

Transport for the North Board Amended Agenda

Date of Meeting	Thursday 18 February 2021
Time of Meeting	1.30 pm
Venue	Virtual

Filming and broadcast of the meeting

Meetings of the Transport for the North Board are 'webcast'. These meetings are filmed and broadcast live on the Internet. If you attend this meeting you should be aware that you might be filmed and included in that transmission.

Item No.	Agenda Item	Page
1.0	<p>Welcome & Apologies</p> <p>The Chairman to welcome members and the public to the meeting.</p>	
2.0	<p>Declarations of Interest</p> <p>Members are required to declare any personal, prejudicial or disclosable pecuniary interest they may have relating to items on the agenda and state the nature of such interest.</p>	
3.0	<p>Minutes of the Previous Meeting</p> <p>To consider the approval and signature of the minutes of the meeting held on 14 January 2021 as a correct record and to consider any requests for updates on matters contained therein.</p>	3 - 14
4.0	<p>IST Programme</p> <p>Members are asked to consider the report from the IST Programme Director.</p>	15 - 22
5.0	<p>2021/22 Funding Update & Draft Business Planning</p> <p>Members are asked to consider the report from the Finance</p>	23 - 40

	Director.	
6.0	<p>Any Business Which the Chair is Satisfied is Urgent</p> <p>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.</p> <p>Reports to be considered during this item are as follows:</p> <ul style="list-style-type: none"> • Item 6a – Northern Powerhouse Rail Strategic Outline Case Timing (previously item 11) • Item 6b – Supplemental Report - Northern Powerhouse Rail Strategic Outline Case Timing (previously item 11a) • Item 6c – Corporate Risk Register (previously item 9) 	41 - 106
7.0	<p>Exclusion of Press and Public</p> <p>To resolve that the public be excluded from the meeting during consideration of Items 8 and 9 on the grounds that:</p> <p>(1) It is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during such item(s), confidential information as defined in S100A(2) of the Local Government Act 1972 (as amended) would be disclosed to them in breach of the obligation of confidence; and/or</p> <p>(2) It / they involve(s) the likely disclosure of exempt information as set out in the Paragraphs [where necessary listed below] of Schedule 12A of the Local Government Act 1972 (as amended) and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	
8.0	<p>Part 2 Minutes of the Previous Meeting</p> <p>To consider the approval and signature of the private minutes of the meeting held on 14 January 2021 as a correct record and to consider any requests for updates on matters contained therein.</p>	107 - 110
9.0	<p>Northern Powerhouse Rail Preferred Way Forward</p> <p>Members are asked to consider the report from the Northern Powerhouse Rail Director.</p>	111 - 136

Transport for the North Board Minutes

**Thursday 14 January 2021
Virtual**

Present:

John Cridland (Chairman)

Attendee

Cllr Lynn Williams
Cllr Craig Browne
Cllr Gittins
Cllr Keith Little
Mayor Andy Burnham

Cllr Daren Hale
Michael Green
Mayor Steve Rotheram
Cllr Carl Marshall
Cllr Richard Hannigan
Mayor Dan Jarvis
Cllr Don Mackenzie
Cllr Heather Scott
Cllr Hans Mundry
Cllr Judith Blake
Cllr Andy D'Agorne

Local Authority

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

Rail North Authorities Attendees

Councillor Chris Brewis
Councillor John Ogle
Councillor David Williams

Lincolnshire
Nottinghamshire
Staffordshire

Local Enterprise Partnership (LEP) Attendees

Roy Newton
Steve Curl
Kishor Tailor
Mark Rawstron
Mark Roberts
Lucy Winskell
Matthew Lamb
Peter Kennan

Cheshire & Warrington LEP
Cumbria LEP
Hull and Humber LEP
Lancashire LEP
Leeds LEP
North East LEP
North Yorkshire LEP
Sheffield City Region LEP

Partners in Attendance:

Jim O'Sullivan
Lorna Pimlott
Sir Peter Hendy
Nick Bisson
Ben Smith
Graham Botham

Highways England
HS2
Network Rail
DfT
Department for Transport
Network Rail

Officers in Attendance:

Name
Barry White
Gary Rich
Dawn Madin
Iain Craven
Julie Openshaw
Rosemary Lyon
Tim Foster
Jeremy Acklam
Peter Molyneux
Tim Wood
Deborah Dimock

Job Title
Chief Executive
Democratic Services Officer
Director of Capabilities
Finance Director
Head of Legal
Legal and Democratic Services Officer
Interim Policy & Strategy Director
IST Director
Major Roads Director
Northern Powerhouse Rail Director
Solicitor

Item No:

1. Welcome & Apologies

- 1.1 The Chairman welcomed Members and apologies were noted. The Chairman particularly welcomed to the meeting Jim O'Sullivan, who was attending his final Board meeting.
- 1.2 Mr. O'Sullivan stated that he has enjoyed working with the Board which has helped to shape the plans, proposals and projects that Highways England put into the Road Investment Strategy (RIS) 2. Mr. O'Sullivan introduced his successor Nick Harris who will be taking over on a temporary basis from the end of January.
- 1.3 Mr. Harris introduced himself and told the Board that he is looking forward to working with TfN.
- 1.4 The Chairman thanked Mr. O'Sullivan on behalf of the Board and wished him every success for the future.
- 1.5 The Chief Executive updated Members on the Innovation Partnership. Board was informed that following the IST Programme Board meeting the procurement for the Innovation Partnership has been cancelled due to the funding situation. He explained that TfN has written to all the bidders and they will also be notified via the Delta procurement system.

2. Declarations of Interest

- 2.1 There were no Declarations of Interest.

3. Minutes of the Previous Meeting

- 3.1 The minutes of the meeting of the Transport for the North Board held on 18 November 2020 were considered.

Resolved:

That the minutes of the Transport for the North Board held on 18 November 2020 be approved as a correct record.

4. Rail Needs Assessment

- 4.1 The report of the Interim Strategy and Programme Director was received by Members who then highlighted key areas of the report. He explained that the paper is TfN's assessment of the Rail Needs Assessment (RNA) which was published in mid-December by the National Infrastructure Commission (NIC). He further explained to Members that the assessment will feed into the Government's Integrated Rail Plan (IRP) which has been delayed and is now not due to be published until early 2021. He stated that there is now a small window of opportunity to influence Government policy.

He explained that the NIC was asked a question which did not consider the needs of rail for the next 25-30 years but rather what is able to be delivered against a fixed budget. He stated that none of the scenarios outlined in the assessment meet with the aspirations of the TfN Board nor the Government commitment to deliver HS2 and NPR in full. Members were informed that this is because the NIC has taken the rising costs and overspend on HS2 phase 1 as a given, and this has impacted on the available spend for the North and Midlands.

On the issue of the Northern pipeline the Interim Strategy and Programme Director was clear that an adaptive pipeline in which some decisions are made now and others later would be damaging to economic ambition and transformation.

- 4.2 The Chairman explained that the £24 billion that was anticipated for NPR in the 2018 assessment has shrunk on the baseline to approximately £5 billion due to the increases in costs of phase 1 of HS2. He explained that only with a 50% uplift would a transformational vision be close to being achieved. He stated that a meeting is being sought with the Secretary of State and a letter from the Chief Executive will also be sent following the meeting.

4.3 Cllr Brewis emphasised the importance of small and medium sized enterprises as the country comes out of the pandemic many of which are based in the North and the Midlands. He also highlighted the importance of adequate infrastructure for rail freight.

4.4 Mayor Jarvis stated that he hopes that the Government will reject the Rail Needs assessment which he believes is flawed, and investment in the North and the Midlands for future generations should not be based on it. He stated that the IRP will be the next big test of Government's levelling up programme to reviving the economies of the North.

He explained that the Rail Needs Assessment has lost sight of what the Government is looking to do and the issue of integration. He highlighted the priority to fix the decrepit local transport infrastructure in South Yorkshire and improve connections between South Yorkshire and the rest of the North and the Midlands. In order to do this delivery of NPR and HS2 in full is essential.

He stated that if the Government is serious about the levelling up agenda then it must demonstrate this with the publication of the Integrated Rail Plan.

4.5 Cllr Hale stated that for Hull, HS2 is seen as a means to an end in terms of getting the infrastructure uplift from Hull to the rest of the North. He explained that the proposals in the Rail Needs Assessment would jeopardise electrification from Hull to Leeds and mean no linkage to Sheffield.

Cllr Hale stated that there needs to be pushback against the proposals, and if there isn't, the public will have a negative view.

The Chairman stated that he believed that there may have been some challenges against some of the big capital investment proposals such as Leeds to Manchester, but the proposals in the assessment don't even give the continuous improvement upgrades that can be done from Leeds to Hull and Sheffield to Hull with significant benefit at modest cost.

4.6 Cllr Scott rejected the proposals and stated that North East has been completely excluded. She stated that there needs to be the same opportunity for levelling up in the North East as there is in other parts of the North.

4.7 Mayor Burnham endorsed the comments of other Members. He explained that he believed that this is worrying and needs to be viewed in the context of the budget for Transport for the North. He highlighted the fact that this appears to be the old framing of London and the South East first with other regions having to "scrimp and save".

Mayor Burnham provided his support for TfN. He explained that as a statutory body the Board should be providing statutory advice to the

Government and agreeing a process as to how it should be done with the advice then being published.

The Chairman outlined the steps that have already been undertaken. He explained that a meeting has already taken place with the Permanent Secretary where she was informed that the Board would be unlikely to accept the Assessment. He also explained that there was concern that the Board meeting would be too late to make representations to the Government on this, however assurances were received that this would not be the case. Members were informed that a letter would be sent to the Secretary of State requesting a meeting for a TfN Board delegation with the Minister.

- 4.8 Mayor Rotheram supported Mayor Burnham's suggestion and encouraged Members to make their own individual representations to Government.

He highlighted the fact that the schemes within the report appear to be pitted against each other. He stated that it should be an integrated assessment that should lead to efficiencies but this hasn't been taken into account. He further stated that none of the packages of schemes in the assessment align with the TfN Board preferred network or advice that has been provided to Government, with the baseline only providing a series of upgrades which aren't aligned to NPR.

Commenting on the situation in Liverpool he stated that baseline plus 50% would be the only option that would deliver a new line between Leeds and Liverpool.

- 4.9 Cllr Gittins stated that whatever is done in the North has an impact on the rest of the country including the unions with Wales and Scotland and the Government doesn't seem to understand this.
- 4.10 Cllr Mundry questioned the Government's levelling up agenda and whether this would be done properly and whether the needs of the North would be considered.
- 4.11 Mr. Mark Roberts highlighted the economic benefits to small business of full infrastructure investment allowing businesses across the north to easily connect with each other. He stated that commuting to London is something that he found to be accessible; however this was not the case when travelling across the North of the country. He stated that by joining up the North it would make these business more productive and provide considerable economic benefits.
- 4.12 Cllr Blake expressed her thanks to Officers for the response they have put together. She requested that the submission should include links to all the economic casework done particularly work around linkages to the East Midlands.

She stated that all of the East of the North has been let down by this assessment and suggested that repetition of the economic benefits may prove to be beneficial and strengthen the case that is being put forward.

Cllr Blake expressed her disappointment in the language of “either-or” which was used in the NIC report. She stated this isn’t about links to London, but rather about the whole connectivity around the North as well as going down to the East Midlands.

- 4.13 Mr. Mark Rawstron re-enforced Cllr Blake’s argument on the economic benefits and stated that the Transport for the North Board needs to be robust in arguing about the economic benefits to the North of an integrated transport system.
- 4.14 Peter Kennan stated that the NIC report needs to be side-lined and the plan outlined in the report put forward. He suggested that TfN should look to work with colleagues in the Midlands and HS2 East.
- 4.15 The Chief Executive outlined the way forward and stated that the latter part of the report will be turned into statutory advice to the Government. He also informed Members that he was trying to arrange a meeting for a delegation from the Board to meet with the Secretary of State as well.

The interim Strategy and Programme Director stated that sections four, five and six of the report capture the thoughts of Members and would be used as basis when writing the letter and providing statutory advice to the Government.

- 4.16 Members suggested circulating the letter to the leaders of the local authorities and local MPs as well as making it public.
- 4.17 The Chief Executive agreed to circulating the letter around to Members for comment although it was stated that the turnaround would need to be rapid in order that it could be sent to the Secretary of State as soon as possible.

Resolved:

- 1) That the report be noted;
- 2) That a letter be sent to the Secretary of State providing statutory advice on this matter and that this letter also be published;
- 3) That a meeting be arranged with the Secretary of State with a TfN Board delegation.

5. TransPennine Tunnel M6-A1 Corridor Statutory Advice

- 5.1 The report of the Major Roads Director was received by Members. The Chairman asked Board to consider recommendations for next steps and to consider viable options to improve connectivity in the M6 and A1 Corridors. He explained that the ambition for fully dualled new roads is not viable but there is still a need to improve road connections in both

corridors. He explained that the ambition is being lowered in order to develop more proportionate and environmentally sensitive options. Members were also informed that a letter has been received from the countryside charity CPRE on this matter.

- 5.2 Mayor Jarvis expressed support for the recommendations in the report. He stated the importance of improving road connectivity between Greater Manchester and South Yorkshire and the importance that this will have for the wider Northern economy. He further explained that by improving connectivity between the two it would also grow the use of Northern Ports as well as increasing resilience on the M62.

Mayor Jarvis encouraged the DfT to continue to work with Members and TfN in order to find a workable solution.

- 5.3 Cllr Green supported the recommendations, however he highlighted the need for more local improvements which need to be sponsored by TfN together with partners to secure improvements which are financially viable and environmentally better.
- 5.4 Mr. Kennan stated that improved and consistent journey times are required. He explained that it is not only the A628 where work needs to be undertaken but also the A57 Snake Pass and the A623. He highlighted that both roads are the responsibility of Derbyshire County Council and requested that TfN work closely with them look at what improvements can be made.
- 5.5 Cllr D'Agorne stated the need for equivalent investment in rail, and specifically investment in rail freight across the Pennines.
- 5.6 Cllr Mackenzie updated Members that North Yorkshire County Council had received planning approval for a diversion for the A59, to divert the road at Kex Gil. He stated that improvements will give greater resilience to the Road which is an important TransPennine route running from Mersydale through Lancashire and North Yorkshire and into York. He stressed the importance of smaller interventions in order to create a better TransPennine route via road.
- 5.7 The Major Roads Director stated that they would be addressing the points that CPRE have made and this will be included in the scope of the next piece of work, as well as being addressed in the Investment Programme benefits analysis work and will be covered in the Decarbonisation Strategy.

Resolved:

- 1) That the report be noted
- 2) That a letter providing statutory advice be sent to the Secretary of State setting out the recommended next steps detailed in section 4 of the report.

6. Any Business Which the Chair is Satisfied is Urgent

6a. Funding and Business Planning

- 6.1 The report of the Finance Director was received by Members. He stated that the report highlights some of the key impacts that the funding cuts could have on TfN, subject to decisions that will be made over the coming weeks. This includes; cuts to funding of the statutory functions of TfN and the cancellation of the IST programme.

The Finance Director particularly highlighted the impact of the cancellation of the IST programme, explaining that the cancellation would forestall the proposed roll out of pay as you go on buses, trams and trains which may have an impact on public transport usage as we emerge from the pandemic. He further explained that there may also be a consequential impact on public transport usage going into the future, with downstream consequences for the decarbonisation agenda.

The Finance Director requested direction from the Board to provide a framework for the work that needs to be undertaken in the coming weeks. He explained that Officers are continuing to engage with Department in order to optimise the funding available.

He explained that the Comprehensive Spending Review submission drew attention to the fact that the TfN Core Grant was being used to support programmes, which is no longer sustainable. Members were informed that Officers are working with Departmental officials to try and free up approximately £2 million of core funding that could then be used to deliver statutory functions. He explained that this has been agreed in principle.

- 6.2 Mayor Jarvis supported the report of the Finance Director. He explained that the funding settlement was inconsistent with the Government's stated commitment to levelling-up. He further stated that the cancellation of the IST programme would have a direct impact on South Yorkshire at a time when investment in public transport is most needed and informed the meeting that he would be making representations to Government urging them to reconsider.
- 6.3 On the issue of the cancellation of the IST Programme Mayor Rotherham noted that this would directly impact the Liverpool City Region. He informed the meeting that LCR had spent millions on integrated smart ticketing with the intention of recouping some of the costs back from TfN, this is now no longer possible and savings will have to be found elsewhere. He made clear that not only would this have an impact on TfN but it would also have an impact on constituent authorities.
- 6.4 Cllr Gittins supported the recommendations in the report. She stated that she would raise this issue at a forthcoming Growth 365 track

meeting and ask them to lobby on behalf of TfN as the funding cut will impact on some of their ambitions.

- 6.5 Mayor Burnham stated that this is the time for Government to be strengthening TfN. He stated that this felt more than just an efficiencies exercise and believed that it is bringing into question the role of TfN. He explained that when everything is taken into account it appears that the actions of Government is leading to a levelling-down.

Mayor Burnham suggested that reference to this needed to be made in the Statutory Advice letter on the Rail Needs Assessment as it is going directly against what is needed to get the right Northern Powerhouse Rail project for the North of England.

- 6.6 Cllr Little asked if any other Statutory Transport Boards had suffered the same level of cuts as TfN. The finance Director stated that as far as he was aware none of the other STBs have as yet received their funding allocations.

- 6.7 Mr. Ben Smith provided a departmental viewpoint on this issue. In relation to the Smart ticketing Mr. Smith explained that there was work ongoing within DfT on a national way forward. He explained that in a meeting with the Permanent Secretary and the Chief Executive it was agreed that work would continue with TfN to see where there can be joined up work on this.

On the issue of wider core funding Mr. Smith reiterated that Ministers are keen that TfN continue to deliver on their core objectives. He informed Members that where costs are being incurred on specific programmes, such as NPR and the RNP, then these should be re-charged back to those programmes and that they are happy to work with the Finance Director to ensure that this happens.

The Chairman asked that Mr. Smith take back the strength of feeling of Members in the meeting and stressed that this will be followed up with a letter to the Secretary of State. He requested that the issues raised by Members on Smart Ticketing also be taken back, he explained that the submission in the Comprehensive Spending Review on this focused on leveraging funding to be spent at a City Region level and the cancellation has damaged individual programmes. The Chairman requested that the DfT in their work on IST recognise that work in the North is being done at City Region Level.

- 6.8 Mayor Burnham clarified for Members that the Northern Transport Acceleration Council (NTAC) is a very different to Transport for the North where Members are able to bring a variety of issues to the attention of the Secretary of State, whilst TfN is a strategic body trying to create an integrated transport network for the North.

He expressed concern at recent developments, particularly around the budget and that in his opinion it appears that TfN is being put on a path towards being disbanded. He gave his support for TfN and stated that he would defend it as it is the only body that is about Northern devolution as well as playing a key role in the 2018 timetable chaos and has advanced the agenda in numerous ways. He further stated that it appears that levelling up is being decided in a top down manner by the Government with them making decisions about what is good enough for the North.

Resolved:

- 1) That TfN officers continue discussions with DfT to achieve the greatest clarity on next year's funding.
- 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.
- 3) That Transport for the North progresses with its business planning and budgeting on the basis set out in the report
- 4) That a response letter, based on the key matters set out in Paragraph 3.22, be sent to the Secretary of State following the Board and that a meeting is sought with him as a matter of urgency in the w/c 18 January 2021.
- 5) That Board establishes a Member Working Group as set out in paragraph 3.26.

6b. Recruitment of TfN Chief Executive

6.9 The report of the Director of Business Capabilities was received by Members. Members were taken through each recommendation in the report in order to receive approval for the way forward in the recruitment process. Before doing this the Director of Business Capabilities informed Members that the report had been signed off by the Monitoring Officer and is aligned to the Constitution and that final approval of the appointment of the new Chief Executive will be brought to the Board.

6.10 The first issue presented to Board was whether the appointment should be permanent or interim.

Following Members comments they were unanimous that TfN should look to appoint a permanent Chief Executive. Members believed this was the best way forward and shows the ambition of the organisation.

6.11 Members were then asked to note the constitutional provisions and the Director of Business Capabilities stated that she hoped that she had provided Members reassurance on this matter.

6.12 Members were then were asked to approve revisions to the role of the Chief Executive. She explained that the Job Description has been updated and now aligns with the constitution and a net zero

environmental task has also been included. She further explained that the finance section of the Job Description is not yet complete due to ongoing discussions on this matter.

Members were happy to approve the role profile.

- 6.13 Members approved the remaining recommendations in paragraph 5.3 of the report.

Resolved:

- 1) That the report be noted
- 2) That Board approval was given to all the recommendations outlined in the report.

7. Exclusion of Press and Public

Resolved: That the public be excluded from the meeting during consideration of Items [8,9 & 10] on the grounds that

- (1) It is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during such item(s), confidential information as defined in S100A(2) of the Local Government Act 1972 (as amended) would be disclosed to them in breach of the obligation of confidence; and/or
- (2) it / they involve(s) the likely disclosure of exempt information as set out in the Paragraphs [where necessary listed below] of Schedule 12A of the Local Government Act 1972 (as amended) and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

8. Part 2 Minutes of the Previous Meeting

- 8.1 The private minutes of the meeting of the Transport for the North Board held on 18 November 2020 were considered.

Resolved:

That the private minutes of the Transport for the North Board held on 18 November 2020 be approved as a correct record.

9. Northern Powerhouse Rail Delivery Model

- 9.1 The report was received by Members and they were invited to ask questions and make comments.

Resolved:

- 1) That the report from the NPR Director be noted.
- 2) That the discussed recommendations be agreed.

10. Northern Powerhouse Rail Strategic Outline Case Version 3 Update

10.1 The report was received by Members and they were invited to ask questions and make comments.

Resolved:

That the report from the NPR Director be noted.

Transport for the North Board

Subject: IST Programme

Author: Jeremy Acklam, IST Programme Director

Sponsor: Barry White, Chief Executive

Meeting Date: Thursday 18 February 2021

1. Executive Summary:

- 1.1 Given the current funding position that DfT has not agreed to the Spending Review request for IST funding for 2021/22, this paper sets out the consequences and recommends formal closure of the IST Programme.

2. Background

- 2.1 The Integrated and Smart Travel (IST) programme was created to transform the public transport passenger experience across the North by working in mutually beneficial partnerships with operators, local authorities and suppliers. The overall intention was to have an easy, consistent and familiar travel experience throughout our region which to help make public transport the preferred choice for travel across the North of England. A funding envelope of £150m across multiple phases was agreed in 2015.
- 2.2 The First Phase was 'Smartcards on Rail', working with train companies Northern Rail, TransPennine Express and Merseyrail to introduce smartcards for season tickets customers. Around 80% of rail season ticket holders had converted to smartcard seasons prior to the onset of the Covid 19 pandemic and the success of this Phase in delivering real improvements for passengers demonstrates the value of TfN's partnerships and skills creating a new era of seamless and convenient travel across our region. The second part of this smart card enablement successfully delivered Flexi-season capability across a large swathe of the North's rail network, featuring rail products more focussed on the less-frequent commuter, an essential product for a post-Covid world.
- 2.3 The Second Phase was focussed on customer information, collaboration and innovation, where IST successfully created an open-data-driven approach and extended it to include disruption information for bus, light rail and ferry. This data is made available to passengers through

LTA mobile apps and websites and increasingly through commercial 3rd parties such as Moovit, Citymapper and shortly, Google. These successful systems help passengers stay informed about their travel plans and provide greater choice about the journey they choose to take. Phase 2 also included the provision of a fares data entry online system for DfT's national use as part of the BODs programme, utilising TfN's focussed skillsets in this area. In Phase 2, IST has successfully brought together best practice and innovation from across the sector, delivering joined up travel solutions.

- 2.4 The focus of the Phase 3 was to deliver a region-wide 'fair price promise' using an Account Based Back Office Ticketing (ABBOT) and multi-modal, multi-operator pay-as-you-go travel areas in the North of England using contactless bank cards. As the project progressed, fast moving and relatively low cost market led contactless solutions were introduced by bus operators, and given the unregulated nature of this market without any compulsion to adopt an integrated system, there was insufficient commitment from enough operators to continue with the procurement. As an alternative, TfN Board agreed to refocus Phase 3 by using success in delivering smartcard season tickets to enable contactless, pay-as-you-go travel on rail and in a Phase 4 to support local smart ticketing to complete the digital enablement of public transport across the North with our Local Transport Authority partners. Programmes have been developed for coordinated, localised schemes that introduce contactless pay-as-you-go ticketing across bus, light rail and ferry. Proposals were submitted to DfT but were held up pending the outcome of the Spending Review.
- 2.5 An Innovation Partnership procurement was launched as a starting point for Phase 4 digital enablement but, following receipt of the funding letter, it was stopped in January 2021.

3. Department for Transport (DfT) Funding

- 3.1 The DfT's Funding Settlement letter dated 4th January 2021 indicated that no further funding was to be made available by DfT for the continuation of the Transport for the North (TfN) Integrated and Smart Travel (IST) Programme or for the delivery of its Spending Review submission. It also stated that contactless on rail would be delivered by rail reform, saying: "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."
- 3.2 TfN responded to DfT communicating that the decision to cease funding the IST programme entirely was incredibly disappointing – particularly

given the identification of key contactless initiatives that could be developed quickly and have been awaiting a funding decision for several months.

- 3.3 Specifically, the £33m requested for the year ahead would have delivered 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.
- 3.4 TfN have tried a variety of approaches to DfT to see if even limited funding could be made available for quick wins and we continue to have discussions with DfT’s Acceleration Unit to look at in year opportunities. However, as yet, no funding has been secured, and any such funding if agreed would be on much more limited basis. Therefore, this paper seeks the Board’s agreement to wind down the IST Programme.

4. Consequences of Closure

- 4.1 If the IST programme is closed, proposed extensions to Phases 1 and 2, together with Phases 3 and 4, and the Phase 5 and 6 proposed in the Spending Review submission, will not go ahead.
- 4.2 IST closure will result in some partners being unable to deliver smart capability as planned as their smart aspirations were largely captured within the TfN SR submission. Partners will need to rethink how to achieve those ambitions and to apply for funding through other channels.
- 4.3 IST closure may impact the return of customers to public transport in the short term and the speed of exit from Emergency Measures in the medium term.
- 4.4 Following closure, TfN will be less able to interface to RDG, DfT rail and other parties in delivery of PAYG on rail and TfN may no longer have Digital Travel specialists – essential to achieving the required STP outcomes.

5. Programme Closure Process

- 5.1 The key tasks required to close the programme have been identified and a closure plan will be finalised if TfN Board agrees that closure should proceed. The closure plan will include:
- Residual deliveries of minor software upgrades and final platform validators will be concluded in February and March.
 - Final costs settled with suppliers on Phase 1 and 2.

- Lessons learned and closure documents will be made available to TfN and partners.
- Programme archive will be made available to partners.
- Stakeholder relationships will be handed over to others where applicable.
- Disruption Data and Open Data service will be transferred to an LTA partnership working through a lead LTA, with this task likely to extend into f/y 21/22 due to the complexity of contract assignment.
- Closure costs within f/y 20/21 are already budgeted.
- The HR Team will advise on next steps in terms of employee consultation once the closure plan for programme is finalised and agreed.
- DfT has agreed that it will meet the costs of completing Phases 1 & 2 and of the winding-down of the programme (for example, TfN recently received a further £1.5m of grant in relation to Phase 1). TfN will provide a cost schedule to the department, based upon the business planning activity that is currently underway, that sets out those costs.
- As well as the Phase costs this will include the costs of programme team support to finalise this activity, the costs of the closure of the programme (including any potential redundancy costs), and costs that have previously been specifically agreed (such as the IST contribution to the lease costs for the Leeds office through to September). TfN will also highlight any areas of uncertainty or contingency that need to be considered and agreed.

6. Post Closure Options

6.1 The business planning process is considering options to retain Smart Travel functionality in TfN, funded out of TfN's core budget. The options are broadly:

1. Wind down the programme and TfN retains no IST capability.
2. Wind down the programme but fund a smart travel/fares capability in Strategic Rail, with a budget of c£100k.
3. Wind down the programme but allocate c£500k in 2021/22 to smart travel to either develop a business case or carry out a small pilot project.

These are being worked through and the business plan presented to the March Board will include a recommended approach.

7. Recommendation

7.1 It is recommended that the Board:

- Notes the cessation of funding for the IST Programme.

- Agrees the winding down of the IST Programme and that a closure plan is being finalised.
- Notes that the winding down process will continue into 2021/22 and that DfT will provide funding to cover the cost of winding down the programmes.
- Note that the business plan paper to TfN's March Board will set out any proposal to retain an IST capability funded from TfN's core budget.

List of Background Documents:

There are no background papers to this report.

Required Considerations
Equalities:

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

Consideration	Comment	Responsible Officer	Director
Equalities	A full impact assessment has not been carried out yet.		Jeremy Acklam

Environment and Sustainability

Yes	No
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Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not yet been carried out.		Jeremy Acklam

Legal

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

Finance

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

Resource

Yes	No
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Consideration	Comment	Responsible Officer	Director
Resource	The resource implications have been considered and are included in the report	Stephen Hipwell	Dawn Madin

Risk

Yes	No
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Consideration	Comment	Responsible Officer	Director
Risk	Risks and consequences of the closure have been outlined in the report.	Haddy Njie	Iain Craven

Consultation

Yes	No
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Consideration	Comment	Responsible Officer	Director
Consultation	A consultation has not been carried out yet.		Jeremy Acklam

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Transport for the North Board

Subject: 2021/22 Funding Update & Draft Business Planning

Author: Iain Craven, Finance Director
Tim Foster, Interim Programme and Strategy Director

Sponsor: Barry White, Chief Executive

Meeting Date: Thursday 18 February 2021

1. Executive Summary:

- 1.1 Transport for the North ("TfN") produces an annual Business Plan which sets out its objectives for the coming year and how they will be delivered. This plan then provides the basis for the TfN budget. The Business Plan and Budget will be presented to the TfN Board on 24 March for approval.
- 1.2 As reported to the TfN Board on 14 January, TfN received a letter from the Department for Transport ("DfT") on 4 January that set out a reduced envelope for 2021/22 in comparison to TfN's CSR submission, which included a significant cut to the current Core funding allocation and a cessation of funding for the IST programme. The timing and content of this letter mean that TfN is now undertaking a substantial revision of the planning that it had undertaken to date, to a tight timescale.
- 1.3 Further to the discussion in the 14 January Board, TfN has now agreed with DfT that it be given the flexibility to charge £2.5m of direct and allocated costs that were previously resourced from Core funding into the NPR programme, reducing the pressure on Core budgets. It is further proposed that c.£2m is released from TfN's reserves to support in-year activity in 2021/22 - £1m to cover one-off work on the Investment Programme Benefits Appraisal and a further £1m to support in year costs. Such an approach would allow TfN to deliver the programme set out in this report, whilst at the same time retaining sufficient reserves to manage a number of fundamental uncertainties. In addition, the in-year funding cut of £3m announced in January means that TfN will need to use c.£1m of reserves in 2020/21 to support Core operations.
- 1.4 The planning for the Northern Powerhouse Rail Programme will reflect both the funding envelope provided by DfT and its role as co-client on the programme. The intention is to continue to develop business cases in line with the SOC recommendations, although this is subject to the content of the Integrated Rail Plan.

- 1.5 Subject to the associated report to the 18 February TfN Board, the IST Programme will complete work on Phases 1 and 2 and will then be wound down. The funding arrangements to cover the wind down costs have been discussed and agreed with the department. Consideration is currently being given to how and to what extent TfN is able to retain Core funded IST capability to support its Smart Travel objectives and those of its Constituent Authorities.
- 1.6 The key operational activities were agreed with the Board in January and we have held further discussions with the member working group on the priority areas for TfN, these include:
- Strategic Transport Plan development, and underpinning policy development activity (e.g., Freight and Decarbonisation)
 - Investment Programme Benefits Analysis
 - Northern Transport Charter activities
 - Rail priorities (services and infrastructure)
- 1.7 Delivery of the core TfN programme requires a significant scaling back of plans compared with the CSR submission, careful prioritisation of activity and a more efficient use of existing TfN assets. This will mean activity stopping or not progressing some planned areas of work; finding more efficient and lower cost ways of working and delivery; and actively managing budgets in year.

2. Issue:

- 2.1 This report provides an update on the 2021/22 business planning and budgeting process. There will be an opportunity to discuss the key areas for consideration at the 18 February Board.

3. 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.

TfN 2021/22 Funding Allocation	21/22 £'m	CSR Ask £'m	20/21 £'m
Core Funding	6.0 ¹	11.2	10.0 ²
IST ³	-	33.4	15.8
NPR ⁴	75.0	111.3	75.0
Developing an Investment Pipeline ⁵	-	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. TfN will also receive c.£0.6m of Rail Administration Grant to help resource Strategic Rail activity.
- 3.2 The in-year cut of £3m means that the £7m of Core grant that TfN will receive in 2020/21 will be insufficient to meet its Core expenditure for the year, 5/6^{ths} of which has already been incurred. This means that c.£1.0m of reserves will need to be released to allow TfN to manage through to the end of the financial year. This will leave forecast year-end reserves at c.£5.5m. Further information regarding the reserve position is set out below.
- 3.3 Subsequent to the 14 January Board, further discussions have been held with Departmental officials. This has not resulted in any change to the previously reported IST position.
- 3.4 However, TfN has reached agreement with DfT to resource a range of costs that arise from programme activity, but which are currently Core funded, against programme budgets. This will relieve c.£2.5m of cost pressure in relation to Core funded costs, essentially reducing the impact of the reduction in Core expenditure from a cut of £4.0m to a cut of £1.5m.
- 3.5 In setting a budget envelope to inform the business planning process, we have aimed to maximise the resources available to deliver TfN's aspirations, whilst recognising the continued uncertainties faced by TfN and the potential financial challenges that arise from those uncertainties. Paragraphs 3.5-3.8 set out the proposed approach to the

use of TfN's reserves that was tested in the Member Working Group meetings.

- 3.6 TfN has previously set out its Reserves Strategy in its annual budget reports. In the absence of revenue raising powers or, since 2018/19, a multi-year funding horizon, TfN has tried to manage its Medium-Term Financial Strategy (MFTS) through its reserves. The current minimum reserve is set at £2.0m. During 2020/21 the Covid pandemic, displacement of activity as a result of prioritising NPR support and cost control measures put in place to address funding uncertainty meant that instead of declining by c.£1.5m to £5.0m as originally budgeted, TfN's forecast year-end Core Grant reserves increased by £2.0m to £8.5m, before subsequently falling back to £5.5m as a result of the £3m in-year funding reduction.
- 3.7 TfN is therefore faced with a significant quantum of activity that has had to be reprogrammed from 2020/21 into future years, principally in relation to the Investment Programme Benefits Appraisal work that was delayed in Q1 of 2020/21 to allow focus on modelling for the NPR Programme. It is intended that c£1.0m of the retained reserves is released to support the IPBA activity.
- 3.8 In addition, it is proposed that another c.£1.0m of reserves is released to support the delivery of TfN's Core activity and address transition costs. This would still leave a reserve of at least £3.5m at the end of 2021/22, by which time TfN should be able to reassess its reserves strategy in light of longer-term certainty as to its funding and role. This reserve would remain significantly in excess of the minimum set out in the Reserves Strategy, although we may consider increasing the recommended minimum in light of the ongoing uncertainty that currently exists.
- 3.9 At the same time, the uncertainty created by the funding cuts and the ongoing impact of lockdown continue to impact upon TfN's month-on-month expenditure. To the extent that specific items can be identified as having to be carried over the financial year-end into 2021/22 TfN will use the associated savings to support this work being carried out next year.
- 3.10 This approach would allow TfN to set a budget envelope that allows it to deliver the activity set out in Section 4. TfN will seek to achieve a balance between efficiency, effectiveness, and sustainability in the decisions that it makes in relation to delivering activity, with the overarching objective of delivering Value for Money.

Based upon the departmental funding letter, overall TfN funding available for expenditure in 2021/22 will be as follows:

- £6.0m Core funding;

- Up to £67.0m Transport Development Funding for NPR – TfN is still in discussion with the DfT regarding the activity and resultant expenditure levels that will be funded;
 - IST Programme Grant – sufficient to complete Phases 1 & 2 and to winddown the programme;
 - c.£1.3m Rail North Partnership and Rail Administration Grant plus additional grants to deliver Blake Jones that are still being discussed with the DfT;
 - £0.4m from partner organisations for delivery of rail activity on a contracted basis;
 - £0.1m rail contributions from partners; and
 - Circa £2.0m of releases from Reserves to support Core expenditure.
- 3.11 TfN will provide a balanced budget, derived from the business planning process, to the 24 March Board, based on a Core budget envelope of £8m (i.e. the Core allocation of £6m and the proposed reserve releases of £2m).
- 3.12 It should be noted that the current in-year run rate is substantially lower than the detailed analysis provided in the August CSR submission. In particular, TfN has c.30 vacant posts against its current establishment, which is a direct result of the uncertainty over future funding and TfN’s role. Consultants and temporary staff are providing cover for a significant number of these roles (particularly across our NPR and TAME teams), but a more stable environment is needed to allow proper long-term resource planning and resourcing solutions to be adopted. This cost challenge, based on a reduction from the current run rate, does not therefore fully reflect the operational challenge of delivering across the full range of member aspirations.
- 3.13 This outline funding position forms the basis of the business planning activity that is set out in Section 4. In parallel with the re-planning exercise that is being undertaken, operational teams funded through the Core allocation have been set an efficiency challenge of 10% (set prior to the exact level of programme recharges being agreed) based on the considerations set out above. Likewise, whilst support teams will undertake their final planning exercise once the operational and programme plans have been completed, they have been set a 10% efficiency target based on activity identified as discretionary during the planning that was conducted in the autumn.
- 3.14 Taking this into account, TfN is now faced with an effective cut in its Core funding of 15% on the previous year and 25% in relation to its CSR submission. As set out in Section 3, this translates into a savings

target of 10% based on current 'run rates' against which business planning proposals will be considered.

4. Business Planning

4.1 Transport for the North initiated its 2021/22 business planning in October 2020. Consistent with previous years, an exercise has been undertaken which identified TfN's key strategic priorities and identified a common 'golden thread' from strategy to delivery that informs planning activity throughout the process. These priorities are derived from the Northern Transport Charter and were endorsed by the TfN Board on 14 January.

4.2 Transport for the North officers refreshed the 'golden thread' in the autumn to allow teams to begin the planning process. 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. And were approved by the Board in January as a basis for business planning:

- Transformed economic performance
- Improved productivity
- Enhanced inclusivity, health, and access to opportunities for all
- Better quality of life.

4.3 The Northern Transport Charter then 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 the Board agreed should 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.

4.4 The January Board also endorsed the Key Themes around which TfN would base the next phase of its planning. These Key Themes were developed in the final months of 2020, although in the absence of a funding envelope prior to 4 January, TfN was unable to complete detailed planning. This detailed work can now be carried out based on a clearer funding envelope as set out in Section 3.

4.5 The teams within TfN have therefore developed plans based upon the delivery of those Key Themes. Where budgetary constraints have delayed, reduced the scope, or completely negated TfN's ability to undertake certain activity this has been identified, allowing clear choices to be made between competing proposals.

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- 4.6 Per the recommendation in the January Board report, members were invited to join a Member Working Group 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.
- 4.7 This Member Working Group has since been established and met in two groups (to facilitate diary management) on 8 and 9 February to consider business planning matters. The soundings taken in those meetings are reflected in the content of this report.
- 4.8 This report focuses on the activity that will be carried out by TfN's operational teams. Support team plans are to an extent dependent on the activity volumes driven from these areas, particularly Northern Powerhouse Rail which continues to constitute the bulk of TfN's transactional activity.
- 4.9 The remainder of this section sets out the approach to business planning being taken across:
- Core operational teams;
 - Northern Powerhouse Rail; and
 - Integrated and Smart Travel.

Core Operational Teams – Key Priorities

- 4.10 The focus of this section is TfN core operations teams that will deliver on the key priorities agreed with the Board in January:
- Strategic Transport Plan development, and underpinning policy activity (for example on decarbonisation of transport)
 - Investment Programme Benefits Analysis
 - Northern Transport Charter activities
 - Rail priorities (services and infrastructure).
- 4.11 The workstreams listed above were identified by TfN in the CSR submission to continue in its role of advising government on spending programmes. 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 required for the completion of medium-term deliverables – such as the refresh of the Strategic Transport Plan.
- 4.12 In light of the funding settlement we have reassessed our ability to deliver on those priorities based the cost reduction target set out in paragraph 3.14.
- 4.13 TfN can continue to deliver much of the core programme, albeit with some very significant reductions in key areas compared with the CSR submission, and careful prioritisation of activity and a more efficient use of existing TfN assets. This will mean activity stopping or not

progressing some planned areas of work; finding more efficient and lower cost ways of working and delivery; and rapid reallocation of budgets in year if any work is rescheduled.

Strategic Transport Plan Development

4.14 TfN is preparing to produce a new Strategic Transport Plan. This is the start of a long-term process to update, agree and consult on a new STP which will not be adopted until early 2024. We can maintain most of the planned STP programme, with hard prioritisation of research and policy development activity, shift activities from professional services to in-house expertise and integrate with other work streams. We recommend TfN start work in 2021/22 by filling key evidence gaps as follows:

- Progressing our decarbonisation and freight strategies, including formal consultation and engagement processes.
- Completing our current research projects on the visitor economy, social exclusion and user insight, and commissioning further work on health and wellbeing.
- We will also work with the LEPs and others to update the Northern Powerhouse Independent Economic Review to reflect the economic opportunities and challenges post Covid.
- Revisiting our Roads strategy in light of decarbonisation and future travel scenarios.

4.15 This means we will **not** now commission external work on developing the TfN policy positions as originally planned and will have reprogramme a number of other proposed research projects. Work on preparing the new STP itself will not start this financial year.

Investment Programme Benefits Analysis (IPBA)

4.16 At around £1m, IPBA represents a significant one-off investment in the North's evidence base. The IPBA will provide critical 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.

4.17 It will demonstrate for the first time, the added value of a long-term fully funded multi modal investment pipeline. The IPBA will include identification of the pipeline funding required to secure development and delivery of the right schemes at the right time.

4.18 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. This analysis uses TfN's analytical models and data, and will form the heart of the next STP.

- 4.19 The supporting business case work will be prepared by TfN officers, drawing on existing evidence where possible and drawing on the latest Green Book guidance. This approach represents better value for money, reflects the approach taken in NPR and will ensure that the resulting business case is fully consistent with both the STP development and the Northern Transport Charter.
- 4.20 There was strong support at the Member Working Group for undertaking the IPBA programme in 2021/22.

Northern Transport Charter Activities

- 4.21 The January Board paper set out proposals for developing elements of the Northern Transport Charter from within TfN's current powers and funding envelope. This would enable TfN to make progress towards the objectives of the Charter, whilst building a track record in decision making and governance to support a future business case for further devolution of funding and powers.
- 4.22 There are a number of areas where we can make significant progress in 2021/22 whilst embedding the delivery of the Northern Transport Charter into the day to day activities of TfN. This approach could involve:
- a) Developing the Northern Appraisal Framework alongside the IPBA programme to demonstrate the value of a decision-making model that balances transformational economic growth with environmental and social benefits.
 - b) Demonstrating the revised TfN decision-making model in practice, including:
 - Setting out an approach to prioritising strategic roads projects for construction to start in RIS3, and for projects to be tested for viability in RIS3 with a view to start in RIS4
 - Forming a delivery plan for NPR within any funding/timing constraints set out in the IRP
 - Forming an Independent Assurance Group to demonstrate the rigour behind TfN decisions and guide future investment decisions and prioritisation activity.
 - c) Achieving greater accountability of the railway in the North to the people of the North (through Rail North Committee)
 - Post Covid recovery to rebuild passenger confidence, increase passenger numbers and set a trajectory to mend the finances of rail services.
 - Respond to the publication of the Williams review and input into rail reform more generally.

-
- Identify any short-term measures to align rail services with plans for economic recovery in towns and cities across the north.
- d) Further development of the work already undertaken with regards to proposals for the scope and mechanics of a Northern funding settlement aligned with the emerging evidence from the IPBA work.
- e) Exploring mechanisms for greater public participation in transport policy formulation:
- Opportunity to organise a Citizen’s Assembly to inform complex future transport issues, such as how road use is paid for in the future. Research is underway on options and best practice. This would be a significant undertaking, potentially done jointly with other STBs, and would require additional funding from reserves if undertaken in 2021/22.
- 4.23 The Member Working Group has emphasised the need to maintain a clear and visible focus on NTC activity during 2021/22, and recommended that the NTC Member Working Group be reformed to steer the work programme above, with the exception of rail activity where the Rail North Committee will continue to oversee input into the Rail North Partnership. We will factor the internal support and coordination of that activity into the business plan.

Strategic Rail Priorities

- 4.24 Our proposals for rail focus on rebuilding confidence and services post-Covid and responding to both the Integrated Rail Plan and the Williams Review with clear plans for infrastructure and services. Our work supporting scheme development activity will now be much less ambitious than our CSR submission – particularly for local schemes and freight.
- 4.25 Key priorities include:
- Shaping and responding to the Covid recovery, working strategically to outline and deliver the Roadmap to Recovery activities that will encourage passengers back to rail.
 - Integration of classic rail with HS2 & NPR for services and infrastructure after Integrated Rail Plan is published.
 - Long Term Rail Strategy Delivery Plans including journey time and reliability workstreams.
 - Continued basic support partners to accelerate the delivery of the STP outcomes and local development.

4.26 A number of activities identified in our CSR submission are no longer affordable and therefore at risk:

- Early scheme development to develop the rail investment pipeline and secure a greater share of DfT's investment funding
- Delivery of fares and ticketing strategy (under consideration as part of assessing retention of an IST capability, positioned in Strategic Rail funded out of TfN's core budget)
- Roll out of LTRS Delivery Plans including Journey Times and Reliability
- More proactive support on local scheme development for LTA partners.

Northern Powerhouse Rail

4.27 Detailed business planning has already been undertaken for the Northern Powerhouse Rail Programme, based on assumptions regarding the submission and approval of the proposals within the SOC. As this programme is co-cliented, this business plan has been developed with the department on the basis of the NPR Memorandum of Understanding (approved by the Board in January 2020).

4.28 As in 2020/21, the planned activity has been split for budget purposes between "Committed" amounts, that will be agreed with the department prior to the approval of the budget, and "Contingent" amounts, which either reflect that part of the work that TfN would like to do where detailed agreement with the co-client has not been achieved, or where it is expected that activity will be needed, but where the exact requirement and associated cost are dependent on work that is yet to be carried out.

4.29 It should also be noted that whilst it represents the co-clients' current best estimate, at least some elements of the plan that supports the Committed budget are subject to uncertainty related to the timing and outcome of the Integrated Rail Plan, and it is possible that this plan may need to be recast once the outcome of it is known.

4.30 It is currently estimated that the Committed budget for 2021/22 will be c.£49m, alongside an £18m Contingency budget.

4.31 The high-level plan to take forward the NPR Programme is currently as follows:

- 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.

Integrated Smart Ticketing

- 4.32 In the absence of any IST funding allocation, TfN will have no resources with which to take forward the programme. There is a small amount of work required to complete Phases 1 and 2, and TfN is currently working up a plan to deliver this and the wind-down of the programme. TfN already holds sufficient IST grant to resource these activities, subsequent to which any remaining grants will be returned to the department.
- 4.33 It is recognised, however, that TfN may need to retain Smart ticketing capability to support its other policy aspirations, not least in relation to supporting the building back of public transport passenger options and the longer objectives in relation to decarbonisation.
- 4.34 Options are therefore being considered which would either maintain strategic IST capability within Strategic Rail, or would fund a small programme such as a pilot rail PAYG on a small scale or to produce business cases for contactless on light rail over the course of the next year. The costs of these options are being worked up in detail but would be c.£100k for the former and c.£500k for the latter.

5. Activity in advance of 24 March Board

- 5.1 Subsequent to the 18 February Board TfN there are 18 working days prior to the submission of the final draft Business Plan and Budget Report to the TfN Board for approval.
- 5.2 During that time TfN will need to complete the following activity:
- Complete the departmental business plans based on the outcome of this Board;
 - Produce an overarching draft TfN business plan;
 - Agree the KPIs by which progress will be monitored;

- Agree programme budgets with the DfT;
- Agree and draft a TfN budget Report.

5.3 This activity will be continue to be supported by the Member Working Group.

6. Risks

6.1 As in previous years, the majority of TfN's proposed expenditure will sit within its programmes, and specifically NPR. This is the main driver of overall TfN expenditure, as well as being a key contributor to the demands placed upon TfN's support functions. The uncertainty with regard to the timing and substance of the IRP means that there is a risk that the programme may suffer from delays and / or the need to reconsider the required activity. TfN will continue to express programme budgets as "committed" and "contingency" as in previous years and will reassess the position once clarity with the IRP has been achieved.

6.2 Some of the key drivers of TfN underspends in 2020/21 will continue into the new budget year. These include uncertainty with regard to the restrictions that might be in place vis-à-vis the Covid-19 pandemic, uncertainty in relation to funding beyond the end of 2021/22 and uncertainty around policy decisions, including the IRP. Underspending in 2021/22 will carry reputational and future funding risks. The greater reliance on internal resources to deliver activity will make the cost base more predictable, but TfN will also put in place arrangements to switch funding to "reserve" activity if it becomes apparent that this is necessary during the year.

6.3 To further mitigate this risk it is proposed that, subject to TfN Board approval and suitable break clauses being agreed, the consultancy support that has been procured to support the delivery of the IPBA (as described in Section 4 above) is confirmed immediately to allow mobilisation of resources to occur before the start of the new financial year.

7. Recommendation:

7.1 That the TfN Board approve the funding envelope set out in paragraphs 3.4 – 3.9, and in particular the proposed use of reserves.

7.2 That the Board notes and approves the use of reserves as noted in paragraph 3.2.

7.3 That the Board agrees the priorities and emerging proposals for the core operational teams, NPR and IST set out in Section 4, noting the feedback from the Member Working Group.

- 7.4 That the Board notes the steps required in Section 5 to conclude business planning activity in time to agree the business plan at the meeting of the March TfN Board.
- 7.5 That, subject to appropriate break clauses being agreed, TfN confirms the IPBA support contract to allow the mobilisation of resources prior to the start of the new financial year.

ENDS

List of Background Documents
Required Considerations

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

Equalities:

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

Consideration	Comment	Responsible Officer	Director
Equalities	A full Impact assessment has not been carried out because the subject matter of the report has no Equalities impact.		Iain Craven

Environment and Sustainability

Yes	No
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Consideration	Comment	Responsible Officer	Director
Sustainability / Environment	A full impact assessment has not been carried out because the report has no direct sustainability or environmental impacts.		Iain Craven

Legal

Yes	No
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Consideration	Comment	Responsible Officer	Director

Legal	Provided TfN has regard to the need to carry out its statutory duties and obligations, setting of its business plan and budget within the available funding envelope is within the discretion of the Board.	Julie Openshaw	Dawn Madin
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Finance

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

Resource

Yes	No
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Consideration	Comment	Responsible Officer	Director
Resource	The resource implications have been considered and are included in the report. The paper setting our TfN's final budget and business plan to be presented to March meeting will fully set-out any associated resourcing implications.	Stephen Hipwell	Dawn Madin

Risk

Yes	No
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Consideration	Comment	Responsible Officer	Director
Risk	Risks relating to the funding arrangements have been outlined in the report.	Haddy Njie	Iain Craven

Consultation

Yes	No
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Consideration	Comment	Responsible Officer	Director
Consultation	A consultation process has not been carried out as it is not required for this report.		Iain Craven

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Transport for the North Board

Subject: Northern Powerhouse Rail Strategic Outline Case Timing

Author: Tim Wood, Northern Powerhouse Rail Director

Sponsor: Barry White, Chief Executive

Meeting Date: Thursday 18 February 2021

1. Purpose of the report:

1.1 Members are asked to:

1. **Note** that the Transport Secretary has stated that DfT wishes that the submission of the NPR Strategic Outline Case (SOC) be delayed so that it can be preceded by the Integrated Rail Plan (IRP).
2. **Resolve** whether to agree to the request to delay the submission of the SOC until after the IRP.

2. Executive Summary

2.1 This paper sets that the Transport Secretary wishes to delay the NPR SOC in order to allow the outcome of the IRP to be taken into account. Given the co-cliented nature of NPR the paper examines the options on how to proceed setting out the practical limitations of not agreeing to the delay and also the context of TfN seeking a co-sponsorship role on NPR going forward into the next phase of development and delivery.

3. Background

3.1 An updated Strategic Outline Case (SOC) for Northern Powerhouse Rail is being co-cliented and jointly developed by TfN and DfT. This aimed to agree a single preferred network for NPR.

3.2 Following the strong cooperation and collaborative working across the co-client organisations, the SOC is currently on track for submission to government in March 2021. The SOC updates and further strengthens the case for NPR whilst significantly narrowing down the options to be taken forward.

3.3 The shortlisting exercise completed at a corridor and hub level has resulted in some corridors identifying a single preferred route/hub route option, whereas others have identified a number of shortlisted concepts.

- 3.4 There is DfT and Transport for the North agreement on the broad route options for some parts of the network, while agreement is yet to be reached on other sections of the NPR network, including the new line corridors.
- 3.5 There is an opportunity to support accelerated delivery where it is possible to robustly evidence a single preferred concept. The DfT has been clear, and Transport for the North agrees, that it is highly desirable that a single preferred concept is identified for each corridor/project to enable the programme to progress quickly and meet our joint aspirations around accelerating delivery.
- 3.6 An NPR MoU covering the duration of the SOC development was agreed by the TfN Board in March 2020 which covers how the co-client relationship between TfN and DfT will work to enable all stakeholders, alongside central government, to be sighted on development of the programme and involved in key decisions throughout the development process.
- 3.7 The MoU sets out that TfN operates within a national policy legislative and governance framework, that is managed through DfT and for which the Secretary of State for Transport is responsible to Parliament. This means that the Transport Secretary is accountable for the development, adoption and amendment of policy to the extent that these affect the NPR Programme.
- 3.8 As per section 2.1 of the TfN Constitution, TfN has been established to provide a single voice for the North, to facilitate the development and implementation of transport strategies in the North. The principal policy role of TfN Board in relation to NPR is to provide statutory advice to the SoS. As set out in the other NPR paper on the 'Preferred Way Forward' we will be able to offer that advice on the north's preferred way forward on NPR if agreed by the Board.
- 3.9 This means that where there are policy disagreements, e.g. about the preferred network, the ultimate decision lies with the Transport Secretary. The Grant Funding Agreement also sets out that the programme must consider further steers which impact the aims and objectives of the scheme. Steers may be received from the Prime Minister, the Secretary of State for Transport, Her Majesty's Treasury and the Department's Board Investment and Commercial Committee, alongside Transport for the North's internal governance.
- 3.10 Following the publication of the Rail Needs Assessment, TfN wrote to the Transport Secretary setting out advice on the National Infrastructure Commission's Rail Needs Assessment and the Board's initial views on its preferred way forward for NPR.
- 3.11 The TfN statutory advice on the IRP argued strongly for Government to fully recommit to HS2, NPR and other major Northern schemes, placing

rail investment right at the heart of an ambitious vision to level up opportunity, decarbonise transport and act as a catalyst for growth. Throughout the IRP process, TfN members have been clear about the need to consider NPR and HS2 as a single integrated network - the cornerstone of a 25-year programme to transform the North of England's rail network to deliver our economic and environmental objectives. The TfN submission also emphasised the need to make decisions transparently and with the direct involvement of TfN members.

- 3.12 The Transport Secretary, in his response, expressed his intention to consider the advice provide by TfN alongside other inputs including the RNA in reaching decisions for the Integrated Rail Plan (IRP). The IRP was due to be published by the end of 2020 but has been delayed.
- 3.13 In his letter, the Transport Secretary set out that it would be helpful for the IRP to precede the NPR Strategic Outline Case (SOC):
- To understand the financial and other aspects of the IRP;
 - To engage with government most effectively; and
 - To avoid the possible need for significant reworking of the SOC to take into account the conclusions of the IRP.
- 3.14 Following this, officials from both organisations have explored the options available, and at a meeting on 3 February 2021, the Secretary of State requested that the submission of the SOC be delayed pending publication of the IRP, and an offer of meaningful engagement on the IRP. On 10 February 2021 DfT e mailed TfN confirming that they wish to see the SOC submitted following the IRP and reflecting its conclusions. They also stated in doing so, this will improve overall programme delivery by allowing more single options in corridors. The e mail also outlined that Andrew Stephenson would be happy to meet again with TfN Board Members as the IRP is being finalised.
- 3.15 Practically, the SOC needs to be agreed by the joint 'co-cliented' DfT/TfN Programme Board before going further into any governance processes. Therefore, either of the co-clients could delay approval of the SOC at Programme Board.
- 3.16 This paper considers the implications for a delay and the options available to TfN.

4. Implications of a delay

- 4.1 The timing of a delayed SOC would very much be dependent on the content and timing of the IRP.
- 4.2 A large proportion of the draft SOC is independent of network choices: the NPR strategic case, and commercial and management cases would

remain very similar to current drafting. The IRP could potentially affect the economic analysis required, consequently modelling and appraisal would drive the timelines for delay:

- a) If the IRP sets a funding envelope for NPR and invites TfN and DfT to achieve consensus on the NPR network within that affordability envelope, the further shortlisting and updating of the SOC would be required. Dependent on the need for additional evidence to support decision making, timescales to submission of the SOC: **6-9 months from the IRP.**
- b) If the IRP selects a different network or different phasing from the existing shortlisted option, then existing models could be used to run the IRP network configuration. Timescales to submission of the SOC: **c3-4 months from the IRP**
- c) If the IRP changes the fundamental assumptions on which NPR is based, for example on the infrastructure or timing of HS2 Phase 2B or TRU, or necessitate changes to the interim train service specification, then there would be a need to update baseline models which is a much longer process. Timescale to submission of the SOC: **perhaps upwards of 6 months.**

4.3 However, a delay to the submission of the SOC need not necessarily result in a delay to the construction of NPR.

4.4 During 21/22, targeted work is planned to undertake further shortlisting on those parts of the NPR network where more than one concept has been shortlisted.

There could be an opportunity to achieve a single preferred concept on most, or indeed all, of the NPR network within the timescales of a delayed SOC. Alternatively, the IRP could take decisions on the shape of the NPR network based on the SOC evidence removing the need for some or all of the further shortlisting.

4.5 Following the acceptance of the SOC, sections of the NPR network with DfT and TfN agreement on a single concept would progress toward further route and design refinement, outline business case and the necessary development consenting in line with the agreed NPR phasing scenario.

4.6 Given the agreement on the concepts for these parts of the NPR programme between DfT and TfN, it could be possible to continue to progress work on these even with a delay to the SOC submission if a mandate for this was given by government.

4.7 Provided there is meaningful engagement between Ministers and TfN on the IRP, it could be logical for the SOC to follow the IRP. This sequencing would avoid the two documents becoming entangled which could result in a delay.

5. Consideration

5.1 TfN has been requested to delay the SOC. The options can be summarised as follows:

1. Agree to support a delay to the SOC
 - a. Unconditionally
 - b. While seeking assurances from the government on the role of TfN in NPR, engagement on the IRP and articulation of the delay.
2. Decline the request to delay the SOC
3. Seek to complete a TfN-led SOC by March 2021.

5.2 1a: Unconditional support to delay the SOC

Agreement to the delay of the SOC pending the IRP would be most compatible with the ways of working TfN have agreed to through the MoU and Grant Funding Agreement. Our agreement would evidence the ability of TfN and its Board to work collaboratively with government. This could be viewed favourable as the IRP considers the future delivery model for NPR. However, this wouldn't reflect parity in the co-clienting relationship and could compromise our ability to articulate, with a single voice, the transport priorities in the North of England.

5.3 1b: Support delay to SOC, requesting assurances

As above, but TfN could include in its statutory advice requests for certain assurances on:

- Meaningful discussion in the development of the IRP as it relates to the North,
- The role of TfN in the future delivery model for NPR, and
- The mandate to progress toward further route and design refinement, outline business case and the necessary development consenting on parts of the NPR network set to start construction in the mid-2020s.

This would also demonstrate flexibility and the ability of co-clients to work together in a more equitable way toward a common aim.

5.4 2: Decline the request to delay the SOC

Under the terms of the NPR MoU or Grant Funding Agreement, the Transport Secretary could instruct a pause to the SOC pending the IRP. Even without such an instruction, NPR governance, which is set to

approve the SOC prior to Board endorsement, could also fail to approve the SOC as both co-clients are required to agree. This would result in a *de facto* delay and affect the co-client relationship as we approach the end of the current MoU. This could be perceived as a failure to work collaboratively and potentially risks the future role of TfN in NPR. Finally, the potential for the NPR SOC and IRP to be contradictory could also cause delays and confusion.

TfN legal officers have stated that the co-clienting arrangement means TfN doesn't have an option to submit a SOC independent of DfT agreement, the only option is to submit the independent statutory advice to the Transport Secretary

5.5 **3: Seek to complete a TfN-led SOC**

The current SOC, based on the TfN initial preferred network and shortlisted options agreed between co-clients, is on track for completion in March 2021 and is near final. While the SOC document could be completed, it couldn't be published without a breach of confidentiality and the SOC would not likely be considered for investment decisions in government as it would not be a co-cliented SOC and would be contrary to the MoU. This could also risk future collaborative working, and the future co-sponsorship of NPR agreed by this Board as desirable in January 2021. Finally, under the Grant Funding Agreement, if TfN fails to comply with a steer from government, then DfT could reduce, suspend, or terminate payments of Grant, or require any part or all of the Grant to be repaid.

TfN legal officers have stated that the co-clienting arrangement means TfN doesn't have an option to submit a SOC independent of DfT agreement, the only option is to submit the independent statutory advice to the Transport Secretary.

- 5.6 If the SOC is delayed TfN could provide statutory advice to the Transport Secretary on the progress made, setting out some of the strategic case for NPR, and key conclusions reached in the work to date to inform the IRP. In the time available this would need to be reasonably high level and focus on some key elements.

6. **Next steps:**

- 6.1 Following agreement on the way forward, TfN will write to the Transport Secretary with our decision. This could be included alongside the updated statutory advice on the NPR Preferred Network.
- 6.2 If a delay is confirmed, we intend to rephrase the current review of the SOC, allowing more time for review by officials as much of the SOC will be unchanged by the IRP.

- 6.3 While scenario planning has been undertaken, following publication of the IRP, the implications for the 2021/22 TfN Business Plan would be identified and the Business Plan updated accordingly.

7. Recommendations:

7.1 Members are asked to:

1. **Note** that the Transport Secretary has stated that DfT wishes that the submission of the NPR Strategic Outline Case (SOC) be delayed so that it can be preceded by the Integrated Rail Plan (IRP).
2. **Resolve** whether to agree to the request to delay the submission of the SOC until after the IRP.

ENDS

Required Considerations

Equalities:

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

Consideration	Comment	Responsible Officer	Director
Equalities	A full Impact assessment has not been carried out at this stage of development.	Stephen Sutcliffe	Tim Wood

Environment and Sustainability

Yes	No
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Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out at this stage of development.	Stephen Sutcliffe	Tim Wood

Legal

Yes	No
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Consideration	Comment	Responsible Officer	Director
Legal	Known legal implications are set out within the report.	Julie Openshaw	Dawn Madin

Finance

Yes	No
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Consideration	Comment	Responsible Officer	Director
Finance	The NPR Programme operates within a fixed budget envelope for the year. The costs associated with delivering the SOBC are included in the 2020/21 budget. Future years budgets will be established as part of the business planning process which will be completed after the outcome of the CSR.	Paul Kelly	Iain Craven

Resource

Yes	No
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Consideration	Comment	Responsible Officer	Director
Resource	The NPR Programme operates within a fixed budget envelope. Should there be any agreed changes in funding or delivery timescales, thereafter, any resultant resourcing implications would be worked through in detail once a revised delivery plan is available. Future years budgets and associated resourcing levels will be established as part of the business planning process which will be completed after the outcome of the CSR.	Stephen Hipwell	Dawn Madin

Risk

Yes	No
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Consideration	Comment	Responsible Officer	Director
Risk	Risk assessments continue to be carried out and can be found in the risk register.	Haddy Njie	Iain Craven

Consultation

Yes	No
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Consideration	Comment	Responsible Officer	Director
Consultation	A suitable consultation has been carried out with Transport for the North partners.	Stephen Sutcliffe	Tim Wood

TfN Board

Supplemental Report to Item 6a

Subject: Northern Powerhouse Rail Strategic Outline Case Timing

Author: Tim Wood - Northern Powerhouse Rail Director

Sponsor: Barry White - Chief Executive

Meeting Date: Thursday 18 February 2021

1. Purpose of the Report:

- 1.1 This supplemental report is intended to amplify and clarify some of the issues in the earlier report on SOC Timing which has been published at Item 11 of the agenda.

2. Executive Summary:

- 2.1 Following publication, it has become apparent that there are a number of points which require additional clarification in order to allow a full understanding of the issues, and in particular to update the recommendations to better reflect the content of the initial paper.

3. Consideration:

3.1 Options to Proceed

The initial paper sought to explore if there were possible options for continuing with the SOC. Given DfT's dual role, as both funder and co-client, the initial paper set out that options 2 (declining to delay the SOC) and 3 (seek to complete a TfN-led SOC) were not practical options and therefore option 1 (accepting the SOC will be delayed) was the only practical option. The recommendation in this paper has been updated to reflect the ruling out of options 2 and 3 and thus recommends accepting that the SOC will follow the IRP.

The email attached at Appendix 1 from DfT, makes the Department's position clear in relation to: the SOC's timing should follow the IRP; that the SOC should reflect the outcome of the IRP; that this may improve overall programme delivery by moving to single options in more corridors; and that the NPR Minister would be seeking meetings with TfN Board Members.

For clarity and information, the Memorandum of Understanding between DfT and TfN is also attached at Appendix 2.

3.2 **IRP Timing**

The timing of the IRP remains unconfirmed. Both its timing and content will have a significant impact on the work undertaken by the NPR team in the next financial year.

3.3 **Funding and Business Planning Implications**

The funding allocated for NPR for 2021/22 remains unchanged. However, the business planning process had been based on the SOC being finalised in March. Paragraphs 4.27 - 4.31 of Item 5 of this Board agenda (Draft Funding Business Planning) set out the current position regarding NPR business planning and the uncertainty associated with it. Specifically, paragraph 4.29 states "It should also be noted that whilst it represents the co-clients' current best estimate, at least some elements of the plan that supports the Committed budget are subject to uncertainty related to the timing and outcome of the Integrated Rail Plan, and it is possible that this plan may need to be recast once the outcome of it is known". The options for NPR business planning will need to be further considered in light of this request, but it may be necessary to agree a high-level NPR plan and then develop additional detail quickly to respond to the work required following the IRP's publication.

3.4 Paragraph 5.5 of the initial paper stated "finally, under the Grant Funding Agreement, if TfN fails to comply with a steer from government, then DfT could reduce, suspend, or terminate payments of Grant, or require any part or all of the Grant to be repaid". This does not satisfactorily reflect the funding arrangements, and in particular some of the funding safeguards, that exist to support the programme.

3.5 TfN has a Grant Funding Agreement in place which, supported by a quarterly Funding Letter process, provides TfN with written departmental budget holder commitment for all of the expenditure that it undertakes. This mechanism, combined with a system of internal controls, provides TfN with the confidence to employ staff and contract with suppliers in the knowledge that it will not be exposed to unfunded liabilities.

3.6 However, this arrangement does not prevent DfT from "uncommitting" funding where it is considered to be nugatory by DfT (and TfN has not yet irrevocably committed to expenditure), as has been indicated in this instance.

4. Recommendations:

4.1 In light of the above information, the Recommendations to Board have been amended, from those printed in the main report, to the following:

1. Agree that in the circumstances Option 1 is the only practical option, and as such the completion and submission of the NPR Strategic Outline Case (SOC) will be delayed so that it can be preceded by publication of the Integrated Rail Plan (IRP).
2. Note that this will have an impact on business planning, meaning an initial high-level NPR business plan will be required, with further detailed development thereafter.
3. Resolve if additional statutory advice should be provided to the Transport Secretary on:
 - a) the key strategic benefits of the NPR network;
 - b) the role of TfN in the future delivery model for NPR; and
 - c) the mandate to progress toward further route and design refinement, outline business case and the necessary development consenting on parts of the NPR network set to start construction in the mid-2020s.

5. Appendices:

5.1 Appendix 1 – Email from DfT Official

5.2 Appendix 2 – Memorandum of Understanding between TfN and DfT

List of Background Documents:

Documents appended at Appendix 1 and Appendix 2.

Required Considerations
Equalities:

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

Consideration	Comment	Responsible Officer	Director
Equalities	A full impact assessment is not required.	Tim Wood	Barry White

Environment and Sustainability

Yes	No
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Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment is not required.	Tim Wood	Barry White

Legal

Yes	No
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Consideration	Comment	Responsible Officer	Director
Legal	Known legal implications have been considered	Julie Openshaw	Dawn Madin

	and are included in the report.		
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Finance

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

Resource

Yes	No
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Consideration	Comment	Responsible Officer	Director
Resource	The resource implications have been considered and are included in the report.	Stephen Hipwell	Dawn Madin

Risk

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

Consultation

Yes	No
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Consideration	Comment	Responsible Officer	Director
Consultation	No Consultation required.	Tim Wood	Barry White

Item 6b - Appendix 1**E mail from DfT Official to Barry White 10th February 2021**

'Thank you for your ongoing engagement with us on your plans for the Northern Powerhouse Rail Programme Strategic Outline Business Case (SOC). Following discussions last week, I am writing to confirm that the Department will not consider the SOC until after the Integrated Rail Plan has been published. We would therefore wish to see the SOC submitted following the IRP and reflecting its conclusions.

We expect that the submission of a business case which is consistent with the government's policy and funding framework set out in the IRP will improve overall programme delivery. This will allow more rapid alignment around single route options than envisaged in current plans – which assume a further twelve months work in some cases before detailed design work can begin. Further to your letter to the Secretary of State of 19 January, I can also confirm that Andrew Stephenson would be happy to meet again with TfN Board members as we finalise the IRP.

As ever, I would be happy to discuss.'

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Memorandum of Understanding

Northern Powerhouse Rail Governance

DRAFT



transportforthenorth.com

Version Control

Version	Date	Comment
0.1	13/02/2020	Draft agreed at working level
1.0	28/02/20	MOU agreed at Audit and Governance Committee

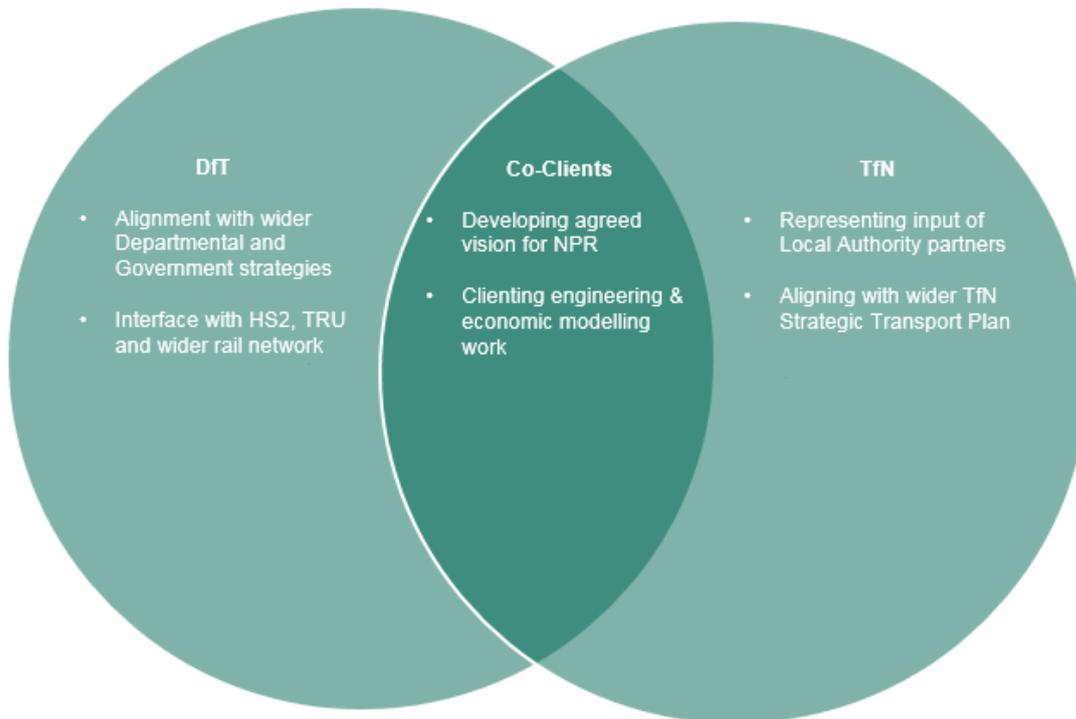
Next review date: January 2021

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1. Develop, set and amend Policy	7
2. Set funding envelopes	7
3. Approval of TfN Business Plan / Budget	8
4. Agreement of detailed work programmes / remit / changes	8
5. Funding drawdown (payment / transfer)	9
6. Delivery of agreed work programmes:	9

The Co-Clienting Arrangement

Transport for the North (TfN) and the Department for Transport (DfT) are working in partnership to develop Northern Powerhouse Rail (NPR). In the current stage (to early 2021) TfN and DfT are working to produce a Strategic Outline Case for NPR which will contain a preferred network agreed between TfN and government.



Delivery Partners (Infrastructure Development)



- TfN is England's first statutory sub-national Transport Body, formed to transform the transport system across the North of England, providing the infrastructure needed to drive economic growth.
- TfN works as a partnership, bringing together the North's 20 local transport authorities and business leaders.
- The NPR programme is 'co-cliented' between TfN and DfT.
- The co-clients work alongside delivery partners, Network Rail and HS2 Ltd, remitted by TfN and DfT respectively.

Governance Responsibility Assignment Matrix (RACI)

Supporting this vision and the objectives defined in the Strategic Transport Plan, and as the flagship programme for TfN, NPR is a major rail programme designed to unlock the economic potential of the North. It will provide a much-needed transformation for rail services in the North making it easier to move between the region's towns and cities.

Featuring new and significantly upgraded railway lines, it is an investment in infrastructure that will deliver benefits to the economy, quality of life, education and the environment. It would be the region's single biggest transport investment since the Industrial Revolution.

Through 2019 and 2020, TfN, working alongside their co-client DfT, are developing the Strategic Outline Case for NPR. This will outline the wider economic and policy context for the programme, the case for change, programme objectives, an assessment of alternatives, programme impacts and the process for a detailed options assessment.

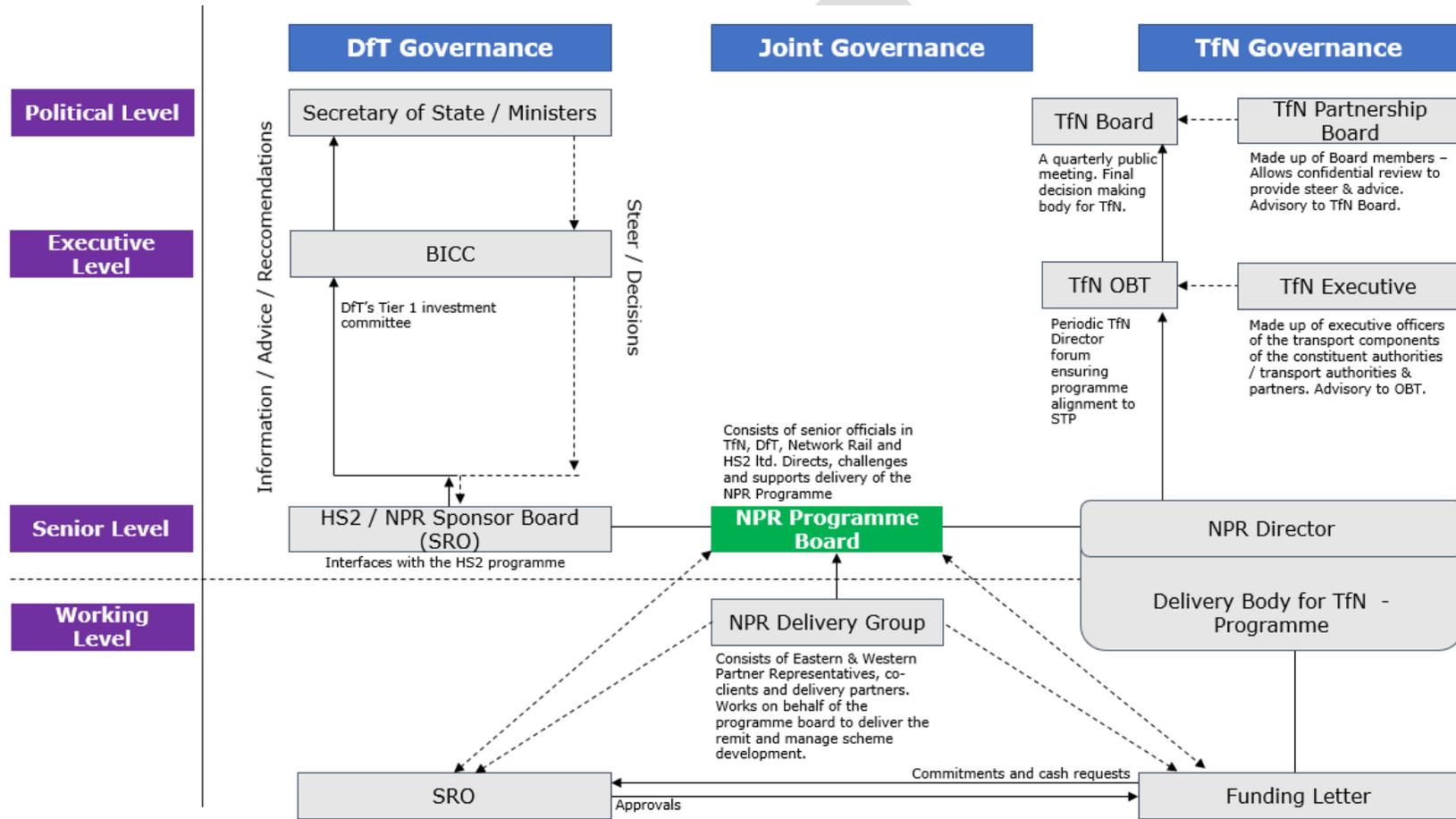
This document sets out how the co-client relationship between TfN and DfT will work to enable all stakeholders, alongside central government, to be sighted on development of the programme and involved in key decisions throughout the development process.

This document should be read in conjunction with the overarching Memorandum of Understanding (MoU) between TfN and the DfT which can be accessed in Appendix A.

	R <i>Responsible</i>	A <i>Accountable</i>	C <i>Consulted</i>	I <i>Informed</i>
Develop, set and amend policy	TfN, DfT	DfT	TfN, Partners	TfN
Set Funding Envelopes	DfT	DfT	TfN, NR, HS2	TfN, Partners, NR, HS2
Approval of TfN Business Plan / Budget	TfN	TfN	DfT, NR, HS2, Supply Chain	-
Agreement of detailed work programmes / remits / changes	TfN, DfT	DfT	NR, HS2, Supply Chain	-
Funding drawdown (payment / transfer)	TfN, DfT	DfT	-	-
Delivery of agreed work programmes:				
HS2	TfN, DfT	DfT	NR, HS2, Supply Chain	Partners, Stakeholders
Network Rail & supply chain	TfN, DfT	TfN	NR, HS2, Supply Chain	Partners, Stakeholders

NPR Programme Governance

The process chart below depicts the Governance arrangements and information flow across the TfN and DfT organisations.



The core activities referenced in the *NPR Programme Governance* chart above are summarised below.

1. Develop, set and amend Policy

R	A	C	I
TfN, DfT	DfT	TfN, Partners	TfN

TfN operates within a national policy legislative and governance framework, that is managed through DfT and for which the Secretary of State (SoS) is responsible to parliament. This means that the SoS is accountable for the development, adoption and amendment of policy to the extent that these affect the NPR Programme.

As per section 2.1 of the TfN constitution, TfN has been established to provide a single voice for the North, to facilitate the development and implementation of transport strategies in the North. The principal policy role of TfN Board in relation to NPR is to provide statutory advice to the SoS. In addition, TfN officers consult and obtain direction from the TfN Board, which is considered in the decision-making process of the NPR Programme Board.

It is the role of the TfN Operations Board, through the Chief Executive Officer (CEO) and NPR Director, to advise the TfN Board on matters of NPR policy. Likewise, it is the role of the Senior Responsible Officer (SRO) within DfT working with senior officials to advise the SoS.

The member organisations of TfN and other Northern local authorities are consulted on policy development both through their membership of TfN and its working arrangements, and direct engagement, with the DfT.

2. Set funding envelopes

R	A	C	I
DfT	DfT	TfN, NR, HS2	TfN, Partners, NR, HS2

The development work on NPR is funded entirely from central Government sources. Further the delivery of the programme is also likely to be wholly, or substantially, paid for by central Government. Securing the level of NPR funding from HMT, is therefore the accountability of the SoS.

TfN is consulted by DfT regarding the resourcing that is required to deliver the policy objectives agreed in Section 1 above. Advice on the required funding envelope for NPR is then provided to the SoS by the NPR SRO through departmental processes.

3. Approval of TfN Business Plan / Budget

R	A	C	I
TfN	TfN	DfT, NR, HS2, Supply Chain	-

The Memorandum of Understanding that was agreed between TfN and DfT in 2018 requires a business plan to be completed as a prerequisite for funding to be released each year.

TfN is accountable for developing a Business Plan and associated budget for NPR that aligns with the funding envelope provided by the SoS. In preparing the Business Plan, TfN will consult with departmental officials and key elements of its supply chain including NR and HS2.

4. Agreement of detailed work programmes / remit / changes

R	A	C	I
TfN, DfT	DfT	NR, HS2, Supply Chain	-

Before it can commit, either through recruitment of staff or procurement of services, to the delivery of the activity set out in its Business Plan, TfN must gain approval for the drawdown of the required funding from the budget holder (i.e. the SRO) within the DfT. Whilst the budget sets the direction of the required expenditure, the detailed supplier remits and TfN workplans are agreed between DfT and TfN as the programme develops.

The detailed process for the draw-down of funds is set out in a funding agreement between TfN and the DfT. Funding is released by DfT on a 'line-by-line' basis and must be utilised for the purpose for which it was allocated, subject to the utilisation of surplus funds being agreed with the department.

The DfT is therefore accountable for the agreement of detailed work programmes and remits. TfN officers work closely with departmental officials to identify the work that is required and agree the most efficient way of delivering that work, subject to funding conditions. The production of these remits requires consultation with delivery partners and the supply chain. The formal forum for the agreement of remits is the NPR Programme Board, which includes representation from DfT and TfN (including the SRO and NPR Director), Network Rail, and HS2.

5. Funding drawdown (payment / transfer)

R	A	C	I
TfN, DfT	DfT	-	-

Once activity has been agreed, and agreed in principle, at Programme Board TfN then provides a funding request letter to the DfT. This request details activity to be funded down to budget line level and where possible includes reference to the minutes from the relevant Programme Board where the activity was discussed. The funding is only released once the SRO is satisfied with the contents of the letter. The DfT is therefore accountable for the payment of funds to TfN, TfN and DfT are responsible for agreeing drawdown requests.

6. Delivery of agreed work programmes:

	R	A	C	I
HS2	TfN, DfT	DfT	NR, HS2, Supply Chain	Partners, Stakeholders
Network Rail & supply chain	TfN, DfT	TfN	NR, HS2, Supply Chain	Partners, Stakeholders

The elements of the funding envelope that are allocated for HS2 to deliver work in relation to the NPR programme are procured by the DfT directly with HS2. The remitting of HS2 is discussed between TfN and DfT but the direction, management and monitoring of HS2 is carried out by the DfT. DfT is therefore accountable for the delivery of HS2 work programmes.

The elements of the funding envelope that are allocated for NR and the wider supply chain to deliver work in relation to the NPR programme are procured by TfN. The management and monitoring of NR and other suppliers are carried out by TfN, in line with the remitting and funding releases agreed with the department; TfN is therefore accountable for the delivery of these work programmes.

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Transport for the North Board

Subject: Updated Corporate Risk Register

Author: Haddy Njie, Risk Manager

Sponsor: Iain Craven, Finance Director

Meeting Date: Thursday 18 February 2021

1. Purpose of the Report:

- 1.1 Transport for the North has updated the Corporate Risk Register (CRR) to continue to reflect the Key Performance Indicators (KPIs) and business objectives outlined in the Business Plan for Financial Year 2020/21. The update of the CRR includes the identification of new risks, re-assessments of risk impact scores and highlighting issues resulting from the reduced funding envelope announced on 4 January 2021. In addition to the principal risks and issues associated with the organisation's KPIs, the business continues to manage the impacts of the coronavirus pandemic and the national lockdown on programme delivery and business operations.
- 1.2 The intention of the report is to provide Board Members with an update on the organisational risks and issues relating to the business KPIs/objectives which can be found in the Corporate Risk Register.
- 1.3 The Corporate Risk Register will also be presented at the Audit and Governance Committee Members on 18 February 2021, with the intention to seek feedback and approval of the updated CRR from committee members. In addition, that Committee will consider a new report format which is intended to improve the utility of the CRR to its users. The terms of reference for the Audit and Governance Committee includes the requirement for the committee to "monitor Transport for the North's risk and performance management arrangements including review of the risk register, and progress with mitigating action".

2. Executive Summary:

- 2.1 It is essential that Transport for the North recognises, understands and manages the range of corporate risks that could negatively impact on its ability to achieve its objectives. The terms of reference for the Audit and Governance Committee includes the requirement to "monitor Transport for the North's risk and performance management arrangements including review of the risk register, and progress with mitigating actions".

- 2.2 Transport for the North's corporate risks stem from the agreed KPIs and from a range of other sources, some of which are beyond Transport for the North's direct control. The challenges and uncertainty faced by Transport for the North create both threats that need to be addressed, and opportunities that can potentially be exploited. Transport for the North's Corporate Risk Register is presented at Appendix 6.1.

3. Consideration:

- 3.1 Transport for the North's approach to managing risk is described in its Risk Management Strategy ("RMS") which sets out guidance for how risks are identified, assessed, managed and reported. The RMS has been applied in updating the Corporate Risk Register.
- 3.2 It is essential that Transport for the North and its programme teams recognise, understand and manage the risks that could negatively impact on its ability to achieve its objectives and priorities.
- 3.3 Board is asked to consider the internal and external corporate risks that the organisation is facing. In addition, Board members are asked to consider issues that arose from 4 January funding announcement impacting TfN's stated objectives and its ability to deliver the full range of its Members' aspirations. Therefore, Transport for the North is seeking feedback from Members on the Corporate Risk Register in line with 1.3 above.

4. Recommendation:

- 4.1 Board is invited to:
- a) Consider the report;
 - b) Discuss the risk and issue information provided in the Corporate Risk Register; and
 - c) Subject to any required amendments arising from discussion, approve the content of the Corporate Risk Register as a reflection of the current position.

5. Appendices:

- 5.1 Item 6c – Appendix 1 – Transport for the North's Corporate Risk Register.

Required Considerations

Equalities:

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

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

Environment and Sustainability

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

Legal

Yes	No
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Consideration	Comment	Responsible Officer	Director
Legal	A full legal impact assessment has been carried out and can be found in the report.	Debbie Dimmock	Julie Openshaw

Finance

Yes	No
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Consideration	Comment	Responsible Officer	Director
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
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Consideration	Comment	Responsible Officer	Director
Resource	The HR Team has reviewed this report and confirmed the resourcing implications are captured within Risk Register.	Stephen Hipwell	Dawn Madin

Risk

Yes	No
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Consideration	Comment	Responsible Officer	Director
Risk	A full corporate risk assessment activity took place which can be found in Item 6.1.	Haddy Njie	Iain Craven

Consultation

Yes	No
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Consideration	Comment	Responsible Officer	Director
Consultation	A consultation has not been carried out because it is not required for this report.	Haddy Njie	Iain Craven

Draft Transport for the North Corporate Risk Register

Financial Year 2020/21

Updated: 09/02/21



Introduction to Transport for the North's Corporate Level Risks

It is essential that Transport for the North (TfN) recognises, understands and manages the range of risks that could negatively impact on its ability to achieve the objectives set out in the 2020/2021 Business Plan. TfN's approach to managing risk is set out in its Risk Management Strategy which provides guidance for how risks are identified, assessed, managed and reported. Each programme and corporate function within TfN has its own risk register that is updated on either a monthly or fortnightly cycle, with clear reporting in line with governance arrangements. At the apex of these arrangements is the half-yearly reporting of the corporate level risks to the TfN Board.

TfN uses programme information to identify cross cutting risk themes that are sufficiently significant, either in their own right or in aggregate, to be reported to and discussed by the Board as risks requiring corporate focus. TfN's corporate risks stem from a range of sources, some of which are beyond TfN's direct control. The challenges and uncertainty faced by TfN create both threats that need to be addressed, and opportunities that can potentially be exploited.

The 2020/21 corporate risk register presents the corporate risks that might directly have an impact on TfN's business plan objectives. To ensure effective management of risks, the report provides information regarding the proximity of the risk, potential consequences for TfN's objectives and priorities, and the mitigation measures in place to manage the downside risks.

Table 1 summarises TfN's corporate level risks and the senior owner or owners (whilst each individual risk can only have one owner, the aggregation of risks into corporate level themes can result in corporate risk categories that include risks with more than one owner). **Table 2** outlines TfN's defined Probability Impact Criteria to undertake the qualitative assessment of the risks in order to produce a risk exposure score for each risk. **Table 3** provides guidance regarding the assessment and classification of TfN's level of control on the proposed mitigation risk plans. **Table 4** provides a detailed analysis of each risk theme, the mitigating actions that have been adopted, and the mitigation level of controllability. The last of these provides the user with information to help understand the extent to which TfN is able to influence or control the risk outcomes.

Table 1: Summary of TfN’s Corporate Risk Themes, Probability / Impact Assessments and Ownerships

Corporate Risk Theme	Risk Probability	Nature of Risk Impact	Current Risk Impact	Post Mitigation Risk Impact	Risk and Mitigation Strategy Owner
The Covid-19 Pandemic prevents or delays TfN from delivering its objectives	Medium	<ul style="list-style-type: none"> • Business deliverables may not be completed on time if: <ul style="list-style-type: none"> (i) a significant number of staff within TfN or its supply chain are affected by COVID-19. (ii) TfN engagement, decision making / governance processes are impacted by the availability of Constituent Authority or departmental colleagues. (iii) Covid-19 related uncertainty causes wider policy announcements to be delayed. • There is the potential for additional costs to be incurred through the measures that might be put in place to address the issues caused by Covid-19. 	High	Medium	TfN Chief Executive (Barry White)
TfN Reputational and Political Engagement	An Issue	<ul style="list-style-type: none"> • TfN could lack the powers or the influence to deliver the economic, social and sustainability benefits to the North that it set out in the Strategic Transport Plan. • The reduced core funding and no funding for the IST programme means: <ol style="list-style-type: none"> 1) TfN will no longer be able to deliver its IST aspirations as set out in its CSR submission. 2) TfN’s ability to deliver in line with member aspirations will be reduced, impacting negatively on its ability to contribute to the levelling up agenda. 	An Issue	An Issue	TfN Chief Executive / Finance Director (Barry White / Iain Craven)

Corporate Risk Theme	Risk Probability	Nature of Risk Impact	Current Risk Impact	Post Mitigation Risk Impact	Risk and Mitigation Strategy Owner
Embedding the Strategic Transport Plan across Programmes (STP)	Low	<ul style="list-style-type: none"> Programmes of work develop in a way that does not contribute to, or runs counter to, the overall objectives and plan set out in the STP, resulting in the failure to achieve the aims of the STP. 	High	Medium	Strategy and Programme Director (Tim Foster)
Delivery of Robust and Compelling Evidence to Support Investment Programmes	Medium	<ul style="list-style-type: none"> An insufficiently compelling evidence base, particularly around the programme level economic case, may delay or prevent strategic transport infrastructure investments being made, with consequential impacts on TfN's ability to deliver its objectives. The inability to make a transformational case could damage TfN's reputation with partners as an organisation who's key objective is to take a leadership role in delivering innovative business cases to secure investments. 	Medium	Low	Strategy and Programme Director / TfN Programme Directors (Tim Foster / Tim Wood, Peter Molyneux, David Hoggarth, Jeremy Acklam)
Transport Decarbonisation and Climate Change Emergencies	Medium	<ul style="list-style-type: none"> There is a risk that TfN falls behind in developing appropriate and timely policy positions to support decarbonisation of transport, and thereby fails to integrate them into its strategic transport development plans. This would potentially result in an investment programme that is misaligned to partner / central government policies. 	Medium	Low	Strategy and Programme Director (Tim Foster)
TfN Operations	An Issue	<ul style="list-style-type: none"> Failure to achieve Value for Money could impact on TfN's ability to access funding in the future. 	An Issue	High	Finance Director / Business Capabilities Director

Corporate Risk Theme	Risk Probability	Nature of Risk Impact	Current Risk Impact	Post Mitigation Risk Impact	Risk and Mitigation Strategy Owner
		<ul style="list-style-type: none"> Funding reductions may (will, in the case of IST) mean that TfN is unable to deliver the full range of its members aspirations. Failure to recruit and retain the right people with the right skills could negatively impact on TfN's ability to deliver its objectives. 			(Iain Craven / Dawn Madin)
TfN Compliance with Relevant Laws and Regulations	Low	<ul style="list-style-type: none"> Potential reputational impacts with both stakeholders and the public. Financial impact including fines or other penalties for breach of statutory obligations such as Data Protection, Freedom of Information or Health and Safety legislation. There is also a potential financial impact including fines costs and/or other penalties for breach of regulatory laws such as Data Protection, Freedom of Information, Health and Safety or Procurement. 	High	Medium	Business Capabilities Director / Head of Legal Services (Dawn Madin / Julie Openshaw)
Revised Framework - Delivery of Contactless on Rail and Local Smart Ticketing	An Issue	<ul style="list-style-type: none"> In the absence of a funding allocation TfN is no longer able to roll out Contactless on Rail across the North, or to support local schemes. This will result in failure to deliver part of TfN's multi-operator, multi-mode ticketing aspirations with consequential impact on customer satisfaction for the passengers in the North of England. This will result in damage to TfN's reputation as a consequence of not achieving its IST. 	An Issue	An Issue	IST Programme Director (Jeremy Acklam)
The Northern Powerhouse Rail (NPR) Strategic	An Issue	<ul style="list-style-type: none"> The assured cost increase has affected the BCRs and is therefore likely to unfavourably impact the delivery of a compelling business case. 	An Issue	High	NPR Programme Director (Tim Wood)

Corporate Risk Theme	Risk Probability	Nature of Risk Impact	Current Risk Impact	Post Mitigation Risk Impact	Risk and Mitigation Strategy Owner
Outline Case (SOC)		<ul style="list-style-type: none"> The SoS has requested that TfN consider deferring submission of the SOC until after the publication of the IRP. This is being considered in a separate paper to this board. The outcome of the IRP may impact on the Northern Powerhouse Rail programme, including the timing of the submission of SOC, the next sequence of delivery, and the OBC. 			
Rail Operations (Franchise Management and Investment)	Very High	<ul style="list-style-type: none"> Less investment in services and infrastructure as a result of weaker business cases. Lower passenger numbers post COVID-19 could reduce the viability of some existing services. 	Very High	Very High	Strategic Rail Programme Director (David Hoggarth)

Table 2: Transport for the North's Probability Impact Scoring Criteria

TfN's Probability Impact Criteria, as illustrated below, is a risk management tool that enables the risk likelihood and impact to be calculated to produce an aggregated risk severity and exposure for each risk. The corporate risks are plotted according to the probability of occurrence and the impact upon an activity should the risk happen.

The risk ranking score is generated by performing a qualitative assessment across the risk theme as a whole, informed by multiplying the scoring for each risk.

Rating Number	Probability (%)	Rating	Impact Rating Definition
5	100% likelihood that the risk will materialise	An Issue	One or more of the implications will have an effect on business plan objectives.
4	81-100	Very High	<ul style="list-style-type: none"> Financial Implication: £>2m Schedule Implication: > 12 (months) National long-term negative media coverage, significant loss of trust and credibility Severe relationship issues with partners and/or third parties (such as Local Authorities, public)
3	51-80	High	<ul style="list-style-type: none"> Financial Implication: £1m - £2m Schedule Implication: 9 - 12 (months) National short-term negative media coverage There is evidence of relationship issues with partners/or and third parties (such as Local Authorities, public)
2	21-50	Medium	<ul style="list-style-type: none"> Financial Implication: £500K - £1m Schedule Implication: 3 - 9 (months) Local media damage No or minor strained relationship with partners and/or third parties (such as Local Authorities, public)
1	< = 20	Low	<ul style="list-style-type: none"> Financial Implication: £0 - £500K Schedule / Time delay Implication: 0 - 3 (months) Local media attention quickly remedied No strain relationship with partners and/or third parties (such as Local Authorities, public)

Table 3: Qualitative Assessment of the Levels of Controllability on the Mitigation Action Plans

In order to assist the user to understand how TfN's key risks are impacted by the mitigation activities set out in this document, TfN has assessed the level of control on the mitigation risk action plans and the extent to which TfN is able to influence or control those risk outcomes.

The following corporate risks have been subject to an evaluation by identifying the:

- **Controllable Mitigations:** these are mitigation strategies that TfN has the power / ability to implement and as a result, contribute to the successful mitigation of the associated risk.
- **Dependency Mitigations (Controllable):** The identified mitigations require a collaborative effort with relevant partners or other stakeholders in order to be successful in the management of the action plans. Although, the mitigations are deemed as dependency, TfN may be able to deploy additional resources to increase its ability to influence risk outcomes.
- **Dependency Mitigations (Limited Control):** The identified mitigations must be a collaboration with the relevant internal and external parties and requires a buy-in. For example, national and local political buy-in. Without joint involvement, the likelihood of the risk materialising increases. Whilst TfN can attempt to influence the factors impacting on these risks, it has a low level of control over if/how these mitigations are implemented.

Guideline: Level of Mitigation Controllability

Mitigation Control Level	Mitigation Control Level Assessment
Controllable Mitigations	High
Dependency Mitigations (Controllable)	Medium
Dependency Mitigations (Limited Control)	Low

Table 4: Qualitative Risk Analysis of TfN’s Corporate Level Risks

Risk ID: TCR01 Risk: The COVID-19 Pandemic Prevents or Delays TfN from Delivering its Objectives	
Risk Description	<p>The coronavirus pandemic is a threat that is directly impacting upon the delivery of TfN’s programmes and Business Plan Key Performance Indicators (KPIs). The third national lockdown and associated measures to prevent the disease from spreading have extended homeworking across the entire organisation (as well as the country as a whole including significant supply chains). This has created four key risks for Transport for the North (TfN) business operations:</p> <ol style="list-style-type: none"> 1) The potential for significant number of staff within TfN or its supply chain might be affected by the coronavirus, or by steps taken by suppliers to respond to the economic pressures caused by the pandemic; 2) TfN engagement, decision making / governance processes might be impacted by the availability of Constituent Authority or departmental colleagues; 3) The COVID-19 related uncertainty causes wider policy announcements to be delayed; and 4) The pandemic reduces the efficiency with which certain activities can be delivered and therefore increases the costs associated with delivering them.
Risk Proximity	Short-Term to Medium-Term
Risk Probability	(1) Low (2) Medium (3) An Issue (4) Low
Assessed Risk Impact	(1) High (2) High (3) High (4) Medium
Potential Impact (Qualitative Description)	<ul style="list-style-type: none"> • TfN’s key programme and business deliverables may not be completed on time if the number of staff affected by the COVID-19 is significant. • In addition, TfN’s ability to take forward its programmes will be affected if partner officers and other stakeholders are unable to fully engage in Client Reference groups and other TfN governance processes. • Impacts on central government decision-making in key areas such as the Integrated Rail Plan, the Environment Bill, and the Williams Review will also impact upon TfN’s ability to drive programmes.

Mitigation Action Plans and Level of Controllability

Mitigation No.	Mitigation Strategies / Action Plans	Mitigation Control Level Assessment	Mitigation Control Level
1	Organisational and Individual Directorate Contingency Plans have been developed and are now in place. These are further underpinned by TfN Corporate Business Continuity Plan (BCP). This includes identification of a core Crisis Management Team to coordinate all business-critical activities should these plans need to be instigated, and to maintain effective communication with employees.	High	Controllable Mitigations
2	Programme and policy teams have identified and focused on the critical organisational outputs and deployed available resources in the achievement of those priorities.	High	Controllable Mitigations
3	Programme teams continue to re-programme delivery plans and communicate changes to partners. They also continue to work with consultants and partners and where possible provide support.	High	Dependency Mitigations (controllable)
4	To continue to deliver the TfN Business Plan where possible so as to minimise delays in delivering outputs and allow activity to be expedited once policy decisions by central Government have been communicated.	High	Dependency Mitigations (Limited Control)

Corporate Risk and Mitigation Owners	Risk Owner (Barry White) Mitigation Ownership (Heads of Services) – Departmental Contingency Plans
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Risk ID: TCR02**Risk Theme: Transport for the North's Reputational and Political Engagement**

Risk Description	<p>Given the range of priorities facing central government, local partners, and other stakeholders, including the challenges of the COVID-19 pandemic, there is a risk that:</p> <p>(1) Central Government's intention with regard to the future role of Sub-national Transport Bodies (STBs) is unclear. This uncertainty disrupts TfN's ability to recruit and retain talented staff and may prevent the organisation from fulfilling its objectives and delivering its programme of works. DfT's preference is for STBs to give their views in private rather than in public, which if agreed to, goes wider than the current Communications MoU. Clarity on this position is required and DfT has indicated that it is considering proposing changes to the MoU and/or Partnership Agreement.</p> <p>(2) On 4 January, Transport for the North received funding notification from the department that indicated a cessation of IST funding and a 40% reduction in the current level of Core funding from £10m to £6m. This will mean that TfN will no longer be able to deliver its IST aspirations as set out in its CSR submission. Further, TfN's ability to deliver in line with member aspirations will be reduced. This latter impact has been ameliorated by the agreement with DfT to allow £2.5m of expenditure previously charged to Core funding to be met from programme funding.</p> <p>(3) There is a mismatch between the expectations placed upon TfN regarding its ability to deliver improvements to the Northern transport system in the short to medium term, and the limited extent of its statutory powers and functions that focus on the provision of strategic advice rather than infrastructure delivery.</p>
Risk Proximity	Short to Medium term
Risk Probability	(1) Very High (2) An Issue (3) Very High
Assessed Risk Impact	(1) Very High (2) An Issue (3) Very High
Potential Impact (Qualitative Description)	<ul style="list-style-type: none"> TfN could lack the powers or the influence to deliver the economic, social and sustainability benefits to the North that it set out in the Strategic Transport Plan. The reduced Core funding and no funding for the IST programme makes it difficult for TfN to "speak with one voice", influence decisions and deliver transformational transport initiative to achieve the levelling up agenda and improve transport connectivity for North of England's transport passengers. Failure to make timely decisions with regard to projects and programmes, and could delay or prevent the benefits of strategic transport infrastructure from being delivered.

	<ul style="list-style-type: none"> TfN's credibility could be negatively impacted by being unable to deliver across an "expectation gap" between its actual statutory responsibilities and powers and its perceived role.
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Mitigation Action Plans and Level of Controllability

Mitigation No.	Mitigation Strategies / Action Plans	Mitigation Control Level Assessment	Mitigation Control Level
1	TfN aspirations in relation to its future role and associated powers have been set out in the Northern Transport Charter. TfN's 2021/22 Business Plan will include activity to develop capability and additional evidence on investment plans aligned with the Northern Transport Charter proposals.	Medium	Dependency Mitigations (Controllable)
2	Engagement with Members and constituent authorities at a political and officer level, stakeholders and partners, to continue to represent the 'one voice'.	Medium	Dependency Mitigations (Limited Control)
3	Structured engagement with central government officials and decision-makers and responding to any DfT proposals to update the Communications MoU/Partnership Agreement once seen.	Medium	Dependency Mitigations (Limited Control)
4	TfN to focus on contributing to the recovery phase of the Covid-19 pandemic by ensuring we have on-going dialogue with DfT, including the DfT acceleration unit and with NTAC on the Economic Recovery Plan proposals.	Medium	Dependency Mitigations (Limited Control)
5	TfN to highlight where necessary the limits of its powers and when directed to seek to extend its influence for greater decision making.	Medium	Dependency Mitigations (Limited Control)

Corporate Risk and Mitigation Owners	Iain Craven (Funding risks) / Barry White (Political and Reputational risk)
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Risk ID: TCR03

Risk Theme: Embedding the Strategic Transport Plan (STP) across Programmes

Risk Description	The Strategic Transport Plan (STP) was adopted by TfN in February 2019. It sets out the “Why, What and How” of TfN’s approach to facilitating inclusive and sustainable transformational economic growth across the North. If TfN programmes (and research) are not aligned with the STP, it would prove difficult to contribute to the delivery of the STP. In addition, it could impact on the development of additional detailed policy positions resulting in sub-optimal outputs from investments when measured against TfN’s overarching objectives.
Risk Proximity	On-going
Risk Probability	Low
Assessed Risk Impact	High
Potential Impact (Qualitative Description)	Programmes of work develop in a way that does not contribute to, or runs counter to, the overall objectives and plan set out in the STP, resulting in the failure to achieve the aims of the STP or leads to sub-optimal impacts from transport investments.

Mitigation Action Plans and Level of Controllability

Mitigation No.	Mitigation Strategies / Action Plans	Mitigation Control Level Assessment	Mitigation Control Level
1	Co-ordination mechanisms have been established within TfN and with partners (such as the Strategic Oversight Group) to facilitate the co-ordination of programmes of work.	High	Controllable Mitigations
2	An assurance framework is in place which will allow the organisation to manage changes in the investment programme consistent with the vision of the STP. This will be further developed as required to support TfN's role in any future investment process.	High	Controllable Mitigations
3	A robust benefits realisation framework is being developed to enable the evaluation of programme KPIs and allow the assessment of outcomes in relation to STP objectives.	High	Controllable Mitigations

Corporate Risk and Mitigation Owner	Tim Foster
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Risk ID: TCR04**Risk Theme: Delivery of Robust & Compelling Evidence to Support Investment**

Risk Description	<p>One of the objectives of the developing analytical framework is to allow the capture of the economic impacts of transformational transport schemes. Further developments are underway to ensure robust evidence of economic transformation can be captured and quantified or qualified through the Analytical Framework.</p> <p>There is a risk that TfN might be unable to make a timely, robust, credible, evidence-based case to support NPR and the wider Investment Programme. This risk could lead to either delays to the delivery of business cases or limited ability to represent transformational benefits which could thus be discounted by decision makers due to a reduction in the quality and assurance rating of the analysis. This could limit TfN’s ability to deliver agreed outputs outlined in the Strategic Transport Plan (STP). In addition, following the funding announcement on 4th January and the reduced funding envelope, this may impact on TfN’s ability to complete the stated objectives including working to achieve robust evidence-based business cases to support timely programme deliverables.</p>
Risk Proximity	Short and Medium Term
Risk Probability	(1) Medium
Assessed Risk Impact	(1) High
Potential Impact (Qualitative Description)	<ul style="list-style-type: none"> • An insufficiently compelling evidence base, particularly around the programme level economic case may delay or prevent strategic transport infrastructure investments being made, with consequential impacts on TfN’s ability to deliver its objectives. • The inability to make a transformational case could damage TfN’s reputation with partners as an organisation who’s key objective is to take a leadership role in delivering innovative business cases to secure investments.

Mitigation Action Plans and Level of Controllability

Mitigation No.	Mitigation Strategies / Action Plans	Mitigation Control Level Assessment	Mitigation Control Level
1	TAME staff are working closely with DfT officials to build confidence in the robustness of Analytical Framework tools, dedicating resources to responding to requests for information in a professional and timely manner. Independent peer reviews of Analytical Framework tools are being commissioned through TAME's new Expert Panel, helping to provide evidence of quality to DfT.	Medium	Controllable Mitigations
2	Programme timescales have been adjusted where it is sensible to make those adjustments without significantly impacting delivery against TfN's core objectives.	High	Controllable Mitigations
3	Scope is being managed in consultation with DfT, TfN Partners and Peer Reviewers to ensure essential functionality for robustly representing transformation is prioritised and "added value" functionality is deprioritised where appropriate. This will ensure that the approach is proportionate for the stage of scheme development.	Medium	Dependency Mitigations (Limited Control)
4	Added value work will be brought into programmes at a later stage in the form of sensitivity analysis, ensuring that work undertaken to date can still provide value to TfN programmes.	High	Controllable Mitigations
5	The TAME team structure was revised and additional senior resources were introduced with improved engagement with TfN programmes to ensure Analytical Framework development and application activities meet the needs of the programmes.	High	Controllable Mitigations
6.	The team is assessing various ways to reduce the impact of the current funding challenges. These include completing more work in-house and reducing reliance on consultants and professional services.	High	Controllable Mitigations

Corporate Risk and Mitigation Owners	Tim Foster
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Risk ID: TCR05**Risk Theme: Transport Decarbonisation and Climate Change Emergencies**

Risk Description	<p>The UK government has set a climate change ambition that the UK will have net zero greenhouse gas emissions by 2050, this is an ambitious target which moves from the previous government position of 80% reduction. Within the Strategic Transport Plan (STP), TfN has committed to develop a “Pathway to 2050” which will manifest itself within a decarbonisation strategy outlining how net zero emissions can be delivered within the North and the trajectory for change. The impact of the Covid-19 pandemic has been accounted for within our Future Travel Scenario.</p> <p>In order to deliver on this ambition, TfN needs to collaborate with, and gain consensus from, partners to identify targets / policies for TfN to accelerate carbon reductions from the transport sector. There is a risk that TfN falls behind in developing appropriate and timely policy positions to support decarbonisation of transport, and thereby fails to deliver on the decarbonisation commitment made in the STP This would potentially result in an investment programme that is misaligned to partner / central government policies.</p>
Risk Proximity	Long-Term
Risk Probability	Medium
Assessed Risk Impact	Medium (Reputation), Medium (Time), High (Relationship)
Potential Impact (Qualitative Description)	<ul style="list-style-type: none"> • There is a risk that TfN falls behind in developing appropriate and timely policy positions to support decarbonisation of transport, and thereby fails to integrate them into its strategic transport development plans. This would potentially result in an investment programme that is misaligned to partner / central government policies. • Failure to develop relevant policy positions adversely impacts on TfN credibility and influence as a Sub-National Transport Body. • In the absence of an agreed policy framework with regard to decarbonisation and sustainability, TfN’s programmes may not be adequately addressing decarbonisation and climate change issues. This would adversely impact upon TfN’s ability to deliver successful business cases. • In the absence of an agreed decarbonisation and sustainability policy frameworks, TfN’s programmes may not be adequately addressing decarbonisation and climate change issues. In the medium to long term, this might contribute towards an excess of agreed global temperature rise (as defined by the Paris Agreement) and climate change which might impact upon the resilience of the North’s transport infrastructure.

Mitigation Action Plans and Level of Controllability

Mitigation No.	Mitigation Strategies / Action Plans	Mitigation Control Level Assessment	Mitigation Control Level
1	The carbon pathways, which forms part of the decarbonisation strategy has been developed.	High	Controllable Mitigations
2	TfN has appointed an Environmental and Sustainability Officer responsible for developing the environmental policy; and to ensure the integration of the work into the development of TfN's transport strategies.	High	Controllable Mitigations
3	To ensure that the decarbonisation and broader sustainability / environmental policies that are developed by TfN are properly reflected in both strategic and project level decision making, including through the IPBA process, and therefore appropriately weighted within TfN decision making processes.	High	Controllable Mitigations

Corporate Risk and Mitigation Owners	Tim Foster
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Risk ID: TCR06**Risk Theme: Transport for the North's Business Operations**

Risk Description	<p>TfN is fully funded through the Department for Transport (DfT) but it is responsible for its own financial affairs. There is a requirement for the business to demonstrate Value for Money (VfM) to ensure the delivery of programmes are achieved efficiently and effectively. As a result:</p> <ol style="list-style-type: none"> (1) There is a continued risk of the failure to deliver programmes' outputs in a way that achieves VfM in TfN expenditure; (2) TfN was informed by the department that the funding for both its Core operations and the IST programme would be cut, in the case of the latter in its entirety. TfN is currently preparing a business plan for budget year 2021/22. In addition to these cuts, TfN faces uncertainty in relation to post-IRP arrangements and funding in future years. This short- to medium- term uncertainty will impact on TfN's ability to manage / deliver multi-year activity and may also negatively impact on its ability to recruit and retain suitably qualified staff. (3) It has been publicly announced that the Chief Executive (CE) is departing TfN in May 2021. Should a timely replacement (or interim cover arrangements) not be secured this will impact on TfN's leadership capabilities, alongside having a potential impact on the delivery of TfN strategic objectives and priorities. <p>Although unrelated, it should also be noted that the CEO's resignation (alongside the recent resignation of the Strategy & Programme Director) is at a time when TfN has been subject to funding cuts, notably to the IST programme, and continues to face significant uncertainties (IRP, Williams, Devolution White Paper) which all have the potential to impact on wider employee morale and confidence.</p>
Risk Proximity	(1) On-going (2) On-going (3) Medium-Long Term
Risk Probability	(1) Low (2) An Issue (3) Medium
Assessed Risk Impact	(1) High (2) An Issue (3) Possible financial impact in Q2 & Q3 F/Y 21/22 (High), Relationship (High)
Potential Impact (Qualitative Description)	<ul style="list-style-type: none"> • Failure to achieve Value for Money could impact on TfN's ability to access funding in the future. • Funding reductions may (will in the case of IST) mean that TfN is unable to deliver the full range of its members' aspirations. • Failure to recruit and retain the right people with the right skills could negatively impact on TfN's ability to deliver its objectives and priorities.

Mitigation Action Plans and Level of Controllability

Mitigation No.	Mitigation Strategies / Action Plans	Mitigation Control Level Assessment	Mitigation Control Level
1	Clear and well documented processes and procedures to be in place. VfM and governance to be undertaken by both internal and external audits.	High	Controllable Mitigations
2	Commissioning processes include OBT sign-off of expenditure, and explicit approval for expenditure against a schedule of delegations.	High	Controllable Mitigations
3	Engagement with stakeholders to ensure the case for TfN's funding is supported by members, business and in Parliament.	High	Controllable Mitigations
4	TfN continues, where funding conditions / certainty allows, to hire suitable qualified officers in all senior positions in a timely manner, but also including critical programme and back office roles. There is on-going training and communication across the organisation.	Medium	Dependency Mitigations (Limited Control)
5	A comprehensive People Strategy has been developed and is in place covering reward, workforce/skills planning, succession planning, recruitment and selection, talent and performance management.	High	Controllable Mitigations
6	A leadership programme is being delivered in the final two quarters of FY 2020/21 to further support the leadership capability within the organisation.	High	Controllable Mitigations
7	To continue to brief and update staff through the monthly updates, regular bulletins, employee forum and SMT meetings with regards to budget setting, IRP, Williams and other current uncertainties TfN is facing to keep them fully appraised and address any questions or concerns in a timely fashion.	High	Controllable Mitigations
8	Following the approval of TfN Board, the recruitment search of a replacement for the CE position has commenced to enable TfN to complete an appointment (and/or any interim cover arrangements) prior to the current CEO's departure.	High	Controllable Mitigations
Corporate Risk and Mitigation Owners	Iain Craven (Funding risks) / Dawn Madin (HR related risks)		

Risk ID: TCR07**Risk Theme: Compliance with the Relevant Laws and Regulations**

Risk Description	Transport for the North is a statutory body with limited statutory powers and duties. There is a risk that in carrying out its functions, TfN fails to comply with applicable law or exceed its powers.
Risk Proximity	On-going
Risk Probability	Low
Assessed Risk Impact	Financial (Medium) Reputation (High)
Potential Impact (Qualitative Description)	<ul style="list-style-type: none">• If TfN fails to adhere to applicable law, or acts outside its powers, there could be reputational impacts with both stakeholders and the public which may impact its ability to meet its objectives and/or legal proceedings against TfN.• There is also a potential financial impact including fines costs and/or other penalties for breach of regulatory laws such as Data Protection, Freedom of Information, Health and Safety or Procurement.• The ICO may issue a decision notice or the HSE may issue an enforcement notice if it found that TfN was in breach of information or health and safety legislation.• TfN could be subject to substantial financial damages for breach of the Public Contracts Regulations.• Important work may be delayed by a failure to comply with necessary obligations such as statutory consultation.

Mitigation Action Plans and Level of Controllability

Mitigation No.	Mitigation Strategies / Action Plans	Mitigation Control Level Assessment	Mitigation Control Level
1	TfN has suitably qualified officers in all senior positions, particularly the HoPS, S151 and Monitoring officer. In addition, TfN has employed an in-house legal team.	High	Controllable Mitigations
2	TfN ensures there are clear and well documented processes and procedures in place.	High	Controllable Mitigations
3	Ongoing training on laws and legislations and communication across the organisation.	High	Controllable Mitigations
4	To ensure that there is continuous legal review to TfN's Boards and Committees.	High	Controllable Mitigations
5	TfN employs in house legal and procurement specialists and regularly procures external legal advice on commissioning and procurement.	High	Controllable Mitigations

Corporate Risk and Mitigation Owners	Dawn Madin / Julie Openshaw
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Risk ID: TCR08

Risk Theme: Revised Framework - Delivery of Contactless on Rail and Local Smart Ticketing

Risk Description	The Department for Transport has informed TfN that there is no allocation for the continuation of the IST (although, TfN exploring options with the Department with a clear objective of securing a settlement that better represents the North's ambitions) This means that there will be no progress in bringing forward Phase 3 (contactless on rail) and TfN's proposals to mitigate the failure of the major bus operators to engage with its ABBOT proposals – namely the proposal to provide support to local schemes (Phase 4). This means that TfN will no longer be able to pursue the IST Programme objectives as set out in its CSR submission and previously shared with the Board.
Risk Proximity	Short-Term
Risk Probability	An Issue
Assessed Risk Impact	An Issue
Potential Impact (Qualitative Description)	<ul style="list-style-type: none">• This means that hat the IST programme ceases and, except for finishing off Phases 1 & 2, we are going to be unable to carry out further programme work – although we are exploring in wider business planning some options to consider retaining some IST capability within TfN.• This will result to TfN's reputational being affected as the stated strategic objectives will not be met.

Mitigation Action Plans and Level of Controllability

Mitigation No.	Mitigation Strategies / Action Plans	Mitigation Control Level Assessment	Mitigation Control Level
1	TfN to submit the IST schemes for consideration by the Northern Transport Acceleration Council. In addition, To meet with the Secretary of State to press the case for IST funding.	Medium	Dependency Mitigations (Limited Control)
2	TfN is exploring how to retain some IST capability within the organisation.	High	Controllable Mitigations

Corporate Risk and Mitigation Owners	Jeremy Acklam
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<p>Risk Description</p>	<p>Northern Powerhouse Rail is a high-profile programme that involves Northern partners, DfT, NR and HS2. TfN is due to submit a Strategic Outline Case (SOC) for NPR, which includes reduced options from those at Strategic Outline Business Case (SOBC), phasing scenarios and a preferred NPR network</p> <p>In addition, NPR has secured partner endorsement for four (4) phasing scenarios for the SOC and obtained agreement to sifting outputs as well as collective agreement to a preferred network. In February, NPR programme team is scheduled to take evidence for the SOC to the TfN Board to reach confirmation on the preferred NPR network with members ahead of the scheduled formal SOC submission of the SOC by TfN in March 2021. However, DfT has requested, initially via the SoS's 2/12/20 response to TfN's advice on NPR following the November Board, that the IRP should precede the SOC. The IRP timing has continued to slip and the SoS has since requested that TfN/DfT, as co-clients, delay the submission of the SOC from March 2021 to allow the IRP to be published first, before the SOC is finalised. If agreed to, it would delay the submission and delivery of the SOC but may speed up the overall process by moving to single options in more corridors sooner.</p> <p>There are risks and issues that might affect the successful delivery of the SOC. These are listed below:</p> <p><u>Issues</u></p> <ol style="list-style-type: none">1) Infrastructure costs: Network Rail's assured costs have demonstrated an increase of costs for NPR preferred network to £45bn (Q1 2015 including 66% OB), which is an increase of 15% from the SOBC level. This increase is due to several factors and it is both an issue as well as making it more challenging to develop a compelling and viable Strategic Outline Case planned to be submitted in March 2021 (subject to TfN Board decision following advice from SoS).2) Benefit Cost Ratios (BCRs): The issue remains that risk that the BCRs associated with the transformational programme previously endorsed by members (SOBC Feb 2019) will show a reduction relative to the previous business case, making it more reliant on the quality of the Strategic Case. <p><u>Risks</u></p> <ol style="list-style-type: none">3) Partner engagement to support decision making: The mitigation of the infrastructure costs and BCRs have resulted to an increased challenge to achieve a March 2021 SOC submission date. To support Partner engagement, an additional TfN Board date has been scheduled for 18 February 2021 and the March TfN Board has been rescheduled from 10 March 2021 to 24 March 2021.
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	<p>4) Integrated Rail Plan (IRP) conclusion: The IRP was due to be published by the government in December 2020, however this did not happen, and a revised publication date is yet to be provided. The IRP and its conclusions carry the following risks:</p> <p>a) The outcome of the IRP process may result in a change in government’s approach to NPR, which in turn may drive consequential changes in the SOC that may not be acceptable to TfN as the co-client. This is exacerbated by the content of the NIC’s Rail Needs Assessment released on 15 December and the ongoing delay in the release of the IRP.</p> <p>b) The later the IRP is made available to TfN, the less time it will have to understand the impacts of the review on the work done to date, address the conclusions, manage the consequential impacts and/or update the SOC if appropriate – DfT, as noted above, have proposed delaying the SOC.</p> <p>In addition to the IRP impacting on TfN’s ability to submit a SOC in March 2021, there is a risk that the outcome of the IRP could impact the next stage of the NPR programme, both in terms of funding available for FY21/22 and permitted development, which looks to deliver the continuation of the programme Business Case, Outline Business Cases (OBC), continued design & development to enhance to the maturity of the NPR network. It could also accelerate elements of the programme if more corridors move to single options sooner. Therefore, uncertainty around IRP outcomes presents a possible opportunity, as well as a significant risk, to the programme.</p> <p>Finally, in addition to risks listed above, the coronavirus pandemic has also played a significant part in delivery since spring 2020, which has resulted in the programme re-phasing SOC delivery in FY 20/21. It is also worth noting the existing issues for Manchester Piccadilly in relation to making decision making.</p>
Risk Proximity	Short to Medium Term
Risk Probability	(1) An Issue (2) An Issue (3) Medium (4) Very High
Assessed Risk Impact	(1) An Issue (2) An Issue (3) Very High (4) Very High
Potential Impact (Qualitative Description)	<ul style="list-style-type: none"> • The assured cost increase will affect the BCRs and therefore likely to unfavourably impact the delivery of a compelling business case in March 2021. • Following SoS advice for the publication of the IRP to precede the SOC submission, it is likely that TfN might be unable to submit in March 2021. This could impact on future funding and the scope of the SOC. • The outcome of the IRP may influence the Northern Powerhouse Rail programme, the timing of submission of SOC, the next sequence of delivery and the OBC.

Mitigation Action Plans and Level of Controllability

Mitigation No.	Mitigation Strategies / Action Plans	Mitigation Control Level Assessment	Mitigation Control Level
1	An agreement has been reached on phasing of NPR for use in the SOC. As part of next year's activity, which is set out in the NPR Business Plan, the team has identified further work to support in achieving single route option across all corridors. As this work progresses in FY21/22, it may impact on the phasing agreed for the Strategic Outline Case.	Medium	Dependency Mitigations (Limited Control)
2	<p>When constructing / revising the roadmap, TfN includes review and input by DfT as co-client, partners and delivery partners. The Roadmap activity is to be broken out into two areas:</p> <ul style="list-style-type: none"> - Business Case Roadmapping, and - Life-Cycle programming. <p>This is currently being planned as part of the NPR Business Planning process. Early thoughts on each may be used in this FY.</p>	Medium	Dependency Mitigations (Limited Control)
3	Network Rail's (NR) activity has been expanded to undertake a re-assurance exercise on costs for retained options as well as the preferred ways forward. Network Rail (NR) delivered assured costs for the preferred way forward options on 15 December 2020 and assured costs for retained options have started to be delivered to the Programme, the first set were delivered on 20 January 2021 and the second is scheduled for 12 February 2021.	High	Controllable Mitigations
4	The TfN Modelling & Analysis team is continuing to enhance the NoRMS model to provide further enhancements to Level 1 benefits, which capture direct benefits to rail users. The Level 2 benefits which captures the static wider economic benefits, where it is assumed that NPR doesn't change the location of households and businesses is also being enhanced. These enhancements are done alongside NeLUM which provides the transformational Level 3 benefits, which capture the dynamic wider	High	Controllable Mitigations

	<p>economic impacts where it is estimated how much relocation takes place as a result of NPR.</p> <p>A final iteration of NoRMS, iteration 2 will include a 2018 demand uplift and should also increase overall benefits Iteration 2 will be used to inform the SOC by undertaking sensitivity tests to the main work undertaken in the Iteration 1D model, Iteration 2 outputs are intended to be presented in the March Board and will also be included in the IPDC submission. To support the required pace of the model development programme, a model development 'call-off' arrangement has been put in place to protect SOC timescales.</p>		
5	TfN is continuing to work with DfT to ensure the strategic case and wider economic impacts of the scheme are based on robust, compelling analysis in order to increase the prominence and recognition of these elements of the case relative to the conventional BCR.	Medium	Dependency Mitigations (Limited Control)
6	TfN is to present an options paper to February's TfN Board inviting members to form a view on delaying the SOC until after the IRP is published.	Medium	Dependency Mitigations (Limited Control)

Corporate Risk and Mitigation Owners	Tim Wood / Tim Foster (IRP)
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Risk ID: TCR10**Risk Theme: Rail Operations – Franchise and Delivery**

Description	<p>Following a change in guidance to work from home where possible, and the subsequent lockdown since January 2021, there has been a significant drop in demand for rail services. The effects of the coronavirus pandemic and changing work practices on demand may take many years to recover to previous levels which could lead to the following risks:</p> <ol style="list-style-type: none"> (1) There remains a risk that the passenger enhancements (such as the completion of new train programmes and additional services) will be delayed as driver training takes longer due to new working practices. (2) There is a risk that the current services could be cut due to the increased subsidy that is being covered by the Treasury. In addition, the reduced current services could further impact future schemes, making schemes less viable as they have to be assessed against lower demand forecasts. (3) DfT Re-prioritisation and the Williams Review: The coronavirus pandemic has meant DfT had to prioritise its focus and resources in responding to the pandemic. This has led to the delay in the publication of the Williams Review. In addition, the government may choose to focus on centrally deliverable initiatives such as franchise delivery and focus less on devolution. As a result, this may not align with the strategy of Members and would require a wider response from TfN.
Risk Proximity	Short, Medium and Long-term
Risk Probability	(1) Very High (2) Very High (3) Very High
Assessed Risk Impact	<p>(1) Very High (2) Very High (3) Very High</p> <p>Note: The post-mitigation risk assessment is rated Very High (VH) following the adoption of some of the identified mitigations. This is the same rating as the current risk assessment as TfN does not have the full range of levers within its current powers and responsibilities to implement the mitigations i.e. in order to effectively carry out the mitigations. The avoidance and reduction of the assessed impacts are contingent on partners and members taking further actions.</p>

Potential Impact (Qualitative Description)	<ul style="list-style-type: none">• If there is a delay in investment and delayed rolling stock, passenger frustration will continue to be frustrated and experience poor quality services. Severe adverse reputational impact and pressure from partners.• Less investment in services and infrastructure as a result of weaker business cases.• It could affect TfN's reputation by impacting on a significant part of its rail transformational programmes and overall agenda.• The franchise system is being replaced by service contracts directly funded by HMT, potentially diminishing TfN's role and influence over operations.• Low passenger numbers post Covid could reduce viability of some existing services.
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Mitigation Action Plans and Level of Controllability

Mitigation No.	Mitigation Strategies / Action Plans	Mitigation Control Level Assessment	Mitigation Control Level
1	To continue to use our influence in the monthly Rail North Partnership Board, Rail North Committee and North of England Contingency Group to shape the re-introduction of services, new rolling stock and infrastructure developments and re-build passenger confidence.	Medium	Dependency Mitigations (Limited Control)
2	To continue with the close working relationship and communication with TfN member authorities on deliverables and risks - feeding back information through TfN governance structures.	Medium	Dependency Mitigations (Limited Control)
3	To continue to track train service performance and delivery via regular reporting dashboards.	Medium	Dependency Mitigations (Limited Control)
4	Strategic Rail and Rail North Partnership (RNP) to work together to support Network Rail and Operators in producing recovery plans that meet passengers' needs and rebuild confidence.	Medium	Dependency Mitigations (Limited Control)
5	To implement Blake Jones action plan to provide greater focus on passengers and ensure transparency with members as the COVID19 restrictions ease.	Medium	Dependency Mitigations (Limited Control)
6	TfN will continue to make the case for reform that supports the North's ambitions and will respond to the Williams White Paper once published.	High	Controllable Mitigations

Corporate Risk and Mitigation Owner	David Hoggarth
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Transport for the North
2nd Floor
4 Piccadilly Place
Manchester
M1 3BN



Transport for the North
Ground Floor
West Gate
Grace Street
Leeds
LS1 2RP



0161 244 0888



engagement@transportforthenorth.com



Agenda Item 8

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Agenda Item 9

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