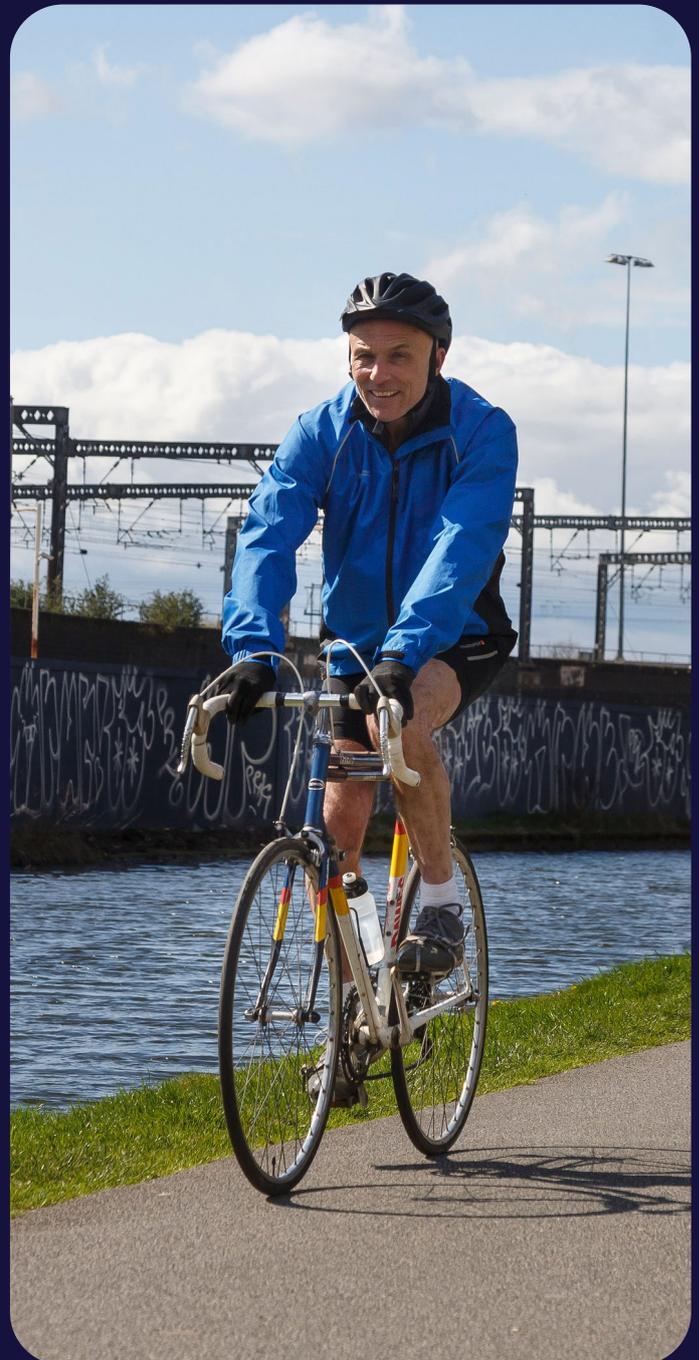
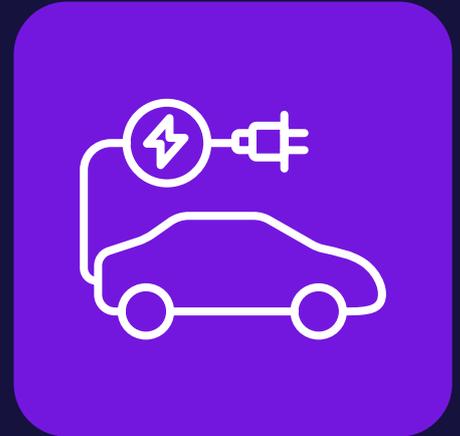


2023-2024 Business Plan





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1.

Foreword: TfN Chair Lord McLoughlin

Welcome to Transport for the North's Business Plan for 2023-24. Five years on from being established as a statutory body the year ahead is important, both for TfN and for the communities and businesses across the North.

A key focus of this Business Plan is our work to review, refresh, and update the Strategic Transport Plan (STP). It is through this document that the political and business leaders on the TfN Board come together to set out a shared vision for the North, one that captures the potential of the North's economy, and which then sets out how the region's transport system needs to evolve to realise that potential.

The past year has brought many challenges for the North's transport system, particularly in terms of inflation and its effect on the costs of public transport operation, and on industrial relations within the rail sector. For our residents and businesses having access to a reliable and affordable transport system is a fundamental requirement. The user experience of late remains one that all too often fails to meet that expectation.

However, the evidence remains clear: the economic potential of the North is huge, the need to decarbonise our transport system remains a priority requiring urgent action, and we must do more to ensure that our transport system is more equitable.

We know we need to invest more in our transport infrastructure and services, but we also know that our approach needs to reflect the changes in travel choices and behaviours that we've seen in more recent times. Our work as TfN needs to be a catalyst for change in the way we plan, develop, and deliver solutions.

The revision of our STP is the North's opportunity to set out the way forward, using the evidence base assembled by TfN, and for all those with an interest in realising the potential of the North to recommit themselves to working in partnership to make that future real.

Set against a backdrop of a challenging financial environment it is heartening to see government continue to move forward with investment in the Trans-Pennine Route Upgrade and to retain its commitment to the initial stages of the Northern Powerhouse Rail through funding of the Integrated Rail Plan.

And so, we need to use our Strategic Transport Plan as the foundation for working with government, and our wider partners. We must use it as the means of ensuring that the North has a transport system that offers choice, to champion continued investment in our transport infrastructure and services, and to make the case for investment in enabling strategic infrastructure such as our energy systems and digital connectivity.

And we must also use the Strategic Transport Plan as a catalyst for setting out how we can simplify the process of getting things delivered on the ground. We believe that there are opportunities to simplify the way we identify investment priorities and provide better advice to the Secretary of State. We must continue to make the case for further devolution as the opportunity to reduce bureaucracy and accelerate delivery.



“ As we look forward to the year ahead, TfN stands ready to make the case for the North: one voice providing leadership on behalf of the North, grounded in cutting edge technical capability, working in partnership to grow, not just the North's economy, but the UK's. ”

Lord McLoughlin
Chair

2.

Foreword: Vice-Chair Cllr Louise Gittins

Never has it been more important for us to place the availability and affordability of our transport system at the heart of our thinking.

Transport for the North's (TfN) work on transport-related social exclusion has served to highlight how access to transport remains one of the biggest barriers to individuals realising their potential. And investing in transport to improve access to opportunities and services helps address issues of health inequalities that exist within our communities. It is why as TfN we focus on seeking to deliver outcomes, that are place-based, and user centred.

Energy price shocks over the course of the last year have underlined the need for the transport sector to innovate and diversify. Our work on electric vehicle charging infrastructure, and clean mobility, has helped to identify the path towards a cleaner road network and it is pleasing to see TfN's work in this area being shared more widely.

As we look forward to the next five-year Road Investment Strategy period it's important that we see our network of roads for what they are – multi-modal transport corridors. It is too easy sometimes to slip into thinking that roads are only about cars: they're not. For our highway network is the one used by pedestrians, by cyclists, and by buses (the public transport option used the most). It is along our highway network that goods and materials flow, bringing food to the shops, feeding raw materials in our factories, and distributing the end product to customers across the North and beyond.

TfN's work on decarbonising our transport system sets out the size of the challenge and the urgency with which we need to make real progress. And so, the revised Strategic Transport Plan is the opportunity to rewrite the narrative for our highway network to make it fit for the future.

Nearly 200 years on from the start of the first railway age that started with the opening of the Stockton and Darlington Railway, we need to plan for the second one. For growing our rail offer must be at the heart

of transforming the North's transport system. Through the Rail North Agreement, we have benefited from the first stage of rail devolution. Our experience of working in partnership with the government shows that empowering our operators creates opportunities to respond to changes in circumstances and target new markets in innovative ways.

We continue to see the creation of Great British Railways as an opportunity to build on the North's experience to date and to enable further devolution. Most of all we are up for the North being a pilot for rail reforms that will improve the offer to the user and retain our railways at the heart of the North's transport system.

These are challenging and uncertain times. Our bus and rail networks in particular are not giving our people the services they need and deserve. Routes are being cut and reliability has suffered. We are not prepared to let this continue. These problems have served to emphasise the importance of TfN and the need for a more coordinated and long-term approach to investment in our transport infrastructure and services.

“ Never has it been more important for us to place the availability and affordability of our transport system at the heart of our thinking. ”

Cllr Louise Gittins
Vice Chair

We understand just how transformational investment in better transport links are, bringing more jobs and greater economic opportunities. These connections open up our villages, towns and cities to the UK, and the world. Improving transport connectivity lies at the heart of what Transport for the North delivers for the region as a whole.



3.

LEP Perspective

Transport is the key to unlocking the North's unrivalled economic potential. Through an integrated, decarbonised transport network of rail and road, water, and air, we can not only reach our vital net-zero aims, but also add billions to the national economy. As we look to invest in green skills, in accessible employment and sustainable freight, Transport for the North's role is more vital than ever in bringing business and politics together as 'One Voice' for the North.

As a champion of the business voice, Transport for the North acts not just as a facilitator, but as an active amplifier of our voice through its unique ability to delicately reconcile the needs of enterprise with the political agenda. Through TfN, LEP's across the North have a voice that is listened to, and as we grapple with the ongoing economic challenges, we need Government to be an open ear.

Business is part of the solution to the ongoing challenges we face to the economy. As the newly-updated NPIER demonstrates, a transformed North can bring over £118 billion in GVA to the economy through the transformational infrastructure projects TfN has proposed through the right policy levels, at the right time, and with the right investment. Decades of underinvestment in our region has left our transport system

far less than the sum of their parts, meaning skilled workers are choosing to leave our region to work, freight is unreliable, and interconnectivity is poor. Passengers are experiencing disruption to planned journey's primarily due to poor performance by some rail operators.

The next year will be one of the most challenging TfN has faced. Inflation continues to put huge pressures on the economy, and this has seen HS2 be further delayed in order to reduce costs. It is our position as businesses across the North that we need Northern Powerhouse Rail to be delivered in full alongside HS2, to unlock our economy and instigate growth. However, whilst Whitehall makes the decisions about which pot of money goes where, it is the North that is suffering. Northern Leaders and businesses know best where this money is most needed, yet the areas that are most in need are missing out.

We need passengers to come first, Northern voices to be listened to, and vital transport and infrastructure projects to be delivered, and as we look to build the case for a thriving North of England with strong economic growth, the need for business to work with our elected leaders is as great as ever, and this is why we will continue to make the case for TfN's role as the voice of the North.

“ As the newly-updated NPIER demonstrates, a transformed North can bring over £118 billion in GVA to the economy through the transformational infrastructure projects TfN has proposed through the right policy levels, at the right time, and with the right investment.”



4.

About Transport for the North

Transport for the North is the voice of the North of England for transport. We are a statutory body of elected Political and Business leaders from across the North who collectively represent the region's sixteen million citizens and 1.1 million businesses. Complementing the work of existing Local Transport Authorities, and with powers devolved from central Government, our role is to add value by ensuring that funding and strategic decisions about transport for the North are informed by local knowledge, expertise, and requirements.

Transport for the North was established in 2018 with the following general functions:

- To prepare a transport strategy for its area;
- To provide advice to the Secretary of State about the exercise of transport functions in relation to its area (whether exercisable by the Secretary of State or others);
- To co-ordinate the carrying out of transport functions in relation to its area that are exercisable by different constituent authorities with a view to improving the effectiveness and efficiency in the carrying out of those functions;
- If TfN considers that a transport function in relation to its area would more effectively and efficiently be carried out by TfN to make proposals to the Secretary of State for the transfer of that function to TfN; and
- To make other proposals to the Secretary of State about the role and functions of TfN.



Jointly with DfT, we oversee rail services covering Northern and TransPennine Express contracts as part of the Rail North Partnership. We co-sponsor the Northern Powerhouse Rail (NPR) Programme which TfN co-designed with DfT and Network Rail. We also provide advanced analytical services to DfT in support of NPR business case and scheme development.

We work closely with Network Rail and contributed to long-term strategic planning for the railways in the North. We are working closely with the Department for Transport and the Great British Railways Transition Team on the opportunities for reforming the rail system for both passengers and freight.

We work collaboratively with National Highways to inform and influence the Road Investment Strategy. We ensure that our advice in respect of the Major Road Network complements the operation maintenance and improvement of the Strategic Road Network.



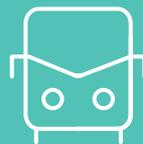
Our pan-Northern role means we are involved in many non-statutory partnerships to ensure we take a “systems approach” to transport planning. Our strategic partnerships, which we continue to maintain and develop to ensure our plans and those of our Local Transport Authority (LTA) partners are informed by evidence, include:



Regional economic strategy and development, through the NP11 and northern local enterprise partnerships (LEPs) who represent the business perspective on the TfN Board. We are supporting regional economic development, the Northern Powerhouse Independent Economic Review (NPIER), decarbonisation, and green growth activities.



Other pan-Northern bodies including Homes for the North, the Northern Powerhouse Partnership, the Northern Gas Network, and other energy providers. We are represented on the Yorkshire Climate Commission and have close links to bodies with a strategic interest in physical, digital, and spatial planning.



Our UK wide role as the largest Sub-national Transport Body (STB), including our formal and strategic partnerships with Transport Scotland, Transport Wales and the other STBs across England. We have close links to the National Infrastructure Commission, Rail Industry Association, Logistics UK, and Rail Freight Group.



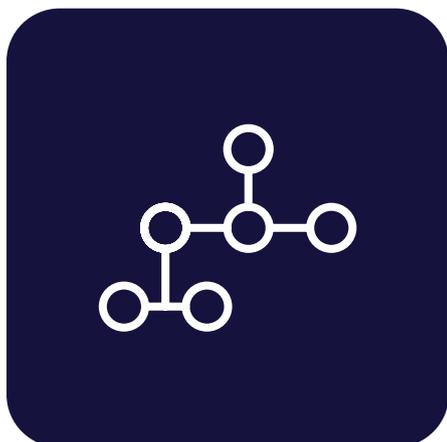
Our links to academics and research through the N8 and partnership with the Institute for Transport Studies as part of the Decarbon8 programme, as well as Herriot Watt and Durham Universities on Hydrogen and IPPR North on wider social issues. We established and chair the Northern Transport Academic Forum which brings together research interests to discuss key issues.

5.

Fit for the Future

In 2022/23, Transport for the North refocused on our statutory obligations. Reshaping TfN ensured that unlocking the full potential of North remains at the heart of what TfN is about.

This Business Plan reflects the new operating model for TfN, specifically focusing on being:



- A centre of technical excellence for the North – holding and collating information and analytical tools that are available to all partners;
- A source of trusted information – one that is available to all our partners locally, regionally, and nationally as a foundation on which to develop solutions;
- A strategic thought leader and champion of strategic transport planning – one that ensures the linkages between transport, digital and energy systems are reflected in decision making;
- An enabler of accelerated delivery – applying our capability and capacity in support of our partners as they bring forward solutions for implementation; and
- A trusted collaborator – working with partners (nationally and across the North) to maximise the leverage of its own activity to the benefit of our communities and businesses.

TfN's analytical capability is unique amongst Sub-national Transport Bodies. It remains central to TfN's work and is a capability that our partners increasingly look to make use of.

For 2023/24 TfN has been allocated additional funding by the Government to develop this capability further and develop business proposals that will enable our partners and other Sub-national Transport Bodies to draw upon it.

During 2022/23 we transitioned to our new co-sponsorship role on NPR. TfN has put together a new co-sponsorship team utilising existing and newly recruited staff located within the Strategic Rail team. We worked with DfT to develop the agreement that underpins the new relationship and establishing ways of working and reporting progress on NPR.

We have worked with partners on a new engagement strategy to ensure that both TfN and partners continue to have visibility of the relevant workstreams and can use the new co-sponsor agreements to seek to get the best outcome for the North. As part of the new arrangements the TAME team are continuing to provide bespoke technical support to the DfT business case work.

Separately, based on the evidence base underpinning the Strategic Transport Plan, TfN continues to make the case for delivery of NPR in full – the Board's preferred network as advised to the Secretary of State in 2021.

TfN continues to use its role as a Statutory Partner to shape the North of England rail programme. Notable achievements include implementation of the first stage in the strategy for unlocking congestion in Central Manchester (which has a knock-on impact across the North) through a major timetable change in December 2022. In 2023/34 TfN will continue to be an active partner in the Manchester Recovery Task Force to ensure a long-term solution for the congested Castlefield Corridor.

2022/23 has been particularly challenging for the North's rail passengers with Avanti, TPE and Northern passengers all experiencing unacceptable levels of performance. In 2023/24 TfN will continue to use its role in the Rail North Partnership to seek improvements including the development of detailed recovery plans.

Building on the progress made in 2022/23 our Business Planning has been shaped by the need to deliver.

- A Strategic Transport Plan – an outcome focused long-term strategic plan for the development of the North's transport system,
- An Investment Programme – ensuring that the North's strategic investment needs are reflected in the development and delivery of solutions,
- A focus on Implementation – investing in the technical capability and capability that sits within TfN and making that available to our partners to help accelerate delivery on the ground.

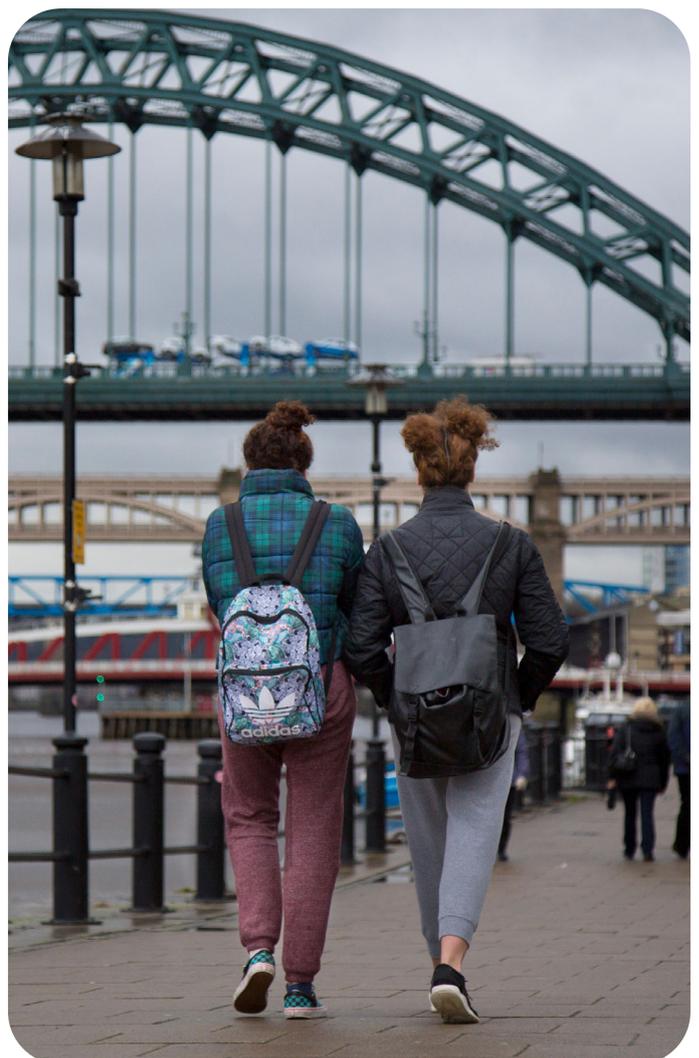
6.

Our Strategic Transport Plan

Transport for the North's core statutory duty is to produce a Strategic Transport Plan on behalf of the North of England. Its purpose is to set out, based on robust evidence, the strategic ambitions for transport, specifically pan-regional infrastructure priorities and issues that are common to many partners where there is efficiency in tackling them regionally. A revised Strategic Transport Plan has been developed during 2022/23 and a statutory consultation process will be held during the summer of 2023. Following the consultation, the Plan will be revised and formally adopted by the TfN Board before the end of 2023.

The Plan presents a clear vision for the North's transport network, supported by three strategic ambitions:

- A** Transforming economic performance;
- B** Rapid decarbonisation of the transport network; and
- C** Significantly reducing transport related social exclusion.



The revised Plan will be clear about our connectivity requirements between places in the North and between the North and the rest of the UK to deliver the outcomes and objectives of the plan, including the key road, rail and freight connections within TfN's Strategic Development Corridors. It is realistic about the scale of challenge we face to improve connectivity across the North (with strongest focus for TfN on improving connectivity between places and key economic assets), and why the current system is holding back investment.

The vision and strategic ambitions for the North in the Plan will be underpinned by a clear set of outcome measures and supporting metrics that will, collectively, guide TfN government and partner authorities in its implementation. The inclusion of clearly defined metrics underpinned by a robust monitoring and evaluation strategy and clear 'golden thread' between activities and outcomes represents a major step forward from the previous STP, including:

- A** Including a "right share" metric that will support efforts to reduce car dependency and create the capacity required to accommodate growth on our public transport networks;
- B** Explicitly recognise the scale of change required in accessibility required to unlock opportunity and reduce social exclusion;
- C** Put in place a long-term ambition to double the share of freight carried by rail; and
- D** Adopting the "vision zero" approach to eliminating deaths on our major road network by 2050.

Interim milestones for key metrics will identify the progress required over the next 10 years to deliver on the longer-term outcomes, reported through an annual TfN action plan, which we intend to introduce from 2024.

The Plan will support the preparation of the next round of Local Transport Plans, and so with partners we have developed the Policy and Place framework to provide a more robust and transparent demonstration of what needs to be true to achieve the outcomes in this Plan across the different geographies of the North. This innovative approach provides a tool to help ensure the high-level vision and objectives of the plan translates into meaningful outcomes and policies for all parts of the North's economy and society. This will form part of TfN's offer to local transport and combined authorities as part of our new role supporting the development of local transport plans.



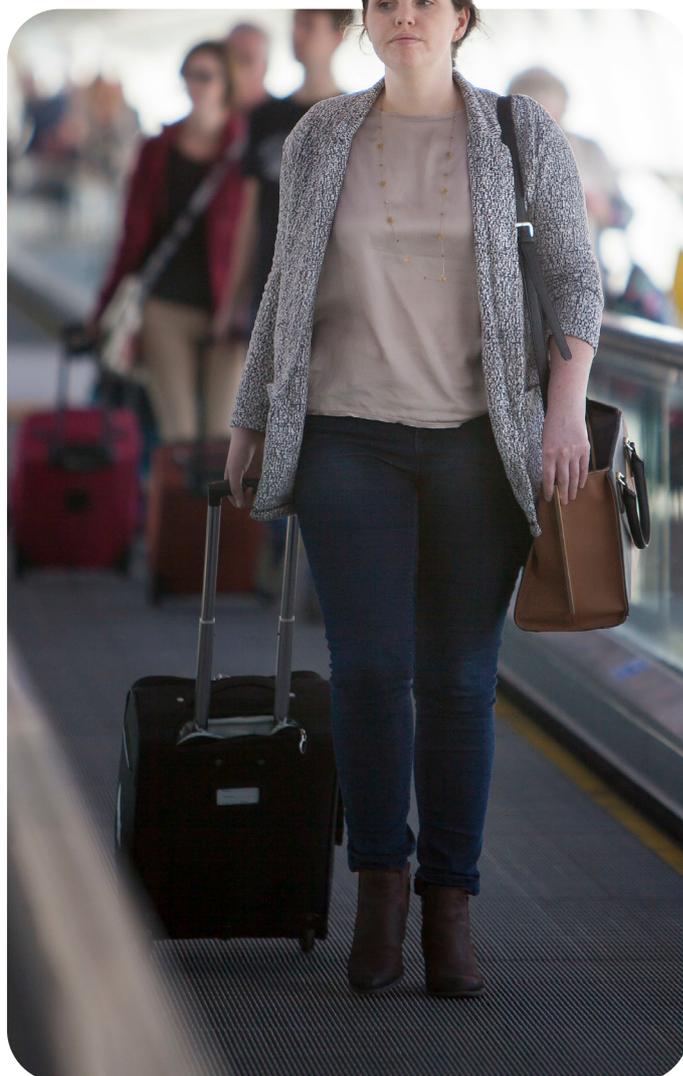
7.

Shaping the Future



Accompanying TfN's first Strategic Transport Plan was an ambitious Investment Programme which we have used, through Statutory Advice and other collaborative work, to feed into the respective investment processes for rail and road.

We will continue to make advice on the Roads Investment Strategy (RIS3) and the Rail Control Period 7 (CP7) process. In the case of rail, the majority of enhancements are delivered through the DfT's Rail Network Enhancements Programme (RNEP) and we will continue to use our seat at the table through Rail North Partnership to shape and support the programmes. We have supported the business case for central Manchester rail investment through the TAME team and are chairing the DfT's Stakeholder Forum for TransPennine Route Upgrade ensuring that partners have a strong voice in the delivery arrangements and helping ensure that the maximum value of the committed investment is delivered.



Whilst there is a clear need for investment in physical infrastructure on the North's road and rail networks, fares and ticketing (particularly complexity and value for money) are major barriers to travel. In 2023/24 TfN will continue to build on its new Connected Mobility service. An outline strategy was endorsed by the Board in 2022/23 and this is being developed into a full strategy to present to the board in summer 2023.

The core objective of this strategy is to be a catalyst for sharing best practice and common standards, reduce duplication of effort and make the case for more joined up investment through collaboration with partners. Whilst there will be a focus on fares and ticketing (including the roll out of Pay-As-You-Go Ticketing as committed in the IRP), the strategy will extend to other digital initiatives including bus data sharing, demand responsive systems and journey planning. In 2022/23 TfN utilised supplementary funding from the DfT to provide specific support to partner authorities who had identified a need and we plan to build on this under the guide of the Connected Mobility Hub.

We have led the way in publishing the UK's first Electric Vehicle Charging Framework and Evidence Base, using data on travel demand, the rate of and distribution of the uptake of electric vehicles to identify where, when, and how chargepoints will be required to meet demand over the next decade. This provides public and private sector partners with information they can use to plan for the installation of chargepoints and electricity supply infrastructure. In 2023/24 we will support local authority partners work on accessing government funding through the Local Electric Vehicle Infrastructure (LEVI) fund.

In 2023/24 we will update Transport for the North's Future Travel Scenarios. First developed with input from partners and industry experts in 2019 the scenarios identify a range of plausible futures, impacting on travel demand over the period up to 2050. The scenarios encompass a wide range of change levers (e.g., Spatial planning policy, mobility pricing, societal trends and use of technology). In 2023 we will update the scenarios to reflect the updated Northern Powerhouse Independent Economic Review, changes resulting from the impact of the Covid pandemic, and the increasing emphasis on the need to reduce carbon emissions. This will provide critical underpinning evidence to update the TfN Decarbonisation Strategy and to shape TfN recommendations on transport investment.

In 2020 the UK government made the commitment to end the sale of new petrol and diesel cars and vans by 2030. The electrification of road vehicles means that the exchequer will lose revenues from fuel duty and road tax. (c.£35bn/yr)¹. Future measures should not solely be about the money, nor should we be considering road pricing alone. TfN is committed to promoting the need to consider all modes of transport when making investment choices and will seek to engage with government and industry partners to help shape the debate on achieving a fair transition to a new approach to paying for how we use our roads and determine how revenue raised is invested in all forms of surface transport.

There is now a substantial pipeline of rail investment schemes through the North of England Programme (funded by the DfT). Whilst these are at various stages of development, and not all are committed, they cover the majority of areas that could be considered bottlenecks or in need of other investment (for example, Central Manchester, West Coast Main Line North, Hope Valley, Sheffield, TransPennine Route Upgrade, Leeds Station Area (including Bradford), East Coast Main Line (North of York), Darlington and Hartlepool).

In parallel with the planned review of rail services, TfN will also review the investment programme against the emerging Strategic Transport Plan and bring forward recommendations to the board where gaps are identified or there are opportunities to speed up or otherwise enhance delivery. Examples of the latter are contained in TfN's Journey Time and reliability/resilience programmes where there are opportunities to add to speed up industry schemes to deliver quick wins that could significantly improve the position for customers in the short-term.

¹Source Office for Budget Responsibility (obr.uk), this figure excludes VAT applied at a rate of 20% to fuel.



8.

Implementation through Collaboration



Implementation of the Strategic Transport Plan outcomes relies on a combination of statutory advice (to the Secretary of State for Transport) and effective collaboration with the delivery partners. Network Rail, National Highways and HS2 are members of the TfN's Board.

TfN works with DfT to oversee delivery of the rail service contracts for Northern and TPE. TfN also inputs into the DfT's rail investment programme, through involvement in industry programmes.

This is the first stage of devolution and a building block for the Rail Reform plans for greater localisation. We will continue to use our roles to shape the development of services and infrastructure and help ensure that the two are integrated as far as possible.

Train services and other outputs are determined through an annual business planning process. TfN's will continue to ensure that its input helps ensure that the North's specific needs and issues are reflected in funding allocations. Given the tight financial situation for rail services we will take a lead on co-ordinating a review of rail services in the North to demonstrate how the available resources can be best deployed to maximise value for money alongside specific social and economic need in line with the Strategic Transport Plan.

Building on the Rail North Partnership, TfN's Board has set out the principles for entering into a new partnership with Great British Railways as part of the Rail Reform agenda. We will develop these principles into a specific proposal and 'case for change' with a view to transitioning to the new set of arrangements in parallel with the formal creation of Great British Railways. The core principles of transparency, accountability, localisation and integration will continue to be at the heart of our proposal which will be developed alongside (and integrated with) other partnerships including between GB Railways and Greater Manchester.

We are working collaboratively with National Highways to provide evidence on the North's requirements for investment in the strategic road network (SRN), inputting to RIS2 Programme delivery and work on shaping recommendations for future RIS investment. This includes development of TfN recommendations for SRN investment and contributing to the strategic and economic dimensions for RIS3 pipeline studies, feedback on emerging SRN Route Strategy documents and support for early stage assessment of the strategic need for interventions.



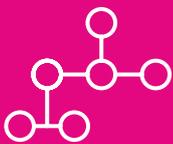
The STP is about effecting change in the way we plan, develop, and implement solutions with our partners. Delivering the outcomes in the revised STP will require longer term system reform, including:

- The simplification of funding streams, thereby removing cost and inertia from the delivery of investment.
- Greater flexibility in the application of the funding available, to ensure that it is targeted towards the delivery of outcomes that are place-based and user-centred.
- An increase in the total investment made in the North's infrastructure and services.

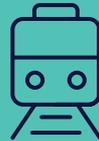
9.

Evidence-Based Strategic Thinking

Our core technical capability and capacity has been developed to make the case for investment in transport in the North of England and the opportunity is now to deploy that capability for the benefit of our partner organisations in our developing role as a regional Centre of Excellence. This includes:



Our advanced analytical framework and TAME team will continue to support the department's work on Northern Powerhouse Rail and the Integrated Rail Plan. TfN will work with our STB partners and DfT to develop products for wider application as part of the Common Analytical Framework.



Our support for Local Transport Authorities and Combined Authorities to deliver revised local transport plans, including direct support on Quantified Carbon Reduction. TfN will develop new tools and deploy existing assets to support LTAs with their plans.



In 2023/24, TfN will explore and agree with partners how we'll develop the offer to partners on a wider range of transport and economic development activities including business case and scheme development, helping to accelerate investment and reduce development costs.

10.

Our People and Finances

Whilst there is no change in TfN's statutory role as a Sub-national Transport Body, the Budget and Business Planning processes required a review of activities to ensure that they are focused on TfN's statutory role and responsibilities and are affordable.

In reshaping and reducing our establishment over the last 12 months the focus has been on ensuring that TfN remains capable of delivering its priority areas of activity. A guiding principle throughout has been to focus on retaining and further strengthening TfN's technical capacity and capability which will be critical as we continue to develop our role.



Business Model

The need to reshape TfN has been an opportunity to rationalise and simplify our processes and support functions to minimise overheads whilst continuing to meet the requirements of being a statutory body.

Despite these challenges, the North's leaders are committed to their pan-Northern objectives; continued collaboration; and securing a proactive and increased role in decision-making over the North's transport networks, whether through investment priorities or oversight of project delivery.

TfN is funded almost wholly by Government. Our new operating model for TfN, which was successfully introduced during 2022-23, places greater emphasis on investing in TfN's technical capacity and capability. Therefore, our Budget and Business Planning processes have been implemented with a reduced emphasis on externally procured services.

This Business Plan is based on an establishment for 2023/24 of 111 roles; of which 42 are to provide hosted activities (comprising 18 posts in the Rail North Partnership team and 24 posts within TAME). This modest increase in our establishment (circa 7 roles) is being made to support the delivery of the incremental priorities identified in the funding allocation letter around support for local government partners and other Strategic Transport Bodies. Recruitment of staff moving forward will be on a permanent basis given that this represents a better value for money proposition compared with the continued use of interim or consultant-based resourcing solutions.

The key factor affecting TfN on a medium-term basis is a cost base that is subject to inflation with a core funding allocation that is not directly inflation linked. Such factors are not unique to TfN and we will work with DfT to establish potential solutions ahead of a future Spending Review.



Expenditure

In order to deliver the activities set out in the Business Plan, we have total budgeted expenditure for 2023/24 of £16.1m. As a Sub-national Transport Body, we are unable to recover VAT on our purchases of goods and services.

We are subject to the same regulatory environment as local and combined authorities and must discharge our responsibilities as an autonomous body. We must also act in accordance with the Memorandum of Understanding that we have with the DfT.

In 2023/24 expenditure is anticipated to be incurred against the following activities:

Activity	Budget (£m)
Operational Costs → Rail and Roads → Strategy, Policy and Comms	2.30 3.33 5.63
Business support costs → Information technology → Finance, procurement and risk → Leadership → Human resources and accommodation	0.47 0.87 0.40 1.07 2.81 8.44
Hosted Services → Rail North Partnership → NPR Analytical Support → NPR Closure Costs	1.62 5.86 0.20 7.68
Total Expenditure	16.12

Funding

Transport for the North received its core funding allocation from the Department for Transport in January 2023. This included a Core funding allocation of £6.5m for each of the next two years and a further £0.71m, for each of the next two years, to support specific DfT initiatives that extract value from work performed by TfN to date. Subsequent to this allocation, DfT have reconfirmed the budget to support Rail Operations and the analytical support for the NPR programme.

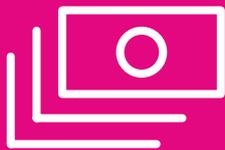
Organisational operational expenditure consists of those costs incurred in the delivery of the ongoing business of TfN, the infrastructure required of any public body and the supporting functions that enable TfN to deliver upon its programmes of activity and broader aspirations.

The 'hosted' services include Rail North Partnership and those analytical modelling services provided to DfT in support of the NPR outline business case.

TfN will draw from reserves, the majority of which will be utilised to cover one off costs in 2023/24.

The funding that we can draw on during the year to pay for our budgeted expenditure is therefore as follows:

Activity	(£m)
Core duties	
→ Core Grant	7.21
→ Rail North Grant/Local Contributions	0.32
→ Other income	0.08
→ Use of reserves	0.83
	8.44
Hosted Services	
→ NPR Analytical Support	5.86
→ Rail North Partnership Grant	0.96
→ Rail North Grant/Local Contributions	0.40
→ Contract Income	0.28
→ NPR Closure Costs	0.20
	7.68
Total Resource	16.12



Reserves strategy

All local government bodies – including Transport for the North – are required to operate to a locally defined reserves strategy that ensures the organisation always holds a prudent level of reserves. A prudent reserve strategy is particularly important to us as an organisation as we have few other levers to mitigate financial risk. We cannot access credit for short-term cash flow management or long-term investment, nor can we levy or precept upon a local tax base to underwrite our operations.

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

We have forecast an opening reserve balance of £3.7m, based on forecast outturn at 31 March 2023.

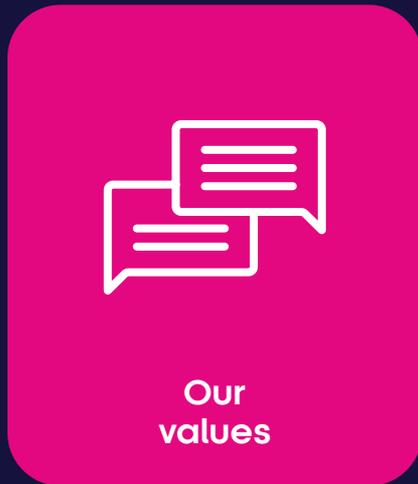
Based on the new operating model, which places more emphasis on investing in retaining TfN's technical capacity and capability and the challenge of unindexed grant allocation with a cost base subject to inflationary pressure, our strategy retains the requirement for a minimum reserve of £2m.



We have developed risk management processes through which we identify and address the risks associated with each main area of activity. We have adopted a Risk Management Strategy using industry best practice to create a framework within which risks are identified and evaluated prior to mitigation plans being put in place. Project and corporate risks are monitored regularly - risk is a standing item on the Audit and Governance Committee agenda, and the Corporate Risk Register is provided twice each year to the Transport for the North Board.



We recognise the absolute requirement to deliver our programme of works efficiently and effectively. In order to ensure value for money, we have implemented a procurement framework which requires that the procurement of goods or services includes a competitive process that is appropriate to the value and complexity of the services/products and minimises barriers for suppliers to participate in such exercises.



Developed with our employees, our values and behaviours underpin our unique culture and ways of working. They influence how we operate as individuals and as an organisation, creating an agile and dynamic working environment where employees are trusted, valued and invested in.

- **We make a difference**
- **We do the right thing**
- **We are driven to succeed**
- **We collaborate**



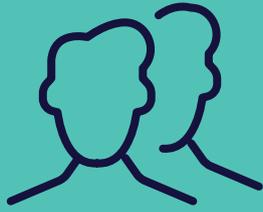
Cultivate innovation - Creating new and better ways for the organisation to be successful.

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

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

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

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



A best practice employer

TeamTfN is made up of the bright minds we attract and retain through continually striving to be a best practice employer. We do this by embedding and celebrating our core values across the organisation, as well as committing to nurturing talent.

This is demonstrated through numerous initiatives and organisation-wide commitments, for example becoming one of the first full members of the Greater Manchester Good Employment Charter in 2021.

This is backed-up in practice by championing our employee voice, for instance via our established Employee Forum, alongside our close collaboration with UNISON as TfN recognised Trade Union; this ensures we retain our reputation as a pull for talent.

We are committed to providing equal opportunities and diversity in all our employment practices and provision of all our services. As an organisation we always strive to do the right thing and understand that in order to make a difference in our society and workplace, we must be committed to respecting equality and diversity, showing kindness, tackling discrimination and promoting inclusion and have signed the CIHT Diversity and Inclusion Charter Statement to further endorse our commitment.

We are also an accredited Living Wage Employer this means that every employee earns a real Living Wage and are recognised as Disability Confident employer (stage 2) acting as a disability confident champion within our local and business communities and business networks.

All appointments at TfN are entirely merit based and we actively encourage and welcome applications for all our vacancies from everyone regardless of age, disability, gender, ethnicity, religion and sexual orientation. We are particularly keen to encourage applications from women, members of ethnic minority groups and people with disabilities who are currently under-represented within TeamTfN.



Based entirely on feedback from our leadership team and TeamTfN colleagues our ways of working are all about maintaining the great upsides many of our colleagues experienced from working from home during the recent Covid-19 pandemic, whilst at the same time being able to unite with colleagues for team and collaborative working as well as for more social and informal interaction.

TfN believe that, as long as business needs are being achieved, colleagues should be able to plan where they work from and manage their own working hours.

The year-ahead will, however, require TfN to re-locate its current Head Office accommodation and operations to another location within Manchester City Centre as a result our current lease arrangements coming to an end later this year. It is envisaged that this relocation process will draw out significant cost savings over years to come, whilst ensuring TfN maintains an effective and conducive working space for all colleagues.



Health and Safety continues to be the cornerstone of TfN's strategy for improving the wellbeing of staff. This area of activity offers an enhanced level of resilience in providing a suitable, fit for purpose facility and associated facilities management advisory and support service.

Our approach fulfils our statutory obligations by effectively providing a framework for securing the wellbeing of our employees and others who could be affected by our actions. The appointment of a 'competent person' combined with a contracted support service offering means that the majority of Health and Safety matters, training programmes for employees and contractors, and proactive risk management, can be effectively managed/delivered flexibly to recognised standards in-house.

This approach provides the right level of engagement across a variety of stakeholders, creating knowledge and awareness of health and safety risks, and encouraging behavioural change through assessments and direct interventions including inspections and investigations, but we must continue to evolve our approach to face fresh challenges or to address existing problems in new ways such as those presented as a result of the recent Covid-19 pandemic.

Key Milestones

	Key milestone	Due Date
1	Consult on revised Strategic Transport Plan	Summer 2023
2	Publish connected mobility strategy	Summer 2023
3	Secure adoption of revised Strategic Transport Plan	December 2023
4	Rail Reform – Issue Proposition for the North	December 2023
5	Provide annual STP action plan	March 2024
6	Update Future Transport Scenarios	March 2024
7	Consult on, and then publish final Strategic Rail Report	March 2024
8	Ensure a strong case is forwarded for recommended RIS investment in the North.	March 2024
9	Publish TfN's Bus Policy position.	March 2024
10	Implement an online local public transport data toolkit	March 2024
11	Develop a submission to government that identifies opportunities to build on TfN's technical capabilities	March 2024

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