



# **Transport for the North Transport for the North Board Agenda**

<b>Date of Meeting</b>	<b>Thursday 14 January 2021</b>
<b>Time of Meeting</b>	<b>11.15 am</b>
<b>Venue</b>	<b>Virtual</b>

<b>Item No.</b>	<b>Agenda Item</b>	<b>Page</b>
<b>6.0</b>	<b>Any Business Which the Chair is Satisfied is Urgent</b>  Any business which the Chair is satisfied is urgent by reason of special circumstances pursuant to section 100B 4 (b) of the Local Government Act 1972.	3 - 44

This page is intentionally left blank

## Transport for the North Board

**Subject:** 2021/22 Funding and Business Planning

**Author:** Iain Craven, Finance Director

**Sponsor:** Barry White, Chief Executive

**Meeting Date:** Thursday 14 January 2021

### 1. Purpose of the Report:

1.1 This report sets out:

1. Transport for the North's current funding allocation for 2021/22 and next steps;
2. the high-level target outcomes and objectives that form the basis of its Business Planning (i.e. the "Golden Thread");
3. the key themes for consideration; and
4. next steps to be undertaken.

1.2 A number of recommendations are set out in Section 4.

### 2. Executive Summary:

2.1 Transport for the North received a Funding Letter from DfT on 4 January 2021, setting out its funding allocation for 2021/22. A summary table confirming the position is detailed below

<b>TfN 2021/22 Funding Allocation</b>	<b>21/22 £'m</b>	<b>CSR Ask £'m</b>	<b>20/21 £'m</b>
Core Funding	6.0	11.2	10.0
Integrated & Smart Travel (IST)	-	33.4	15.8
Northern Powerhouse Rail (NPR)	75.0	111.3	75.0
Developing an Investment Pipeline	-	2.0	-

2.2 Funding for the IST programme will cease, subject to completing and winding down committed activity. TfN's Core funding allocation for 2021/22 is a £4m reduction on the current allocation (set in 2015) and a £5.2m reduction in the Core funding requested in the CSR. In addition, in-year funding will be cut from £10m to £7m.

2.3 The current Core funded "run rate" for 2021/22 is c.£9.3m, made up of £5.5m of staffing costs, £2.4m consultancy and other external support costs, and £1.4m of other costs (mainly accommodation and business infrastructure). This rate of spend is lower than was originally

---

budgeted due to the negative impact of the steps taken to manage funding uncertainty, and of Covid-19.

- 2.4 The total funding for the NPR programme has been confirmed as up to £75m, of which £67m would be available to resource TfN activity (the balance will be allocated to HS2). However, this is conditional on the normal departmental control of detailed commitments. Additional uncertainty potentially exists in relation to the outcome of the Integrated Rail Plan, although at present we assume from this allocation that there will be no change to the arrangements for 2021/22.
- 2.5 The conditionality attached to the NPR funding means that it is not at this stage possible to confirm that Transport for the North will receive £70m in 2021/22 as is stated in the DfT funding letter.
- 2.6 Failure to fund the IST programme will mean that TfN is unable to proceed with a number of in-year projects that it had identified as part of its Economic Recovery Plan, the proposals for which were provided to Government in the Autumn. These proposals would have cost c.£33m and were focused on the introduction of contactless payment across bus, light rail and rail in multiple partner geographies. These interventions were considered to be a key part of building confidence amongst passengers as we move into a post-Covid environment.
- 2.7 The specific activity that will be impacted is a matter for the Board after the business planning process has been completed. However, the extent of the reductions means that key elements of the work that Transport for the North undertakes for the benefits of the North and the country as a whole may need to be scaled back, including workforce reduction.
- 2.8 Impacts could include insufficient resources for:
- the Strategic Rail team to support building back passenger confidence and volumes when we start to emerge from the pandemic;
  - teams currently engaging with delivery partners to understand what is possible / can be accelerated in relation to the Economic Recovery Plan;
  - early viability assessments and the development of projects for future inclusion in investment plans;
  - supporting NPR business case production and back office support services;
  - development of the robust evidence base that supports case making and which underpins Transport for the North's advice to the Secretary of State; and
  - work carried out by Transport for the North acting as an economic / policy body on behalf of the North, such as the Northern Powerhouse Independent Economic Review.

- 
- 2.9 After receiving the letter, Transport for the North undertook the following actions.
1. An immediate holding response was sent to the Permanent Secretary at DfT from the Chief Executive. This letter was provided to members on 7 January (See appendix 3 and 4 - DfT letter and initial response letter).
  2. Member briefing calls were held on 8 January and 11 January where the Finance Director and Chief Executive provided a briefing on the position and took soundings.
- 2.10 The three key messages from the briefing calls were:
1. Disappointment at the funding settlement and a concern at the impact that it would have on the ability of Transport for the North and the North in general to effectively contribute to the “Levelling Up” agenda.
  2. In order to contribute effectively to that agenda Transport for the North needs to understand the basis on which it is planning and the intentions of Government in the longer-term against backdrop of initiatives such as the Northern Transport Acceleration Council.
  3. That it is important to respond quickly to Government. It is proposed that Transport for the North respond to the Secretary of State in writing after the January Board and that a meeting be sought with the Secretary of State that would allow a delegation of Board Members to further explore these matters with him.
- 2.11 It is important that Transport for the North’s funding is confirmed as soon as possible, both for the next financial year and preferably for 2022/23 as well - the understanding of the following years position would remove strategic uncertainty and allow for a much more efficient and effective planning process to be undertaken. As noted previously, delays to receipt of the funding allocation already mean that the budget report that is presented to the Board for approval in March may represent an interim position that will need to be revised early in the new financial year and any further delays will exacerbate this position. TfN is required by law to have a fully funded budget in place at the start of the new financial year.
- 2.12 Given the funding position, it is important that the Board gives direction on the organisation’s activity for 2021/2. Transport for the North’s objectives are derived from the Response to Covid (Economic Recovery Plan and Rebuilding Rail Passenger Numbers), the Strategic Transport Plan and the Northern Transport Charter and are set out below at paragraphs 3.6 – 3.10.
- 2.13 It would also be helpful in expediting the business planning process to understand Members’ initial views in relation to the Key Themes set out in paragraphs 3.11 – 3.19.

### 3. Consideration:

#### Funding

3.1 On 4 January TfN received a funding letter from DfT. The funding included in that letter, and a comparison to both the CSR Submission, and the funding allocation for 2020/21 is set out in the following table.

<b>TfN 2021/22 Funding Allocation</b>	<b>21/22 £'m</b>	<b>CSR Ask £'m</b>	<b>20/21 £'m</b>
Core Funding	6.0 <sup>1</sup>	11.2	10.0 <sup>2</sup>
IST <sup>3</sup>	-	33.4	15.8
NPR <sup>4</sup>	75.0	111.3	75.0
Developing an Investment Pipeline <sup>5</sup>	-	2.0	-

1. TfN's Core funding allocation for 2021/22 will be £6m. This is a £4m reduction on the current allocation (set in 2015) and a £5.2m reduction in the Core funding requested in the CSR.
2. The balance of TfN's Core funding for 2020/21 will be reduced from £5m to £2m. This reduces the full year allocation to £7m rather than the £10m that was originally allocated.
3. Funding for the IST programme will cease, subject to completing and winding down committed activity.
4. The overall NPR allocation will be £75m, of which c.£8m will be utilised by HS2. The balance will be available for draw down by TfN, subject to the normal departmental control of detailed commitments, and will also be subject to the outcome of the Integrated Rail Plan (IRP). The discussions with the department regarding the commitment of funding for the business plan are currently ongoing.
5. No funding was received in relation to the CSR request regarding the Development of an Infrastructure Pipeline.
6. The Rail North Partnership Grant will remain at £0.7m, subject to indexation and the need for any additional posts as identified by the Department. The contractual payments that TfN receives to fund its Rail Operations team will also remain in place

3.2 At the time of writing, we are not aware of the settlement provided to other Sub-national Transport Bodies, or of the Government's long-term intentions in relation to TfN. In the absence of any longer-term indication of funding, TfN is faced with a funding "cliff edge" for the third consecutive year. It is therefore proposed that TfN seek further clarity from the department as this will inform the organisation's response to these funding reductions.

3.3 The TfN Chief Executive has provided a response letter to the Permanent Secretary at the Department that set out the problems that this will create for TfN, and the negative impact that it will have on TfN's ability

---

to contribute either to the “Levelling Up” agenda or the response to economic challenges created by Covid-19.

- 3.4 Reductions in funding will impact on TfN’s ability to follow through on the aspirations of its members and degrade its ability to deliver the activities required to fulfil its Golden Thread (paragraphs 3.6 – 3.10 below). However, the precise impacts of the funding reductions are the prerogative of the Board, by means of business planning and budgeting decisions.
- 3.5 Further detail with regard to Funding is provided at Appendix 1.

### **Future direction of the organisation 2021/2**

- 3.6 The reduced funding settlement means that it is more important than ever that Transport for the North is clear with regard to the aspirations of its members when producing its Business Plan.
- 3.7 It is therefore critical that the Board is sighted on, and happy with, the Outcomes that TfN is targeting through its “Golden Thread” and the Objectives that it adopts in order to support the delivery of those outcomes. This provides the basis for prioritisation decisions that will need to be made when considering departmental objectives and individual activities. The principal drivers of these top-level target outcomes and objectives are the Response to Covid (Economic Recovery Plan and Rebuilding Rail Passenger Numbers), the Strategic Transport Plan and the Northern Transport Charter.
- 3.8 Transport for the North officers refreshed the business plan “Golden Thread” in the autumn so as to provide a framework within which teams could carry out their draft planning. This exercise included confirming that the outcomes that TfN is seeking to achieve were still valid in light of the Covid-19 pandemic. Those outcomes are consistent with the themes set out in the Strategic Transport Plan. These are still considered to be relevant and it is recommended that these are approved by the Board as a basis for business planning:
- Transformed economic performance
  - Improved productivity
  - Enhanced inclusivity, health, and access to opportunities for all
  - Better quality of life.
- 3.9 The Northern Transport Charter identified four main objectives that would contribute to the delivery of those outcomes. These were adopted during last year’s business planning process as its objectives for the current financial year and it is recommended that these are approved by the Board to be carried forward into 2021/22:
- Championing an inclusive and sustainable North
  - Leading Strategic transport delivery
  - A long-term northern funding settlement

- 
- Putting Passengers first

3.10 These objectives need to be further considered in light of Transport for the North's principal duty to produce and regularly refresh the Statutory Transport Plan, the current intention for the revised document to be adopted at the end of 2023/24, five years after the current plan was approved.

### **Business Planning to Date - Key Themes**

3.11 Transport for the North commenced business planning activity in October, albeit this work has been mainly performed in the absence of any funding envelopes. This was based upon Transport for the North's proposed objectives as set out above. This has identified activity that is required to deliver the Golden Thread, consistent with decisions already taken by the Board. This is set out in paragraphs 3.11 to 3.19 below.

3.12 In addition, consideration is being given to how TfN uses its existing powers to the greatest extent possible in order to shape investment and build/demonstrate capability, allowing it to address the Board's objectives. This would further inform the next multi-year spending review, which is understood is likely to occur in Summer 2021.

3.13 Key areas for consideration are as follows:

- Developing and prioritising an investment pipeline
- Adopting a decision-making model that balances transformational economic growth with environmental and social benefits.
- How do we demonstrate the revised TfN decision-making model in practice and should we form the Independent Assurance Group now to demonstrate the rigour behind TfN decisions?
- How do we achieve greater accountability of the railway in the North to the people of the North and demonstrate benefits to passengers?
- Would there be value in exploring additional mechanisms for greater public participation in transport policy formulation, such as a Citizen's Assembly to wrestle with complex future transport issues, such as how road use is paid for in the future?
- Assessing how a long-term pan modal funding settlement could lead to better outcomes.

The extent to which this work can be progressed is essentially dependent on how activity is prioritized in order to allocate the Core funding settlement. Thinking with regards to these matters will be further developed over the coming weeks and tested through TfN

---

governance arrangements prior to presenting back to TfN Board for approval in February / March.

- 3.14 There are several “business as usual” strategy activities, which will involve teams across the organisation. This is essentially core Transport for the North work that has already been flagged to the Board, and that is required to position it for the completion of medium-term deliverables – such as the refresh of the Strategic Transport Plan - which require further development of policy positions and strategies as well as the evidence base that informs it.

The workstreams listed below will enable TfN to complete these deliverables, and to continue in its role of advising government on spending programmes.

- Investment Programme Benefits Analysis
- Decarbonisation strategy
- Freight strategy
- Assurance Framework
- Strategic Transport Plan development

These workstreams, and the majority of activities set out in paragraph 3.13, are consistent with the message in DfT’s funding letter indicating its desire for TfN to focus on core activities around the Strategic Transport Planning and prioritisation.

- 3.15 The Strategic Rail team will focus on the recovery following the pandemic, the future operating model of the railway (based on changes to franchising) and the role that TfN should play within this model. A key part of this activity will be in helping to build back passenger confidence in being able to use the rail system post-Covid-19. Linked to this, there is an ongoing need to secure greater levels of investment and smarter delivery of projects to support Transport for the North’s Strategic Transport Plan.

- 3.16 The activity that TfN would like to undertake in relation to the NPR project is set out below. This is subject to ongoing discussions with the departmental budget holder regarding the extent and the value of the activity to which they are prepared to commit, particularly in advance of the release of the Integrated Rail Plan.

- Develop Strategy and Policy
- Programme Business Case
- Project Business Cases

- Start of Procurement
  - Long term funding envelope.
- 3.17 The programme of IST activity that was proposed in the CSR is set out below. As this was dependent on DfT funding allocation, at this point it appears that this activity will now need to be revisited. There is likely to be a limited ongoing activity to permit certain activities, including the final conclusion of Phase 1, to be completed.
- Contactless Enablement on Rail (Phase 1 Extension)
  - Multimodal Open Data (Phase 2 Extension)
  - Contactless on Light Rail and Bus Enablement (Phase 4)
  - Smart North Ecosystem (Phase 5)
- 3.18 The activities set out above will need to be supported by business support teams with appropriate capacity and capability to ensure that Transport for the North is able to maintain a robust framework of processes and controls, comply with regulations and ensure value for money.
- 3.19 Further information regarding the Key Themes is provided at Appendix 2.

### **Next Steps**

- 3.20 Transport for the North's objectives are consistent with the Government's Levelling Up agenda and can play a key role in the shared aspiration to help stimulate the recovery of the North's economy post Covid-19 and close the output gap between the North and the South in the longer term. The activity set out above can help to accelerate the delivery of transport projects with a broad range of benefits across the North.
- 3.21 However, in order to contribute effectively to that agenda in a way that maximises the effective use of resources and allows value for money to be achieved, Transport for the North needs to understand the basis on which it is planning and the intention of Government in the longer-term.
- 3.22 It is therefore proposed that Transport for the North respond to the Secretary of State in writing after the January Board meeting, setting out its concerns and seeking clarity on the relevant issues highlighted in this report. It is proposed that the letter to the Secretary of State will outline how the funding settlement commits less than 50% of our Spending Review bid and will seek a member delegation meeting as soon as possible. It is proposed to highlight the following:

1. Whilst it is stated TfN will receive over £70m for the year ahead, whereas this is not committed funding. In reality, the majority of this is ringfenced for Northern Powerhouse Rail (NPR), requiring item-by-item approval, and the remainder is a significant cut from previous years.
  2. Establishing TfN was a symbolic moment in delivering further devolution to the North, one that supports Government's levelling-up agenda.
  3. The loss of IST funding and reduction in core funding impact on Transport for the North's ability to support this agenda, lead to delays to projects in the North, and create significant challenges for TfN, including job losses.
  4. The TfN Board, our partners and our employees need urgent clarity on the Department's fundamental support for TfN and longer-term certainty, and in particular to seek further clarity on the complementary role that has previously been indicated for TfN in relation to the Northern Transport Acceleration Council.
- 3.23 At the same time, it is proposed that a meeting be sought with the Secretary of State that would allow a delegation of Board Members to further explore these matters with him. There is already a meeting proposed for week commencing 18 January on the Integrated Rail Plan and this could potentially also be used as the forum for that discussion.
- 3.24 In parallel, Transport for the North officers will engage with departmental colleagues with the objective of quickly understanding the detail of the allocations, particularly in relation to the treatment of programme costs and the intentions in relation to IST, so as to allow a firm basis for planning.
- 3.25 An additional Board meeting has now been proposed for 18 February. Based on the outcome of this meeting, the intention is to provide a draft plan to that Board in advance of a final Business Plan for 2021/22 that will be provided for approval in March, alongside an associated budget. As noted in this report, this timetable is very challenging given the circumstances within which planning will be performed, as some of the processes to respond to the new funding envelopes may not have been fully resolved at that point. If this is the case then this will be addressed in a Budget Revision early in the new financial year, once clarity has been achieved.
- 3.26 In response to this significant timing pressure, it is proposed that a small Working Group of Members be established through nomination by the Board. The purpose / remit of this group will be to allow officers to consult with Transport for the North Members regarding the development of the Business Plan and Budget prior to Reports being brought to the Board for consideration and approval.

#### **4. Recommendation:**

- 
- 4.1 That TfN officers continue discussions with DfT to achieve the greatest clarity on next year's funding.
- 4.2 That the Board approve the headline objectives (paragraphs 3.6 – 3.10) and key themes (3.11 – 3.19) for 2021/2 and officers report back with recommendations at the February Board.
- 4.3 That Transport for the North progresses with its business planning and budgeting on the basis set out in the report.
- 4.4 That a response letter, based on the key matters set out in Paragraph 3.22, is sent to the Secretary of State following this Board and that a meeting is sought with him as a matter of urgency in the w/c 18 January 2020.
- 4.5 That the Board considers a establishing a Member Working Group as set out in paragraph 3.26.

## **5. Appendices and Background Papers:**

### 5.1

Appendix 1 – Funding

Appendix 2 – Business Planning to Date – Key Themes

Appendix 3 – DfT Funding Letter to TfN 2021/22.

Appendix 4 – Response Letter to the Permanent Secretary at DfT

### 5.2 Attention is also drawn to the following relevant documents:

1. Transport for the North CSR Submission to DfT – provided at the September Board.
2. The Supplemental CSR Submission provided to members on 6 November 2020.

## **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

<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Equalities	A full impact assessment has not been carried out because it is not required for this report.		Iain Craven

### **Environment and Sustainability**

Yes	No
-----	----

<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
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 report.		Iain Craven

### **Legal**

Yes	No
-----	----

<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Legal	The legal implications have been considered and are included in the report.	Debbie Dimmock	Julie Openshaw

### **Finance**

Yes	No
-----	----

<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Finance	The Finance Team has reviewed this report and confirmed that the financial implications are included within the report.	Paul Kelly	Iain Craven

### **Resource**

Yes	No
-----	----

Consideration	Comment	Responsible Officer	Director
Resource	<p>As detailed, dependent on the budget settlement received by TfN this may necessitate workforce reductions.</p> <p>Should such reductions be necessary following the completion of business planning these will be carried-out in full accordance with TfN's Security of Employment Policy.</p>	Stephen Hipwell	Dawn Madin

### **Risk**

Yes	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	No
-----	----

Consideration	Comment	Responsible Officer	Director
Consultation	A consultation has not been carried out because it is not required for this report.		Iain Craven

## Appendix 1 – Funding

A1.1 On 4 January TfN received a funding letter from DfT. The funding included in that letter, and a comparison to both the CSR Submission, and the funding allocation for 2020/21 is set out in the following table.

<b>TfN 2021/22 Funding Allocation</b>	<b>21/22 £'m</b>	<b>CSR Ask £'m</b>	<b>20/21 £'m</b>
Core Funding	6.0 <sup>1</sup>	11.2	10.0 <sup>2</sup>
IST <sup>3</sup>	-	33.4	15.8
NPR <sup>4</sup>	75.0	111.3	75.0
Developing an Investment Pipeline <sup>5</sup>	-	2.0	-

1. TfN's Core funding allocation for 2021/22 will be £6m. This is a £4m reduction on the current allocation (set in 2015) and a £5.2m reduction in the Core funding requested in the CSR.
2. The balance of TfN's Core funding for 2020/21 will be reduced from £5m to £2m. This reduces the full year allocation to £7m rather than the £10m that was originally allocated.
3. Funding for the IST programme will cease, subject to completing and winding down committed activity.
4. The overall NPR allocation will be £75m, of which c.£8m will be utilised by HS2. The balance will be available for draw down by TfN, subject to the normal departmental control of detailed commitments, and will also be subject to the outcome of the Integrated Rail Plan (IRP). The discussions with the department regarding the commitment of funding for the business plan are currently ongoing.
5. No funding was received in relation to the CSR request regarding the Development of an Infrastructure Pipeline.
6. The Rail North Partnership Grant will remain at £0.7m, subject to indexation and the need for any additional posts as identified by the Department. The contractual payments that TfN receives to fund its Rail Operations team will also remain in place.

A1.2 This represents a significant reduction in funding overall for Transport for the North, both compared to its CSR submission and its current operations. This and the conditionality attached to the NPR funding means that it is not at this stage possible to confirm that Transport for the North will receive £70m in 2021/22 as is stated in the funding letter.

A1.3 Failure to fund the IST programme will mean that TfN is unable to proceed with a number of in-year projects that it had identified as part of its Economic Recovery Plan, the proposals for which were provided to Government in the Autumn. These proposals would have cost c.£33m and were focused on the introduction of contactless payment across multiple transport modes in multiple partner geographies. These

interventions were considered to be a key part of building confidence amongst passengers as we move into a post-Covid environment.

- A1.4 Whilst the reduction in the Core allocation is relatively small in relation to the overall allocation, inclusive of the programme funding for NPR, it is important to note that the Core funding pays for all of the non-programme activity undertaken by TfN and currently resources the significant majority of staffing and business infrastructure costs.
- A1.5 The current Core funded “run rate” for 2021/22 is c.£9.3m, made up of £5.5m of staffing costs, £2.4m consultancy and other external support costs, and £1.4m of other costs (mainly accommodation and business infrastructure). This run rate is lower than the detailed analysis provided in the August CSR submission due to the effects of Covid-19, steps taken by officers to manage the funding uncertainty under which the organisation has been operating for most of the year and the full year effect of in year vacancy management. This run rate does not therefore reflect the annualised costs associated with delivering Transport for the North’s aspirations as reflected in the CSR document.
- A1.6 The detailed breakdown of costs that was included in the August CSR Submission is set out below. It is important to note that the business infrastructure and transactional capacity of TfN is scaled to support an organisation with expenditure that will exceed £60m this financial year, and that the specifics of its role drive a cost profile that differs from other local public bodies (for example in relation to the resources allocated to support stakeholder engagement).

A1.7

	<b>People (£'m)</b>	<b>Consultancy / external support (£'m)</b>	<b>Other (£'m)</b>	<b>Total (£'m)</b>
<b>Core Programme Spend</b>				
Major Roads	0.43	0.39	0.01	<b>0.83</b>
NPR	0.95	-	-	<b>0.95</b>
Operational Rail	0.70	0.17	0.16	<b>1.04</b>
	<b>2.08</b>	<b>0.56</b>	<b>0.17</b>	<b>2.82</b>
<b>Core Operations</b>				
Strategy & Policy	1.31	1.66	0.03	<b>3.00</b>
Programme Management Office	0.27	0.06	0.01	<b>0.34</b>
Comms and Stakeholder Engagement	0.51	0.48	0.10	<b>1.09</b>
IT	0.21	0.10	0.31	<b>0.63</b>
Human Resources	0.56	0.20	0.39	<b>1.15</b>
Finance, Procurement & Risk	0.71	0.64	-	<b>1.35</b>
Accommodation	0.06	0.04	0.35	<b>0.45</b>
Legal Services	0.36	0.06	0.02	<b>0.44</b>
Leadership	0.29	-	0.01	<b>0.30</b>
	<b>4.28</b>	<b>3.24</b>	<b>1.22</b>	<b>8.75</b>
<b>Total Core Expenditure</b>	<b>6.36</b>	<b>3.82</b>	<b>1.39</b>	<b>11.57</b>

A1.8 At the time of writing, we are not aware of the settlement provided to other Sub-national Transport Bodies, or of the Government's long-term intentions in relation to TfN. In the absence of any longer-term indication of funding, TfN is faced with a funding "cliff edge" for the third consecutive year. Whilst this circumstance is in common with other public sector bodies, the specific characteristics of TfN mean that it creates particular issues for the organisation.

A1.9 It is also the case that even at the levels set out in our CSR submission (i.e. £11.2m) the absolute value of our funding should enable the Government to provide certainty of funding for 2022/23 if it were so minded. It is therefore proposed that TfN seek further clarity from the department as this will inform the organisation's response to these

funding reductions. In the absence of such a commitment Transport for the North will assume core funding at the same level as indicated (in real terms) for 2022/23. In addition, we will plan for 2021/22 on the basis of the levels of NPR funding set out in the letter.

- A1.10 The TfN Chief Executive has provided a response letter to the Permanent Secretary at the Department that set out the problems that this will create for TfN, and the negative impact that it will have on TfN's ability to contribute either to the "Levelling Up" agenda or the response to economic challenges created by Covid-19.
- A1.11 Transport for the North has repeatedly drawn the attention of the department to the challenges that the late notification of funding would create within the organisation. These were set out in TfN's CSR submission in August 2020 and the supplemental submission in November. In addition, this has been discussed with departmental officials and was raised at the Scrutiny Committee in October and the TfN Board meeting on 18 November 2020.
- A1.12 Given the potential for staff reductions and the associated processes that will need to be undertaken, the budget report that is presented to the Board for approval in March may represent an interim position that will need to be revised early in the new financial year. TfN is required by law to have a fully funded budget in place at the start of the new financial year.
- A1.13 Transport for the North is currently working through the impacts of this funding settlement. However, there is clearly a significant risk that key elements of its work will be negatively affected. Transport for the North is forecast to have a c.£5m general reserve by the end of this financial year. Therefore, whilst it needs to act quickly in response to the funding challenge that it faces, it does have headroom to consider the actions that it does take.
- A1.14 Reductions in funding will impact on TfN's ability to follow through on the aspirations of its members and degrade its ability to deliver the activities required to fulfil its Golden Thread (paragraphs 3.6 – 3.10). However, the precise impacts of the funding reductions are the prerogative of the Board, by means of business planning and budgeting decisions.

---

## Appendix 2 - Business Planning to Date - Key Themes

- A2.1 Transport for the North commenced business planning activity in October, albeit this work has been mainly performed in the absence of any funding envelopes. This was based upon Transport for the North's proposed objectives as set out above. This has identified activity that is required to deliver the Golden Thread, consistent with decisions already taken by the Board. This is set out in paragraphs 3.11 to 3.19.
- A2.2 In addition, consideration is being given to how TfN uses its existing powers to the greatest extent possible in order to shape investment and build/demonstrate capability, allowing it to address the Northern Transport Charter objectives. This would further inform the next multi-year spending review, which is understood is likely to occur in Summer 2021.
- A2.3 Key areas for consideration are as follows:
- How do we demonstrate that a long-term pan modal funding settlement could lead to better outcomes?
  - How quickly can we adopt a decision-making model that balances transformational economic growth with environmental and social benefits.
  - How do we demonstrate the revised decision-making model would work and would it be valuable to introduce "shadow" decision making by forming the Independent Assurance Group now?
  - How do we achieve greater accountability of the railway in the North to the people of the North?
  - Would there be value in exploring additional mechanisms for greater public participation in transport policy formulation, building on the approaches identified in the Northern Transport Charter.

The extent to which this work can be progressed is essentially dependent on how activity is prioritized in order to allocate the Core funding settlement. Thinking with regards to these matters will be further developed over the coming weeks and tested through TfN governance arrangements prior to presenting back to TfN Board for approval in February / March.

- A2.4 There are several "business as usual" strategy activities, which will involve several teams across the organisation. This is essentially core Transport for the North work that has already been flagged to the Board, and that is required to position it for the completion of medium-term deliverables – such as the refresh of the Strategic Transport Plan - which require further development of policy positions and strategies as well as the evidence base that informs it.

The workstreams listed below will enable TfN to complete these deliverables, and to continue in its role of advising government on spending programmes.

- Investment Programme Benefits Analysis: the IPBA is will provide the evidence to update the Northern Investment Programme and provide the basis for Transport for the North to provide statutory advice to the Secretary of State for Transport on strategic transport investment priorities in the North. The IPBA will include identification of the pipeline funding required to secure development and delivery of the right schemes at the right time. Outputs from the IPBA work will include analysis of the economic, social and environmental outcomes from the investment programme, which is fundamental to identifying the transport schemes needed to achieve TfN's vision and objectives for the North.
- Decarbonisation strategy: TfN's Decarbonisation Strategy is currently being prepared for sign off by TfN Board in March 2021. Once approved we will prepare and perform a consultation exercise to be undertaken in 2021. Subject to the Board's approval, we will also start to scope and implement a number of priority actions identified in the Strategy Document, including work on hydrogen refuelling, EV charging infrastructure and piloting a sustainable return on investment model for business case development.
- Freight strategy: TfN is currently progressing work on a Freight Strategy to be agreed with the Board in March 2021. Again, we will need to undertake a consultation in 2021-22 and are proposing a supporting programme of development activity
- Assurance Framework: TfN has developed a methodology to manage the way programmes and schemes can be included, rescheduled or amended within the Investment Programme. This will be complemented by an internal approach to managing business activity for Policy, Strategy and some programme activity. This will ensure there is a standardised approach to both internal and external activity. This would form a key part of taking forward the Northern Transport Charter activity.
- Strategic Transport Plan development: we are preparing to update the STP first adopted by the Board in 2019. The activity to update, agree and consult on a new STP will fall into the 2022-23 and 2023-24 financial years, but we intend to start work in 2021-22 on updating the Northern Powerhouse Independent Economic Review and the core STP objectives following the Northern Transport Charter.

A2.5 The Strategic Rail team will focus on the recovery following the pandemic, the future operating model of the railway (based on changes to franchising) and the role that TfN should play within this model. A key part of this activity will be in helping to build back passenger confidence in being able to use the rail system post-Covid-19. Linked to this, there is an ongoing need to secure greater levels of investment and smarter delivery of projects to support Transport for the North's Strategic Transport Plan.

A2.6 The activity that TfN would like to undertake in relation to the NPR project is set out below. This is subject to ongoing discussions with the departmental Co-client regarding the extent and the value of the activity to which they are prepared to commit, particularly in advance of the release of the Integrated Rail Plan.

- Develop Strategy and Policy - NPR policy development and a high-level strategic business plan for all projects through to FBC.
- Programme Business Case - Submission of a Network Strategy Report to TfN Board for approval, phasing for single route options and associated TAME model development.
- Project Business Cases - targeted studies on new line options to support differentiation between options, reach a single route option for each corridor and station on the existing network, agree procurement approach and undertake the process for "fast tracked" options (i.e. where a single option already exists).
- Start of Procurement - Contracts in place for OBC stage for the new line, on network and identified fast track projects.
- Long term funding envelope - Negotiate and agree RDEL and CDEL budget for NPR.

A2.7 The programme of IST activity that was proposed in the CSR is set out below. As this was dependent on DfT funding allocation, this activity will now need to be revisited. There is likely to be a limited ongoing activity to permit certain activities, including the final conclusion of Phase 1, to be completed.

- Contactless Enablement on Rail (Phase 1 Extension) - Platform Validators delivered and flexi seasons available at stations, Contactless on Rail – EMV Model 2 offer available in East and South Yorkshire. Ongoing benefits realisation monitoring.
- Multimodal Open Data (Phase 2 Extension) - Mode extensions on Disruptions Messaging Tool and Open Data Hub and Tram capacity data and real time information for Pathfinder LTA published on TfN's Open Data Hub. Ongoing benefits realisation monitoring.

- Contactless on Light Rail and Bus Enablement (Phase 4) - Business Case Approvals and delivery of contactless schemes for Liverpool City Region, Blackpool, Tyne & Wear (Platform Validators installation enabling Bankcard Pay-As-You-Go) and enhancements to Transport for Greater Manchester's Bankcard Pay-As-You-Go (to be finalised) and electronic ticket machines on owner operator buses.
- Smart North Ecosystem (Phase 5) - Strategic Outline Case Approved and creation of a core network from the Innovation Partnerships (pathfinders in Northern major cities including a solution for the unbanked).

A2.8 The activities set out above will need to be supported by business support teams with appropriate capacity and capability to ensure that Transport for the North is able to maintain a robust framework of processes and controls, comply with regulations and ensure value for money.



Department  
for Transport

[REDACTED]  
Co-Director, Regions, Cities and Devolution  
3/04 Great Minster House  
33 Horseferry Road  
London  
SW1P 4DR

[REDACTED]  
Web site: [www.gov.uk/dft](http://www.gov.uk/dft)

**Barry White**

Chief Executive  
Transport for the North  
2<sup>nd</sup> Floor  
4 Piccadilly Place  
Manchester  
M1 3BN

4 January 2021

Dear Barry,

**Funding Settlement for 2021/22**

I am writing to inform you of Transport for the North's (TfN) funding settlement for 2021/22.

Thank you for your patience whilst we have confirmed with Ministers the spending allocations following the recent One-Year Spending Review. I recognise the difficulty a lack of certainty on funding has created for TfN, so I hope this letter will provide you with the clarity required for you to finalise your business planning preparations and budget for 2021/22.

Overall, TfN will receive over £70m of funding next year from the Department. This is to enable you to continue to deliver your statutory functions and for further development of the business case for Northern Powerhouse Rail. Further detail is set out below.

**Northern Powerhouse Rail**

£75m of programme funding was allocated to the Department at the Spending Review to continue to develop Northern Powerhouse Rail. As co-clients to this programme, you will be able to access up to around £67m of that funding, subject to the usual draw down process, to continue the development work. Given current uncertainties over the Integrated Rail Plan, we cannot at this stage provide you with a precise figure, but I know the TfN NPR team are in regular dialogue with DfT colleagues as part of the co-clienting and programme management arrangements, and they will be able to provide you with further detail in due course.

**Integrated and Smart Ticketing**

Given the challenges faced by the original Phase 3 proposition, I'd like to thank TfN for all of the work that has been undertaken on this programme over the past year, both in

successfully delivering Phases 1 and 2, and in rescoping activities undertaken for the new Phase 3 and 4 proposals.

As you are aware, at the 2015 Spending Review, the IST programme was allocated up to £150m which is due to expire at the end of this financial year. The most recent Spending Review does not include CDEL for 2021/22 for TfN's IST programme. Whilst I am aware you were hoping for a different outcome, I wanted to communicate this to you as early as possible, to enable you to develop plans to wind down the programme.

The Department will be considering cost-effective delivery models and funding streams to roll out PAYG to urban and regional commuter areas, including the north, as part of wider rail reforms, and we will keep in close contact with you as these proposals develop.

### **Statutory Functions**

TfN will receive £6m (total) in core funding for the next financial year. Ministers feel this is an appropriate allocation to enable TfN as an organisation to focus on your core statutory functions, namely developing a transport strategy and helping the Department to prioritise. The Department values the role STBs play in developing a long-term transport strategy for their regions, prioritising transport schemes for their area, and bringing a strength of partnership among their membership so that they can speak to government with one voice.

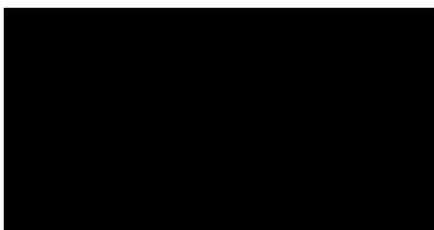
With regards to the current financial year, you have already received a payment of £5m. As you have not spent your core budget on the same trajectory as previous years (and therefore additional core funding this year would go towards building up your reserves), combined with the current fiscal environment, Ministers have agreed it would not be an appropriate use of tax payer's money to provide TfN with an additional £5m this year.

However, we will provide TfN with an additional £2m of core funding this year, to help with the transition towards the next financial year and revised core budget.

Finally, I can confirm that the Rail North Partnership Grant received from the Department will continue in the next financial year.

I trust this provides you with enough information to inform your business planning process for the next financial year, but please do get in touch if you have any questions.

Yours sincerely,



Date: 7 January 2021

**Bernadette Kelly**  
Permanent Secretary  
1<sup>st</sup> Floor  
Great Minster House  
33 Horseferry Road  
London  
SW1P 4DR

**Barry White**  
4 Piccadilly Place  
2<sup>nd</sup> Floor  
Manchester  
M1 3BN

Sent by e-mail: [REDACTED]

Dear Bernadette,

**Re: Funding Settlement for 2021/22**

I am writing in response to the Funding Settlement 21/22 letter that Transport for the North received from the Department on 4 January 2021.

I would like to express TfN's disappointment at the funding arrangements and request a meeting to discuss this further.

On 6 November 2020, following Board approval, we set out what TfN would need to deliver on the North's ambitions in our CSR submission. This was supplemental to the document provided in August and was aimed squarely at underpinning the Government's mission to level-up the economy through transport infrastructure and build back better from Covid-19.

Vitaly, this included a mix of programme development and delivery, as well as development funding for a pipeline of northern infrastructure schemes. It also sought to accelerate investment into the North through our existing arrangements and initiatives.

Whilst the letter states TfN will be receiving over £70 million, this is not the case given the nature of departmental controls over the commitment of much of this funding.

The response to our funding request, committing less than half of the funds coupled with the complex ringfenced funding streams of the majority of the settlement, means we would face extreme challenges in delivering on our shared ambition to level up.

**Northern Powerhouse Rail**

We welcome the confirmation of Northern Powerhouse Rail funding, even if at a lower level than requested (by c.33%). Most important here is that we reach quick agreement on the scope of works for next year to ensure certainty that the funding is committed. This will allow appropriate resourcing and procurement to be put in place in order to avoid delays – a shared goal for both of us.

## **Integrated and Smart Ticketing**

The decision to cease funding the IST programme entirely is incredibly disappointing – particularly given the identification of key contactless initiatives that could be developed quickly and have been awaiting this funding decision for several months. Specifically, the £33m requested for the year ahead would deliver contactless payment on rail, light rail and buses in partner geographies across the North – a key element in providing travellers with the confidence to use public transport as we recover from the pandemic.

As well as risking delay to such projects and the loss of knowledge and experience that we have accumulated within TfN on the programme team, this also represents a removal of c.£105 million previously allocated to northern transport ticketing schemes.

## **Statutory Functions**

As set out in the CSR, TfN's Core funding resources a variety of activity within the organisation, essentially enabling it to operate as a coherent statutory entity. The reduction to £6 million of Core funding for 2021/22 (£5.2m less than our CSR submission and £4m less than allocated in previous years), coupled with an in-year reduction of £3 million for the current year, will cause a significant scaling back of activity and lead to workforce reduction. In reality, this may mean a loss of key northern roles at a time of wider economic upheaval. It will also reduce TfN's capabilities as we were planning to allocate resource to support the economic recovery plan priorities.

It also fails to recognise the significant core contribution to facilitating the NPR programme. Cost allocation going forward will have to be reviewed to ensure these costs are fairly allocated.

## **Next Steps**

We will be discussing this further with our Board next week and I would seek an urgent call with you in advance of that meeting.

We are also already seeking a meeting in w/c 18 January with the Transport Secretary on the Integrated Rail Plan and it is likely the Board members attending will want to add the funding settlement to that discussion too.

We are keen that we work together to deliver our shared mission to deliver for the North, however time is against us. We ask that you work with us at speed to review our funding settlement.

Yours sincerely,



Barry White  
Chief Executive

## Transport for the North Board

**Subject:** Recruitment of TfN Chief Executive

**Author:** Stephen Hipwell, Head of Human Resources

**Sponsor:** Dawn Madin, Director of Business Capabilities

**Meeting Date:** Thursday 14 January 2021

### 1. Purpose of the Report:

- 1.1 This report details the proposed process and timetable for the recruitment of a replacement Chief Executive for Transport for the North (TfN). It outlines the Constitutional requirements, the way forward, and the matters that will require Board approval.
- 1.2 Firstly, the Board is asked to:
  - **Agree whether the role be recruited on an interim or permanent basis** (further context outlined in the 'Considerations' section)
- 1.3 Dependent on the above decision, the Board is asked to consider the relevant recommendations as set out in the 'Conclusions and Recommendations' section of this report.

### 2. Considerations:

- 2.1 Following resignation on 19 October 2020, current Chief Executive Officer (CEO) Barry White is expected to leave TfN on 15 May 2021. As such, there is a requirement to agree and begin the process of recruiting a replacement to this key leadership role.
- 2.2 This will be the first CEO to be recruited since the organisation became a Sub-national Transport Body (STB) on 1 April 2018.
- 2.3 **The role**

The CEO is the most senior TfN officer, responsible for driving delivery against organisational objectives and enacting decisions by the TfN Board. In accordance with TfN's Constitution, the CEO is accountable to and reports to the TfN Board.
- 2.4 It is proposed that the role's current salary of up to £150,000 per annum remains unchanged. DfT authorisation (aligned to TfN's Memorandum of Understanding with the DfT) is therefore not required to proceed.

2.5 An updated role profile for the Chief Executive role is attached at **Appendix 1**; all proposed changes are highlighted for ease of review.

2.6 **Interim or Permanent decision**

It is recommended that the Board firstly agrees whether to recruit on a permanent or interim (6-12 months') basis.

In considering this, the Board may wish to consider factors including but not limited to:

- The related agenda item on the funding settlement for 2021/2;
- The outstanding Integrated Rail Plan, likely to set the scope of NPR and TfN's role in delivery; and
- The Devolution White Paper, expected to detail the future role and remit of STBs.

2.7 In addition, the Board may also want to consider whether there will be a need for different skillsets in the shorter and longer-term. For instance, the skills required to manage an upcoming period of change, and the longer-term skills once the organisation has settled thereafter. Value for money will also be a consideration with a prolonged interim appointment having the potential to incur significant cost.

2.8 **Constitutional Provisions**

The Prescribed Standing Orders Relating to Staff within TfN's Constitution which comply with legal requirements set out in the Local Authorities (Standing Orders) (England) Regulations 2001 ("the Standing Orders") stipulate that appointment of a Chief Officer, including a Chief Executive, shall be made by TfN Board; this function cannot be delegated.

2.9 The Standing Orders also provide that where a committee or sub-committee is discharging, on behalf of TfN Board, the function of appointment of the Chief Executive, the TfN Board must approve that appointment before an offer of appointment is made to that person. It should be noted that the word "panel" may, if desired, be used in place of "committee" or "sub-committee".

2.10 It should be noted that, whether permanent or interim, the TfN Board will be responsible for agreeing the appointment following a recommendation.

**3. Appointing on permanent basis:**

3.1 In this case, it is recommended candidates available to undertake the role on a secondment basis (up to two years) are also considered. Any secondees would not be eligible to assume the role of Head of Paid Service (HoPS) and a separate TfN Officer would need to be appointed/designated as HoPS by the Board under these circumstances.

3.2 It is recommended that this is done via an Appointment Panel.

### 3.3 **The Appointment Panel – outcome of Chairman’s discussions**

At the 18 November 2020 TfN Board meeting, the Chairman proposed setting up an Appointment Panel to conduct the process and to report back to Board. He proposed that it should consist of the two Vice Chairs, a LEP representative and a DfT representative, with himself as Chair of the Panel.

3.4 Some members expressed a wish to have additional representation on the Appointment Panel of elected members from the Constituent Authorities, and for an opportunity for members to input into the recruitment process. The Chairman, therefore, undertook to consult with the Vice Chairs and other Board representatives to bring forward a new proposal.

3.5 As the DfT is not a member of the TfN Board, the representative of the DfT will attend in an observer capacity in accordance with paragraph 5.5 of the Constitution.

3.6 The Chairman’s discussions with members have centred upon setting up a bespoke Appointment Panel rather than considering the General Purposes Committee (“GPC”), since although the GPC is provided for in the Constitution as agreed by Board, in practice it has not yet had any membership nominated to it, has therefore never yet met, and comprises only ten Constituent Authority members based on the Regional Groups also used for the purposes of Rail North Committee.

3.7 In any event it would be normal practice within a Local Authority to which the Regulations apply to have an Appointments Committee with the sole purpose of carrying out the function of advising on the appointment of the Statutory Officers. The Board may, however, wish to consider if a review of the role of the GPC would be desirable, through a separate report to a future Board meeting.

3.8 Arising from the Chairman’s discussions, the following proposal to establish an Appointment Panel to undertake the selection process up to the stage of recommendation to TfN Board has emerged and is therefore proposed to the Board. As requested, an additional elected member has been added to the nominations for the panel, namely Cllr Keith Aspden.

3.9 The following panel membership has emerged from the Chairman’s discussions and he has made the following nominations to the Panel:

- Cllr Louise Gittins, TfN Vice Chair
- Mayor Ben Houchen, TfN Vice Chair
- Cllr Keith Aspden, City of York Council
- Peter Kennan, SCR LEP Representative
- Emma Ward, DfT
- John Cridland, TfN Chair

3.10 It is suggested that Substitutes be permitted where the Panel member was unable to act and that each Panel member be permitted to nominate a member of TfN Board (or other DfT representative in the case of the DfT Panel member) to act as their own substitute in this case.

3.11 A proposed Terms of Reference for the Appointment Panel is attached at **Appendix 2** for approval.

3.12 **The recruitment process (permanent)**

The proposed recruitment process is expected to be virtual and has been worked through in detail by TfN's HR Team outlined in **Appendix 3**.

3.13 If the Appointment Panel is approved, a prompt meeting would be convened to agree the recruitment process, including taking suggestions from members; shortlisting candidates after a search; conducting interviews; and making a recommendation of a candidate for appointment, anticipated to be by way of a report to the March meeting of the TfN Board.

3.14 The following points are for noting:

- It is proposed to formally launch the vacancy in January;
- As a key leadership role, TfN has appointed an executive search agency to oversee the headhunting and search elements of the process.

3.15 A staged recruitment process is proposed to include two interview stages, alongside psychometric testing for leadership and behavioural qualities and a Stakeholder Panel. The composition of the Stakeholder Panel will be agreed by the Appointment Panel and is anticipated will include a cross-section of senior representatives from TfN's partners such as Highways England, Network Rail, HS2 Ltd and CEO's of Local/Combined Authorities.

3.16 **Not appointing and short-term arrangements**

Interim arrangements may need to be explored if:

- following longlisting, shortlisting or final interview stage, the Appointment Panel deems there to be no credible candidates; or
- if the notice period of the appointed candidate leads to an extended period of post vacancy.

3.17 If required, the process to secure a Chief Executive on a short-term basis would be the responsibility of the same Appointment Panel with final approval also to be determined by TfN Board.

#### **4. Appointing on an interim basis for a period of 6-12 months’:**

- 4.1 In this case, much of the process would be common to that outlined in the permanent scenario above, including the creation of the Appointment Panel; launch of the vacancy in January; use of Executive Search agency; and final approval by TfN Board. Dependant on the terms of engagement, ultimately, this approach may have cost implications. Value for money will therefore also be a consideration given a prolonged interim appointment may have the potential to incur significant cost.
- 4.2 In its deliberation, the Board should note that an interim CEO may not be eligible to assume the role of Head of Paid Service (HoPS) (as per secondee scenario noted above).
- 4.3 With regards to the process, it is recommended that the Appointment Panel would:
- Agree an interim role profile;
  - Agree revisions to the process outlined in **Appendix 3** to expedite recruitment where possible; and
  - Still recommend a preferred candidate to TfN Board for approval.

#### **5. Conclusion and Recommendations:**

- 5.1 The report provides a summary of the approach to recruitment and use of an Appointment Panel to lead the process.
- 5.2 It demonstrates that a robust and detailed process has been prepared, with a staged recruitment process ready to commence following instruction by the Appointment Panel.
- 5.3 Firstly, the Board is asked to:
- **Agree whether the role will be recruited on an interim or permanent basis**

Dependent on the above, the relevant sets of recommendations are applicable:

##### ***If recruiting on a permanent basis:***

- **Agree to progress** with recruitment for a permanent role, at a salary of up to £150,000 per annum, also considering candidates available for secondment;
- **Note** the constitutional provisions in relation to the appointment of the Chief Executive;
- **Approve** the proposed revisions to the Chief Executive Role Profile;
- **Agree to set up** an Appointment Panel and make the appointments detailed at paragraph 3.9;
- **Agree** that Substitute members to the Appointment Panel may be permitted to act if the original member is unable to be present at any meeting, and to agree that in such circumstances each Panel

---

member may nominate their own Substitute member of TfN Board (or other DfT Representative in the case of the DfT Panel member);

- **Approve** the Terms of Reference for the Appointment Panel as attached as Appendix 2;
- **Approve** the approach described in this report and the process in case no appointment is made;
- **Raise** any matters concerning the appointment process which it would wish the Appointment Panel to consider.

***If recruiting on an interim basis:***

- **Agree to progress** with recruitment for an interim role, including internal and candidates available for secondment;
- **Note** the constitutional provisions in relation to the appointment of the Chief Executive;
- **Agree to set up** an Appointment Panel and make the appointments detailed at paragraph 3.9;
- **Agree** that Substitute members to the Appointment Panel may be permitted to act if the original member is unable to be present at any meeting, and to agree that in such circumstances each Panel member may nominate their own Substitute member of TfN Board (or other DfT Representative in the case of the DfT Panel member);
- **Approve** the Terms of Reference for the Appointment Panel as attached as Appendix 2;
- **Delegate** to the Appointment Panel the responsibility of agreeing the interim Chief Executive role profile and recruitment process for appointing an Interim Chief Executive;
- **Raise** any matters concerning the appointment process which it would wish the Appointment Panel to consider.

**6. Appendices:**

Appendix 1 – Role Profile

Appendix 2 – Draft Appointment Panel Terms of Reference

Appendix 3 – Draft Indicative Recruitment Timetable

## Required Considerations

### Equalities:

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

<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Equalities	A full Impact assessment has not been carried out given this is an internal TfN resourcing matter.	Stephen Hipwell	Dawn Madin

### Environment and Sustainability

Yes	<b>No</b>
-----	-----------

<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out as is not applicable.	Stephen Hipwell	Dawn Madin

### Legal

Yes	<b>No</b>
-----	-----------

<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Legal	Legal implications are covered within the report.	Julie Openshaw	Dawn Madin

### Finance

Yes	<b>No</b>
-----	-----------

<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Finance	The finance implications have been considered and are included in the report.	Paul Kelly	Iain Craven

### Resource

<b>Yes</b>	No
------------	----

<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Resource	The resource implications have been considered and are included in the report.	Stephen Hipwell	Dawn Madin

### Risk

Yes	<b>No</b>
-----	-----------

<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Risk	The key risks are included in the report.	Haddy Njie	Iain Craven

### Consultation

Yes	<b>No</b>
-----	-----------

<b>Consideration</b>	<b>Comment</b>	<b>Responsible Officer</b>	<b>Director</b>
Consultation	A consultation has not been carried out given this is an internal TfN resourcing matter.	Stephen Hipwell	Dawn Madin

# Role Profile



## Chief Executive

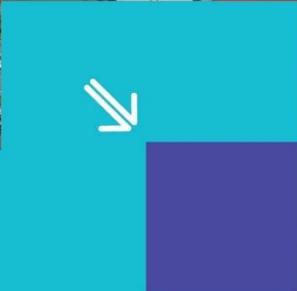
**POLITICALLY RESTRICTED POST**

**Contract:** Full time, Permanent

**Salary:** Up to £150,000 per annum

**Reports to:** TfN Board

**Location:** Flexible across the North of England, but with a requirement to regularly work from our offices in Manchester



[transportforthenorth.com](http://transportforthenorth.com)

## Role Purpose:

Lead the development and delivery of Transport for the North's (TfN's) Strategic Transport Plan and provide strategic leadership to deliver the organisation's vision of a thriving North of England where modern transport connections drive economic growth and support an excellent quality of life.

Accountable to the TfN Board for the overall performance of the organisation, its integrity and activities working in conjunction with the Chair of the Board who provides constructive criticism and challenge to the Chief Executive.

<b>Key Accountabilities</b>		
<b>Key Role Outputs (KROs)</b> <i>What must be achieved for the post-holder to be successful in the role</i>		<b>Key Actions</b> <i>How the KROs will be achieved – the activities required</i>
<b>1.</b>	<b>Development and implementation of TfN's Strategic Transport Plan</b>	<ul style="list-style-type: none"> <li>Oversee the development and implementation of an evidence based, optimised and visionary Strategic Transport Plan ensuring that the strategy is supported by all relevant regional and national stakeholders.</li> <li>Support the co-ordination and integration of complementary city region policies and strategies that are essential to the delivery of the Strategic Transport Plan.</li> <li>Direct the medium and long-term prioritisation, planning and development of TfN's transport investment programmes ensuring these are based on research, intelligence and policy development and are consistent with the policies determined by the TfN Board.</li> </ul>
<b>2.</b>	<b>Direct and co-ordinate all of TfN's Programmes</b>	<ul style="list-style-type: none"> <li>Oversee the development and strategic alignment of TfN's programmes including rail, strategic &amp; major road network, integrated &amp; smart travel, international connectivity, local connectivity and freight.</li> <li>Oversee and lead TfN's ambition for the transport network to be net zero before 2050, ensuring climate change mitigation and adaptation is fully considered across all of TfN's programmes and areas of influence.</li> <li>Ensure the effective delivery and monitoring of all programmes.</li> </ul>
<b>3.</b>	<b>Provide effective leadership of the Rail North Partnership</b>	<ul style="list-style-type: none"> <li>Oversee the "client side" delivery of the Northern and TransPennine rail services contracts and the development and delivery of further devolution in delivery of rail services across the North of England.</li> </ul>
<b>4.</b>	<b>Establish positive and effective</b>	<ul style="list-style-type: none"> <li>Influence and actively engage with TfN's key stakeholders including the DfT, HMT, MPs, northern partners, other Government agencies and businesses.</li> </ul>

	<b>relationships with stakeholders</b>	<ul style="list-style-type: none"> <li>• Oversee and direct work with key northern partners, DfT and other Government agencies in the delivery of TfN priorities.</li> <li>• Influence the long-term investment programmes of the national delivery agencies to optimise their alignment with TfN’s strategic priorities and objectives.</li> <li>• Actively monitor and act on feedback from national and regional stakeholders and partners to continuously improve service quality.</li> </ul>
5.	<b>Effective organisational development and leadership</b>	<ul style="list-style-type: none"> <li>• Demonstrate strategic and effective leadership in ensuring that TfN’s vision and values are embedded within the organisation and wider partnership.</li> <li>• Lead and manage TfN’s Operating Board (Senior Leadership Team), ensuring transparency and accountability throughout the organisation.</li> <li>• Ensure a long-term sustainable and transparent operating model through effective governance, innovation, sound financial management and the effective and efficient delivery of services.</li> <li>• Oversee the development and implementation of an effective people framework ensuring that the right people, with the right skills, demonstrating the right capabilities are in place to deliver our strategic aims.</li> </ul>
6.	<b>Effective financial and commercial management</b>	<ul style="list-style-type: none"> <li>• Act as Head of Paid Service ensuring that TfN’s activities and business are carried-out in-line with all statutory requirements.</li> <li>• Ensure regular monitoring of key performance indicators, including operational and financial targets; recommending and driving corrective action as required.</li> <li>• Direct TfN’s short and long-term financial framework, financial management, treasury management and budget strategy.</li> <li>• Oversee the development and implementation of funding models to support the delivery of TfN’s investment programme including liaison with the DfT, HMT, partner bodies, funding institutions and businesses.</li> <li>• Oversee the development and implementation of commercial opportunities to maximise “local/northern” contributions to the overall funding of TfN’s investment programme.</li> </ul>

<b>Compulsory Outputs (COs)</b> <i>What must be achieved for the post-holder to be successful in the role</i>		<b>Key Actions</b> <i>How the COs will be achieved – the activities required</i>
<b>1.</b>	<b>Ensure you comply with all applicable organisational legislation and policies</b>	<ul style="list-style-type: none"> <li>• TfN’s Safety Management System</li> <li>• TfN’s Dignity at Work Policy</li> <li>• TfN’s Diversity Policy &amp; Charter</li> <li>• GDPR and Freedom of Information</li> <li>• Risk management</li> <li>• TfN policies and procedures</li> <li>• TfN Vision, Values and behaviours</li> </ul>
<b>2.</b>	<b>Any other reasonable duties as required from time to time</b>	
<b>Key Interdependencies:</b>		
<b>Key Contacts</b>		<ul style="list-style-type: none"> <li>• TfN Board</li> <li>• TfN Chair responsible for offering constructive criticism and challenge to the Chief Executive</li> <li>• Department for Transport (DfT)</li> <li>• HM Treasury (HMT)</li> <li>• National Agencies including Network Rail, Highways England &amp; HS2 Limited</li> <li>• Funding institutions &amp; businesses</li> <li>• Rail North / DfT Partnership Board</li> <li>• Senior Executives &amp; Members of the various Combined Authorities, PTE’s and Local Authorities across the North of England</li> <li>• Other directors and senior managers</li> <li>• Direct reports and TfN’s wider workforce</li> </ul>
<b>Direct Reports</b>		<ul style="list-style-type: none"> <li>• Strategy &amp; Programme Director</li> <li>• Finance Director</li> <li>• Business Capabilities Director</li> <li>• Strategic Rail Director</li> <li>• Major Roads Director</li> <li>• Northern Powerhouse Rail (NPR) Director</li> <li>• Integrated &amp; Smart Travel (IST) Programme Director</li> </ul>
<b>Budgetary Responsibility (TBC by TfN Finance Team)</b>		<p>TfN’s revenue budget for FY2020/21 is £?m and our investment programme includes:</p> <ul style="list-style-type: none"> <li>• Development and implementation of Smart North – c.£?m</li> <li>• Transport Development Funding for the development of Northern Powerhouse Rail – c.£?m</li> </ul>

	Oversee the 'client side' management and delivery of the rail services across the North of England (delivered via the Rail North Partnership) with a value of c.£500 million per annum.
--	---

**Politically Restricted Post:**

This post is politically restricted meaning the postholder must refrain from participating in any political activities, publicly expressing support for a political party or undertaking other activities such as canvassing on behalf of a person who seeks to be a candidate; and speaking to the public at large or publishing any written or artistic work that could give the impression that they are advocating support for a political party.

Please see TfN's Protocol for Politically Restricted Posts for further details.

# Person Specification

Qualifications, knowledge, skills and experience required at selection stage:	
<b>EQ1</b>	Degree or equivalent in a relevant subject
<b>EQ2</b>	Recognised leadership qualification or equivalent
<b>ES</b>	<b>Skills and Experience</b>
<b>ES1</b>	Demonstrable experience of leading a similar complex and multi-stakeholder and partnership organisation
<b>ES2</b>	Demonstrable ability to maximise external funding opportunities and of applying effective, key commercial, business and other management processes
<b>ES3</b>	Extensive experience of overseeing the establishment and management of complex financial management and resource planning systems and processes
<b>ES4</b>	Extensive experience of leading multi-disciplinary teams to deliver complex projects, work plans and to meet key objectives
<b>ES5</b>	Extensive experience of developing strategies for continuous improvement and of project performance measurement
<b>ES6</b>	Extensive experience of influencing government bodies, stakeholders, partners, clients, operators, businesses and suppliers to support the achievement of organisational aims, objectives and requirements
<b>ES7</b>	Extensive experience of achieving positive outcomes through negotiation
<b>ES8</b>	Experience of and ability to actively seek, identify and implement opportunities for continuous improvement in project and programme delivery
<b>ES9</b>	Strong customer focus and ability to maintain focus on the implications of all strategy and policy decisions on passengers and public and business transport network users
<b>ES10</b>	Demonstrable ability to understand and communicate the wider context, to advise and support political leadership and to operate as a peer within the wider transport industry
<b>EC</b>	<b>Essential Behavioural Competencies</b>
<b>EC1</b>	<b>Cultivates Innovation</b> - <i>Creates new and better ways for the organisation to be successful</i>
<b>EC2</b>	<b>Ensure Accountability</b> - <i>Holds self and others accountable to achieve results, even under challenging circumstances</i>
<b>EC3</b>	<b>Collaborates</b> - <i>Building partnerships and working collaboratively with others to meet shared objectives</i>
<b>EC4</b>	<b>Instils Trust</b> - <i>Gaining the confidence and trust of others through honesty, integrity and authenticity</i>
<b>EC5</b>	<b>Financial Acumen</b> - <i>Interpreting and applying understanding of key financial indicators to make better business decisions</i>
<b>EC6</b>	<b>Decision Quality</b> - <i>Making good and timely decisions that keep the organisation moving forward</i>
<b>EC7</b>	<b>Strategic Mindset</b> - <i>Seeing ahead to future possibilities and translating them into breakthrough strategies</i>
<b>EC8</b>	<b>Attracts Top Talent</b> - <i>Attracting and selecting the best talent to meet current and future business needs</i>
<b>EC9</b>	<b>Drives Vision and Purpose</b> - <i>Painting a compelling picture of the vision and strategy that motivates others to action</i>
<b>EC10</b>	<b>Manages Ambiguity</b> - <i>Operating effectively, even when things are not certain or the way forward is not clear</i>

## **Appendix 2 – Draft Appointment Panel Terms of Reference**

The Appointment Panel shall undertake the following functions:

- (i) selecting a preferred candidate, for recommendation to TfN Board, for the role of Chief Executive and Head of Paid Service, including considering applications, forming a longlist and a shortlist, and conducting interviews;
- (ii) recommending to TfN Board, before any offer of appointment is made by TfN, a preferred candidate for appointment to the role of Chief Executive and Head of Paid Service;
- (iii) agreeing, where necessary, an Interim Chief Executive Role Profile and recruitment process for appointing an Interim Chief Executive; and
- (iv) Where necessary, selecting and recommending for appointment a preferred interim candidate for the role of Chief Executive and Head of Paid Service.

### **Membership**

The Appointment Panel shall consist of such membership as Transport for the North Board shall determine. On 14 January 2021 Transport for the North Board determined the membership as: Councillor Louise Gittins (TfN Vice Chair), Mayor Ben Houchen (TfN Vice Chair), Cllr Keith Aspden (City of York Representative), Peter Kennan (SCR LEP Representative), Emma Ward (DfT) and John Cridland (TfN Chair).

Each member of the Appointment Panel shall, in circumstances where they are unable to act, be permitted to nominate a Substitute Member, provided such person is a member or co-opted member of Transport for the North Board (or other DfT representative in the case of the DfT Panel member); in such circumstances, the member shall notify the Monitoring Officer of the Substitute Member nominated. Where a Member or Substitute Member attends the interview of a Candidate only that Member or Substitute Member may take any further part in the appointment process and after that point no Substitute Member may be appointed.

### **Chair**

The Appointments Panel shall be chaired by the Chair of TfN Board. If the Chair of the TfN Board is not present at any Appointments Panel meeting, the members of the Appointments Panel who are present shall elect a chair from amongst their number, each Board Member present having one vote.

### **Quorum**

Any such meetings (and associated decisions) of the Appointment Panel will only be considered Quorate if all members of the Appointment Panel (or their nominated substitute member) are present.

**Rules of Debate, Voting and Procedure**

Except where incompatible with the above, and as applicable, TfN's Procedure Rules as contained in its Constitution and Recruitment & Selection Policy shall apply.

Any decision of the Appointment Panel to recommend a candidate to the TfN Board must be unanimous and the normal voting provisions set out in the Constitution shall not apply.

### Appendix 3 – Draft Indicative Recruitment Timetable

\*Selection process subject to approval by the Appointment Panel

Activity	By When
Appointment Panel (AP) confirmed at TfN Board Meeting	14.01.21
Virtual Meeting with AP to agree Recruitment Timeline, Role Profile and Selection Process	14.01.21
Executive Search Agency briefed on Role Requirements & Potential Targets	W/E 15.01.21
<b>1st update to TfN Board – Confirming recruitment timeline</b>	
Vacancy Go-Live (Search & Head-hunting) – 3.5 weeks’ search period	20.01.21
Weekly ‘Head-Hunting’ progress updates to AP	Weekly Updates via Email
Closing Date for Applications (via CV & Covering Letter)	11.02.21 – 12 Noon
Longlist (ABC) Report received & Longlisting by AP completed*	W/E 19.02.21
<b>2nd update to TfN Board – Confirming longlisting &amp; next steps</b>	
Longlist (Technical) Interviews completed & Assessment (ABC) Report received*	W/E 05.03.21
Shortlisting by AP completed*	W/C 08.03.21
<b>3rd update to TfN Board – Confirming shortlisting &amp; final interview dates</b>	
Psychometric Testing (leadership & behavioural) completed by Shortlisted Candidates*	W/E 19.03.21
Final Interviews including Stakeholder Panel*	22.03.21
Preferred Candidate Identified (subject to TfN Board Approval) – Special Board Meeting to be convened if required	TBC - March Board dependent on date

This page is intentionally left blank