed a proposed TfN response to the government call for evidence on Future Transport and shared this with Partners for comments. This is focused on enabling the UK's transport system to support delivery of climate change targets.
- Continued to monitor and manage the risks ahead of procurement for the Investment Programme Benefit Analysis (IPBA).
- Held one-to-one virtual meetings with representatives from each Local Transport Authority to discuss potential interventions that could be accelerated for delivery as part of an Economic Recovery Plan. The outputs of the Strategic Development Corridors, Investment Programme sequencing update, Long Term Rail Strategy, NPR business case and the Major Roads Report are being used as an evidence base for this work. An update will be presented to TfN Board, 11 June 2020.
- Mitigated any challenge of co-ordinating engagement with Partners during the current lockdown. We are continuing to monitor and mitigate critical risks, including the application of innovative transport and economic models, to allow the procurement of the IPBA commission to start Summer/Autumn 2020.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
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<p>Innovative Modelling – Risk: The IPBA project relies on a set of innovative models to provide evidence for the North’s business case but they require thorough testing and assurance. If the models are not ready on time, there is a risk that we might not meet the Business Plan commitments and the sequencing outputs may have low assurance.</p>	<ol style="list-style-type: none"> 1. To include a 4-week familiarisation period in the programme so consultants will have time to try out the new models. 2. The modelling team to continue to provide monthly high-level updates on the progress of model development. 3. Review timescales and the programme, on a monthly basis, thus allowing more time for the models to be sufficiently tested on NPR and thereby provide consistency and integration between the NPR and the business case for the North. 	10
<p>Delivery changes to the STP essential schemes - Risk: Uncertainty at this stage on how and when mega-projects such as MNWQ (Manchester North West Quadrant), TPT (TransPennine Tunnel) and NPR are delivered as these are 'STP (Strategic Transport Plan) essential' schemes and central to the SDC reference case. There is a risk that the delivery dates for MNWQ, TPT and NPR may change, which will have an impact on the reference case assumptions.</p>	<ol style="list-style-type: none"> 1. Review the reference case at the beginning of the benefits analysis commission programme; the reference case could be changed to 2040 OR the three strategic studies could be removed/amended from/in the reference case. 2. Continue to communicate the risk clearly to stakeholders to manage expectations. Complete a decremental analysis to measure the impacts of any changes to the delivery of these schemes against the whole Investment Programme. 	10
<p>Partners endorsement of Economic Recovery Plan - Risk: There is a risk that the Partners may have conflicting views on the interventions submitted as part of the Economic Recovery Plan. If funded, these schemes could be advanced earlier than currently planned.</p>	<ol style="list-style-type: none"> 1. Use the agreed sifting tool to assess all proformas. 2. Continue holding one-to-one meetings with Partners to check and challenge their proformas. 3. Hold an internal workshop to ensure the submissions are aligned with other programmes. 4. Submit proformas to SOG (Strategic Oversight Group) for review. 	6

Programme and look ahead

- A report on the qualitative sequencing options of the Investment Programme, including the TfN Future Travel Scenarios development, will be submitted to TfN Board at its meeting on 11 June 2020 for comments.
- During June, the team will engage with TfN’s Partners to review potential interventions for inclusion in the Economic Recovery Plan. We will develop a report as well as a proforma for each intervention, which will be presented to Strategic Oversight Group, 25 June 2020.
- During June, the team will share a first draft of the Future Travel Scenarios publication with the Strategic Oversight Group, as well as an update on modelling progress and future milestones.
- The team will also share a finalised Future Transport response, including any partner comments, to both SOG and Executive Board, before submitting in time for the deadline on 3 July 2020.

Major Road Network (MRN)

Monthly Summary

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

We have asked Highways England and local partners to provide evidence of the impact of COVID-19 on travel behaviours and patterns, as well as impacts on air quality.

Activity Update

- Members of the Major Roads Group are working with TfN to collate a long list of potential interventions for accelerated development via the Economic Recovery Plan. For more information on the Economic Recovery Plan, please see the SDC update.
- TfN is continuing to review the final data outputs of the anonymised mobile device data for the Major Road Network. This data provides TfN and its Partners with specific travel data for sections of the MRN, including journey time, reliability, average length of overall journey and evidence on origin and destination of trips. The project will be closed out in June 2020, at which point TfN will share the data with Partners.
- TfN and Partners are working with Highways England on a new strategic study, the South Manchester Highway Transport Study; TfN have provided feedback on the project scope.
- The preferred route for the A66 dualling project has been announced and Amey and ARUP have been procured to complete the next stage of work; stage three of the Project Control Framework, which covers preliminary design and public consultation.
- A £355m upgrade on A63 Castle Street (Hull) has been announced by the government. Balfour Beatty has been awarded the contract.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p>Negative Perceptions - Risk: Due to the environmental and sustainable impacts of traffic and congestion, road schemes may not get the investment needed to deliver the Strategic Transport Plan.</p>	<ol style="list-style-type: none"> 1. To develop a road map to sustainability, including the road network and multi-modal integration. 2. To work with TAME to demonstrate the impact of road investment and the positive impacts of behaviour changes. 3. Review the change in travel behaviours, patterns and air quality following COVID-19. 4. Updating the Major Roads webpage. 	<p>6</p>

Programme and look ahead

- TfN and Highways England will submit a report to TfN Board in June updating Members on future road investments.

Strategic Rail

Monthly Summary

The operational focus remains on supporting COVID-19 related work and recovery planning. There continues to be strong joint working between Transport for the North (TfN), the Department for Transport (DfT), the Rail North Partnership (RNP) and the train companies working through the North of England Contingency Group.

On 18 May 2020 both Northern and TPE (TransPennine Express) increased the number of services to circa 63-75% of the usual timetable to accommodate the changing advice from government and have implemented arrangements to allow clear social distancing on trains and at stations. At the time of writing, operators were seeing some increase in levels of patronage, including the leisure market, but passengers were still generally able to social distance.

Activity Update

TfN continues to work closely with the DfT and Network Rail on investment plans across the North of England including schemes to address congestion hotspots in Central Manchester (including through the Manchester Recovery Task Force) and at Leeds. TfN's initial submission to the National Infrastructure Commission call for evidence on the Integrated Rail Plan was made on 29 May 2020, with substantial input from Strategic Rail.

DfT's Investment, Projects and Delivery Committee (IPDC) has been asked to support a baseline Outline Business Case (OBC) for the TransPennine Route Upgrade (TRU) programme for partial electrification and, in parallel, also endorse further development work for a full electrification option which also considers the gauge clearance options for freight in more detail. We understand Ministerial and Treasury approval is being sought to release funding for further design and development work in 2020.

Progress is being made on the implementation of the Blake-Jones Action Plan and a final report is under development for the Rail North Committee in July 2020.

The Northumberland Line Strategic Outline Business Case has been approved by DfT and funding for the OBC and Ministerial and Treasury approval is now being sought.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
The long-term effect of COVID-19 on viability of Franchises - Risk: There is a risk that the demand for rail may take a significant amount of time to recover to pre-COVID-19 levels, impacting on the future of train service investment decisions which might affect TfN's ability to achieve its ambition for the North of England.	<ol style="list-style-type: none"> Proposing an ambition programme of work as part of the Economic Recovery Plan. TfN is working with the industry to try to influence future investment decisions. 	9
Treasury Investments and the COVID-19 Pandemic - Risk: At the national and strategic level, given that the Treasury is	<ol style="list-style-type: none"> TfN is developing an Economic Recovery Plan, making the case for continued investment in the North. 	9

<p>pouring its attention and resources into the economy to deal with the pandemic, it is possible that the Department may review the funding and scope available for infrastructure projects in the future leading to delayed or less ambitious schemes which do not align with TfN strategy.</p>	<p>2. TfN will input into decision-making by giving statutory advice where appropriate, or through input to Rail North Partnership.</p>	
<p>DfT Reprioritisation and the Williams Review - Risk: The coronavirus pandemic has meant DfT has had to prioritise their focus and resources in responding to the pandemic. This has led to the delay in the publication of Williams Review. Government may choose to focus on centrally deliverable initiatives such as franchise delivery, and focus less on devolution. As a result, this may not align with the strategy of Members and would require a wider response from TfN.</p>	<p>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.</p>	<p>9</p>
<p>TfN TransPennine Route Upgrade (TRU) Statutory Advice - Risk: There is a risk that the next phase of Network Rail's development and design work is unable to support TfN's aspirations for the North TransPennine rail corridor as identified in our statutory advice issued in September 2018. This will inhibit the ability of TRU to form part of a broader, coherent rail investment strategy for the North as identified in statutory advice issued in January 2020.</p>	<p>1. The Strategic Rail team and RNP continue to work together to support Network Rail in producing an investment plan that meets passengers' needs and expectations through delivery in full of the outcomes set out in the TRU remit.</p> <p>2. TfN continues to stress to DfT and Network Rail the importance of delivering W10/12-gauge clearance to support container traffic across the Pennines and help increase the number of freight paths.</p> <p>3. Through the Manchester Recovery Task Force and directly with DfT, TfN continues to press the case for adequate investment in Manchester.</p> <p>4. TfN continue to stress to DfT the importance of developing a parallel option to the Outline Business Case which better serves the North.</p>	

Programme and look ahead

- Support, monitor and help shape the industry response to the COVID-19 outbreak.
- Working through the Rail North Committee and Board, respond to industry proposal for mitigating cross-Manchester performance issues.
- Continue preparations for the Williams Review White Paper publication and link this to the implementation of the Blake-Jones Action Plan. Report to the Rail North Committee in July.
- Respond to Northern's 100-day plan commencing with a report to the Rail North Committee in July
- By the end of July, complete an assessment of capacity and connectivity issues and the potential for future growth on all rail services across the North, working in collaboration with partner organisations (via the Officers' Reference Group).

Operations Summary

Monthly Introduction

Operational focus for May included: reaching an agreement with the DfT around outstanding Northern Powerhouse Rail funding; continuing work on the Northern Transport Charter and TfN's decarbonisation strategy; supporting and promoting clear messaging around the use of public transport around COVID-19 guidance; and continuing to hold Board, Committee and Scrutiny meetings formats appropriate for the current situation. The TAME team continues to support the NPR programme following the receipt of funding letter 16, whilst also preparing to support the SDC team's Investment Programme Benefits Analysis (IPBA) programme.

Activity Update

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

Stakeholder Engagement & Communications

- The Stakeholder Engagement and Communications Team has continued to support and promote clear messaging regarding use of public transport within national COVID-19 guidance. This has included promoting the views of Rail North Committee Members, with the May meeting streamed online for the first time, as well as sharing original and Partner content relating to use of platforms and trains under social distancing measures. Comments from the Scrutiny Committee were also published online, it being the first meeting available to watch online.
- TfN has also reacted positively to several government announcements and commitments, including the preferred route announcement for the A66 upgrades, publishing media statements and hosting guest content from Highways England following the news, in addition to further activity on the A63 in Hull and publishing active travel content to coincide with increased government support for such projects. Elsewhere, the Communications team also published and promoted TfN's first submission to the National Infrastructure Commission (NIC) in support of the Rail Needs Assessment for the Integrated Rail Plan. The submission is now hosted online and profiled across TfN's social media channels.
- A Communications Memorandum of Understanding (MOU) between TfN and DfT has been agreed as part of the wider core funding Grant Agreement discussions.
- Consideration is being given to the timing and methodology of consulting on the Northern Powerhouse Rail network. The timing of this is being considered alongside the 2020/21 programme milestones, and against the context of social distancing restrictions.

- In addition, internal communications continues to be a priority focus area for the team during full remote working, ensuring wellbeing and maintaining morale are a key focus. This has involved hosting internal organisational update broadcasts to all colleagues, online Team Talks sessions, internal e-bulletins and interactive wellbeing sessions.

Finance & Procurement

- Agreement was reached with the DfT for all outstanding NPR funding letters, allowing paused contracting to commence.
- The draft unaudited statutory accounts for financial year 2019/20 were released for public inspection on the 1 June 2020.
- Budget reforecasts were being developed to allow TfN to consider the impacts of COVID-19 on its activity and expenditure profiles.
- Work was underway with the DfT to develop new grant agreement templates to further standardise funding flows.
- Ongoing support is being provided to the business by the Procurement team to manage the impacts of the COVID-19 crisis. As part of this engagement the team is currently managing the pipeline and working with stakeholders to ensure early engagement is undertaken.

Legal & Democratic

- A virtual Board consultation meeting was held on 29 April 2020. Rail North Committee successfully held its first public meeting on 12 May 2020 followed by Scrutiny Committee on 14 May 2020, and Board (11 June 2020) will also be held as a public virtual meeting.
- The modern.gov software system (to streamline our governance and meeting management arrangements and which is used by a number of constituent authorities) has been installed and training commenced, expected to be completed in June. Following training, and a period to enable officers to establish familiarity with the system, a pilot rollout of an internal meeting will be arranged, followed by a public meeting later in the year. Further details and expected dates will be shared with Partners in future monthly reports

Strategy & Policy

- Work continues on the Northern Transport Charter (NTC) in advance of our next meeting of the members working group at the end of June (KPI 12 & 16). We are working closely with other TfN teams to ensure that work on the Economic Recovery Plan and Integrated Rail Plan are informed by the long-term approach of the NTC.
- Work on TfN's decarbonisation strategy continues with a strong focus on modelling pathway scenarios. Our work on this is closely linked to the scenarios being developed by TAME and the Major Roads Team. A dedicated environmental policy officer has now been appointed to take forward this work from later in the summer (KPI 11).

- On the Integrated Rail Plan for the North and Midlands, the policy and strategy team coordinated and prepared the TfN response to the NIC call for evidence which was submitted on the 29 May 2020. The next phase of work, producing specific proposals to inform the IRP, is now underway and an initial set of proposals will be shared with the Board at the July 2020 meeting.

Economics & Research

- The focus of the team has been on supporting the Economic Recovery Plan whilst completing a number of ongoing research projects as part of the Northern Powerhouse Independent Economic Review Programme that will inform both the work on the Northern Transport Charter and the review of the HMT Green Book on appraisal currently underway.
- The Economics and Research team has been combined with the Strategy and Policy team following the appointment of a single Head of Service.

TAME (Technical Assurance, Modelling & Economics)

- Following release of Funding Letter 16 a number of new procurements and contract extensions are being progressed with the procurement team. The majority have been prioritised to meet the programme needs of the NPR Strategic Outline Case programme.
- Early progress is being made on preparation of Analytical Framework models and tools for the Investment Programme Benefits Analysis (IPBA) programme. Weekly meetings are now planned with TAME staff to keep the Investment Programme team abreast of the programme of works and impacts on the programme.
- Following significant interest from TAME supply chain a method to provide a forecast of procurement activity is under development. It is planned that this will be released to suppliers on a quarterly basis to assist their resource planning at this uncertain economic time.
- The NPR Corridor Sift team made up of TAME officers and consultants continues to provide delivery of outputs for the six NPR corridor sift workshops. This includes provision of rail benefits from the Northern Rail Modelling System (NoRMS) and transformational land-use benefits from the Northern Economy and Land Use Model (NELUM).
- Further development of NoRMS, NELUM and the new TfN Future Travel Scenarios continues in the background and is now planned for completion by mid-August so that final versions of the tools can feed into the NPR SOC. However, the team stand ready to quickly respond to potential decisions around building further short-term improvements to the models currently under application on the sift process.
- Development of TfN's Northern Highway Assignment Model (NoHAM) has restarted following a pause due to COVID-19-related absence of key consultants. Meanwhile the refreshed version of the Great Britain Freight Model (GBFM) has been completed. NoHAM will be used to estimate the multimodal impacts of NPR and as part of TfN's Investment Programme

Benefits Analysis (IPBA). The GBFM will help understand the multimodal freight impacts across road, rail and maritime and the freight factors external to the transport investment. The freight analysis using the GBFM will provide an evidence base to support NPR, the IPBA, the Decarbonisation Pathways and Future Travel Scenarios.

- An updated strategy for forecasting the economic impacts of freight using the Great Britain Freight Model is under development. This will be an integrated approach, serving both the NPR and IPBA programmes.

Financial Performance

Financial Update

Summary

Expenditure incurred in May: £4.23m

Variance to May monthly budget: On budget for the month

Year to-date expenditure: £8.24m

Year to-date variance to budget: £0.92m

Headlines

- TfN's financial position for Period 2 (P2), whilst being on budget, continues to show a number of over and underspends largely reflecting COVID-19 related issues.
- Whilst parts of the organisation have been able to deliver activity at or ahead of budget, those that involve construction or asset installation have slipped.

Programmes:

- The pattern of variances in P2 are similar to those observed at P1, with underspend in the Integrated and Smart Travel programme driven by previously reported issues with the Phase 1 ITSO on Rail project, and expenditure ahead of budget on the Network Rail contract within the NPR programme. However, the overall net impact is significantly reduced.

Integrated & Smart Travel:

- Programme-wide underspend of £0.17m (24%) in the month
Phase 1
 - No major milestones were budgeted or incurred in the period.
 - The main variance to budget relates to delayed marketing activity delivered through the Northern franchise.
 - Phase 1 underspends have been reported since Autumn 2019 as the contracting undertaken by the Northern train operating companies continued to fall behind schedule.
 - The delivery of platform validator machines and other pieces of field equipment, largely manufactured in China, were then delayed due to quarantine measures as COVID-19 spread in Quarter 4 of 2019/20.
 - Whilst equipment has now been received in country, lockdown measures have impacted upon the ability of contractors to gain access to sites to install equipment.

- It is likely that activity and expenditure will continue to slip until working restrictions are eased.

Phase 2/3/4 and Programme Team

- The other Phases of the IST programme are underspent by £0.1m in the period, largely reflecting lower than forecast external support costs.

Northern Powerhouse Rail

- The NPR programme incurred expenditure over budget by a net £0.27m (10%):
 - This reflects £0.61m of expenditure ahead of budget on the Network Rail contract as activity continues to accelerate to the conclusion of the Sequence 4 activity. The variances to date are against the forecast compiled in February. The revised forecast will take into account the actual budget overspends to-date.
 - Overspend against this contract was offset by underspend on budgeted activity for Network Rail pre sequence 5 (£0.14m) and a number of key contracts and delayed recruitment activities that were deferred until the Department for Transport was in a position to commit funding.
- All outstanding funding letters have been agreed in the period.

Strategic Development Corridors (SDC)

- Relatively low levels of activity were included in the budget for the period and this was reflected in the levels of actual expenditure.
- Activity on the quantitative sequencing activity is not now expected to begin before Quarter 2.

Operations:

Rail Operations

- There was an underspend of £0.08m in the month across the Rail North Partnership and Strategic Rail teams.
- This principally reflects vacancy underspend, in part as budgeted posts for the Blake-Jones implementation were held awaiting funding commitment.

Operational Areas

- Net expenditure across the operational areas resulted in an immaterial underspend of £0.02m.

Activity Dashboard

TRANSPORT FOR THE NORTH FINANCE DASHBOARD					PERIOD BUDGET CYCLE		2 FISCAL	MAY 2020/21
PERIOD ACTUALS VERSUS BUDGET								
	Actuals £m	Budget £m	Var. £m	Var. %				
Integrated and Smart Ticketing	£0.55	£0.73	£0.17	24%				
Northern Powerhouse Rail	£3.03	£2.76	-£0.27	-10%				
Major Roads	£0.03	£0.04	£0.00	8%				
Programmes	£3.62	£3.52	-£0.09	-3%				
Rail Operations	£0.18	£0.25	£0.08	31%				
Operational Areas	£0.43	£0.45	£0.02	4%				
	£4.23	£4.23	£0.00	0%				
PERIOD ACTUALS VERSUS BUDGET: PROGRAMMES								
	Actuals £m	Budget £m	Var. £m	Var. %				
IST: Phase 1	£0.15	£0.20	£0.05	24%				
IST: Phase 2	£0.17	£0.24	£0.08	31%				
IST: Phase 3	£0.05	£0.06	£0.00	6%				
IST: Phase 4	£0.06	£0.10	£0.04	41%				
IST: Programme	£0.12	£0.13	£0.01	6%				
Northern Powerhouse Rail	£3.03	£2.76	-£0.27	-10%				
Major Roads	£0.03	£0.04	£0.00	8%				
	£3.62	£3.52	-£0.09	-3%				
YEAR TO-DATE ACTUALS VERSUS BUDGET								
	Actuals £m	Budget £m	Var. £m	Var. %				
Integrated and Smart Ticketing	£1.13	£2.12	£0.99	47%				
Northern Powerhouse Rail	£5.84	£5.58	-£0.26	-5%				
Major Roads	£0.11	£0.09	-£0.02	-22%				
Programmes	£7.08	£7.80	£0.71	9%				
Rail Operations	£0.35	£0.51	£0.15	30%				
Operational Areas	£0.81	£0.86	£0.05	6%				
	£8.24	£9.16	£0.92	10%				
YEAR TO-DATE ACTUALS VERSUS FORECAST TO OUTTURN								
	Actuals £m	F/cast £m	Var. £m	Var. %				
Integrated and Smart Ticketing	£1.13	£9.69	£8.55	88%				
Northern Powerhouse Rail	£5.84	£43.78	£37.94	87%				
Major Roads	£0.11	£1.88	£1.77	94%				
Programmes	£7.08	£55.35	£48.26	87%				
Rail Operations	£0.35	£2.98	£2.62	88%				
Operational Areas	£0.81	£7.46	£6.66	89%				
	£8.24	£65.78	£57.54	87%				
FUNDING YEAR TO DATE					FUNDING FORECASTS TO OUTTURN			
	Actuals £m	Budget £m	Var. £m	Var. %	Actuals £m	F/cast £m	Var. £m	Var. %
TDF - Rail	£5.68	£5.42	-£0.25	-5%	£5.68	£42.82	£37.15	87%
IST - Capital and Revenue	£1.13	£2.12	£0.99	47%	£1.13	£9.69	£8.55	88%
Core Grant	£1.16	£1.29	£0.13	10%	£1.16	£11.39	£10.23	90%
Rail North Grant & Contributions	£0.24	£0.27	£0.03	11%	£0.24	£1.53	£1.29	84%
TDF - Roads	£0.00	£0.00	£0.00	-	£0.00	£0.00	£0.00	-
Trading Income	£0.04	£0.06	£0.02	33%	£0.04	£0.36	£0.32	89%
	£8.24	£9.16	£0.92	10%	£8.24	£65.78	£57.54	87%

HR Update

Human Resources Update

Salaried Establishment as at **5 June 2020**

Established/ Transition Posts

Area	Established Posts (Over 2 years)	Transition Posts (Up to 2 Years)	Total
CEO/Chair	2 (1.17 FTE)	-	2 (1.17 FTE)
Support Services	30 (29.32 FTE)	5 (5.00 FTE)	35 (34.32 FTE)
Operational & Delivery	94 (92.98 FTE)	41 (40.50 FTE)	136 (133.48 FTE)
Total Establishment	126 (123.47 FTE)	46 (45.50 FTE)	172 (168.97 FTE)
Strength (in post)	111 (109.15 FTE)	29 (28.50 FTE)	140 (137.65 FTE)
Appointed (start date pending)	5 (5.00 FTE)	5 (5.00 FTE)	10 (10.00 FTE)
Active/Pending Recruitment	2 (2.00 FTE)	2 (2.00 FTE)	4 (4.00 FTE)
Vacant – On-hold	8 (7.32 FTE)	10 (10.00 FTE)	18 (17.32 FTE)

Agency Resource - Covering Vacant Posts

Area	Posts (FTE's)
Support Services	3 Post (2.12 FTE)
Operational & Delivery	2 Posts (2.00 FTE)
Total	5 Posts (4.12 FTE)

Consultancy Resource - Covering Vacant Posts

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

HR Metrics – 2020/21 Year to Date

Corporate Sickness Level:	3.1%
Employment Policy Application:	0%
Employee Turnover (Voluntary Leavers):	1.5%
% of Employees from an Ethnic Minority Background:	15%
% of Employees declaring a Disability:	8%
Gender Mix - % of Female Employees:	32%
% of Male Employees:	68%

KPIs

Key Performance Indicators

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

Key

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

Area	KPI	Detail	Progress	Status
Corporate	1	Agree with government the phasing and prioritisation of the Integrated Rail Plan for High Speed North. December 2020	On Track	
			TfN response to the NIC submitted 29 May 2020. Second phase of work now underway ahead of July TfN Board.	
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 next step is to complete a re-baselining activity of the programme for the SOC submission in March 2021.	
Integrated and Smart Travel	3	Complete the delivery of the Integrated and Smart Travel on Rail Project (Phase 1). November 2020	Delay	
			Northern is on track to complete delivery in November 2020. MerseyRail plan to roll out their own products by October 2020 with the capability for national products planned to complete by January 2021. COVID-19 impact may detrimentally affect the completion date as this has delayed on site works, which have begun this month.	
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 is currently on track to meet the KPI. DMT (Disruption Messaging Tool) and ODH (Open Data Hub) are live and being rolled out to LTAs and developers. Further enhancements to DMT will be delivered during the course of the year. FDBT (Fares Data Build Tool) has completed the first stage of development (alpha) and the prototype is being developed in the second stage (beta)	

			private), but the impact of COVID-19 is beginning to slow progress.
Integrated and Smart Travel	5	Agree a plan for the delivery of contactless payments on rail, in collaboration with the DfT and Rail Delivery Group (Phase 3). December 2020	On Track A paper outlining the North's proposals to accelerate contactless on rail in the North is being developed with the DfT sponsor team for verbal presentation of the proposal at the June meeting of DfT's investment committee.
Major Roads	6	Agree and approve the Transport for the North Major Roads Report. March 2021	On track The technical report has been completed and the Major Roads Report will be updated following the completion of the decarbonisation workstream.
Strategic Rail	7	Implement the recommendations in the Blake-Jones review. June 2020	Delay The Blake-Jones Action Plan was presented and approved at the 12 May 2020 Rail North Committee meeting and progress is being made on the implementation with a final report to be taken to Rail North Committee in July 2020. The slight delay is due to attention focussed on responding to the rail operational aspects Covid Crisis. A decision on funding future resources is still 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 announced.
Strategic Rail	9	Support the industry and Rail North Partnership in the response to and recovery from COVID-19, including a strong focus on the needs of passengers and businesses, together with the short-term investment needed to support the recovery. March 2021	In Progress Strategic Rail is proactively supporting the industry through the crisis and recovery, for example through the North of England Contingency Group. A plan to support the economic recovery both by investment in infrastructure and services is being developed.
Strategic Development Corridors	10	Update and refresh the TfN Investment Programme, based on an agreed Assurance Framework and using the outputs of the SDC Qualitative Sequencing process. September 2020	On Track A report on the three sequenced programme options will be submitted to Board on 11 June 2020.
Strategy	11		On Track

		Develop a decarbonisation strategy for approval by the TfN Board and ensure that this is embedded in TfN's Investment Programme Assurance Framework. March 2021	Work continues at pace on TfN's decarbonisation strategy. Work during May has focused on building the evidence through the Future Scenarios and Pathways work to support strategy development.
Strategy	12	Develop an inclusive and sustainable growth framework that will sit alongside the Strategic Transport Plan and ensure that this is embedded in TfN's Investment Programme Assurance Framework. March 2021	Not Started This KPI doesn't start until KPI 16 has been completed, this is because as part of the Northern Transport Charter we are working with Members to identify the principles of an inclusive and sustainable North.
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	On Track In progress. There was a substantive discussion at the TfN Scrutiny meeting on 14 May 2020.
Modelling and Analysis	14	Complete and deploy the Analytical Framework throughout TfN's programmes. March 2021	Delay There is a risk of delay to delivery and deployment of the analytical framework due to a number of resourcing factors, including staff absence due to COVID-19 and staff leaving the organisation. These delay risks are being managed in partnership with the TfN programmes.
Organisation	15	Develop and provide a Spending Review Submission to Government. At date set by HMT	On Track No firm timetable has been provided for the Spending Review. In the meantime, TfN continues to develop the Northern Transport Charter, which will form the basis of its submission.
Organisation	16	Develop and adopt the Northern Transport Charter. June 2020	Delayed Work continues on the Northern Transport Charter with officers drafting papers to present to the next Members' working group which has been rescheduled from March to June as a result of COVID-19. This has had a knock-on effect and it is now planned to present a final version to the July or September 2020 Board for adoption.



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Transport for the North Scrutiny Committee

Subject: Economic Recovery Plan (ERP)

Author: Owen Wilson, Major Roads Strategy Manager

Sponsor: Peter Molyneux, Major Roads Director

Meeting Date: Wednesday, 8th July 2020

1. Executive Summary:

- 1.1 The impact of the Coronavirus Pandemic looks likely to result in the sharpest economic slowdown in living memory.
- 1.2 As social distancing restrictions start to be lifted there will be an urgent need to stimulate economic activity, boosting business confidence and supporting jobs.
- 1.3 Using the evidence from work on the Investment Programme that Transport for the North (TfN) has developed with partners, the North is in a strong position to put forward an urgent and compelling case for accelerated delivery of transport infrastructure and other investment. A well-planned stimulus should provide an immediate economic boost and lay the foundations for the long-term advancement of a sustainable economy, including levelling up of economic disparity across the UK.
- 1.4 TfN can draw upon evidence from work on sequencing the Northern Investment Programme, Long Term Rail Strategy, from the Northern Powerhouse Rail (NPR) programme and from input into Network Rail and Highways England delivery programmes.
- 1.5 However, given the need for a rapid economic stimulus the Economic Recovery Plan (ERP) should not be constrained to just considering schemes in the Investment Programme and TfN will work with partners in identifying proposals for other schemes that could be mobilised quickly and make the most of opportunities as they arise.
- 1.6 Although Government has yet to announce proposals for an ERP, or when that would be agreed, we need to ensure the North is prepared to make a strong case for accelerated investment and therefore propose to prepare a Transport ERP for consideration at TfN Board in

July.

- 1.7 On the 11th June TfN Board agreed that TfN should write to the Secretary of State for Transport setting out the work that is underway on developing an ERP and highlighting the key messages the North should put across to Government at this time. A copy of the letter, sent is attached as appendix 1.
- 1.8 This report briefly sets out the process by which TfN is developing, with partners, a realistic but ambitious package of transport interventions.

2. Background:

- 2.1 The proposals in the Economic Recovery Plan, combined with our ambitious proposals for Northern Powerhouse Rail and the wider Integrated Rail Plan, will support the rebuilding of the economy after the crisis, whilst laying the foundations for a transformed North in the Strategic Transport Plan and Northern Transport Charter.
- 2.2 A strong case for early investment will need to demonstrate clear alignment with strategic objectives, including delivery of a more resilient and sustainable transport network, and critically strong evidence of the benefits of, and feasibility of accelerated delivery.
- 2.3 Transport interventions identified within the Strategic Development Corridor (SDC) Programme have very recently been assessed using the qualitative sequencing framework endorsed at TfN Partnership Board in January 2020. TfN will work with partners, building upon the evidence in the sequencing report to identify potential accelerated 'early delivery' schemes. This list of schemes will need to be both realistic and ambitious.
- 2.4 Given the need for a rapid economic stimulus the ERP should not be constrained to just considering schemes in the Investment Programme. For example, interventions that could be mobilised quickly and have lasting benefits might include, 'spend to save' initiatives, including: -
- a) Investment in decarbonising transport
 - b) Greater digital connectivity
 - c) Improving the flexible ticketing offer for public transport customers
 - d) Major maintenance programmes, particularly where improving transport reliability and resilience
 - e) Taking forward aspects of the Long-term rail strategy hitherto not well advanced by the industry and
 - f) Investment to support rail services and recovery from the current crisis.

There could also be opportunities to propose funding for up-front development work, for example where there are evidence gaps in meeting the conditional outputs in the Long-Term Rail Strategy.

-
- 2.5 In order to maintain a consistent approach, we have adopted a similar approach to that used for in the Investment Programme Sequencing Framework to consider schemes put forward for the Economic Recovery Plan (ERP) and using the same four-point qualitative assessment criteria used for the SDC sequencing. However, TfN will need to be flexible in its approach if Government ask for investment priorities sooner than the proposals set out below.
- 2.6 The assessment framework and qualitative assessment principles, are attached as appendix 2.

Given the sense of urgency and need for a streamlined assessment development of the ERP will include the following key principles:

- a) It will reflect the challenges of Covid-19, particularly for public transport, and include investment to support recovery of the transport network.
 - b) It will include 'shovel ready' projects to be part of a Northern Infrastructure Pipeline (NIP) that are ready to go from the autumn, start employing people directly and provide an immediate injection of capital into the North's economy (as HS2 is now doing in the south).
 - c) It will identify projects close to agreement / procurement that can be accelerated in the short term and provide confidence to the industry (supporting retention / recruitment of staff, investment in skills, and investment in pipeline capability)
 - d) It will include longer term projects – ie later 2020s that will help promote dependent development and inward investment in anticipation of schemes being delivered.
 - e) That we will work with our partners to ensure our programme supports better integration across transport modes, and to support a joined up approach at a regional and local level and ask that Government move quickly to devolve funding and decision making on local public transport to city regions and local transport authorities.
 - f) That we will build sustainability in to how we plan and deliver transport in the North. For example, supporting new lower carbon technologies, improved digital connectivity and long term sustained investment in Active Travel.
 - g) That major schemes already in government processes, including road schemes in RIS2 such as the A66 and A63, and rail schemes such as the Transpennine Route Upgrade and the Central Manchester Corridor, are progressed with all reasonable speed.
- 2.7 Work on the ERP requires engagement and candid feedback from TfN Partners. This is a process that has already worked for the SDC work, and in 2019 worked very well, when identifying and short-listing highway schemes for the TfN Major Road Network (MRN) Regional Evidence Base.

-
- 2.8 Following a request for partner input into developing the ERP we have now received around 150 proposals for potential schemes and are now in the process of reviewing and sifting proposals, using the ERP proformas and assessment criteria.
- 2.9 In addition to assessing each scheme on an individual basis we will review and prioritise the programme as a whole. This will include a 'sense check' on the scale of the programme, deliverability of the programme as a whole and of multiple schemes within one authority or combined authority area.
- 2.10 We also aim plan to present the programme with key themes:
- Interventions which support immediate recovery of the economy and the transport network, for example flexible and contactless ticketing, rapid delivery of 'ready to go' schemes and sustained investment in Active Travel.
 - Schemes which can be on site within 2-4 years and which support longer term recovery and sustainable and inclusive growth – our expectation is that most of the schemes in this category will be drawn from the TfN Investment Programme.
 - Interventions where there is a need for investment in bringing forward development work to support priorities for start of delivery in the next 5-7 years.

3. Conclusion and next steps

- 3.1 Through working together as 'One Voice' the North is in a strong position to put forward an urgent and compelling case for accelerated delivery of transport infrastructure.
- 3.2 TfN is in a unique position to coordinate development of an Economic Recovery Plan for the North, has started initial work so that we are ready to table a fully worked up ERP proposal for consideration at TfN Board on 29th July.
- 3.3 Scrutiny Committee is asked to:
- a) Comment on the approach to developing the TfN Economic Recovery Plan

4. Options Considered:

- 4.1 Not applicable at this stage as there are no options to be considered.

5. Considerations:

- 5.1 The approach to developing an Economic Recovery Plan (ERP), as detailed in this report.

6. Appendices:

- 6.1
 1. Letter to Secretary of State for Transport
 2. Proposed ERP assessment framework

List of Background Documents

TfN Qualitative Sequencing Report

Required Considerations

Please confirm using the yes/no options whether or not the following considerations are of relevance to this report.

Equalities:

Age	Yes	No
Disability	Yes	No
Gender Reassignment	Yes	No
Pregnancy and Maternity	Yes	No
Race	Yes	No
Religion or Belief	Yes	No
Sex	Yes	No
Sexual Orientation	Yes	No

Consideration	Comment	Responsible Officer	Director
Equalities	An Impact assessment has not been carried out as this report is seeking endorsement for the approach to developing the ERP	Owen Wilson	Peter Molyneux

Environment and Sustainability

Yes	No
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Consideration	Comment	Responsible Officer	Director
Sustainability / Environment	Sustainability / environmental risks and opportunities will be considered at a high level, using a qualitative assessment to develop the ERP.	Owen Wilson	Peter Molyneux

Legal

Yes	No
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Consideration	Comment	Responsible Officer	Director
Legal	TfN Legal Team has confirmed there are no obvious specific legal implications. TfN Board has power to make the recommended decision.	Julie Openshaw	Dawn Madin

Finance

Yes	No
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Consideration	Comment	Responsible Officer	Director
Finance	The Finance Team has confirmed that at this stage there are no immediate financial implications for TfN.	Gareth Sutton	Iain Craven

Resource

Yes	No
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Consideration	Comment	Responsible Officer	Director
Resource	TfN HR Team has confirmed at this stage there are no resource implications.	Stephen Hipwell	Dawn Madin

Risk

Yes	No
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Consideration	Comment	Responsible Officer	Director
Risk	A risk assessment will be carried out when work on the ERP commences and any key risks will be included in	Haddy Njie	Iain Craven

	the corporate risk report.		
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Consultation

Yes	No
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Consideration	Comment	Responsible Officer	Director
Consultation	The ERP will be developed through engagement with TfN partners. As work has yet to commence there has been no consultation at this stage.	Owen Wilson	Peter Molyneux

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

11th June 2020

Dear

Economic Recovery Plan - The Northern Investment Pipeline

In response to the profound impacts Covid 19 has had upon our economy, Transport for the North and our constituent partners have started work on identifying interventions that would stimulate an economic recovery for the North.

Building upon TfN's existing Investment Programme for the North, which we submitted to you in February 2019 as part of our statutory advice, we started work in early May 2020 to identify opportunities for fast tracking development and delivery of transport improvements. Key principles for our Economic Recovery Plan are:

- It will reflect the challenges of Covid-19, particularly for public transport, and include investment to support recovery of the transport network.
- It will include 'shovel ready' projects to be part of a Northern Infrastructure Pipeline (NIP) that are ready to go from the autumn, start employing people directly and provide an immediate injection of capital into the North's economy (as HS2 is now doing in the south).
- It will identify projects close to agreement / procurement that can be accelerated in the short term and provide confidence to the industry (supporting retention / recruitment of staff, investment in skills, and investment in pipeline capability)
- It will include longer term projects – ie later 2020s that will help promote dependent development and inward investment in anticipation of schemes being delivered.
- That we will work with our partners to ensure our programme supports better integration across transport modes, and to support a joined up approach at a regional and local level and ask that Government move quickly to devolve funding and decision making on local public transport to city regions and local transport authorities.
- That we will build sustainability in to how we plan and deliver transport in the North. For example, supporting new lower carbon technologies,

improved digital connectivity and long term sustained investment in Active Travel.

That major schemes already in government processes, including road schemes in RIS2 such as the A66 and A63, and rail schemes such as the Transpennine Route Upgrade and the Central Manchester Corridor, are progressed with all reasonable speed.

We have received 150 projects from across the north for consideration and we are reviewing these to take a full list of multi-modal interventions to TfN's Board meeting on the 29th July. However, we have identified early examples of investment that can be advanced quickly. These include road and rail improvements, more flexible rail ticketing interventions and a proposal for sustained investment in Active Travel and non-urban high-speed broadband.

The early projects we have identified for the northern infrastructure pipeline, some of which are waiting on investment decisions from the Department for Transport, include:

Schemes that can be delivered within 6-18 months, immediately supporting recovery from the impacts of Covid 19.

1. Covid has accelerated new ways of working and we believe moving quickly to subsidise non-urban high-speed broadband, as recommended in the National Infrastructure Assessment (NIA), is key to provide economic opportunities and help reduce future transport demand. This isn't an either/or as some have suggested the NIC identified the need for this alongside road and rail investment.
2. The current boost to active travel needs support to develop temporary facilities and then year in year out investment devolved to city regions and local authorities. Many small projects supporting local construction jobs. We have received proposals from across the North for fast roll out of improved walking and cycling networks.
3. In response to changing working patterns, introduction of flexi season smart rail tickets across the north and getting ready for future contactless travel. With contracts already in place, and at an estimated cost of £27M equipping all stations in the North with Platform Validators and/or gate upgrades could happen quickly providing local jobs and seeking to make travel simpler and easier.
4. Rapid deployment of contactless payment on Light Rail, so that the light rail networks in the North (Manchester Metrolink, Tyne and Wear Metro, Blackpool, Sheffield and Liverpool Merseyrail) all offer contactless payment and more flexible ticketing options. Estimated cost £28M.

5. Accelerated and co-ordinated delivery of Electric Vehicle charging infrastructure across local, regional and national networks. Dedicated and continuous funding will enable the rapid delivery of a widespread EV network which ensures no place is left behind. Supporting improvements to air quality and the UK in meeting committed carbon budgets.
6. Expansion of TfN's real time Open Data Hub to make available information that increases passenger confidence in using public transport, for example, data on seating capacity and crowdedness. Trust is a key enabler in getting passengers back on public transport, high quality information delivered in the right format at the right time is vital.

Schemes that support longer term economic recovery.

7. Large Local Majors and Major Road Network schemes within the 2020-2025 National Roads Fund programme.
 - a. New River Tees Crossing
 - b. Tyne Bridge & Central Motorway MRN scheme
 - c. A500 dualling in Cheshire East (Meremoor Moss – M6 J16)
 - d. A34 Cheadle MRN scheme
 - e. A1237 phase 1 improvements in York
 - f. A59 Kex Gill landslip

These projects between them, valued at around £400M, could support 4,000 jobs over 5 years.
8. Accelerated development and delivery of the Road Investment Strategy
 - a. A66 dualling developed at speed and getting elements of the project underway faster than currently scheduled.
 - b. Bringing forward delivery of other RIS3 Programme schemes (e.g. A1 upgrade Doncaster – Darrington / A64 Hopgrove).
9. Fast tracked decision making on partner promoted rail schemes, such as the Cumbrian Coast Line, Skelmersdale Line and continued emphasis on quick delivery of Middlesbrough and Darlington Station upgrades.
10. TfN and industry believe that fully gauge clearing and electrifying the Trans Pennine Route Upgrade is necessary. And that measures to support rail freight including improved access to TeesPort, Humber Ports, Port of Tyne and Port of Liverpool and capacity and W12 loading gauge work on TRU and on diversionary routes such as the Calder Valley and Copy Pit line are critical to ensuring Northern Ports fully support international trade as the UK develops new trading relationships across the world.
11. Rail Network Enhancements Pipeline schemes to address congestion at key hubs and improve reliability across the North. For example, TRU, plans to improve the Hope Valley line, interventions in Central

Manchester and at Leeds Station needed to underpin the benefits of the Trans-Pennine Upgrade and deliver more reliable services. Improving specific junctions in Leeds such as Whitehall and the Castlefield corridor in Manchester will also enhance the opportunity for more rail freight.

12. We advocate investment now in schemes and pilot studies to progress decarbonisation of transport. Prime examples being:
 - a. Tees Valley Hydrogen Train project, which is awaiting approval for funding, is developed and has significant support across industry and local authorities.
 - b. Battery technology for the Windermere line and on Merseyrail Trains, optimising train performance and allowing operation beyond the existing electrified network, without the need for new rail infrastructure. This would greatly increase public transport connectivity across the North West, increasing access to jobs, education and leisure opportunities.

It is trail-blazing pilot projects like this that will pave the way for innovative and creative solutions across the wider network.'

The impact of the Covid 19 crisis reinforces the call of our Board over the past year for a devolved "Northern Budget" that will allow for investment decisions to be made by the people who live and work in the north of England. Decision making at a regional level will deliver accelerated investment, increase competitiveness and help stimulate economic growth.

We stand ready to work with you and your department to drive an economic recovery as part of the Government's levelling up agenda. We look forward to continued dialogue on our initial examples and as we develop the full recovery plan.

TfN will submit a comprehensive programme of schemes after its Board meeting in July.

Yours sincerely,

Barry White
Chief Executive Transport for the North

Economic Recovery Plan Appendix 1 – Proposed assessment framework

Assessment Objectives

Proposed interventions will be assessed using the following criteria.

Table 1

Ref	Tier One Assessment Criteria – against core objectives and assessment of deliverability Notes: <ul style="list-style-type: none"> • Tier One assessment would be applied to all proposals. • Primary focus is on deliverability of schemes within proposed time period. • Assessment will stop at tier one if schemes are considered undeliverable by 2025 or for proposals on development work, by 2026/27. 	Rating (4-point)
ST1	Does the intervention align with the STP vision and objectives?	
ST2	To what extent is there a risk that the intervention could act in opposition to any of the applicable STP policy positions?	
EC1	Does the intervention help support higher productivity, greater local and /or a more balanced northern economy, and greater net employment within the North?	
SU1	Would delivering the scheme support TfN and Government commitments for decarbonisation of transport?	
Deliverability Assessment Criteria		
AC1	Is the intervention anticipated to attract transport user, business user and political support, based on the nature of the intervention?	
AC2	Is the level of disruption which may be caused by the construction of the scheme likely to be acceptable to customers?	
DL1	To what extent is the scheme proposal in as much detail as is currently understood, constructible and viable. (Assessed based on the proposed delivery time frame to start on site before 2024/25 & for development work 2026/27)	
DL2	Are there significant external influences which could affect the viability or delay the scheme progressing (including DCO requirements)?	
DE1	Is there any inter-relationship between this intervention and another scheme which may not be in place, where this intervention should only be delivered after another in completed, in order to achieve the best outcomes?	
DE2	Is there any inter-relationship between this intervention and another scheme which may not be in place, where this intervention can only be delivered after another in completed, due to the technical dependencies between schemes?	
<p>Potential outcomes of tier one assessment, aligns with core objectives and is:</p> <ul style="list-style-type: none"> • Deliverable by 2025 – proceed to tier two • Proposal is for accelerated development work, deliverable by 2026/27- proceed to tier two <p>Not aligned with core objectives and/or not deliverable – remove from proposed programme of schemes</p>		

Economic Recovery Plan Appendix 1 – Proposed assessment framework

Ref	Tier Two Assessment Criteria – more detailed assessment (only applied to schemes that progress from Tier One)	Rating (4-point)
ST3	Does the intervention address a significant current or future problem on the major transport network in terms of performance and/or resilience?	
ST4	Does the intervention present opportunities to support local strategies to support growth which will be in place by 2025 (for development work 2026/27) (e.g. spatial and economic plans). How dependent are these on improved transport connections?	
ST5	Does the intervention align with national infrastructure schemes and priorities, which are expected to be in place by 2025 (for development work 2026/27)?	
ST6	Does the intervention support the movement of freight, international connectivity, UK trade and investment?	
ST7	Does the intervention present opportunities for investment to align with the development of new technologies and/or complementary behaviour change programmes?	
ST8	Does the intervention present opportunities to improve the resilience of the north's transport network?	
EC2	Does the intervention help support higher productivity, through reductions in the cost of travel for businesses and/or increased economic agglomeration?	
EC3	Does the intervention help support greater local investment and/or a more balanced Northern economy?	
EC4a	Does the intervention help support greater labour market participation, and/or greater net employment within the North?	
EC4b ¹	Does the intervention have an immediate impact on increasing employment and at what scale e.g. 5-10 jobs, 10-50 jobs, 50+ jobs.	
SU2	Does the intervention have the potential to contribute towards improving conditions in areas where air quality is a significant concern?	
SU3	Could the scheme contribute towards a more inclusive, and better integrated sustainable transport network, including enhancing the potential for multi-modal journeys and active travel?	
SU4	Are there any potential environmental constraints identified which could stop the scheme being delivered before 2025 (for development work 2026/27)?	
AF1	What is the scale of the whole life capital and operating costs? (Low / Medium / High / Very High)	
AF2	Is the scheme affordable during the period 2020-2025 & for development 2020-27 when considered as an individual intervention?	
	Tier two assessment to be used to gather further information on schemes, and to help develop a credible, but ambitious programme aligned with STP objectives and principles of the Northern Charter.	

¹ This is an additional criteria not used for SDC2 sequencing, but would provide useful data to support a bid for Economic Recovery Plan funds.

Economic Recovery Plan
Appendix 1 – Proposed assesement framework

Assessment Principles

Consistent with the SDC sequencing proposed schemes will be assessed against the tier one and tier two criteria using a qualitative four – point scale, following with the principles set out in table 2(To be used for schemes proposed for accelerated delivery by 2024/25) & 3

Table 2 - Assessment Principles

Objectives	Acceptability	Technical Feasibility – scheme delivery		Dependencies	Rating
Strongly supports objective	Strong user, business or political support	No third-party interfaces or statutory planning requirements identified at this stage	Scheme is constructible and viable before 2024/25 , with no associated risk	Scheme is not technically dependent on another scheme.	
Aligns with objectives	Some user, business or political support	Limited interfaces identified, with third parties likely to endorse proposals. No statutory planning requirements expected	Marginal risk, mitigation possible within usual structures	n/a	
Limited or negligible contribution to the objective	No/limited user, business or political support	Many third-party interfaces, but with clear definition. Potential for conflict but expected to be manageable. Statutory planning likely	Some significant risk, mitigation possible	Scheme is dependent on at least one of scheme, which is considered more than likely to be completed by 2025	
Potential hinders the objective	Likely to be opposed by some users, businesses or politicians	Significant and complex interfaces, across multiple third-party partners and organisations. High likelihood of conflict and need for negotiation. Statutory planning more than likely	Significant risk, no identifiable mitigation strategy at this stage	Scheme is dependent on at least one of scheme, for which delivery by 2025 is less than certain	

Economic Recovery Plan
Appendix 1 – Proposed assesement framework

Table 3 - Assessment Principles (Scheme feasibility / development only, and deliverable by 2026/27) – this is for assessment of proposals for accelerated work on business case development, for example this could include funding for onsite survey work.

Objectives	Acceptability	Technical Feasibility – scheme development		Dependencies	Rating
Strongly supports objective	Strong user, business or political support	Early feasibility work would have a strong likelihood of accelerating delivery of schemes	Scheme is constructible and viable 2026/27 , with no associated risk	Scheme is not technically dependent on another scheme.	
Aligns with objectives	Some user, business or political support	Early feasibility work would potentially accelerate delivery of schemes	Marginal risk, mitigation possible within usual structures	n/a	
Limited or negligible contribution to the objective	No/limited user, business or political support	Early feasibility work would have little or no impact on bringing forward delivery of schemes	Some significant risk, mitigation possible	Scheme is dependent on at least one of scheme, which is considered more than likely to be completed by 2026	
Potential hinders the objective	Likely to be opposed by some users, businesses or politicians	Early feasibility work would have no impact on bringing forward delivery of schemes	Significant risk, no identifiable mitigation strategy at this stage	Scheme is dependent on at least one of scheme, for which delivery by 2026 is less than certain	

**Economic Recovery Plan
Scrutiny Committee**

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8th July 2020





Economic Recovery Plan (ERP) - Why

- The impact of the Coronavirus Pandemic looks likely to result in the sharpest economic slowdown in living memory.
- As social distancing restrictions start to be lifted there will be an urgent need to stimulate economic activity, boosting business confidence and supporting jobs.
- The North is in a strong position to put forward an urgent and compelling case for accelerated delivery of transport infrastructure and other investment.
- A well-planned stimulus should provide an immediate economic boost and lay the foundations for the long-term advancement of a sustainable economy, including the levelling up of economic disparity across the UK.
- The ERP was discussed at TfN Board on 11th June





Economic Recovery Plan (ERP) - Principles

- Reflect the challenges of COVID-19, particularly for public transport, and include investment to support recovery of the transport network;
- Include 'shovel ready' projects as part of a Northern Infrastructure Pipeline (NIP) that are ready to go from this autumn, start employing people directly and provide an immediate injection of capital into the North's economy (as HS2 is now doing in the South);
- Identify projects close to agreement/procurement that can be accelerated in the short-term and provide confidence to the industry (supporting retention/recruitment of staff, investment in skills, and investment in pipeline capability);
- Include longer-term projects that will help promote dependent development and inward investment in anticipation of schemes being delivered;
- Support better integration across transport modes, creating a more joined up approach at regional and local level, supported by further devolved funding and decision-making on local public transport to city regions and local transport authorities
- Build sustainability into how we plan and deliver transport in the North, including support for new lower carbon technologies; improved digital connectivity; and long-term sustained investment in Active Travel; and
- Accelerate major schemes already in government processes, including road schemes in RIS2 such as the A66 and A63, and rail schemes such as the Trans-Pennine Route Upgrade and the Cumbrian Coast Line.



Economic Recovery Plan (ERP) – Narrative

TfN will set out an Economic Recovery Plan that aims to **rebuild** and **transform** the North’s economy.

Rebuild....

- The North’s economic output and labour market to a level of where it was before the crisis.
- The passenger usage and capacity on the rail network, without returning to overcrowded trains and cancelled services.
- Jobs and investment in construction and transport planning to support the economic recovery, promote skills and build a Northern based supply chain.
- The confidence of businesses to invest in our towns, cities and other places.

Transform...

- The economic model of the North of England so that there is a more inclusive and sustainable greener growth that helps rebalance the UK economy by redesigning its economic architecture.
- The capacity and resilience of the current rail network by building transformative schemes such as Northern Powerhouse Rail to future proof the north’s rail network.
- Our economy to a greener and more decarbonised economy fit for future generations.
- The current appraisal methodology that guides decisions over the approval of infrastructure projects to help the North truly “level up”.



Economic Recovery Plan (ERP) – Narrative (2)

The proposals in the Economic Recovery Plan, combined with our ambitious proposals for Northern Powerhouse Rail and the wider Integrated Rail Plan, will support the rebuilding of the economy after the crisis, whilst laying the foundations for a transformed North in the Strategic Transport Plan and Northern Transport Charter.

These ambitions are underpinned by some clear asks of government around a **Northern Budget** and a **Northern Infrastructure Pipeline**:

Northern Infrastructure Pipeline – the ERP is a “£5bn” pipeline of northern infrastructure schemes that can be accelerated and got underway over the medium term, and which can be further added to periodically.

Northern Budget – This is a TfN controlled long-term funding settlement for strategic transport infrastructure in the North that is agreed by TfN and central government. TfN would be responsible for identifying the balance of need between road and rail on a pan-modal basis, and sponsoring and managing specific schemes.





Economic Recovery Plan (ERP) – Assurance

- The short timescale for work on the ERP means that we haven't the time or resource to complete a thorough due diligence assessment of all of the ERP proposals.
- Nor at this stage have we asked for a substantial amount of work from partners. However using the information provided we have aimed to ensure that we understand the scope of the schemes, that the proposals are aligned with STP Objectives and that schemes have a strong chance of delivery within the ERP timescales.
- In submitting the ERP TfN will make the case for additional and accelerated investment in transport infrastructure in the North.
- TfN partners will need to ensure they are resourced to take forward work on scheme delivery.



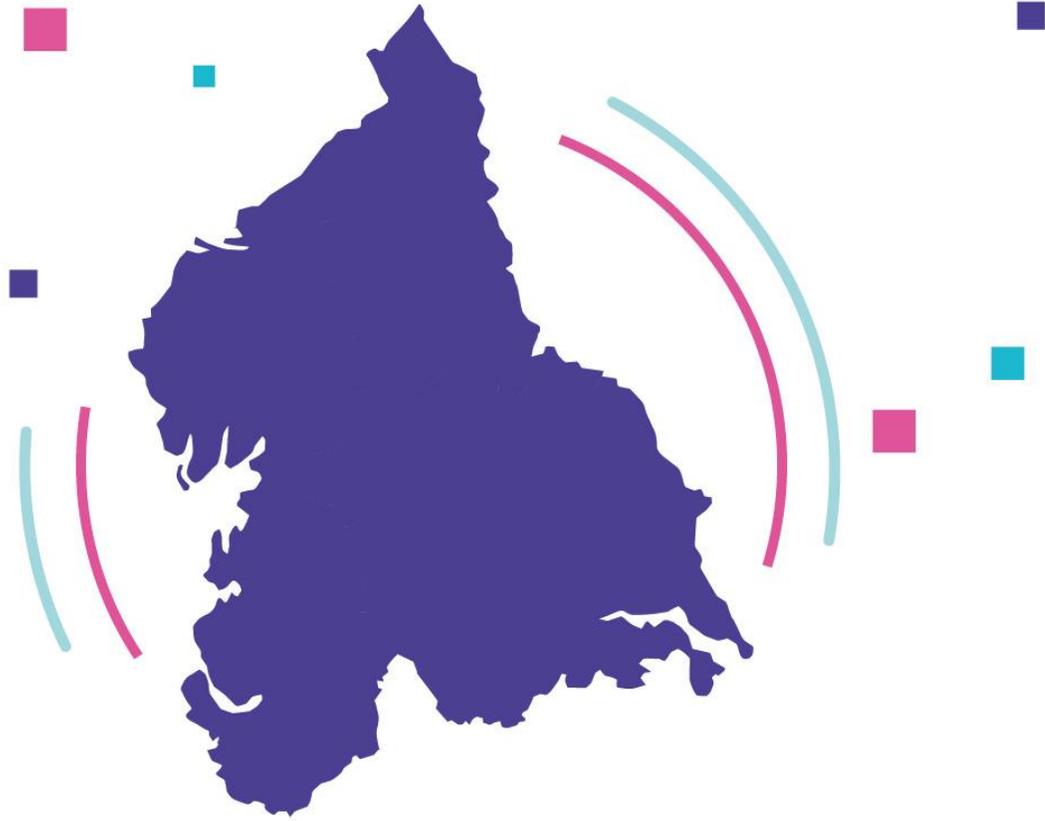


Economic Recovery Plan (ERP) - timetable



Task	Date
Final Programme Level Review	03/07/2020 - 10/07/2020
Process to be presented at TfN Scrutiny	08/07/2020
Report to be presented to Executive Board	20/07/2020
TfN Board	29/07/2020
Submit Economic Recovery Plan	Following TfN Board (subject to approval)

By the **North**
For the **North**



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