

Transport for the North Board Agenda

Date of Meeting	Thursday 30 June 2022
Time of Meeting	2.30 pm
Venue	Crown Hotel, Harrogate, North Yorkshire, HG1 2RZ

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 (3 Minutes)</p> <p>The Chair to welcome Members and the public to the meeting.</p> <p>Lead: Chair</p>	
2.0	<p>Declarations of Interest (2 Minutes)</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> <p>Lead: Chair</p>	
3.0	<p>Minutes of the Previous Meeting (5 Minutes)</p> <p>To approve the minutes of the meetings held on 30 March 2022 (including updates on agreed matters as appropriate).</p> <p>Lead: Chair</p>	5 - 12
4.0	<p>Governance Report (10 Minutes)</p> <p>To appoint the Chair and Vice Chairs of the Transport for the North Board and Partnership Board for the forthcoming year, to make appointments to the other Transport for the North Committees; to approve the calendar of meetings for the forthcoming year; to consider and approve amendments to the Transport for the North Constitution and to consider and approve the proposed use of the General Purposes Committee and consider a review of the governance</p>	13 - 26

	arrangements and structures in the Constitution. Lead: Julie Openshaw	
5.0	Transport for the North Budget and Reserve Strategy 2022/23 (20 Minutes) To approve the 2022/23 Budget and Reserve Strategy. Lead: Martin Tugwell	27 - 42
6.0	Transport for the North Business Plan (10 Minutes) To approve the 2022/23 Business Plan. Lead: Martin Tugwell	43 - 66
7.0	Strategic Transport Plan Development (15 Minutes) To provide an update on the proposed structure and principles to underpin the development of our second Strategic Transport Plan. Lead: Tim Foster	67 - 70
8.0	Rail North Committee: Update (15 Minutes) For Board to be updated on the key discussions following the Rail North Committee on 31 May 2022. Lead: David Hoggarth	71 - 76
9.0	Great British Railways: Update (15 Minutes) For the Board to be updated on the implementation of rail reform and to delegate to the Chair the Board's response to the consultation on the legislative framework. Lead: David Hoggarth	77 - 82
10.0	HS2: Update (15 Minutes) For the Board to agree its position in relation to strategic issues associated with the Bill for HS2 Phase 2b. Lead: Tim Foster	83 - 88
11.0	Corporate Risk Register (10 Minutes) To consider and approve the Transport for the North Risk Register. Lead: Daniella Della-Cerra-Smith	89 - 148
12.0	Date of Next Meeting Partnership Board – Tuesday 26 July 2022, 2.00pm – 4.00pm TfN Board and Partnership Board – Thursday 29 September 2022, 11.00am onwards	

Transport for the North Board Minutes

Wednesday 30 March 2022
Hilton Leeds City, Neville Street, Leeds

Present:

Lord McLoughlin (Chair)

Attendee

Cllr Craig Browne
Cllr Louise Gittins
Cllr Claire Holmes
Cllr Andrew Western
Cllr Daren Hale
Cllr Charles Edwards
Cllr Liam Robinson
Cllr Stewart Swinburn
Cllr Don Mackenzie
Mayor Dan Jarvis

Cllr Heather Scott
Mayor Tracy Brabin
Cllr Andy D'Agorne

Local Authority

Cheshire East;
Cheshire West & Chester;
East Riding of Yorkshire;
Greater Manchester Combined Authority;
Hull;
Lancashire;
Liverpool City Region;
North East Lincolnshire;
North Yorkshire;
South Yorkshire Mayoral Combined
Authority;
Tees Valley;
West Yorkshire Combined Authority;
York;

Local Enterprise Partnership (LEP) Attendees

Mark Rawstron
Mark Roberts
Matthew Lamb
Peter Kennan

Lancashire LEP
Leeds LEP
North Yorkshire LEP
Sheffield City Region LEP

Partners in Attendance:

Adam Simmons
Rob McIntosh

National Highways
Network Rail

Officers in Attendance:

Name
Martin Tugwell
Gary Rich
Matt Smallwood
Paul Kelly
Tim Foster
Peter Molyneux
Tim Wood
Lucy Hudson

Job Title
Chief Executive
Democratic Services Officer
Head of Digital Strategy
Interim Finance Director
Interim Strategy & Programme Director
Major Roads Director
NPR Director
Principal Policy Officer for Freight and
Logistics

Simon McGlone
David Hoggarth

Senior Planning and Strategy Officer
Strategic Rail Director

Item No:

1. Welcome & Apologies

- 1.1 The Chair welcomed Members present. Apologies were received from Cllrs Keith Little, Martin Gannon, Graeme Miller, Nick Forbes, Mayor Jamie Driscoll, James Newman, Asif Hamid, Lucy Winskell and Mark Thompson.
- 1.2 The Chair stated that having recently taken on the role he would welcome any representations from Members should they have any suggestions as to how the conduct of TfN's business may be improved.
- 1.3 The Chair thanked Cllr Gittins for all her hard work during her time as Interim Chair of the Board. He also thanked those Members who were attending TfN Board for the final time due to their terms of office coming to an end.

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 25 January and 23 February 2022 were considered.

Resolved:

That the minutes of the Transport for the North Board held on 25 January and the Consultation Call of 23 February 2022 be approved as a correct record.

4. 2022/23 Budget and Business Planning

- 4.1 Members received the report of the Interim Finance Director. Before highlighting the key points in the report the Chief Executive updated the Board on the current position in relation to the budget and Business Planning process.
- 4.2 The Chief Executive stated that the process was progressing based on the steer provided at the February Board Consultation Call: he explained that activities would be prioritised based on the funding available as well as TfN's strategic role.

He highlighted the importance of TfN's statutory role in setting a strategy, one that is underpinned by the regional evidence base. He continued by noting the work required to update the Independent Economic Review, in addition to the update of the Strategic Transport Plan itself, noting how these will be used to shape advice to Government and national agencies in respect of the North's strategic investment programme.

He further highlighted the importance of TfN's analytical team and its contribution at the heart of TfN's work. He emphasised the importance of strengthening relationships with partners such as Network Rail and National Highways, including looking to draw on their knowledge/insight more overtly at times. He also noted that as TfN partners they would be able to draw on TfN's analytical and evidence-based work in this way achieving a consistent/common base-line upon which proposals are developed.

He went on to inform the Board that he was currently prioritising proposed activities and once completed he would undertake an organisational redesign to reflect these activities. The Board was also informed that the window for officers to submit an application for voluntary redundancy was open until 1 April.

The Chief Executive highlighted two risks that the executive was currently managing. The first relates to the Grant Funding Arrangement between TfN and the Department. He stated that progress had been slower than anticipated on this, but he was hopeful that this would be resolved as soon as possible. The second risk relates to the funding settlement being for only a one-year period. Whilst being consistent with how funding has been allocated to local authorities, he noted that for TfN this makes future business planning more difficult; he explained to the Board that he was working with the Department for Transport officials in relation to what might be reasonable planning assumptions beyond the first year.

The Chief Executive informed the Board that he would like to have an informal discussion with Members towards the end of April to update them on progress with the business plan with a view to getting an informal steer before preparing the Budget paper for approval at the June Board.

- 4.3 Members acknowledged the challenging time that TfN is experiencing and thanked officers for their continued hard work.
- 4.4 Mayor Jarvis highlighted the importance of maintaining a focus on the importance of the 'One Voice' remit. In this context he flagged the importance of the Communications and Engagement plan reflecting that remit and objectives for the Chair to be included in order to ensure that there is resource to deliver these important activities.
- Building on Mayor Jarvis's comments Cllr Gittins highlighted the importance of setting SMART targets for the year ahead.
- 4.5 The Chair was supportive of Mayor Jarvis' and Cllr Gittins' comments and emphasised the importance of TfN developing and showing its relevance across the region.
- 4.6 The Chief Executive reiterated that the role of TfN as a statutory body remains unchanged and that he will explore how to ensure that the Business Plan demonstrates added value. He also reiterated that he would look to work with the Board over the course of the summer with a view to identifying opportunities for preparing a proposition for additional activities that could be presented to the Department during the autumn.

Resolved:

- 1) That Board approves the interim budget;
- 2) That Board approves the proposed use of reserves which includes:
 - £0.1m of activity slipped from 2021/22 to 2022/23
 - £0.125m in quarter one 2022/23 to support operating costs. This representing 25% of the previously proposed annual allocation of £0.5m
 - Cost of transition to a new structure anticipated to be incurred in the quarter;
- 3) That Board notes the processes which TfN is following to prepare the business plan and full budget for 2022/23 for consideration by the Board at its June meeting;

- 4) That authority be delegated to the Chief Executive to initiate any time critical activity within the proposed annual budget if it falls within the annualised funding envelope of £7.1m (including 2021/22 slippage and excluding transition costs);
- 5) That Board notes the Outturn report included at Appendix 4.1;
- 6) That Board approves the Annual Treasury Management Strategy as detailed in Appendices 4.2 and 4.3.

5. Integrated Rail Plan Update

- 5.1 Members received the report for the Interim Programme and Strategy Director who highlighted the key points contained within his report.
- 5.2 Members raised a number of issues relating to their constituent areas.
- 5.3 On the issue of co-sponsorship the Board was keen for a robust model to be put into place and emphasised the importance of maintaining a strong voice for the people of the North (via TfN) into the process of delivery. The Board was clear as to the importance of being engaged with the process through the co-sponsorship role but emphasised the need for the North's voice to be heard and listened to.
- Cllr Gittins noted the intention for some of the Sponsorship Board meetings to be held in London and requested that all meetings should be held in the North.
- 5.4 Mr. Mark Rawstron stated that TfN need to be more deliberate and reinforce its messages and get its points across. He added that the voice of business needs to shape those messages given that a key driver for TfN's work is realising the North's economic potential.
- 5.5 Mayor Brabin raised a number of issues including the changes in journey times suggested in the IRP documentation for some trips. She also flagged the importance of TfN's analytical data and the need to undertake a levelling up analysis impact of the IRP versus TfN's preferred choice. Cllr Edwards highlighted the importance of non-NPR schemes not being forgotten.
- 5.6 Mr. Rob Mcintosh stated that the IRP opens up near term investment opportunities that will make a difference and that advantage should be taken of those opportunities.
- The Chair agreed with Mr. Mcintosh and stated that he and the Chief Executive had recently met with Sir Peter Hendy and Mr. Andrew Haines. He emphasised the importance of working together with Network Rail and of recognising that major investment proposals go through a process of evolution as their detail is developed.
- 5.7 The Chief Executive emphasised that under the co-sponsorship arrangement TfN retains the ability to provide statutory advice to government (over and above its input through the co-sponsorship Board), which protects and respects the role of the Board. He was positive about TfN's role within the Sponsorship Board, stating that it allows TfN the opportunity to work with DfT to address issues jointly. In particular he noted that TfN's technical capabilities provides the basis for some of those issues. /He further stated that Board as owner of the Strategic Transport Plan needs to keep an oversight of the work being done through the co-sponsorship Board in order to pick up linkages to other parts of the region not directly covered by the IRP, as these connections are important.
- He stressed the importance of the individual Programme Boards associated with specific schemes and the need for these to have a local input.

- 5.8 In response to the question on the role of evidence and data, the Interim Programme and Strategy Director stated that this could not be confirmed until the Grant Funding Agreement has been finalised. He explained that the fundamental principal in the discussions with the DfT so far is the importance of a shared/consistent base-line.

Resolved:

- 1) That Board agrees to the co-sponsorship arrangements as set out in Section 4 of the report and agrees the key priorities for TfN in 2022/23 as outlined in Section 6.
- 2) That Board notes the arrangements being agreed for continued analytical support to be provided by TfN to the NPR Programme.

6. Approval of the Freight and Logistics Strategy

- 6.1 Members received the report from the Principal Policy Officer for Freight and Logistics who highlighted the key points of the report.
- 6.2 The Board urged the executive to work closely with the freight industry in order that the importance of freight is better reflected moving forward.
- 6.3 Mr. Mark Roberts highlighted the importance of freight and decarbonisation to business. He stated that the comments made during the consultation need to be translated, where possible, into resource and support and he believed that the private sector through the LEPs and businesses would welcome the opportunity to work closely with the executive on implementing the Strategy.
- Mr. Peter Kennan raised the issue of engagement with small and medium sized enterprises and asked that be given consideration during the development of the action plans.
- 6.4 Cllr Hale highlighted the private ownership of many of the gateway ports and observed that in order for them to make investments they would want to see binding targets for decarbonising the freight sector from Government.
- Mayor Brabin stated that the M62 is one of the most congested roads East to West for freight and believes that this is an opportunity for more freight to be moved by rail. She also highlighted Network Rail's plans on the raising of bridge heights to accommodate freight movements. On the issues of low liner wagons, she asked if there had been any further discussions around whether this is considered as the cheaper option.
- 6.5 Mr. Adam Simmons welcomed the multi modal approach on freight and stated that National Highways would continue to work with TfN on this. He also highlighted the work that National Highways already does with Network Rail on the issue of bridge clearances.
- 6.6 On the issue of freight moving to rail the Principal Policy Officer for Freight and Logistics highlighted how through the Strategy the North is leading the way on developing additional rail freight journeys. On the issue of low line wagons, she explained that TfN's approach should be presenting the case for W12 gauge enhancements on the core parts of the network for rail freight. She also stated that further research was needed on the issue of weakened bridges which was a question raised through Scrutiny.

Resolved:

That the Board notes the progress to date, including the outcome of the consultation and the comments from Scrutiny Committee and that it formally adopts the Freight and Logistics Strategy.

7. A Northern Digital Mobility Strategy

7.1 Members received the report and presentation from the Head of Digital Strategy who highlighted the key elements of the report.

7.2 Members were supportive of this work and believe that this may help with modal shift.

Concerns were however raised about potential inequalities within communities arising from digital exclusion and the Board was keen that a recommendation be made to Government that more needs to be done to ensure digital networks are required to work with TfN in order to support delivery of digitally enabled/dependent transport services.

7.3 Cllr Browne brought to the Board's attention a demand responsive transport scheme in Cheshire East. The three-year pilot is looking to address social exclusion in the areas most rurally isolated communities. He stated that he would be happy to share with TfN their experience on addressing the issue of rural isolation.

Resolved:

That Board agrees to the scope and objectives of the Northern Digital Mobility Strategy.

8. Rail North Committee Update

8.1 Members received the update report following the Rail North Committee meeting on 15 March. Cllr Robinson (Rail North Committee Chair) and the Strategic Rail Director updated the Board on the key discussions from the meeting.

8.2 Members expressed their deep dissatisfaction with the proposed cuts to Northern services (from the May 2022 timetable change) despite the strong rail bounce back and believe that such cuts hinder levelling up.

8.3 Mayor Brabin asked what has been done to engage Ministers and what more can be done. She requested that the Chair makes representation to Government asking them to have conversations with the operators.

Mr. Kennan supported the planned meeting with the Minister and requested that before such a meeting takes place other train operators are spoken to, to ensure all the issues are captured.

8.4 Mayor Jarvis stated that he has raised his concerns with the Transport Minister and Northern directly. He stated that the cuts will directly impact on the lives of people and highlighted a specific example which illustrated how people make choices about their lives on the basis of the train service that they thought would be available.

8.5 Cllr Edwards highlighted the issue of "on the day" cancellations and believes this maybe a loophole for operators to reduce the timetable and services "via the back door". He suggested that this issue is raised with the Government so that this loophole can be removed.

- 8.6 The Chair stated that reliability of public transport is vital and if this is not the case it discourages people from using it. He informed the Board that he would look to meet with the Transport Minister to raise the Board's concerns.

Resolved:

- 1) That the report be noted;
- 2) That Board endorse the Rail North Committee seeking an urgent discussion with the Rail Minister to address the implications for users and the economy of reduced service levels and increases in travel costs arising from wider economic pressures.

9. Electric Vehicle Charging Infrastructure (EVCI)

- 9.1 Members received the report from Senior Planning & Strategy Office who highlighted the key aspects of the report.

- 9.2 Cllr Hale stated the importance of consistency of charging delivery across the region, for both urban and more sparsely populated areas. As well as the importance of considering charging needs at home alongside charging needs on the move, and at the end of journeys. Without this whole network view of journeys, people will not consider buying electric vehicles.

He also raised the issue of poorer areas which see a higher proportion of older fossil fueled vehicles because they are more affordable and therefore a market led approach to EV uptake may leave some places behind.

- 9.3 Cllr Browne highlighted the challenge faced by members undertaking applications for public funding to deliver the requirements identified by TfN's evidence. Noting that many constituent Members are in the same position on this issue, he asked what TfN might do to support constituent authorities and how it might engage with the commercial sector. He suggested TfN could lead on a pan northern procurement framework, which constituent members could call on to support deliver of EV charging networks, in order to benefit from economies of scale.

The Board was supportive of the suggestion of a pan-Northern procurement framework and critical that authorities are required to bid for funding for national infrastructure.

- 9.4 Cllr Robinson welcomed a framework of evidence completed on a regional footprint which accounts for user travel across a wider spatial area. The ability to understand the capacity of the electricity grid, and whether the energy mix across the North will support EV uptake was also welcomed.

- 9.5 Members were keen to stress that whilst the move to electric vehicles is important to achieving net zero, it is only one component aspect, and modal shift, active travel and other solutions also need to be encouraged and considered.

Resolved:

- 1) That the Board supports the approach taken to build a regional evidence base to support vehicle fleet decarbonisation and local decision making
- 2) The Board notes the capabilities and example findings now available to understand and communicate the regions EV charging infrastructure requirements.
- 3) The Board supports our intended next steps to communicate, apply and advance the EVCI framework in conjunction with our regional EV Steering Group.

10. Governance Report

- 10.1 The report of the Head of Legal Service was received by Members and the Chief Executive outlined the key points within the report.
- 10.2 Cllr Scott confirmed that Mayor Houchen and herself will be the representatives for Tees Valley for the General Purpose Committee.
- 10.3 The Chief Executive stated that Cllr Hale has been nominated as the General Purposes Committee for North of the Humber.

Resolved:

- 1) That Board confirms the Humber region shall be permitted to have two Members on General Purposes Committee, one for the North of The Humber and the other for the South of The Humber;
 - 2) Board received nominations and appointed accordingly the Members and Substitute Members for the remaining seats on General Purpose Committee;
 - 3) That Board confirms the Terms of Reference for the General Purposes Committee Consultation as set out in paragraph 3.2;
 - 4) That Board notes the Review of the Scrutiny Committee and accepts its conclusions.
- 10.4 At the end of the meeting the Northern Powerhouse Director presented a short overview of the achievements of the Programme since it started.

Meeting:	Transport for the North Board
Subject:	Governance
Author:	Julie Openshaw – Head of Legal
Sponsor:	Martin Tugwell – Chief Executive
Meeting Date:	30 June 2022

1. Purpose of the Report:

- 1.1 To enable Board to make the necessary appointments and approve its Calendar of Meetings at this its Annual Meeting.
- 1.2 To make amendments to the Constitution including the Terms of Reference of the General Purposes Committee (“GPC”) acknowledging that its function includes making recommendations to Board on the appointment of TfN’s Statutory Officers.
- 1.3 To invite Board to approve the proposed use of the GPC to consider a review of the governance arrangements and structures in the Constitution, including the governance around disciplinary processes for Statutory Officers and the roles of the Vice Chairs of TfN Board.

2. Recommendations:

- 2.1
 1. That the Chair of TfN Partnership Board for the forthcoming year be appointed;
 2. That the Chair of TfN Board for the forthcoming year be appointed;
 3. That nominations be received for the Majority Vice Chair for the forthcoming year and that the Majority Vice Chair be appointed;
 4. That nominations be received for the Minority Vice Chair for the forthcoming year and the Minority Vice Chair be appointed;
 5. That the Board approves the membership of the Board and of Committees for the forthcoming year as set out in Appendix 1 and appoints Councillor Jonathan Owen to the vacancy on Audit and Governance Committee;
 6. That the Calendar of Meetings set out in Appendix 2 be approved (noting that these may be subject to change where necessary after consultation with the relevant Committee Chairs);
 7. That the Board approves the Constitutional amendments to the Partnership Board Terms of Reference and the General Purposes Committee’s Terms of Reference set out in Appendix 3;
 8. That Board approves an increase of the number of elected members on Audit and Governance Committee from 5 to 6, and that the new vacancy be filled;
 9. That the Board notes that the General Purposes Committee will be invited to undertake a detailed review of the Constitution including the role of Independent Persons for the purposes of any disciplinary proceedings involving any of the Statutory Officers, and the role of the Vice Chairs, and will present recommendations to Board for approval in due course;
 10. That the new Shadow authorities in North Yorkshire, Cumberland and Westmorland and Furness be invited to each nominate one of their Shadow Members to act an observer who will be invited to the public items at Board meetings during the shadow municipal year.

3. Main Issues:

Appointment of the Chair and Vice Chairs

- 3.1 Under paragraph 4 of the Schedule to the Sub-national Transport Body (Transport for the North) Regulations 2018, TfN is to establish a Partnership Board and to appoint a person to chair it.
- 3.2 Under Regulation 1(12), the Chair of the Partnership Board becomes appointed as a co-opted Member of the TfN Board.
- 3.3 Under the provisions of paragraph 23 of its Constitution, Transport for the North is required to appoint a Board Chair, and may appoint Vice Chairs in each year.

Lord McLoughlin was appointed by Board as Chair of Board and Partnership Board from 26 January 2022. Performance objectives were set out and are being monitored by the Chief Executive. The Constitution nonetheless requires the Chair of TfN Board and Partnership Board to be formally re-appointed at each annual meeting.

- 3.4 The Constitution empowers TfN to approve the appointment of one or more Vice Chairs each year. By convention one of the Vice Chairs is appointed from among the majority party and the other is appointed from among the minority parties. If there is more than one nomination for an office there will be an election by a named vote in which the votes cast will be weighted and calculated on the basis of population. The person elected will be the one who has the support of Members who between them hold more than 50% of the weighted votes of those present and entitled to vote.

Membership of the Board and Committees

- 3.5 Following the local elections in May 2022 and the Annual Meetings of the Constituent Authorities there have been changes to the membership of the Transport for the North Board and its Committees. The current membership of Transport for the North's Board, the Rail North Committee, the General Purposes Committee, the Audit and Governance Committee and the Scrutiny Committee as notified to Transport for the North is set out in the table at Appendix 1 and is recommended for the Board's approval.
- 3.6 Where there are any gaps in the table, these are because nominations are still awaited, and Members are invited to confirm their Authority's outstanding nominations accordingly. Councillor Jonathan Owen of East Riding Council has submitted his nomination to the vacant elected member seat on Audit and Governance Committee, and it is recommended that the Board agree to his appointment.
- 3.7 On 1 April 2023, local government in Cumbria will change, with Cumbria County Council and the existing six borough city and district councils being replaced with two new unitary councils, namely Cumberland Council, and Westmorland and Furness Council. Elections to the shadow authorities which will prepare for the "go live" date of April 2023 took place on 5 May and in due course, Members from these new councils will replace the current Cumbria County Council Members on TfN Board and Committees.
- 3.8 In North Yorkshire, the existing North Yorkshire County Council will also be replaced by a new unitary North Yorkshire Council, which will take on the functions of the existing county council and the existing borough and district councils within its area. Elections to the shadow authority took place on 5 May. Whilst the area of North Yorkshire will remain the same, the functions of the new authority will encompass all unitary functions from April 2023 and the Members comprising the

new authority may be different to those who remain with the current authorities during the next year.

- 3.9 To aid a smooth transition, it is recommended that all three shadow authorities be invited to each nominate a Member who will be invited as an observer to the public items considered by TfN Board, to enable them to become familiar with the work of TfN and develop a role in its future work and development. Given the legal and practical constraints around confidential items, it would not be appropriate to allow all observers access to private reports and debate held in private session.

General Purposes Committee and Amendments to the Constitution

- 3.10 On 24 November 2021 Board was recommended to remove the temporary waiver of the rule in the Terms of Reference of the Partnership Board (Appendix 5 of the Constitution) which had temporarily allowed a non-independent member to Chair Partnership Board pending the recruitment of Lord McLoughlin. Unfortunately, whilst Members did not object, the minutes of the meeting did not fully reflect this; accordingly, it is now recommended that the waiver be formally removed, and for the Constitution to again reflect the requirement for Partnership Board to be chaired by an independent chair.
- 3.11 As reported to Board on 30 March 2022, the GPC held a consultation call with the Chief Executive on 23 February 2022. The Board subsequently accepted the recommendations arising from that call at its meeting held on 30 March. This covered membership and Terms of Reference of the GPC and on a review of the Scrutiny function review.
- 3.12 The switch from Co-Client to Co-Sponsor in respect of TfN's role in relation to Northern Powerhouse Rail, coupled with the development of Great British Railways mean that ongoing review of the Constitution becomes even more important to ensure that it remains up to date and fit for purpose. It is recommended that GPC meets at a suitable juncture to consider detailed proposals in order for these to be presented back to Board for approval.
- 3.13 Now is also an appropriate time to return to an issue discussed in the initial GPC consultation call, namely how TfN should put in place arrangements to undertake the necessary process in the event of disciplinary proceedings being necessary against any of the Statutory Officers, i.e. the Chief Executive, Finance Director (S151 Officer) and/or Monitoring Officer. In considering this aspect, it is also timely to consider TfN's governance process in the appointment of its Statutory Officers.
- 3.14 The Local Authorities (Standing Orders) (England) Regulations 2001 ("the Regulations") contains provisions relating to dismissal of Statutory Officers and obliges public bodies including TfN to incorporate into Standing Orders provisions to the effect as contained in its Schedule 3.
- 3.15 In short, these prohibit the authority from dismissing the Chief Executive, Section 151 Officer or Monitoring Officer unless the requisite procedure has been complied with. That procedure compels the authority to invite "Relevant Independent Persons" to be considered for appointment to a Panel, with a view to appointing at least two such persons to such a Panel. "Relevant Independent Person" in this context means any independent person who has been appointed by the authority under Section 28(7) of the Localism Act 2011, or if there are fewer than two (which is the case with TfN, as explained below) such Independent Persons as have been appointed by another authority or authorities as it considers appropriate are to be used. Such Independent Persons were initially appointed to be consultees where complaints under Member Codes of Conduct were being considered; their role was later extended to include involvement in the process when disciplinary proceedings against Statutory Officers are being considered.

- 3.16 A hierarchy is provided as to the order in which the Independent Persons are to be preferred for selection. Two is the minimum requirement but there is power to appoint more than two if desired. The Panel must be appointed at least 20 working days before a relevant meeting, and before the taking of a vote to dismiss (which would be a decision made by Board), Board would be obliged to take into account any advice, views or recommendations of the Panel, the conclusions of any investigation into the proposed dismissal and any representations from the relevant officer.
- 3.17 TfN does not itself have any such Independent Persons, because it has no Member Code of Conduct of its own – its Members are subject to the Codes of Conduct in place in their own Authorities and if a conduct complaint was made it would be dealt with by their own Authority to which they have been elected. For TfN’s Statutory Officer disciplinary processes, they would have to be sourced from TfN’s Constituent Authorities, and a detailed structure setting out how they would be selected would need to be put in place. In passing, it should be noted that the Independent Members TfN appoints to support the work of the Audit and Governance Committee do not fall within the definition of “Independent Person” in this context.
- 3.18 Now that the GPC has been established, and because of the detailed requirements under the Regulations for the identification, selection and involvement of Independent Persons, it would be good practice to develop a more detailed written process to provide for this eventuality should it ever arise. Given the complexity and need to consider potential options and the legal requirements at length, it is recommended that GPC consider this matter, and Board is asked to endorse this approach.
- 3.19 Regarding the appointment of Statutory Officers, namely the Chief Executive, Director of Finance (“Section 151 Officer”) and the Monitoring Officer, many authorities have an ad hoc committee comprised of Members to take part in the selection process. The most recent requirement to make such an appointment was the appointment of the Chief Executive during early 2021. On that occasion, an ad hoc Appointment Committee was set up in January 2021. Moving forward, the function of the selection of Statutory Officers is one which the GPC could undertake.
- 3.20 It is recommended that the Terms of Reference of the GPC be added to, to include this function, as set out in Appendix 3. If the GPC wishes to make recommendations to Board to set up a smaller sub-committee of itself for this purpose, it can also consider a detailed report to consider that.
- 3.21 Following the Covid-19 pandemic, with different ways of working having emerged nationally, albeit the legal requirement for decision making meetings remains for in-person which are open to the public, it is sensible for Board to review the measures in place to ensure the most robust possible likelihood of achieving a quorum at every public meeting.
- 3.22 With this in mind, it is recommended that the current 5 elected member seats on Audit & Governance Committee be increased to 6 seats, and nominations for the new vacancy are invited. Members are reminded that Substitute Board members as well as main Board members can be nominated. Officers will also explore the possibility of aligning meetings so that in appropriate circumstances more than one in-person meeting would be held on the same date at the same venue. Members will be consulted on progress in due course.

4. Corporate Considerations

Financial Implications

4.1 The financial implications associated with the appointment of the Chair of the board is incorporated in the 2022/23 budget. There are not considered to be any other financial implications.

Resource Implications

4.2 The resourcing implications are as set-out in the report

Legal Implications

4.3 Legal implications are included within the report. Scrutiny Committee has not been consulted on the content of this report as all decisions are for Board to make.

Risk Management and Key Issues

4.4 There are no risk implications as a result of this report.

Environmental Implications

4.5 There are no environmental implications as a result of this report.

Equality and Diversity

4.6 A full impact assessment has not been carried out as it is not required for this report.

Consultations

4.7 A consultation has not been carried out because it is not necessary for this report.

5. Background Papers

5.1 There are no background papers to this report.

6. Appendices

6.1 Appendix 1 – Membership of Board and Committees

6.2 Appendix 2 – Calendar of Meetings

6.3 Appendix 3 – Revised Terms of Reference for General Purposes Committee

Glossary of terms, abbreviations and acronyms used (*if applicable*)

TfN – Transport for the North

The Regulations - The Local Authorities (Standing Orders) (England) Regulations 2001/3384

This page is intentionally left blank

Transport for the North Appointments 2022/23

Appendix 1

Transport for the North Board & Partnership Board

Constituent Authority	Member	Substitute
Blackburn with Darwen	TBC	TBC
Blackpool	Cllr Lynn Williams	Cllr Neal Brookes
Cheshire East	Cllr Craig Browne	Cllr Laura Crane
Cheshire West & Chester	TBC	TBC
Cumbria	Cllr Keith Little	Cllr Peter Thornton
East Riding of Yorkshire	Cllr Jonathan Owen	Cllr Claire Holmes
Greater Manchester Combined Authority	Mayor Andy Burnham	Cllr Andrew Western
Hull	Cllr Mike Ross	Cllr Jackie Dad
Lancashire	Cllr Charles Edwards	Cllr Aidy Riggott
Liverpool City Region	Mayor Steve Rotheram	Cllr Liam Robinson
North East Combined Authority	TBC	TBC
North East Lincolnshire	Cllr Stewart Swinburn	
North Lincolnshire	TBC	TBC
North of Tyne Combined Authority	Mayor Jamie Driscoll	Cllr Nick Kemp
North Yorkshire	Cllr Carl Les	Cllr Keane Duncan
South Yorkshire Mayoral Combined Authority	Mayor Oliver Coppard	TBC
Tees Valley	Mayor Ben Houchen	Cllr Jonathan Dulston
Warrington	Cllr Hans Mundry	Cllr Russ Bowden
West Yorkshire Combined Authority	Mayor Tracy Brabin	TBC
York	Cllr Keith Aspden	Cllr Andy D'Agorne
Former Rail North Authorities		
Derbyshire		
Lincolnshire	Cllr Thomas Smith	Cllr Clio Perraton-Williams
Nottingham	Cllr Audra Wynter	TBC
Nottinghamshire	TBC	TBC
Staffordshire	TBC	TBC
Stoke on Trent	TBC	TBC

Scrutiny Committee

Constituent Authority	Member	Substitute
Blackburn with Darwen	TBC	TBC
Blackpool	Cllr David O'Hara	
Cheshire East	Cllr Rod Fletcher	
Cheshire West & Chester	TBC	TBC
Cumbria	Cllr Neil Hughes	Cllr David Southward
East Riding of Yorkshire	Cllr Leo Hammond	Cllr Chris Matthews

Greater Manchester Combined Authority	Cllr Roger Jones	Cllr Joanne Marshall
Hull	Cllr Rhys Furley	TBC
Lancashire	Cllr Matthew Salter	Cllr Rob Bailey
Liverpool City Region	TBC	TBC
North East Combined Authority	TBC	TBC
North East Lincolnshire	Cllr Tom Freeston	Cllr Hayden Dawkins
North Lincolnshire	TBC	TBC
North of Tyne Combined Authority	Cllr Carl Johnson	Cllr Richard Wearmouth
North Yorkshire	Cllr Paul Haslam	
South Yorkshire Mayoral Combined Authority	TBC	TBC
Tees Valley	TBC	TBC
Warrington	Cllr Steve Parish	Cllr Nathan Sudworth
West Yorkshire Combined Authority	TBC	TBC
York	Cllr Stephen Fenton	Cllr Anne Hook

General Purposes Committee

Regional Grouping	Member	Substitute
Greater Manchester Combined Authority	Mayor Andy Burnham	Cllr Andrew Western
West Yorkshire Combined Authority & City of York		Mayor Tracy Brabin
South Yorkshire Mayoral Combined Authority	Mayor Oliver Coppard	TBC
Liverpool City Region	Cllr Liam Robinson	Mayor Steve Rotheram
North East	Cllr Martin Gannon	Mayor Jamie Driscoll
Lakeland	TBC	TBC
Tees Valley	Mayor Ben Houchen	Cllr Jonathan Dulston
North Yorkshire	Cllr Carl Les	Cllr Keane Duncan
North of Humber	TBC	TBC
South of Humber	TBC	TBC
Cheshire & Warrington	TBC	TBC

Rail North Committee

Regional Grouping	Member	Substitute
Greater Manchester Combined Authority	Mayor Andy Burnham	Cllr Andrew Western
West Yorkshire Combined Authority & City of York	TBC	Mayor Tracy Brabin
South Yorkshire Mayoral Combined Authority	Mayor Oliver Coppard	TBC
Liverpool City Region	Cllr Liam Robinson	TBC

North East	Mayor Jamie Driscoll	Cllr Martin Gannon
Lakeland	TBC	TBC
Tees Valley	Mayor Ben Houchen	Cllr Jonathan Dulston
North Yorkshire	Cllr Carl Les	Cllr Keane Duncan
North of Humber	TBC	TBC
South of Humber	TBC	TBC
Potteries	TBC	TBC
East Midlands	TBC	TBC

Audit & Governance Committee

Member	Constituent Authority
Cllr Keith Little	Cumbria
Cllr Liam Robinson	Liverpool City Region
Cllr Hans Mundry	Warrington
Vacancy	
Vacancy	

This page is intentionally left blank

Appendix 2

Transport for the North Board & Partnership Board

30 June 2022

29 September 2022

14 September 2022

23 March 2023

Scrutiny Committee

15 June 2022

14 September 2002

23 November 2022

2 March 2023

Audit & Governance

14 July 2022

18 November 2022

17 February 2022

Rail North Committee

31 May 2022

13 September 2022

15 November 2022

22 February 2023

This page is intentionally left blank

Appendix 3

“The General Purposes Committee shall determine any matter which is not reserved to the Transport for the North Board nor delegated to the Rail North Committee and which is not decided by the Chief Executive under his delegated authority.

In particular, and without limitation to the generality of the above it shall have power to undertake the following functions:

- (i) in relation to the roles of the Chief Executive, the Finance Director (“Section 151 Officer”) and the Monitoring Officer (“the Statutory Officers”) acting as an Appointments Committee for the purpose of selecting a preferred candidate, for recommendation to TfN Board, including considering applications, forming a longlist and a shortlist, and conducting interviews; and
- (ii) recommending to TfN Board, before any offer of appointment is made by TfN, a preferred candidate for appointment to any of the Statutory Officer roles;

Each Constituent Authority member of the General Purposes Committee shall, in circumstances where they are unable to act, be permitted allow their Authority’s appointed General Purposes Committee Substitute Member to participate in the process, but where a Member or Substitute Member attends the interview of a candidate only that Member or Substitute Member may take any further part in the appointment process and after that point no Substitute Member may be substituted.

The General Purposes Committee when sitting as the Appointments Committee shall be chaired by the Chair of General Purposes Committee. If the Chair of General Purposes Committee is not present at any Appointments Panel meeting, and if no Vice Chair is present, the Members of the General Purposes Committee who are present shall elect a chair from amongst their number, each Member present having one vote. Any such meetings (and associated decisions) will only be considered quorate if a quorum of the General Purposes Committee (or their nominated substitute member) is present.

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

Any decision of the General Purposes Committee to recommend to the TfN Board a preferred candidate for appointment to one of the Statutory Officer roles must be by a majority vote. Except where incompatible with the above any other voting provisions set out in the Constitution shall apply.”

This page is intentionally left blank

Meeting:	Transport for the North Board
Subject:	TfN Budget and Reserve Strategy 2022/23
Author:	Paul Kelly, Interim Finance Director
Sponsor:	Martin Tugwell, Chief Executive
Meeting Date:	Thursday 30 June 2022

1. Purpose of the Report:

- 1.1 This report sets out TfN's financial operating environment, and the budgets that will support delivery of the TfN business plan for 2022/23 and beyond. These budgets are underpinned by a reserve strategy, which serves as TfN's back-stop mitigation against financial risk.

2. Recommendations:

- 2.1 It is recommended that TfN Board:
- Approves the Budget as presented in this report;
 - Approves the transfer of the earmarked devolution reserve of £0.5m to general reserve. This activity would be considered alongside normal business planning;
 - Approves the reserve strategy as presented in this report; including the use of reserves in 2022/23 of £1.7m;
 - Notes the Outturn reserves as detailed in section 7.10; and
 - Notes that the staffing numbers included within this report are projected and subject to on-going UNISON and employee consultation.

3. Executive Summary

- 3.1 Financial year 2022/23 represents the fifth period over which Transport for the North (TfN) has existed as a statutory sub-national transport body (STB). The proposed budget for 2022/23 is £16.5m.
- 3.2 As previously reported to the Board, TfN received its funding allocation from the Department for Transport ("DfT") on 14 February 2022 that set out a reduced funding envelope for 2022/23 compared to TfN's CSR submission but an increase on the funding allocation of 2021/22.
- 3.3 The TfN remit for 2022/23 includes the delivery of core duties and hosted services. TfN proposes a gross budget for the year of £16.52m, inclusive of expenditure slipped from 2021/22 of £0.1m.

The following summarises the budget against activity.

	22/23
	£m
Operational Areas	8.84
Rail North Partnership	1.60
NPR Analytical Support	5.66
NPR Closure Costs	0.41
	16.52

The following summarises the budget by cost type.

	22/23 Budget
Total by Cost Type	£m
Staff	7.31
Staff Support	0.35
Business Infrastructure	1.33
Discretionary Spend	6.09
	15.07
Transition costs	1.44
Total:	16.52

3.4 The budget is funded through a number of sources as detailed below:

	22/23 Budget
Funding	£m
Core grant	6.50
In-Year funding	0.34
Use of Reserves	1.66
	8.50
Contract Income*	0.04
Rail North Grant/Local Contributions*	0.30
Core Duties	8.84
<i>Hosted Services:</i>	
TDF Rail Modelling	5.66
Rail North Partnership Grant	0.96
Rail North Grant/Local Contributions*	0.35
Contract Income*	0.29
NPR Closure Settlement	0.41
Hosted Services	7.68
Total Resource	16.52

*Revenue partly funds Core activities

3.5 As previously discussed with the Board members, TfN's Budget and Business Planning processes this year needs to reflect:

- The level of funding available to TfN;
- The request from DfT to provide the Analytical modelling function for NPR; and
- The change in TfN's role in relation to Northern Powerhouse Rail – from Co-client to Co-sponsor.

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

3.6 Given the uncertainty regarding future funding ahead of last year's Spending Review, since last summer the Executive has been proactively managing the establishment. The use of fixed term contracts and holding vacancies enabled on-going liabilities to be managed whilst enabling TfN to continue to deliver an extensive programme of technical work. This proactive approach, coupled with applications for Voluntary Redundancy (eight offers made and accepted), will enable the reshaping of TfN to take place more quickly than would otherwise have been

possible, noting that all proposed changes to TfN's structure and individual job roles will be subject to full and meaningful consultation with employees affected and TfN's recognised Trade Union, UNISON.

- 3.7 In reshaping and reducing the establishment, the Executive will ensure that TfN is both capable of delivering its priority areas of activity and affordable in the medium-term. A guiding principle throughout has been a focus on retaining (and in some instances increasing) the technical capacity and capability. At the same time, given that TfN moving forward will be a smaller and less complex organisation, the opportunity has been taken to reduce support functions.
- 3.8 Focusing on investing in TfN's technical capacity and capability means that the budget for commissioning specialist advice from consultants can be reduced significantly.
- 3.9 The key planning assumptions that underpin the Budget include:
- DfT core funding levels assumed to continue at £6.5m for this spending review period;
 - In-year funding of £336k secured in autumn 2021 is for 2022/23 only;
 - To mitigate against higher cost interim solutions, future appointments to TfN will be on a permanent basis unless circumstances are such that fixed term contracts are more appropriate;
 - Employee costs to increase in line with existing terms and conditions;
 - Cost of living increase assumed at 3% per annum;
 - The majority of voluntary redundancies are assumed to be made on or before 1 July, but a limited number deferred until 30 September and 30 October to allow business continuity. These dates may vary based on operational roll out;
 - Closure of the Leeds office – this is budgeted to be vacated before the end of Q2/September 2022;
 - Retention of Manchester office – current lease runs until December 2023: a review of future accommodation requirements will be undertaken as part of Business Planning for 2023/24; and
 - Discretionary/commission costs from 2023/24 onwards anticipated to be capped at c£0.7m plus VAT going forward (consistent with the focus on investing in retaining TfN's technical capability and capacity).
- 3.10 TfN is funded almost wholly by Government and continuing uncertainty during 2021/22 over future funding caused some of our planned activity to slow down or be rescheduled. Therefore, much of last year's planned recruitment was put on hold. As a result, TfN's staff numbers varied between 105-110 in the second half of 2021/22, averaging 25-30 vacant posts.
- 3.11 The funding settlement for 2022/23 required a material cost reduction, alongside the TUPE transfer of the Co-client North Powerhouse Rail Team (circa 17 Posts) to the DfT in April 2022 following publication of the Integrated Rail Plan with a further 24 FTE posts ring-fenced to deliver a dedicated analytical "hosted service" to DfT for FY2022/23 (circa 30% reduction to TfN's core people establishment). This context has naturally shaped our approach to resource planning which seeks to ensure TfN continues to progress and organise itself to best meet our organisational priorities and objectives, which are directed and approved by TfN's Board.
- 3.12 Our approach to people resourcing reflects the financial constraints within which we operate, with a proposed circa 34 post reduction in our established posts alongside a review and re-alignment of our Senior Management Structure which will be implemented during quarter 2/3 of this financial year. As part of that review it is proposed that the number of Directors will be reduced from 8 to 5 (including CEO and Rail North Partnership director), with a realignment of the reporting lines for individual teams to reflect that proposed reduction. It should be noted that all

proposed changes to TfN's structure and individual roles will be subject to full and meaningful consultation with employees affected and TfN's recognised Trade Union, UNISON.

- 3.13 We have sought to manage the required reduction in the previous establishment of 137 posts in 2021/22 through removal of vacant posts where possible, noting also the change in terms of the 41 posts (circa 30%) affected by the NPR Team TUPE transfer or the move to the dedicated analytical service to DfT. However, as previously advised to the Board, the scale of reductions and proposed re-organisation will necessitate both voluntary and possibly compulsory redundancies. As part of this process TfN is also undertaking a grading and evaluation exercise to ensure that pay and grading levels across TfN remain robust aligned to TfN's future operating model and organisational remit. The Board will be kept informed of the outcome of this exercise as necessary.
- 3.14 This Budget and associated Business Planning is based on our proposed establishment for 2022/23 being 103 roles of which 41 are within hosted activities, comprising 17 posts in the Rail North Partnership team and 24 posts within the NPR Tame Analytical Modelling team. Within the 62 core funded roles, priority has been given to retaining technical capability and capacity. This will be a second year of workforce reductions across the organisation and will see TfN's core service establishment over those two years reduced by 57% (83 posts) and overall total establishment by 36% (58 posts). It should be noted that a significant proportion of this reduction relates to changes in specific programmes.
- 3.15 Transition costs represent estimated one-off costs relating to staff who will be displaced either through redundancy (voluntary or potentially compulsory). These include redundancy terms and notice periods commensurate with an individual's terms and conditions of employment. These costs are effectively crystallising a future liability that would only be avoided if the individual was retained in the organisation and chose to resign at a point in the future that suited their individual circumstances. Therefore, the transition cost is a cost of implementing the optimal solution for TfN, any other solution being sub-optimal. The proposed approach, which crystallises a future cost, allows the wider structure to be implemented with immediate effect and allow focus on business plan activities.
- 3.16 The key factor affecting TfN budgeting and funding on a medium-term basis is a cost base that is subject to inflation with an assumed core funding allocation that is not inflation linked. This will be an increasing issue to mitigate going forward as we effectively make a large proportion of our costs non-variable/staff based with limited flexible discretionary/commission based spend (as detailed above). Recruiting staff on a permanent basis is a better value for money proposition compared with the continued use of interim or consultant-based resourcing solutions.
- 3.17 Based on the new operating model, which places more emphasis on investing in retaining TfN's technical capacity and capability, a subsequent reduction in commissioned activity and the challenge of an unindexed grant allocation with a cost base subject to inflationary pressure, the minimum reserve has been retained at its current levels.
- 3.18 On this current trajectory, TfN will encounter sustainability issues in the medium-term as the ability of the brought forward reserve to accommodate ongoing activity is placed under pressure. Due to the assumptions around staff levels, staff cost increases, the move to a resource based operating model and an unindexed core grant, the draw in 2025/26 would be significantly higher than in earlier years and, all else being equal, forecast a reserve level below the minimum reserve. Many of

these pressures are not unique to TfN and will require the Executive to work with the DfT as potential solutions are looked at ahead of a future Spending Review.

- 3.19 As discussed previously with Board members the Business Planning process used the 'golden thread' from strategy to implementation that continues to define TfN's work. This ensures that detailed individual departmental plans are aligned to a common and coordinated approach to delivery across the organisation. These common goals are what underpin the expenditure profile and budget for 2022/23.
- 3.20 The Executive have in place specific monitoring arrangements that will ensure progress against the Budget monitored and allow potential variances to be identified and managed to ensure that momentum in delivering the objectives set out in the business plan is maintained.

4. Operating Environment:

- 4.1 TfN's financial affairs are shaped by its operating environment. Parameters are set by the way in which the organisation is funded, and the practical consequences of certain limitations that are not common to local and combined authorities.
- 4.2 These limitations affect the organisation's approach and ability to access funds to manage risk. Unlike most partner authorities, TfN cannot access credit in the form of loans for capital investment and overdrafts to manage short-term cash flow fluctuations. In addition, it cannot levy or precept upon local tax bases to manage longer-term requirements as a council or local transport authority would.
- 4.3 These limitations mean that careful management is required in order to avoid insolvency risk: that is, ensuring TfN maintains sufficient cash and the resource to meet our liabilities. The need for careful management is increased by TfN's inability to recover VAT, which means that it is exposed to higher costs without an associated increase in its resources.
- 4.4 These issues emphasise the importance of risk management when developing budgets, particularly the need for focused cost transparency, and alignment of costs to funding streams. In particular, it underscores the importance of managing resource to ensure TfN protects funding streams which afford TfN flexibility.
- 4.5 Due to the conditions placed upon the discrete grants which fund hosted activities, discretionary resource is limited to TfN's annual Core grant (increased by £0.5m to £6.5m in 2022/23 with a recognition that co-sponsor arrangements could cost in the region of £0.4m) and the deployment of the reserve created from underspends against this grant in prior years. This grant, and the reserves that flow from it, must also be used to mitigate the insolvency risk to which TfN could otherwise be exposed.
- 4.6 The key factor affecting TfN budgeting and funding on a medium-term basis is a cost base that is subject to inflation with an assumed core funding allocation that is not inflation linked. This will be an increasing issue to mitigate going forward as we effectively make a large proportion of our costs non-variable/staff based with limited flexible discretionary/commission based spend (as detailed above). Based on our three-year budget planning assumptions recruiting staff on a permanent basis is a better value for money proposition compared with the continued use of interim or consultant-based resourcing solutions.
- 4.7 This approach is complemented by the manner in which TfN manages its discrete grant streams. 'Discrete' grant streams refer to funding which is restricted to certain activity.

5. Budget Structure:

- 5.1 In previous years TfN had a remit that included significant programme delivery. Previous budgets were therefore structured with a distinction between programme and operational activities.
- The transfer of the NPR programme to DfT, coupled with reduced core funding levels, and the agreement to provide a ring fenced funded analytical service in support of DfT's NPR programme using resources hosted by TfN, has provided the opportunity to re-present the budget structure.
- 5.2 Organisational operational expenditure consists of those costs incurred in the delivery of the ongoing business of TfN, the infrastructure required of any public body, and the supporting functions that enable TfN to deliver upon its programmes of activity and broader aspirations.
- 5.3 The "hosted" services include Rail North Partnership and those analytical modelling services provided to DfT in support of the NPR outline business case.
- 5.4 The Rail North Partnership team is hosted by TfN and manages the northern rail franchises on behalf of the Secretary of State. TfN's Strategic Rail team which advises the Rail North Committee on franchise matters, is captured within operational activities above.
- 5.5 Drawing a differentiation between operations and hosted activities in this manner assists TfN in the management of its financial affairs and HR strategy as it aligns activities to funding streams.
- 5.6 The budget structure is aligned to how activities are funded. Hosted activities are funded by discrete grants awarded by DfT. Conversely, the varied business functions of TfN within the operations element of the budget structure must be funded from the finite £6.5m Core grant, over which TfN has discretion on its application and its historic reserves.

6. Budget 2021/22 Background:

- 6.1 As previously discussed with the Board members, TfN's Budget and Business Planning processes this year needs to reflect:
- The level of funding available to TfN;
 - The request from DfT to host a dedicated Analytical modelling function for NPR; and
 - The change in TfN's role in relation to Northern Powerhouse Rail – from Co-client to Co-sponsor.
- Whilst there is no change in TfN's statutory role as a Sub-national Transport Body, the Budget and Business Planning processes have required a review of activities, to ensure that they are focused on TfN's core responsibilities and role and are affordable.
- 6.2 Given the uncertainty regarding future funding ahead of last year's Spending Review, since last summer the Executive has been proactively managing the establishment. The use of fixed term contracts and holding vacancies enabled on-going liabilities to be managed whilst enabling TfN to continue to deliver an extensive programme of technical work. This proactive approach, coupled with applications for Voluntary Redundancy (eight offers made and accepted), will enable the reshaping of TfN to take place more quickly than would otherwise have been possible, noting that all proposed changes to TfN's structure and individual job roles will be subject to full and meaningful consultation with employees affected and TfN's recognised Trade Union, UNISON. Only once all such consultation processes are

concluded can actual establishment numbers be confirmed, and the full establishment profile reported back to the Board.

- 6.3 In reshaping and reducing the establishment, the Executive will ensure that TfN is both capable of delivering its priority areas of activity and affordable in the medium-term. A guiding principle throughout has been a focus on retaining (and in some instances increasing) the technical capacity and capability. At the same time, given that TfN moving forward will be a smaller and less complex organisation, the opportunity has been taken to reduce support functions.
- 6.4 Focusing on investing in TfN's technical capacity and capability means that the budget for commissioning specialist advice from consultants can be reduced significantly.
- 6.5 As reported at the CEO consultation call on 23 February 2022 and the TfN Board meeting on 30 March 2022, TfN received its funding allocation from the department on 14 February. This included:
- A one-year Core allocation of £6.5m including £0.4m to cover DfT's estimate of TfN undertaking its role of NPR Co-sponsor.
 - DfT confirming that it would like TfN to continue to provide analytical support to the NPR programme.
 - Confirmation that the Rail North Partnership Grant will remain at current levels, subject to indexation and confirmation from DfT regarding any additional posts. TfN will also continue to receive Rail Administration Grant and local authority member contributions to resource Rail North Partnership and Strategic Rail activity.
 - Confirmation that DfT will fund NPR wind down costs.
- 6.6 In addition, the meetings noted:
- An incremental grant allocation of £336,000, the majority of which was anticipated to be expended in 2022/23.
 - The 40% cut to Core funding that was received in January 2021 had been mitigated, with the assistance of DfT, by £1.5m of recharges into the NPR programme and by the release of £2.5m of reserves. Neither of these were now possible given the change in working arrangements post-IRP. As a consequence, the full impact of the FY2021/22 funding cuts would now flow through into the organisation and require a material reduction in activity and expenditure from previous years.
 - The requirement to utilise reserves in 2022/23 to meet transition costs incurred in moving to a sustainable organisational structure and that this value would be firmed up during the process to finalise the 2022/23 Business Plan and Budget.
- 6.7 An interim budget for Quarter 1 was agreed by the Board at its meeting on 30 March therefore providing time to complete the business planning and budget processes for conclusion at the June 2022 Board meeting.
- 6.8 On 25 April the CEO took Board members through the proposed priority areas of work and key deliverables. Following the endorsement of those proposals, the Executive has used them to guide the Business Planning process that includes the programmes of activity that will deliver the key priorities, but also the role of the organisation: what it will do, and how it will do it. That business plan in turn drives the proposed resourcing and financial plans for the organisation, resulting in the annual budget.
- 6.9 Following an iterative process, the Budget being presented aligns the available resource to key priorities. The budget itself is differentiated between the costs incurred in running TfN and the costs of delivering hosted services. This is reflective of the different governance arrangements around these activities.

7. 2022/23 Budget

7.1 Based on the above operating and funding environment, a number of budget and planning assumptions were made in order to propose a sustainable budget for the medium term/next three years. These included:

- DfT core funding levels assumed to continue at £6.5m for this spending review period;
- In year funding of £336k secured in Autumn 2021 for 2022/23 only;
- To mitigate against higher cost interim solutions, future appointments to TfN will be on a permanent basis unless circumstances are such that fixed term contracts are more appropriate;
- Employee costs to increase in line with existing terms and conditions;
- Cost of living increase assumed at 3% per annum;
- The majority of voluntary redundancies are assumed to be made on or before 1 July, but a limited number deferred until 30 September and 30 October to allow business continuity. These dates may vary based on operational roll out;
- Closure of the Leeds office – this is budgeted to be vacated before the end of Q2/September 2022;
- Retention of Manchester office – current lease runs until December 2023: a review of future accommodation requirements will be undertaken as part of Business Planning for 2023/24; and
- Discretionary / commission costs from 2023/24 onwards anticipated to be capped at c£0.7m plus VAT going forward (consistent with the focus on investing in retaining TfN's technical capability and capacity).

7.2 The TfN remit for 2022/23 includes the delivery of core duties and hosted services. TfN proposes a gross budget for the year of **£16.52m**, inclusive of expenditure slipped from 2021/22 of £0.1m.

The following summarises the budget against activity.

	22/23 Budget £m
Operational Areas	8.84
Rail North Partnership	1.60
NPR Analytical Support	5.66
NPR Closure Costs	0.41
	16.52

The following summarises the budget by cost type.

	22/23 Budget £m
Total by Cost Type	
Staff	7.31
Staff Support	0.35
Business Infrastructure	1.33
Discretionary Spend	6.09
	15.07
Transition costs	1.44
Total:	16.52

7.3 The budget is funded through a number of sources as detailed below:

	22/23
	Budget
Funding	£m
Core grant	6.50
In-Year funding	0.34
Use of Reserves	1.66
	8.50
Contract Income*	0.04
Rail North Grant/Local Contributions*	0.30
Core Duties	8.84
<i>Hosted Services:</i>	
TDF Rail Modelling	5.66
Rail North Partnership Grant	0.96
Rail North Grant/Local Contributions*	0.35
Contract Income*	0.29
NPR Closure Settlement	0.41
Hosted Services	7.68
Total Resource	16.52

*Revenue partly funds Core activities

- 7.4 It should be noted that VAT costs cannot be recovered. Irrecoverable VAT accounts for £1.5m of the overall budget of £16.5m. Of this, £0.8m relates to the NPR Analytical Support budget and the balance of £0.7m in operational expenditure.
- 7.5 The proposed draw from reserves for 2022/23 is £1.7m. This includes £1.4m for transition costs as detailed below and £0.3m to support the operation in year.
- 7.6 TfN's reserves were created from Core grant underspends in previous years when TfN was building its capacity and capability and are drawn upon in line with the reserve strategy adopted by TfN each year. The Core funding allocation received on 14 February 2022, coupled with the transfer of the NPR programme to DfT, has reaffirmed the need to utilise reserves to deliver a balanced budget.
- 7.7 That strategy will see a planned draw on reserves to deliver a funded budget which includes material one-off costs, including the costs associated with the transition of TfN to its new operating model, but also supports ongoing activity levels. This approach will result in general reserves of approximately £2.9m at the end of the 2022/23 financial year and is set out in more detail in Section 7.18.
- 7.8 The operational / core duty element of the budget is summarised in the following table. Overall operational area expenditure is proposed at £8.84m, (inclusive of £1.44m of transition costs) and £7.39m (excluding £1.44m of transition costs).

	21/22	22/23
	Outturn	Budget
Operational by Cost	£m	£m
Staff	4.98	5.08
Staff Support	0.33	0.23
Business Infrastructure	0.88	0.83
Discretionary Spend	3.02	1.26
	9.21	7.39
Transition costs		1.44
Programme recharge	(1.54)	

Total Operational:	7.67	8.84
---------------------------	-------------	-------------

- 7.9 TfN is funded almost wholly by Government and continuing uncertainty during 2021/22 over future funding caused some of our planned activity to slow down or be rescheduled. Therefore, much of last year's planned recruitment was put on hold. As a result, TfN's staff numbers varied between 105-110 in the second half of 2021/22, averaging 25-30 vacant posts.
- 7.10 The funding settlement for 2022/23 required a material cost reduction, alongside the TUPE transfer of the Co-client North Powerhouse Rail Team (circa 17 Posts) to the DfT in April 2022 following publication of the Integrated Rail Plan, with a further 24 FTE posts ring-fenced to deliver a dedicated analytical "hosted service" to DfT for FY2022/23 (circa 30% reduction to TfN's core people establishment).
- This context has naturally shaped our approach to resource planning which seeks to ensure TfN continues to progress and organise itself to best meet our organisational priorities and objectives, which are directed and approved by TfN's Board.
- 7.11 Our approach to people resourcing reflects the financial constraints within which we operate, with a proposed circa 34 post reduction in our established posts alongside a review and re-alignment of our Senior Management Structure which will be implemented during quarter 2/3 of this financial year. As part of that review it is proposed that the number of Directors will be reduced from 8 to 5 (including CEO and Rail North Partnership director), with a realignment of the reporting lines for individual teams to reflect that proposed reduction. It should be noted that all proposed changes to TfN's structure and individual roles will be subject to full and meaningful consultation with employees affected and TfN's recognised Trade Union, UNISON.
- 7.12 We have sought to manage the required reduction in the previous establishment of 137 posts in 2021/22 through removal of vacant posts where possible, noting also the change in terms of the 41 posts (circa 30%) affected by the NPR Team TUPE transfer or the move to the dedicated analytical service to DfT. However, as previously advised to the Board, the scale of reductions and proposed re-organisation will necessitate both voluntary and possibly compulsory redundancies.
- As part of this process TfN is also undertaking a grading and evaluation exercise to ensure that pay and grading levels across TfN remain robust aligned to TfN's future operating model and organisational remit. The Board will be kept informed of the outcome of this exercise as necessary.
- 7.13 This Budget and associated Business Planning is based on our proposed establishment for 2022/23 being 103 roles of which 41 are within hosted activities, comprising 17 posts in the Rail North Partnership team and 24 posts within the NPR Tame Analytical Modelling team. Within the 62 core funded roles, priority has been given to retaining technical capability and capacity.
- This will be a second year of workforce reductions across the organisation and will see TfN's core service establishment over those two years reduced by 57% (83 posts) and overall total establishment by 36% (58 posts). It should be noted that a significant proportion of this reduction relates to changes in specific programmes.
- 7.14 Adjusting the current year staffing budget of £5.08m for year-on-year inflation (£0.25m) and the premium associated with interim solutions (£0.18m), the like for year-on-year comparison would be £4.65m, representing a reduction of £0.33m against the prior year outturn. This comparison does not recognise the effect of the lower base due to the vacancy management initiative.
- 7.15 Transition costs represent estimated one-off costs relating to staff who will be displaced either through redundancy (voluntary or potentially compulsory). These

include redundancy terms and notice periods commensurate with an individual's terms and conditions of employment. These costs are effectively crystallising a future liability that would only be avoided if the individual was retained in the organisation and chose to resign at a point in the future that suited their individual circumstances. Therefore, the transition cost is a cost of implementing the optimal solution for TfN, any other solution being sub-optimal. The proposed approach, which crystallises a future cost, allows the wider structure to be implemented with immediate effect and allow focus on business plan activities.

- 7.16 The following table analyses the operational budget across each business unit. This is indicative reporting on a basis comparable with the prior year. The format and content of reporting may be adjusted to reflect any changes to organisational structure.

	21/22 Budget £m	22/23 Budget £m
Operational:		
Major Roads	0.88	0.31
Strategy & Policy	2.64	2.26
Strategic Rail	1.65	1.20
Business Capabilities	2.85	2.46
Finance	0.89	0.82
Leadership	0.30	0.35
	9.21	7.39
Transition costs		1.44
Programme recharge	(1.54)	
Total Operational:	7.67	8.84

- 7.17 Operational area expenditure (excluding transition costs) is impacted across business areas as a consequence of the resource planning outlined above and the resultant reduction in discretionary spend as a consequence of building in-house capability.
- 7.18 Within the £16.52m overall budget, £1.6m relates to RNP and £5.66m relates to TAME analytical modelling undertaken on behalf of DfT.
- 7.19 The Rail North Partnership budget totals £1.6m of which £1.5m relates to staff related costs.
- 7.20 The TAME analytical modelling budget includes £1.5m (as identified within TfN's funding letter) to maintain the capability of the team and £4.16m for external contracted services to meet the service requirements.
- 7.21 TfN will continue to implement specific monitoring arrangements that will allow potential variances to be identified and resources to be managed to ensure that momentum in delivering the objectives set out in the business plan is maintained.

8. Medium-Term Financial Strategy & Reserve Strategy

- 8.1 Under statute, all local government bodies – including TfN – are required to operate to a locally defined reserves strategy that ensures that the organisation always holds a prudent level of reserves.
- 8.2 Such reserves enable the organisation to operate with a degree of flexibility and guard against financial shock.
- 8.3 A prudent reserve strategy is particularly important to TfN as it has few other levers to mitigate financial risk. As previously noted, unlike other its partners, TfN cannot

access credit for short-term cash flow management and long-term investment, nor can it levy or precept upon a local tax-base to underwrite its operations.

- 8.4 TfN's approach to managing financial risk therefore has to rest on two pillars:
- a) A prudent risk culture that ensures TfN limits its exposure to financial risk arising from contracting and business operations; and
 - b) A prudent reserve strategy that ensures TfN always holds a level of cash at bank to guard against residual financial shock.

Practically, this means that TfN must work in collaboration with DfT and partners when entering into multi-year and high-risk transactions to ensure that the right balance of risk share is achieved.

- 8.5 It also means that TfN's reserve strategy must be managed in conjunction with the use of the annual Core grant allocations. As Core grant is the only discretionary resource TfN holds that can fund expenditure, it follows that financial risk must primarily be managed through this resource.
- 8.6 Following discussions with the DfT when TfN was established as a statutory body, it was agreed that TfN would target a core cash balance of *no less than* £2m to be held as a cash reserve in any given year.
- 8.7 The minimum of £2m was considered sufficient to allow for modest draws to be made in-year to meet un-budgeted opportunities that may arise, whilst also ensuring cash remained at bank to meet both unexpected costs and cash flow fluctuations.
- 8.8 Based on the new operating model, which places more emphasis on investing in retaining TfN's technical capacity and capability, a subsequent reduction in commissioned activity and the challenge of an unindexed grant allocation with a cost base subject to inflationary pressure, the **minimum reserve has been retained at its current levels.**
- 8.9 From year to year, this reserve may be drawn upon in-year, or contributions made from surpluses, with adjustments being made in following years to replenish.
- 8.10 In 2021/22 TfN budgeted to utilise £2.54m in reserves to support activity delayed from earlier years (principally IPBA) and support core activity. In addition, we were able to mitigate further draws on reserves by allocating £1.54m of cost to the NPR programme.

The actual reserve utilisation for 2021/22 was £2.1m giving a closing general reserve of £4.6m as of 31 March 2022. The main reasons for the reduction in reserve utilisation were slippage into 2022/23 of £0.1m, increased RNP funding (for originally core fund budgeted activity) of £0.1m and general cost savings of c£0.3m.

- 8.11 As detailed above, TfN is proposing a draw from reserves totalling £1.7m of which £1.4m relates to transition costs arising due to the movement to a longer-term sustainable structure and £0.3m to support core activity. The in-year allocation is marginally lower than would normally be expected as a consequence of in-year grants allocated in the last financial year but agreed for delivery in 2022/23.
- 8.12 At the Board meeting of 30 March 2022, the actual value of transition costs wasn't known (it still is an estimate and dependent on the number and mix of personnel and timing) but the principle of utilising reserves for these costs was agreed by the Board.
- 8.13 This reserve release is forecast to leave TfN with total Core Grant Reserves of £2.9m by the end of 2022/23. At this level the Core Grant Reserves equate to 45% of current annual Core funding respectively.

- 8.14 If longer term funding arrangements more closely aligned to our proposed cost base are agreed, and such funds are agreed and remitted in advance, TfN would be able to reassess its reserves strategy, including the required minimum.
- 8.15 This approach to TfN's medium-term financial strategy is predicated on the following approach to programme expenditure:
- Non-core funded activity will be resourced from specific grants; and
 - Activity levels will be tailored to the funding available and any grant restrictions thereon.
- 8.16 The principal variables to manage through the medium-term financial strategy are therefore around the Core grant activity and, in particular, how to align the reserve strategy with business plans to allow key priorities to be resourced whilst managing inflationary pressures.
- 8.17 In a previous year, TfN created a Devolved Powers Reserve, an additional £0.5m of earmarked reserves, to support the development of future devolution proposals. Longer term sustainability assessments indicate this reserve will be required to support ongoing operations, so it is proposed this reserve is transferred back into General Reserves. The reserve table below has been prepared on the assumption this transfer will be approved.
- 8.18 TfN proposes to draw £1.7m from the General Reserve in financial year 2022/23, based on a brought forward Core Grant Reserve balance of £4.6m. The following table highlights forecast core grant requirements, resource, and the associated requirements for reserve support:

	21/22	22/23	23/24	24/25
	Act	Bud	Bud	Bud
Reserves	£m	£m	£m	£m
General Reserve:				
Balance b/f	6.17	4.07	2.90	2.50
Draw	(2.10)	(1.66)	(0.40)	(0.50)
Contribution	-	-	-	-
Transfer		0.50		
Balance c/f	4.07	2.90	2.50	2.00
Earmarked Devolved Powers:				
Balance b/f	0.50	0.50	-	-
Draw	-	-	-	-
Contribution	-	-	-	-
Transfer		(0.50)		
Balance c/f	0.50	-	-	-
Total Core Grant Reserve:				
Balance b/f	6.67	4.57	2.90	2.50
Draw	(2.10)	(1.66)	(0.40)	(0.50)
Contribution	-	-	-	-
Balance c/f	4.57	2.90	2.50	2.00

- 8.19 Future year draws on the reserve may be affected by differences from the assumptions made on pay and price inflation and also any future cost mitigation initiatives.
- 8.20 On this current trajectory, TfN will encounter sustainability issues in the medium-term as the ability of the brought forward reserve to accommodate ongoing activity

is placed under pressure. Due to the assumptions around staff levels, staff cost increases, the move to a resource based operating model and an unindexed core grant, the draw in 2025/26 would be significantly higher than in earlier years and, all else being equal, forecast a reserve level below the minimum reserve. Many of these pressures are not unique to TfN and will require the Executive to work with the DfT as potential solutions are looked at ahead of a future Spending Review.

- 8.21 TfN would perform a review of its expenditure and its reserves strategy if a longer-term funding settlement were achieved.

9. Corporate Considerations

9.1 **Financial Implications**

The financial implications have been considered and are included in the report.

9.2 **Resource Implications**

Proposed resource plans for all business areas have been identified and agreed as part of the business planning process.

All proposed changes to TfN's structure and individual job roles will be subject to full and meaningful consultation with employees affected and TfN's recognised Trade Union, UNISON.

This will be a second year of workforce reductions across the organisation and will see TfN's core service establishment over those two years reduced by 57% (83 posts) and overall total establishment by 36% (58 posts) as set-out below:

Financial Year	Establishment		
	Core Services	Hosted Funded Services	Total Establishment
FY2020/21	145	16	161
FY2021/22	121	16	137
FY2022/23 (Projected)	62	41	103
Change over Two Years	-83 posts (-57%)	+25 posts (+256%)	-58 posts (-36%)

9.3 **Legal Implications**

Legal implications are covered within the report

9.4 **Risk Management and Key Issues**

A risk assessment has been carried out and the key risks are included in the report and risk register.

9.5 **Environmental Implications**

A full impact assessment has not been carried out because it is not considered necessary for this report.

9.6 **Equality and Diversity**

A full impact assessment has not been carried out because it is not considered necessary for this report.

9.7 **Consultations**

A consultation has not been carried out because it is not considered necessary for this report.

10. Background Papers

- 10.1 (TfN Board): Budget & Business Planning - January 2022
 10.2 (TfN Board): Funding, Business Planning & Budget Update – February 2022
 10.3 (TfN Board): Budget & Business Planning 2022/23 – March 2022

10.4 (Executive Board): Member's Briefing – April 2022

11. Appendices

11.1 None

This page is intentionally left blank

Meeting: Transport for the North Board
Subject: TfN Business Plan 2022/23
Author: Paul Kelly, Interim Finance Director
Sponsor: Martin Tugwell, Chief Executive
Meeting Date: Thursday 30 June 2022

1. Purpose of the Report:

1.1 The appended report presents TfN's Business Plan for 2022/23.

2. Recommendations:

2.1 It is recommended that the TfN Board approves the 2022/23 Business Plan, subject to delegating to the Chief Executive responsibility for the finalisation of the document as required.

3. Background

3.1 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 budget is covered in a separate report but consists of a total budget for 2022/23 of £16.52m.

3.2 Given the late notice of funding and the need to reduce our cost base, an interim budget for Q1 was agreed to allow time to implement a robust business planning process. Funding and Business Planning Reports were presented to the TfN Board, Executive Board, and the Scrutiny Committee throughout the period from February to June.

3.3 The level of core funding for 2022/23 has required TfN to reshape itself to ensure that it is fit to meet the tasks ahead of us. Like any organisation, we must live within our means. And that means TfN needs to prioritise its activities to reflect the funding available. Our Business Plan must also consider the change from co-client to co-sponsor of Northern Powerhouse Rail, as well as ensuring that our activities continue to complement the work of our partners and Government.

3.4 TfN has established itself as a regional centre of excellence for strategic transport planning. The award-winning Strategic Transport Plan and Future Travel Scenarios work are testament to the quality of our work and the leadership we provide. The capability and capacity provided by TfN is greatly valued by its members and is seen as something that needs to be retained and nurtured.

3.5 This Business Plan builds on those foundations and ensures that the new operating model is focused on being:

- A centre of technical excellence for the North – holding and collating information and analytical tools that are available to all partners
- A sourced of trusted information – one that is available to all our partners locally, regionally, and nationally as a foundation on which to develop solutions
- A strategic thought leader and champion of strategic transport planning – one that ensures the linkages between transport, digital and energy systems are reflected in decision making
- An enabler of accelerated delivery – applying our capability and capacity in support of our partners as they bring forward solutions for implementation

- A trusted collaborator – working with partners (nationally and across the North) in order to maximise the leverage of its own activity to the benefit of our communities and businesses

A plain version of the current Draft Business Plan for 2022/23 can be found at Appendix 1.

4. Communications and Engagement

- 4.1 Communications and Engagement activity remains an integral part of TfN's role moving forward, providing as it does the means of enabling TfN to speak with 'one voice' on behalf of the North and its members.
- 4.2 The focus of activity will continue to be in support of TfN's core functions, with the key priorities:
- To support TfN fulfil its statutory responsibilities – namely the preparation of a statutory Strategic Transport Plan, and the provision of advice to the Government
 - To ensure that TfN members and partners are involved in and abreast of the work off TfN
 - To help disseminate the key message arising from the work of TfN amongst its members, partners, and wider community
 - To support TfN in using its capability and capacity to act as a strategic thought leader
- 4.3 Specific key deliverables for the year ahead:
- Supporting the development of the Strategic Transport Plan that can be published for consultation in the first quarter of 2023
 - Delivering a programme of APPG meetings that maintains contact with the region's MPs
 - Planning and delivering the TfN Annual Conference
 - Planning and delivering a TfN presence at the autumn Party Conferences
 - Supporting the preparation of propositions for additional activity that builds on TfN's core capacity and capability
 - Supporting the preparation of a submission ahead of the autumn Budget that identifies specific short term investment opportunities that are consistent with the implementation of the Strategic Transport Plan
 - Supporting the organisational development of TeamTfN following the reshaping of the organisation

5. Organisational Development

- 5.1 The need to reshape TfN comes at the end of an extended period of uncertainty for the organisation. Moving forward the CEO will work with the senior leadership team to ensure that the need to invest in organisational development is integral to the delivery of the Business Plan.
- 5.2 In addition, the fact that TfN will be a smaller, less complex organisation moving forward creates the opportunity to review, and where appropriate, simplify the processes and procedures used by TfN.

6. Corporate Considerations

6.1 Financial Implications

The financial implications have been considered and are included in the budget for 2022/23.

6.2 **Resource Implications**

The human resource implications and resources required to deliver this activity are included in the budget for 2022/23.

6.3 **Legal Implications**

Legal implications are covered within the report.

6.4 **Risk Management and Key Issues**

A risk assessment has been carried out and the key risks are included in the report and risk register.

6.5 **Environmental Implications**

A full impact assessment has not been carried out because it is not considered necessary for this report.

6.6 **Equality and Diversity**

A full impact assessment has not been carried out because it is not considered necessary for this report.

6.7 **Consultations**

A consultation has not been carried out because it is not considered necessary for this report.

7. **Background Papers**

7.1 Budget & Reserve Strategy Paper

8. **Appendices**

8.1 Business Plan

This page is intentionally left blank

Transport for the North Business Plan – 2022/23

Section headers in **BLUE**

Design notes in **PINK**

01

Front cover

02-03

Contents

Chairman's welcome

Vice-chairs' forewords

Transport for the North

Building on Success

Our Strategic Plan

Shaping the Future

Implementation through Collaboration

Evidence Based Strategic Thinking

Our Values and Behaviours

Our People and Finances

Annex: Key Performance Indicators

04-05

Chairman's welcome

Lord McLoughlin

Chairman

Welcome to TfN's business plan. This is the first time I've been able to say hello to all of you through TfN's business plan. I'd like to firstly take the chance to thank my predecessor John Cridland for all the good work he did and to those who have stepped down from our Board this year.

Transport for the North is clear about the direction it needs to set for our people and our region – towards a more prosperous and rewarding future.

For all of us the last two years have been difficult as we have grappled with the pandemic, which has disrupted all of our lives. Our transport system kept food and other supplies flowing throughout the pandemic, as well as allowing key workers to provide the services upon which we all depended. And as we emerge from the worst of the pandemic it is transport that can help to lead our way through the recovery and onwards towards realising the North's potential.

TfN has a clear vision to unlock the full potential of the North of England by developing our transport infrastructure and services as a system that is user-centred, place-based and outcome focused.

As a statutory Sub-national Transport Body, we are tasked with producing a Strategic Transport Plan that looks at how investment can be prioritised in support of our shared ambition for the North. We aim that every proposal we bring forward has a strong evidence base. This, and the skills and capabilities within Team TfN, are the strengths that we bring to transport planning, and are the foundations on which we work with our partners – both across the North and nationally.

We are having to reshape our organisation this year. But our core job remains the same, to be:

- A regional source of excellence on transport planning and policy; that is used to support the planning, development, and delivery of solutions
- A trusted information source that people rely on locally, regionally, and nationally to make and shape decision making
- A thought leader on strategic infrastructure, with a long-term, ambitious vision for the North of England

Our work to update our Strategic Transport Plan – our backbone narrative – is already underway: as is the review of the Northern Powerhouse Independent Economic Review. It is important we focus on addressing future needs, and not just addressing the past. We need significant investment in our transport system, but the pandemic showed that we need to rethink the nature of that investment.

We remain committed to working with the DfT as co-sponsor for the Northern Powerhouse Rail system so that the benefits of the funding announced in the IRP is delivered at the earliest possible opportunity.

We will work with DfT and the rail industry to make sure we meet our decarbonisation targets while making sure that rail travel is still affordable.

We welcomed the commitment to establish Great British Railways as a key opportunity to bring together track and train under one guiding mind. Our unique experience of rail devolution to date gives us knowledge and insight that we are sharing with the GBR transition team as it moves forward with its work.

Looking to the wider transport sector we will continue to work with our partners to ensure that we have a transport system that offers choice, to champion investment in our highways, and to promote active travel.

So, a lot of work to do, and with the help and support of our partners we are confident of making huge progress this year.

06-07

Cllr Louise Gittins
Leader of Cheshire West and Chester Council

This is a big year for Transport for the North, as regionally and locally we turn our attention back from the upheaval of the pandemic to delivering for our people the transport system they need.

TfN acts as 'one voice' for the North and is charged with providing statutory advice on pan-Northern investment priorities to the Secretary of State for Transport. That means we have a clear remit to identify the transport infrastructure required to support transformational economic growth that is also sustainable in the long term. Investment in our transport system (both infrastructure and services) will continue to be central to achieving the North's ambitions.

It is important to see the commitment to invest in HS2 as more than simply a transport scheme: as other parts of the UK have seen this investment will be a catalyst for transforming the economic offer more widely. Our existing business community and inward investors will choose to build on the initial investment, creating new opportunities for our residents and making a significant contribution towards making 'levelling up' real and tangible. It is why TfN will continue to work with DfT to make the case for bringing HS2 to Leeds, and why we will continue to make the case for investment in rail to improve connectivity to places like Bradford and Hull.

A key priority for TfN is ensuring that the investment in our transport system addresses the extent to which access to transport – both in terms of availability and affordability – continues to be a barrier to individuals realising their potential. And with an aging population just as much an issue for the North as elsewhere, ensuring our transport offer enables individuals to maintain independent living for longer will help improve quality of life and reduce the pressure on other public services.

The pandemic has shown us that there is nothing immutable about our travel patterns (or need). We saw how people adapted and adopted new ways of doing things – achieving overnight changes that we have sought to realise for many years. We know that the climate emergency requires us to achieve further change and quickly: not simply for our benefit but for our children and grandchildren. Future generations are putting their trust in us to be bold now.

The work of our Technical Assurance, Modelling and Economics (TAME) team is one of TfN's unique capabilities, the tools it's developed providing the North and its partners with the evidence-based insight upon which action can be taken forward. TfN's cutting-edge work to develop a pan-regional electric vehicle charging infrastructure framework provides the basis for working across the transport and energy sectors to target investment in both in a timely and cost-effective way.

And the North is also extremely well placed to go beyond the technology of today and support the testing and trialling of many emerging technologies that will be crucial to transport decarbonisation in the UK. Existing initiatives such as the UK's first Hydrogen Transport Hub in the Tees Valley, Zero Carbon Humber and HyNet North West ensure that the North is at the forefront of alternative fuels more generally: a clear demonstration of how economic growth is part of the solution to meeting our environmental requirements.

Although TfN is a statutory body in its own right, it is by working collaboratively through partnerships and co-working with Local Authorities, Local Enterprise Partnerships, transport providers and regional academic and industry players, that the full potential of TfN is realised.

Together we have – through the Strategic Transport Plan and Northern Transport Charter – a shared vision and ambition for the North and its transport system. Together we are committed to promoting the North as hub for innovation, research and the testing of emerging technologies.

Together, we will deliver for the residents and businesses of the North.

Cllr Charlie Edwards

Lancashire Cabinet Member for Highways and Transport

This year the Levelling Up agenda has progressed from a vision to a series of missions and over the coming year Transport for the North will be looking to align our work with these missions to grasp the once-in-a-generation opportunities that this presents for our region.

For if we are to realise those opportunities we need a change in the way we plan for, develop and deliver investment in our transport system. Levelling up must be focused on delivering outcomes that are place-based and which put the user at the heart of our transport system.

There is a growing package of investment in the North and we must take the chance to demonstrate first-hand how a commitment to levelling up brings economic, social, and environmental benefits – not just for the North but for the UK as a whole. It's why TfN welcomed the Union Connectivity Review whose approach to investing in strategic corridors mirrors many aspects of TfN's earlier work on the original Strategic Transport Plan. It's why addressing key bottlenecks on our strategic networks – both road and rail – not only benefits the North but also the UK economy.

We need to use the insight provided by the capabilities held within TfN to support our partners to form the basis of investment proposals that will enhance the lives of residents, business and visitors. We need to champion the priorities and schemes of our member authorities, whether that is their ambitious Levelling Up Fund bids or the various campaigns to ensure the Great British Railways Headquarters will be in the North, where it belongs. For it is in the North where the rail sector has bounced back. The nature of our economy, and the key role our rail services play, mean that we have seen a faster and stronger recovery in rail passengers than elsewhere in England.

Working through the Rail North Partnership we will continue to work collaboratively with Government and the rail sector to build on this recovery so that we can encourage even more people to use trains. We will continue to work as part of the Manchester Recovery Task Force and use the 'blueprint' for the Castlefield Corridor in Manchester to make progress in addressing constraints that affect the wider rail network. Representing Lancashire on the board, it is equally important for my area and many others that we connect smaller towns and communities as well as the major cities of the North.

On our roads there's work to be done on taking forward key schemes such as the Tyne Bridge, A66, Preston Western Distributor Road, Simister Island and many others. And on a strategic level over the course of the year we'll continue to work with National Highways and our partners to ensure that the North's highways continue to receive the investment they need to meet the many demands on them.

At the end of the day the investment we make in our transport system is about making a difference for individuals. Our work on the availability and affordability of public transport – and how it constrains individuals from realising their potential will be a game changer in this regard. For the first time we will understand where investment has the greatest potential to achieve a step change in access to opportunities.

Levelling up is about ending geographical inequality and boosting economic opportunity and productivity. Investment in the transport networks we all rely on will deliver on this critical mission,

at a time where standing still is not an option. Transport for the North will work with the Government to provide user-centred, place-based and outcome-focused research and leadership, on behalf of the residents and business we are so very proud to serve.

There is so much to do. Let's get on and do it.

08-09

Transport for the North

The North's transport system is at the heart of our communities and economy: it is also critical to the UK, with our ports and airports global gateways to the country and with our strategic transport corridors connecting with devolved administrations in Scotland and Wales.

Maintaining and enhancing our strategic infrastructure requires a long-term vision and a focus on solutions that achieve our desired outcomes, are affordable and deliverable. Transport for the North (TfN) was established to provide strategic leadership – the North's Political and Business leaders coming together to set out their vision for the North and to advise Government on what is required to realise the North's full potential.

TfN enables our region to speak with one voice on our transport needs. We became England's first Sub-national Transport Body (STB) in April 2018. Our Board is made up of our region's 20 Local Transport Authorities (LTAs) and 11 Local Enterprise Partnerships (LEPs). Together, they represent the people and businesses of the North of England on strategic transport matters, providing statutory advice to the Department for Transport (DfT) and working with delivery partners including National Highways and Network Rail, as well as train operating companies.

The pandemic reminded us of the critical importance of our transport system. Our response to the pandemic served to highlight that it is possible for travel demand and needs to change. Some of those changes are ones that we've sought over the years as we look to reduce the impact of travel.

TfN was established to prepare a transport strategy for the North and to provide advice to the Secretary of State about the operation of transport on the ground. Set against the backdrop of the need for change in the way we plan for, develop and implement strategic transport investment, so TfN's role takes on added value in terms of its technical capability and our ability to support its partners (nationally and across the North) in accelerating delivery.

This business year is a key one for TfN as we reshape ourselves to ensure that we are fit to meet the tasks ahead of us. Like any organisation, we have to live within our means. And that means TfN needs to prioritise its activities to reflect the funding available. We must consider the change from co-client to co-sponsor of Northern Powerhouse Rail, as well as ensuring that our activities continue to complement the work of our partners and Government.

Set against this backdrop it is important to ensure that TfN's activities are focused on its core role and responsibilities.

TfN will continue to be the 'Voice of the North' but, moving forward, our added value will come from focusing on issues and investment proposals that are genuinely strategic in nature. It means focusing on infrastructure needs that extend beyond individual local authority boundaries; it means focusing on those issues that are of a common interest, where a collaborative approach enables solutions to be developed and implemented in a timely and cost-effective manner; and it means continuing to use

the accumulated knowledge and experience held by TfN to influence and shape processes and programmes at a national level.

Unlocking the full potential of the North remains at the heart of what TfN is about. The ‘golden thread’ that has shaped TfN from the start is even more relevant focusing as it does on:

- Realising the **economic potential** of the North – our work on the Northern Powerhouse Independent Economic Review provides the foundation on which to build
- Enabling **development that is sustainable** for the long term – our Regional Decarbonisation Strategy sets out both the need for change and the need for pace in that change
- Ensuring that transport **solutions enable individuals to realise their potential** – our work on Transport Related Social Exclusion enables us to understand the scale the challenge and the areas where investment is most urgently needed

In reshaping TfN to ensure it remains fit for the future our Business Planning has been shaped by the need to deliver:

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

10-11

Building on Success

TfN has established itself as a regional centre of excellence for strategic transport planning, our award- winning Strategic Transport Plan and Future Travel Scenarios work testament to the quality of our work and the leadership we provide. The capability and capacity provided by TfN is greatly valued by its members and is seen as something that needs to be retained and nurtured.

This Business Plan builds on those foundations and ensures that the new operating model is focused on being:

- A centre of technical excellence for the North – holding and collating information and analytical tools that are available to all partners
- A sourced of trusted information – one that is available to all our partners locally, regionally, and nationally as a foundation on which to develop solutions
- A strategic thought leader and champion of strategic transport planning – one that ensures the linkages between transport, digital and energy systems are reflected in decision making
- An enabler of accelerated delivery – applying our capability and capacity in support of our partners as they bring forward solutions for implementation

- A trusted collaborator – working with partners (nationally and across the North) in order to maximise the leverage of its own activity to the benefit of our communities and businesses

Moving forward TfN will be a smaller, leaner organisation. TfN will focus on its core role and responsibilities, as part of which it will develop its ability to support its partners as they turn strategy into delivery on the ground.

TfN's analytical capability is unique amongst Sub-national Transport Bodies. It remains central to the work underway, led by the DfT, to develop the Business Case for Northern Powerhouse Rail. It is a capability that our partners across the North are increasingly looking to make use of and we will work with them to develop the working arrangements that will enable this to happen.

In the immediate aftermath of the pandemic public finances are under increased pressure. This makes it essential for TfN to continue to use its knowledge and evidence base to demonstrate how investment in the North's transport system remains central to enabling its communities and businesses realise their potential.

At the same time TfN's work on the first Strategic Transport Plan, together with more recent work, serves to demonstrate the need for a step change in investment in the North's transport system. TfN will continue to make the case for the North's needs to be better reflected in national investment programmes.

TfN's approach, which is grounded in its understanding of the North's transport system and its future needs, enables the Board to take informed decisions. Fundamentally though there remains the need to ensure that those decisions are affordable. In this context TfN will continue to make the case for a regional indicative funding envelope for the North, one that enables the TfN Board to give better advice to Government.

Throughout the past year TfN has continued to demonstrate our inherent strengths as an organisation. The investment made in TfN to date has developed a capacity and capability that is technically at the leading edge of strategic transport planning nationally. This Business Plan looks to build on that investment to the benefit of all TfN partners (nationally and regionally)

Last year we

- Agreed with the TfN Board the programme of work required to review and update the Strategic Transport Plan
- Began work to support the updating of the Strategic Transport Plan, including work associated with the review of the Northern Powerhouse Independent Economic Review
- Published our Regional Decarbonisation Strategy – the first such regional strategy in the country
- Worked with partners through the Regional Steering Group to develop the EV Charging Infrastructure evidence base
- Worked with partners to develop the evidence base on Transport Related Social Exclusion
- Consulted on our draft Freight and Logistics Strategy – including for the first-time use of a virtual 'consultation room'
- Submitted an update on progress with delivery of the Major Road Network to the Department for Transport
- Agreed with the TfN Board a response to the Williams-Shapps Review and agreed an approach to developing a Northern 'proposition' for implementing rail reform

- Submitted statutory advice ahead of the publication of the Integrated Rail Plan on TfN's preferred network and way forward
- The TfN Board considered and responded to the publication of the Integrated Rail Plan
- Worked as part of the Manchester Recovery Task Force to develop a 'blueprint' that aligns infrastructure and service changes – and then began to apply the experience gained to consideration of issues relating to the East Coast Main Line
- Continued to work as part of the Rail North Partnership to ensure that the North's priorities are reflected in the Business Plans of Northern and TPE
- Worked with partners across the North to define the scope of work for a Connected Mobility Strategy
- Worked collaboratively with the 6 (non-statutory) Sub-national Transport Bodies on issues of common interest

In 2022/23 we will:

- Complete and publish the updated Northern Powerhouse Independent Economic Review
- Prepare the draft of the revised Strategic Transport Plan and publish it for consultation
- Complete an Environmental Impact Assessment of the revised Strategic Transport Plan and publish it for consultation as supporting documentation
- Consider and respond to the Government's proposals in response to the Union Connectivity Report – continue to build stronger working relationships with the devolved administrations in Scotland and Wales
- Continue with the implementation of the key actions set out in our Regional Decarbonisation Strategy, including developing proposals for a North of England Hydrogen infrastructure, and continuing with the development of our Clean Mobility Visions
- Work in support of partners in the application of the EV Charging Infrastructure evidence base to underpin proposals seeking investment funding
- Complete and publish the on-going research into Transport Related Social Exclusion, and health and well-being
- Publish our Freight and Logistics Strategy and work with the sector to take forward key actions identified in it
- Contribute to National Highways programme of Route Strategies and support their input into the development of the Road Investment Strategy (RIS3)
- Continue to support National Highways in the delivery of schemes identified in RIS2 and support partners with the delivery of schemes in the Major Road Network programme
- Complete development of a Northern proposition for implementing rail reform and use this to shape the legislative framework for GBR
- Through the Co-Sponsor role support the development of the Business Case required to secure funding identified in the Integrated Rail Plan – including delivery of technical support from TAME as required by the Department
- Continue to contribute to the work of the Manchester Recovery Task Force and the development of the 'blueprint' for the East Coast Main Line
- Work with the Department to ensure the Sheffield to Leeds study identified in the Integrated Rail Plan is taken forward at pace
- Work through the Rail North Partnership to ensure that train operators' business plans continue to reflect the North's priorities and to identify opportunities to make progress on workforce reform that enhances the customer experience

- Prepare and secure the agreement of the Board to publish a Connected Mobility Strategy for the North
- Work with partners to support the delivery of their Bus Service Improvement Plans
- Continue to work collaboratively with the 6 (non-statutory) Sub-national Transport Bodies on issues of common interest
- Plan for and deliver the second STB national conference in partnership with the other STBs
- Complete the reshaping of TfN and put the organisation on a stable footing.

12-13

Our Strategic Transport Plan

Our Strategic Transport Plan (STP) is at the heart of TfN's statutory role and responsibilities: it is how the North communicates a single vision for connecting the North.

The completion and adoption of the first STP for the North in 2019 represented a major milestone for TfN and the North and set a benchmark for regional transport planning. Three years later, the STP remains a powerful articulation of the North's vision and ambition to transform connectivity for the benefit of both people and business.

Our 2019 plan was successful because it recognised that transport and connectivity are enablers to prosperity and unlocking opportunities for both businesses and people in all parts of the North. The next STP will build on the success of the original Plan, enhanced by the extensive additional evidence base and technical work completed by TfN since 2019.

The STP is the basis of TfN's statutory advice to government about the scale of investment required to realise an interconnected, decarbonised and inclusive North. It will form the statutory framework within which the plans and investment programmes of individual transport networks can be aligned to a single, shared vision. We will integrate the principles of the Northern Transport Charter into the new STP, so that there is a clear and agreed view of how TfN will continue to build and demonstrate capability in preparation for future devolution of funding decision.

The next STP will also need to respond flexibly to external developments, including most critically the change in travel demand and needs in the post pandemic world. It will harness the opportunity for change in the way people and businesses access services and opportunities as a means of effecting further change so as to deliver on the strategic outcomes underpinning the STP.

To ensure that the STP remains grounded in clear economic principles and outcomes, we are working with the NP11 to update the Northern Powerhouse Independent Economic Review originally undertaken in 2016 to sit alongside the TfN Travel Scenarios.

Our regional decarbonisation strategy helps define the scale of the challenge of the climate emergency and the economic opportunity for refocusing growth, as well as the need to address inequalities of opportunity arising from transport related social exclusion. The decarbonisation strategy is clear about the need for urgent action in the 2020s to decarbonise our transport network if we are to achieve near net zero emissions by 2045. The updated STP will therefore need a much sharper focus

on what needs to happen in the next 5-10 years in order to effect the required change in our transport system.

Our priority activities in 2022/23 will include:

- Agree a revised set of outcomes and objectives with the TfN Board that balance decarbonisation, productivity and access to opportunities.
- Completion of the policy development programme
- Finalise the evidence base, including the reset of the Northern Powerhouse Independent Economic Review and agree that with the Board by December.
- Produce a draft STP and agree with the Board by the end of March 2023.
- Alongside the preparation of the STP itself we will undertake an independent sustainability assessment in readiness for the consultation phase.

In 2023/24 we will undertake a full statutory consultation on the new STP and produce a final post consultation version of the plan for the Board to adopt no later than Spring 2024. During that period we will also finalise and agree with the Board our short- and long-term priorities for funding of road and rail schemes, and continue to focus on implementing our freight and decarbonisation strategies.

14-15

Shaping the Future

In a short period of time, TfN has rapidly assembled an industry leading evidence base, produced a statutory transport plan for the whole and brought forward clear investment priorities for transforming connectivity and decarbonising our transport network. That's just the start and the next phase of our work will focus on deploying our expertise, intelligence and evidence base to actively shape the future, affect change and accelerate the development of robust and affordable solutions. TfN will work with our partners, government and national delivery bodies on strategic issues to deliver outcomes for people and business across the North.

The first STP has set an investment programme for the next 30 years, but since 2019, the context in which TfN is operating has changed fundamentally. The new STP must focus quickly on the need for change whilst being realistic about the challenges faced by the transport sector more generally. Alongside the development of our second STP we will take forward the actions and outcomes identified in our decarbonisation and freight strategies, put forward clear investment priorities for the next funding periods and deploy TfN's technical and analytical capability to support our partners as they take forward proposals into delivery.

Our priorities in 2023/24 are to:

- Develop a decarbonisation toolkit based on TfN's Decarbonisation Strategy and Future Travel Scenarios. The *Clean Mobility Visions* project comprises a series of evidence-based policy packages to support TfN's local authority partners in achieving transport decarbonisation and improving quality of place. The outputs provide a resource for Local Authorities to draw on in preparing Local Transport Plans, local decarbonisation plans, as well as Bus Service Improvement Plans.
- Prioritise and take forward the agreed actions identified within our Freight and Logistics Strategy, working with government, delivery bodies and the industry to support the sector.

- TfN will take forward the next phases of our ground-breaking work on EV charging infrastructure, focusing on accelerating rollout and delivery of investment on the ground. TfN will work with the energy networks and other stakeholders (covering hydrogen generation and potential users), to develop the strategy for Northern hydrogen transport refuelling networks. The work will identify potential locations for hydrogen infrastructure across the North focussed on refuelling along the Strategic and Major Road networks and at rail depots, linked to potential locations for storage and generation.
- We will help strengthen the evidence base and support our partners as they look to deliver on the commitments in the Government's Bus Back Better strategy, with a particular focus on how to develop an effective intra-regional bus network. TfN will support those partners delivering Bus Service Improvement Plans funded by Government and work across the North to support all of its partners in reducing barriers to cross-boundary bus services. As our research on Transport Related Social Exclusion has demonstrated, a stronger evidence base, delivered more efficiently through TfN would add significantly to our understanding of the overall demand for travel and opportunities to raise patronage, including access to employment sites and key local services including education, health and retail. TfN's Connected Mobility Strategy will add value and capability for partners and supports more efficient, economical, and collaborative delivery of digital and ticketing interventions to help people stay better connected to place. In the short term we will be providing additional capacity through our pilot 'Connected Mobility Hub'. TfN's work will act as a catalyst for information sharing and knowledge exchange thereby avoiding duplication of effort, cost, and resources across partners. Through leveraging existing innovations, developments, and deliveries to create clear evidence bases, more common technical standards and frameworks we will be able to focus pan-northern energy on empowering our partners to provide smarter and better-connected mobility for passengers.
- Identify the North's investment priorities for the next two funding periods for road and rail schemes, based on TfN's evidence base and through our collaborative work with National Highways and Network Rail. In the next financial year we will revisit the overall 30-year investment programme against the objectives agreed in the next STP.

Alongside these activities, we will continue to explore with our partners across the North and nationally how TfN's capacity and capabilities can be deployed to support policy development and the planning and development of detailed solutions as the move forward into delivery.

16-17

Implementation through Collaboration

TfN's role and responsibility is to set the long-term strategic framework for the development of the North's transport system. This enables investment in individual elements of our transport system to be aligned to achieve a shared ambition for the North.

Collaboration working between partners (regionally and nationally) and with infrastructure owners and service providers is fundamental to success. By establishing and maintaining a regional evidence

base, TfN ensures there is a consistent baseline upon which all those with an interest in the North's transport system can build.

As infrastructure owners and as members of the TfN Board the relationship with National Highways and Network Rail is particularly important when it comes to ensuring that the North's priorities are reflected in national investment programmes.

The North already has the first phase of rail devolution through the Rail North Partnership, through which DfT works jointly with TfN to oversee the specification and delivery of the Northern and TransPennine Express service contracts. TfN will continue to support the partnership through strong collaboration and providing a single view from the North on all relevant matters. Under the new service contracts (post-pandemic) there is a focus on the annual Business Planning Cycle and TfN will ensure that evidence and local views are fed in to support the process and ensure that the needs of the North are adequately represented. .

Through our new co-sponsor role with Northern Powerhouse Rail, we will work in partnership with DfT to ensure that the North's view is heard as committed investment in the Integrated Rail Plan is taken forward into delivery. This role sits alongside and complements our existing statutory functions. TfN will create a small sponsorship team to manage TfN's input into the programme, coordinate sponsorship activity, engage with individual Programme Boards and undertake engagement with partners in advance of the Sponsor Board. These arrangements will also need to be integrated with the new TRU stakeholder forum which TfN will chair, as well as the wider TfN governance mechanisms for officer and member engagement.

TfN will work with the industry to ensure that the rail in the north works as an integrated system. Whether that's linking service enhancements to rail infrastructure programmes (e.g blueprints for Manchester and ECML) or co-ordinating the approach of multiple operators in the North (for example through the North of England Contingency Group) we will use our influence and evidence base to get the best outcome for passengers. TfN will collaborate with Network Rail to develop the right investment schemes for the North (for example taking forward Line Speed Improvements and reliability schemes as Delivery Plans), drawing on the industry's expertise and TfN's local knowledge and evidence base. TfN will also continue to develop a proposition for Rail Reform in the North, working with partners and the Great British Railways Transition team, building on the Rail North Partnership, but also supporting plans for 'double devolution' in city regions and other parts of the North.

Through the Highways North Board TfN will continue to work closely with the Department and National Highways in support of the delivery of agreed investment priorities on the Strategic Road Network. It will work with its partners in the North to identify the need for investment, and work with National Highways to agree a pipeline of scheme development that can form part of the Roads Investment Strategy (RIS).

TfN will also continue to work with its partners to support the delivery of the agreed Major Road Network programme and to ensure alignment with the RIS

A key challenge at present is cost pressures within the supply chain that is having an adverse effect on scheme costs. TfN will continue to press for the need for costs to be challenged to ensure value for money, and in so doing continue to press for solutions that are affordable and deliverable.

Evidence Based Strategic Thinking

In setting a high-level long-term vision for the North through our Strategic Transport Plan it is essential that all of our plans are underpinned by robust evidence, and we develop policies that can be turned into action. Our value as a regional body is directly linked to the credibility and robustness of our evidence base.

TfN was established to evidence the link between investment in improved connectivity and the realisation of economic, social and environmental benefits. Such a long term, transformational approach requires radical new approaches to understanding how transport investment is planned, funded and delivered.

The TfN Analytical Framework is a suite of industry-leading analytical tools, models and data, which together will ensure a single, robust evidence base for scheme development and evaluation across the North. Our tools enable a more comprehensive and rounded picture of economic benefits to be captured, looking beyond time savings and productivity to estimate improvements in economic prosperity, wellbeing and other benefits for people and places across the North and beyond.

The Analytical Framework is accompanied by a robust programme of research focused on the links between connectivity and wider social, environmental and economic outcomes and with a strong focus on place. The research programme includes our joint work with the NP11 and Northern LEPs to maintain and update the Northern Powerhouse Independent Economic Review (NPIER).

In 2022/23, we will prioritise the application and delivery of the TfN evidence base through the following activities:

- Providing a full analytical service to DfT in support of Northern Powerhouse Rail and other activities related to the publication of the Integrated Rail Plan. This important partnership will ensure that the case for NPR fully reflects the wide and diverse benefits that NPR delivers to the North.
- Refreshing the NPIER to reflect the post Covid economy and establishing new economic scenarios to underpin the new Strategic Transport Plan.
- Applying the analytical framework consistently through our policy and implementation work, including on EV charging, hydrogen, freight, and rail reform. We are extending the analytical framework to cover buses and active travel to support the implementation of local transport plans and Bus Service Improvement Plans.
- Taking forward the next stages of our ground-breaking work on transport related social exclusion. Finalising and publishing important new research on the links between transport, health and wellbeing.
- Continuing to promote engagement and dissemination of the regional evidence base, through the Northern Evidence Hub and the TfN Academic Forum. TfN is working with the NP11 to establish a northern evidence network on economic development.
- Establishing a citizens' panel for TfN so the voice of the user is heard consistently through our policy and implementation work.
- We will also implement the TfN monitoring and evaluation strategy to ensure we are tracking the right outcomes across TfN interventions and linking these to specific interventions and policies to demonstrate added value.

Alongside these activities, we will continue to explore with DfT how TfN can act as a centre of excellence on analytics and evidence, both for our STB colleagues and in supporting our LTA partners.

Where, through our work, we identify issues that require further work, we will work with the DfT and other partners to develop a specific proposal.

20-21

Our Values and Behaviours

Our values

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

We make a difference

We do the right thing

We are driven to succeed

We collaborate

Our core behaviours

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

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

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

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

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

A best practice employer

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

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

It is also demonstrated through various accreditations including as a Living Wage Employer; a Disability Confident Employer; and a signed-up member of the Chartered Institution of Highways & Transportation's Diversity and Inclusion Charter. This is backed-up in practice by championing our employee voice, for instance via our established Employee Forum, and team-led initiatives to drive improvement and tackle the challenges of today, including established Diversity & Inclusion and

Climate Change groups. Alongside our close collaboration with UNISON, this ensures we retain our reputation as a pull for talent.

Agile ways of working practice:

Based entirely on feedback from our leadership team and TeamTfN colleagues during 2021 TfN redesigned its office space and introduced a new more flexible/agile ways of working to best meet our future needs. Our new ways of working are all about maintaining the great upsides many of our colleagues experienced from working from home during the recent Covid-19 pandemic, whilst at the same time being able to unite with colleagues for team and collaborative working as well as for more social and informal interaction.

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

Health and Safety

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

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

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

22-23

Our People and Finances

TfN's Budget and Business Planning for this year has had to reflect

- The Level of funding available to TfN
- The change in TfN's role in relation to Northern Powerhouse Rail – from Co-Client to Co-Sponsor

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

In reshaping and reducing the establishment the focus has been on ensuring that TfN remains capable of delivering its priority areas of activity. A guiding principle throughout has been to focus on retaining TfN's technical capacity and capability. At the same time, given that TfN moving forward will be a smaller and less complex organization, the opportunity has been given to reduce support functions.

The need to reshape TfN will be used as the opportunity to rationalise and simplify our processes to minimise overheads whilst continuing to meet the requirements of being a statutory body.

TfN will continue to support its team members throughout the change process associated with the reshaping of TfN. In addition, the leadership and senior management team will work collectively throughout the year to ensure that the benefits of the reshaping of TfN are realised.

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

Business Model

TfN is funded almost wholly by Government. Given the on-going uncertainty regarding future funding ahead of the 2021 Spending Review TfN proactively managed its establishment. The use of fixed term contracts and holding vacancies enabled on-liabilities to be pro-actively managed whilst enabling TfN to continue to deliver an extensive programme of work. Even so, some of TfN's planned activity for 2021/22 had to be slowed or rescheduled. The timing of the publication of the Government's Integrated Rail Plan (IRP) also impacted on TfN's ability to take forward some of the planned activity for 2021/22.

The transfer of the NPR programme to DfT in April 2022 (in line with the direction set out in the IRP) resulted in the transfer of the Northern Powerhouse Rail team (circa 17 posts) to the DfT under the TUPE regulations.

Based on the new operating model for TfN, which places more emphasis on investing in TfN's technical capacity and capability, the Budget and Business Planning processes have been taken forward that there will be a reduction in commissioned activity.

This Business Plan is based on a reduced establishment for 2022/23 amounting to 103 roles: of which 41 are within hosted activities (comprising 17 posts in the Rail North Partnership team and 24 posts within TAME). Recruitment of staff moving forward will be on a permanent basis given that this represents a better value for money proposition compared with the continued use of interim or consultant-based resourcing solutions.

The key factor affecting TfN on a medium-term basis is a cost base that is subject to inflation with an assumed core funding allocation that is not inflation linked. This issue will be managed by TfN moving forward given that the new operating model results in a large proportion of TfN's costs will be non-variable/staff based. Such pressures are not unique to TfN and will TfN work with the Department for Transport as potential solutions are looked at ahead of a future Spending Review.

Funding

Transport for the North received its funding allocation from the Department for Transport in February 2022. This included:

- A one-year Core allocation of £6.5m including £0.4m to cover the Department's estimate of TfN undertaking its role as NPR Co-Sponsor
- DfT confirming that it would like TfN to continue to provide analytical support to the NPR programme
- Confirmation that the Rail North Partnership grant will remain at current levels, subject to indexation and confirmation from DfT regarding any additional posts. TfN will also continue to receive Rail Administration Grant to resource Rail North Partnership and Strategic Rail activity

- Confirmation that DfT will fund NPR wind-down costs following the change from Co-Client to Co-Sponsor

In previous years TfN had a remit that included significant programme delivery. As a consequence, TfN's Budget was structured with a distinction between programme and operational activities.

The transfer of the NPR programme to DfT, coupled with reduced core funding levels, and the agreement to provide a ring-fenced analytical service in support of DfT's NPR programme using resources hosted by TfN, has provided the opportunity to represent the Budget structure.

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

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

TfN will draw from reserves to cover transition costs arising due to the reshaping of TfN to a longer-term sustainable organisational structure, and to support core activity.

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

Activity	£ m
Core Grant	6.50
In-Year Funding	0.34
<i>Hosted Services</i>	
TDF Rail Modelling	5.66
Rail North Partnership Grant	0.96
Rail North Grant/Local Contributions	0.65
Contract Income	0.33
NPR Closure Costs	0.41
Use of Reserves	1.66
Total Resource	16.52

Reserves strategy

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

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

We have forecast a 2021/22 year-end total reserve balance of £4.6m.

Based on the new operating model, which places more emphasis on investing in retaining TfN's technical capacity and capability, a subsequent reduction in commissioned activity and the challenge of unindexed grant allocation with a cost base subject to inflationary pressure, our strategy retains the requirement for a minimum reserve of £2m. If longer term funding arrangements align to the cost base associated with the new operating model TfN would be able to reassess its reserves strategy, including the required minimum.

Value for money

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

Expenditure

In order to deliver the activities set out in the Business Plan, we have total budgeted expenditure for 2022/23 of £16.5m. As a Sub-national Transport Body, we are unable to recover VAT on our purchases of goods and services.

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

In 2022/23 expenditure will be incurred against the following activities (note: the format and content of reporting Operational Costs may be adjusted to reflect any changes to organisational structure implemented as part of the new operating model).

:

Activity	Budget (£m)
Operational Costs	
• Major Roads	0.31
• Strategy and Policy	2.26
• Strategic Rail	1.20
• Business Capabilities	2.46
• Finance	0.82
• Leadership	0.35
• Transition Costs	1.44
Rail North Partnership	1.60
NPR Analytical Support	5.66
NPR Closure Costs	0.41
Total Expenditure	16.52

Risk management

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

44-45

Measuring success: KPIs

Our Key Performance Indicator (KPI) framework monitors and measures our progress and performance and ensures that we provide value for money. There are four measures used to monitor the performance of our programme delivery:

- project scope
- meeting programme objectives
- milestone delivery
- budget

These are reported to our boards, committees and externally through the TfN Operating Report produced on a quarterly basis.

The KPIs that we have adopted for 2022/23 are set out below.

KPI	Detail	Deliver	Responsible
	Complete the reshaping of TfN and implement new operating model	Sept '22	CEO
	Work with DfT to review the governance arrangements for the Co-Sponsor Board and, if required, agree amendments in light of experience	Dec '22	CEO/Rail
	Prepare a Northern proposition for the implementation of the Williams-Shapps rail reforms, working with partners	Dec '22	Rail
	Develop an autumn submission to Government that identifies opportunities to build on TfN's technical capabilities	Oct '22	Finance/Strategy
	Prepare a draft Strategic Transport Plan and secure TfN Board agreement to consult	Mar '23	Strategy
	Publish a refreshed Northern Powerhouse Independent Economic Review	Dec '22	Strategy
	Publish an Environmental Impact Assessment of the revised Strategic Transport Plan	Mar '23	Strategy
	Publish the TfN Freight and Logistics Strategy	Jul '22	Strategy
	Publish the TfN work on Transport Related Social Exclusion	Jul '22	Strategy

	Develop a draft Connected Mobility Strategy and secure TfN Board agreement to publish	Mar '23	Rail/Road
	Deliver the agreed NPR TAME work programme	Sept '22	Strategy
	Use TfN's existing powers and role in the Rail North Partnership to deliver best outcomes for passengers	Mar '23	Rail
	Establish the Stakeholder Forum for Trans-Pennine Route Upgrade	Jul'22	Rail
	Develop and implement the Manchester Recovery Task Force 'blueprint': apply the same approach to the East Coast Main Line	Mar '23	Rail
	Contribute to the work of the Leeds Area Study as part of the implementation of the IRP	Mar '23	Rail
	Identify investment priorities for consideration as part of Road Investment Strategy (RIS3)	Dec '22	Road
	Submit to DfT an update on progress with the implementation of the Major Road Network Programme	Mar '23	Road
	Use the EV Charging Infrastructure framework to support partners – nationally and across the North	Dec '22	Road
	Make the Decarbonisation Toolkit available for use by partners – nationally and across the North	Dec '22	Strategy
	Develop the business model that enables TfN to support its partners across the north	Oct '22	CEO/Strategy

Meeting:	Transport for the North Board Meeting
Subject:	Strategic Transport Plan Development
Author:	Lucy Jacques, Acting Head of Policy and Strategy
Sponsor:	Tim Foster, Interim Strategy and Programme Director
Meeting Date:	Thursday 30 June 2022

1. Purpose of the Report:

- 1.1 To update members on the proposed structure and principles to underpin the development of our second Strategic Transport Plan (STP2).

2. Recommendations:

- 2.1 The Board is asked to **agree** the proposed structure for STP2.
- 2.2 The committee is also asked to **endorse** the principles outlined in section 4 of this report.

3. Main Issues:

- 3.1 TfN has a statutory duty to produce a Strategic Transport Plan (STP) on behalf of the North of England. The first Strategic Transport Plan was approved by the TfN Board and adopted in February 2019.

- 3.2 In September 2021, the Board agreed that TfN should commence work on a new programme of work to seek adoption of the new STP no later than Spring 2024. The high-level timeline we are working to is as follows.

- Complete sign off to evidence base and policies – December 2022
- Board approval of draft STP2 – Spring 2023
- Statutory 12-week consultation – Summer 2023
- Board approval of final STP2 – December 2023.
- Publication of STP2 – January 2024.

- 3.3 In February 2022, the first wave of policy positions that will feed into STP2, Active Travel and Multi modal hubs were approved by TfN Board. In March 2022, the second wave of policy positions that will feed into the revised STP – Rural Mobility and Spatial Planning, were approved by TfN Partnership Board.

- 3.4 Between January and April 2022, TfN has completed the final stage of the planning for STP2. As part of this work, we successfully completed 1-1 sessions with 18 of the 20 Northern transport authorities, Department for Transport, National Highways and Network Rail. In addition, we also undertook a review of other transport strategies at different spatial levels to consider best practice.

4. Principles to underpin the drafting of a revised STP

Throughout the engagement with external partners and internal TfN teams, a need to consider several competing trade-offs was identified with regards to the contents, form and structure of STP2. Our recommendations regarding this form a fundamental part of the drafting principles for STP2 and have been discussed with both the Executive Board and Scrutiny Committee in advance of Board.

- 4.1 Whilst STP2 needs to **(re)state the long-term vision** for transport in the North up to 2050, there is also a need to **focus on the short – medium term in terms delivery**: this will be critical in supporting efforts to decarbonise the

transport network, unlock opportunity and accelerate investment. The new STP will need to recognise both the ongoing uncertainty post Covid, and the challenging fiscal environment. In this regard the intervention prioritisation needs to focus on identifying the genuinely strategic investments required, with a particular focus on the period up to 2033 in our Investment Programme.

- 4.2 This approach will ensure that TfN continues to use the statutory Strategic Transport Plan to make the case for investment in the North's infrastructure and services. This ensures the focus previously provided by the Northern Transport Charter continues to shape TfN's advice to Government.
- 4.3 STP2 needs to be **outcome focused**. We will build on our current STP objectives but make them SMART - Specific, Measurable, Achievable, Relevant and Time Bound. To do this, we will work with partners to review the original STP objectives and identify appropriate targets, trajectories or KPI's that would allow us to monitor progress over time and reevaluate our policies and actions as required. This will also give us the opportunity to ensure our approach is in alignment with the revised green book and thereby more directly supporting the realization of the levelling up agenda.
- 4.4 STP2 needs to be **place based**. STP2 needs to remain the long-term vision for transport infrastructure in the North while also identifying the short – medium term investment priorities. Identifying what needs to be true to deliver the STP2 vision for different types of places will be critical to bring our revised plan to life, recognizing that the transport solutions, scale and pace of change required to achieve our agreed outcomes will vary for different geographies. We will be looking to work closely with partner officers over the summer through a series of task and finish groups to really unpick the challenges and opportunities for different place typologies but also consider the pan regional connectivity priorities required to enable local delivery.
- 4.5 STP2 needs to be **user centered**. Our travel choices – both as individuals and as businesses (freight and logistics) – are the consequence of multiple factors. TfN's understanding of these factors is significantly improved from the original STP. Our work on Transport Related Social Exclusion (TRSE) is but one example of the insight that TfN's research brings to STP2, our work on Health and Well-being another. In addition, in looking to the future of transport it is essential that the continued rise of the digital economy will have in changing the scale, type and nature of future travel demand. We need to be clear about the continued uncertainty post-covid about the future travel needs of the North. TfN's award-winning Future Travel Scenarios (linked with our work on decarbonisation) will provide invaluable insight in this regard.
- 4.6 STP2 is a **strategy**: it sets out a statutory framework for the development of the North's strategic transport infrastructure and services. As such it provides a framework within which TfN's partners are able to plan, develop and implement place-based solutions. It also provides a framework within which TfN can speak with 'one voice' on issues of regional importance and advise Government on strategic priorities. However, whilst the primary audience for STP2 is strategic the wider communications and engagement associated with it needs to bring STP2 to life; making its impact meaningful to people and businesses. The review suggested a number of ways to do this including the concept of 'talking heads' using real people and businesses to identify why certain transport interventions are needed and what's required as well as debating different viewpoints.
- 4.7 A further key drafting principle for STP2 is to ensure the document is significantly **short and more concise** than the first document: a consistent message from the 1-to-1 sessions reviewing the original STP. This reinforces the importance of

STP2 being focused on setting out the high-level strategic case for the North. STP2 will continue to be underpinned by TfN's comprehensive and robust evidence which will be publicly available and signposted to within the main strategy. This will enable STP2 to be a document of around 50 pages, which would mean a significant reduction from the current STP.

- 4.8 In terms of structure of the document we are proposing to move from the previous why, what and how structure to four core building blocks:
- **The Case** - Setting out the case for change guided by the principles of the 'Sustainability Stool'.
 - **The Vision** - Setting the vision, objectives and KPIs.
 - **Policy and Place** – Developing workstreams and policies to deliver the vision, with consideration for different people, users, and geographies of the North.
 - **The Impact** - Setting out how we will measure our impact, the role and responsibilities of TfN and funding principles required to deliver our vision.
- 4.9 This structure will enable TfN to produce a more concise and focused document, one that better reflects the complexity of strategic transport planning at a regional level and can be much clearer about how TfN supports and adds value to the work of both our LTA and national delivery partners.
- 4.10 If the Board agrees with the proposed approach and principles set out in this paper, officers will continue to work closely with officers and partners across the North on the next phases of work, with regular updates and discussions with members during that period. We envisage a substantial update on progress at the September Board meeting where we will also seek steers on key issues before presenting the final evidence base to Board in December.

5. Corporate Considerations

Financial Implications

- 5.1 No direct financial implications of these recommendations beyond resource implications noted below. TfN's 2022/23 business planning process has prioritised the need to produce the new Strategic Transport Plan.

Resource Implications

- 5.2 The human resource implications associated with the preparation of STP2 have been fully considered align to TfN's overall financial position and as part of TfN's business and budget planning process for FY2022/23.

Legal Implications

- 5.3 TfN has a statutory duty under the Local Transport Act 2008 as amended by Cities and Local Government Devolution Act 2016 to prepare the STP.

Risk Management and Key Issues

- 5.4 This paper does not require a risk assessment. TfN's Corporate Risk Register includes risks associated with STP2.

Environmental Implications

- 5.5 To accompany STP2 we will be revising our existing Integrated Sustainability Appraisal (ISA), the extent to which changes to the existing ISA may be required will depend on how fundamentally different the revised STP2 is from our current one, as such a full review will be undertaken in due course supported by external expertise.

Equality and Diversity

5.6 To accompany the revised STP we will also be undertaking an Equality Impact Assessment as part of the wider Integrated Sustainability Appraisal (ISA).

TfN's TRSE workstream will allow TfN and its partners to better understand the distribution and causes of TRSE in the North and will form an important part of the evidence base for the revised STP.

Consultations

5.7 A consultation is not required at this time; the statutory consultation planned for the revised STP in Summer 2023 will be undertaken in due course.

6. Background Papers

6.1 September 2021 TfN Board Paper – STP Programme

Glossary of terms, abbreviations and acronyms used (*if applicable*)

a) <i>STP2</i>	<i>Second Strategic Transport Plan</i>
b) <i>SMART</i>	<i>Specific, Measurable, Achievable, Relevant and Time Bound</i>
c) <i>CSR</i>	<i>Comprehensive Spending Review</i>
d) <i>ISA</i>	<i>Integrated Sustainability Assessment</i>

Meeting: Transport for the North Board
Subject: May 2022 Rail North Committee Update
Author: David Hoggarth, Strategic Rail Director
Sponsor: Martin Tugwell, Chief Executive
Meeting Date: Thursday 30 June 2022

1. Purpose of the Report:

- 1.1 This report provides feedback from the recent Rail North Committee and asks the Board to consider and endorse the proposed actions.

2. Recommendations:

- 2.1 1. That the Board notes the feedback from the Rail North Committee held on 31 May 2022.
2. That the Board endorses the actions set out in the report including:
- a. Adopting a collaborative approach to addressing the current challenges facing the industry in a way that draws on the local knowledge and insight of the North and supports the growth and Levelling-up agendas.
 - b. Through the Rail North Committee, undertaking work to plan for a growing railway in the North, recognising the changes in demand patterns post-covid and building on committed investment plans.

3. Main Issues:

- 3.1 Members expressed frustration with the current performance problems linked to staff shortages and were also concerned that operators had implemented reduced timetables to make the service more reliable for passengers, but performance is currently poor. Allied with this, they were concerned that the clarity on infrastructure schemes to support re-instatement of services is not there (e.g sorting the congestion problems in Central Manchester) and that future year budget constraints might mean further service cuts impacting on the Levelling Up agenda. Updating the Strategic Transport Plan was seen as an opportunity to look beyond the short-term challenges facing the sector and re-state the need for growth in the rail offer across the North if we are to achieve wider economic and social objectives.

Strategic Transport Plan Update

- 3.2 Members were updated on the process for revising the Strategic Transport Plan (STP). The report highlighted that the previous versions of the Long Term Rail Strategy had been successful in bringing the North together around a single, evidenced, plan and vision for rail and had led to investment (including new rolling stock for Northern and TPE).
- 3.3 It was reported that it is now proposed to fully embed the rail strategy within the STP. Members felt that the revised STP was an opportunity to look beyond the immediate challenges and get back to the original ambitions for the North's rail offer. In particular, the Committee highlighted the importance of focusing on identifying what is needed in the next two industry control periods.
- 3.4 The Committee emphasised the importance of the revised Strategic Transport Plan putting passengers first and the need to have clear deliverables in short,

medium and long terms. It must be both visionary and targeted and include Levelling Up as a specific theme – something that ran throughout the discussions at Committee.

Rail North Partnership: Operational Update

- 3.5 Operators updated on the covid recovery; Northern were reporting 88% of pre-covid demand and TPE were reporting 75% of journeys and 80% of revenue.
- 3.6 Against this backdrop both operators reported significant challenges impacting on their ability to provide a full, reliable service. Both operators are working through substantial training backlogs and had suffered from higher than usual levels of sickness – particularly TPE. Northern reported specific challenges in the North West caused by a 'failure to agree' with ASLEF, the drivers union. TPE was being impacted by the lack of a Rest Day Working Agreement with ASLEF and an ongoing dispute with RMT including weekend strike action. Both operators were facing the prospect of national disruption as a result of the recent RMT ballot which subsequently led to strike action across Network Rail and most operators. Accordingly, it was reported that the North of England Contingency Group had been re-convened by Transport for the North to ensure that the industry worked closely with Local Authorities on planning for strike action.
- 3.7 Members questioned the industry representatives about the actions being taken to restore an acceptable level of services. Members provided examples of the local impacts of the current level of service (including the high level of short-term cancellations being experienced on some routes) and the impacts on economic development. Northern confirmed that they intend to restore the services cut from the May timetable in December 2022 but will also review pre-covid levels against the current demand patterns.
- 3.8 In summary the Committee was concerned with progress made to date to restore services and performance. In expressing the importance of all sides involved in the national dispute to pursue constructive dialogue as a means of preventing further disruption the Committee also expressed the hope that DfT could provide greater flexibility for the operators to sort out the local issues hampering service recovery.
- 3.9 Following the discussion on this subject at the previous Transport for the North Board the Chairman had written to the Rail Minister seeking an early discussion with a view to working together to address the local issues as a matter of some urgency.

East Coast Main Line Services and Infrastructure

- 3.10 Following the example of the Manchester Task Force, it was reported that Transport for the North had produced an initial draft of a blueprint for the East Coast Main Line (ECML) linking future service enhancements to investment in infrastructure.
- 3.11 An update was provided on the work to deliver a revised timetable for ECML services from May 2023. The details of the revised proposal (in response to the strong consultation response from Transport for the North and others last year) were awaited and it was noted that an officer briefing followed by a briefing for Committee Members were planned. The work that Transport for the North had commissioned on the timetable proposals confirmed it was not possible to fit in all the desired services to a regular timetable pattern which underlined the case for investment in infrastructure.
- 3.12 The Committee welcomed the joint work undertaken (Transport for the North, North East partners and Network Rail) that demonstrated progress was being made and noted the draft Blueprint. The scope of the IRP on the ECML including

studies of Leeds-Sheffield, Leeds-Bradford and the Leeds Station Area were noted and Members urged the publication of the Terms of Reference and establishment of appropriate governance.

Manchester Recovery Task Force Update

- 3.13 An update was provided on progress with the infrastructure to support future timetable enhancements together with a draft methodology for assessing service options. These will be presented to future meetings of the Committee ahead of the 'points of opportunity' highlighted on the blueprint (which include infrastructure to support more services and/or better performance).
- 3.14 Members questioned whether funding would be sufficient in the next industry control period to deliver on the requirements in Manchester and whether progress was being made quickly enough. They requested greater visibility and greater vision from the Task Force and it was highlighted that a revised blueprint would be tabled at the September meeting which would include greater clarity on the longer-term infrastructure. It was agreed that the Chief Executive would write to Network Rail seeking greater clarity and visibility of the overall plan for fixing the Manchester congestion problem.

Train Operator Business Planning

- 3.15 Feedback was provided from the recent Members working group where Members raised concerns about the potential for further service cuts in future years if the budget shortfall was not resolved. It was agreed that this would be pursued at the planned Ministerial meeting. The need to ensure that Levelling Up was part of any decision-making process on future services was highlighted. A timeline for work on the review of 'Stations as a Place' across the North was discussed.
- 3.16 In conclusion it was noted that it was likely to be turbulent period for the rail industry and that now, more than ever there was the need for an overall plan for rail in the North which Members can get behind and that this should be something discussed at the main Transport for the North Board meeting on 30 June 2022. Such a plan would need to be integrated with infrastructure plans and could also be an input to future funding reviews.

Actions Arising from the Committee

- 3.17 A collaborative approach to addressing challenges faced by the industry. Rail North Partnership will continue to work with the train operators on recovery plans to seek to restore performance and services to the previously planned levels as quickly as possible.
- 3.18 Given that some of the issues impacting on performance are national ones, the Ministerial meeting will be used to highlight the case for flexibility to allow operators to address local issues and improve the service for passengers.
- 3.19 Transport for the North's involvement in the Rail North Partnership provides a unique opportunity for the North's perspective to shape the reform and transformation of the industry. In particular it offers the opportunity to ensure that change supports delivery of the North's wider socio-economic agenda, whilst also reflecting the need to accept the reality that changes in rail demand post-covid mean it is not simply a case of returning to what was the case previously. The key is to ensure that what is in effect a change management programme is the close and continuous engagement with Transport for the North members to ensure local priorities shape the change process.
- 3.20 Examples of where early benefits could be realised include changes to working practices to support delivery of Sunday services (and provision of additional services to reflect changing retail patterns); transformation of stations to

integrate them more with local places and improve accessibility, safety and security; modernisation of ticket purchase to reflect the switch to digital, coupled with the early roll out of London-style 'Pay-as-You-Go' Ticketing.

- 3.21 The latter needs to go hand in hand with the simplification of fares – an area which is already devolved to Transport for the North, so a clear area for partnership with national government and Great British Railways. It is also proposed to pilot a number of fares and timetable initiatives in the North that could specifically target markets where there is capacity for growth and generate additional revenue for the industry.

4. Growing the Railway

- 4.1 Transport for the North's Strategic Transport Plan set out the scale of the economic opportunity across the North. Its evidence-based approach identified the importance of expanding the rail offer to realise that opportunity. Additional technical work undertaken since the adoption of the STP has served to reinforce this point – in particular, Transport for the North's work on the Regional Decarbonisation Strategy. Indeed the (award-winning) Future Travel Scenarios work set out the scale of growth in the rail market if the requirement to achieve net zero is to be achieved.
- 4.2 The recovery of the rail market – both passenger and freight – across the North serves as a reminder as to rail's key role. And so, whilst it is important to address the short-term issues relating to current operations, it is equally important to continue to be focused on the importance of planning for significant growth in the rail offer.
- 4.3 The Strategic Transport Plan benefited from the work that had been originally done to produce the Long-Term Rail Strategy. As work to update the STP is taken forward, so it is important that the key role rail must play in enabling sustainable economic development continues to be a focus for Transport for the North.
- 4.4 The Rail North Committee will look to provide leadership in this regard over the course of the summer and into the autumn. In restating the importance of planning for growth the Committee will ensure that Transport for the North:
- Sets an ambitious vision setting out a clear agenda for growth, building on the strong recovery from the pandemic;
 - Undertakes a stock-take of the base position including progress with rolling stock, stations, service coverage and infrastructure;
 - Establishes the baseline infrastructure programme (for example the North of England Programme, Manchester Task Force, ECML and IRP-related commitments);
 - Undertakes a 'gap analysis' comparing the current programme against what is required in the short, medium and long terms;
 - Establishes the choices that would need to be made as the base programme is delivered (e.g priorities for new services when elements of the infrastructure programme are delivered);
 - Identifies opportunities as part of the Rail Reform agenda for further devolution (e.g greater decision-making in the North and 'double devolution' in the city regions);
 - Uses the evidence-base (e.g using Transport for the North's analytical framework) to support the vision and demonstrate cost-effectiveness; and

- Completes an assessment of what else is needed as an input to future spending reviews and industry control periods.

4.5 In this way Transport for the North's work on updating the Strategic Transport Plan will enable it to shape the Whole Industry Strategic Plan (to be produced by Great British Railways).

5. Corporate Considerations

Financial Implications

5.1 There are no direct finance implications as a result of this report.

Resource Implications

5.2 There are no direct resourcing implications as a result of this report.

Legal Implications

5.3 There are no apparent legal implications arising as a result of this report.

Risk Management and Key Issues

5.4 The report relates to corporate risks 309 (The long-term impacts on Covid-19 may impact on the viability of rail services) and 311 (Future timetable changes in Manchester and on the ECML that could reduce connectivity in the North). The report includes reference to mitigating actions being undertaken by Transport for the North.

Environmental Implications

5.5 This report does not constitute or influence a plan or programme which sets the framework for future development consents of projects listed in the EIA Directive and therefore does not stimulate the need for SEA or EIA.

5.6 Passenger rail has an essential part to play in achieving our decarbonisation objectives within Transport for the North's Decarbonisation Strategy, particularly around reducing private car vehicle mileage.

Equality and Diversity

5.7 Improving the rail offer and addressing issues of unreliability would help address inequalities by improving connectivity for those without access to a car.

Consultations

5.8 The report is an update, so consultation is not required.

6. Background Papers

6.1 There are no background papers.

7. Appendices

7.1 There are no appendices.

Glossary of terms, abbreviations and acronyms used (if applicable)

a)	STP	Strategic Transport Plan
b)	TPE	TransPennine Express
c)	DfT	Department for Transport
d)	RMT	Rail Maritime and Transport (Union)
e)	IRP	Integrated Rail Plan
f)	ECML	East Coast Main Line

This page is intentionally left blank

Meeting:	Transport for the North Board
Subject:	Great British Railways: Update
Author:	David Hoggarth, Strategic Rail Director
Sponsor:	Martin Tugwell, Chief Executive
Meeting Date:	Thursday 30 June 2022

1. Purpose of the Report:

- 1.1 This report provides an update on the implementation of rail reform in the North of England and sets out how Transport for the North will respond to the consultation on legislation to implement rail reform.

2. Recommendations:

- 2.1 It is recommended that the Board:
- a) Notes the update in this report;
 - b) Agrees to delegate to the Chief Executive in consultation with the Rail Reform Working Group the preparation of a response to the consultation on legislation to implement rail reform.

3. Main Issues:***Background***

- 3.1 The Rail White Paper (published in May 2021 under the title *Great British Railways: The Williams-Shapps Plan for Rail*) set out sweeping reforms to the structure of the rail industry to improve customer focus and accountability; key elements include the bringing together of day-to-day operation and long-term planning of both train services and rail infrastructure under a single body, which will set most fares and timetables, sell tickets, and bear the revenue risk. The reforms require legislation and are unlikely to be fully implemented until 2024. However, the Government has set up a transition team headed by Andrew Haines (who is also Chief Executive of Network Rail) to oversee the changes and, where possible, deliver some of the desired outcomes ahead of deeper structural change.
- 3.2 Transport for the North continues to engage with the industry, partners and the GBR Transition Team (GBRTT) to shape the way the reforms are implemented in the North; a significant part of this was our response to the Transition Team's Call for Evidence for their Whole Industry Strategic Plan, submitted on 4th February, which was partly based on input from our partners and our own previous work. This demonstrates both the advantage of the North speaking with one voice through Transport for the North and the opportunity for the railway to be more accountable to the local people it serves through 'double devolution'.
- 3.3 Following discussions with our partners and the wider industry (through Network Rail), the Board approved a set of principles to guide the implementation of rail reform in the North, underpinned by strong partnership working.
- 3.4 The main components of the proposed new partnership are:
- a) A joint Strategic Transport Plan that establishes the need for transformation of the North's transport system;

- b) Through that joint Plan, identification of the role and outcomes required of the rail sector in support of realising the North's economic potential;
- c) A prioritised pipeline of investment, expressed in terms of outcomes and against which detailed interventions are developed;
- d) The principle of 'double devolution', used to empower City Regions (and other areas) in order to enable integration of services at the local level; and
- e) Decision-making at the regional and local level to be shaped by a 'profit and loss' account for the North that guides strategic choices, investment and service specification.

3.5 The process of 'double devolution' is already under way in the North, with strong examples of local devolution working in practice, including the Tyne & Wear Metro (operated by Nexus) and the Merseyrail network, which is fully devolved to the Liverpool City Region. This has enabled major investment in new rolling stock in both cases, further enabling innovations such as full level boarding and battery technology. Under the existing Rail North Partnership Agreement, The North East authorities have already established a successful business unit (NERMU) working across the North East. The Partnership Agreement would allow this to be developed further as the first step in greater local involvement within the existing Partnership structure. This would also allow the North to move quickly to realise some of the benefits ahead of formal legislation. Furthermore, Greater Manchester is one of two pilot areas for local partnership agreements with GBRTT (the other is West Midlands).

Progress Update

3.6 Transport for the North has engaged positively with the GBR Transition Team, including making a strong input to their recent call for evidence to inform the development of the 30-year rail strategy - the Whole Industry Strategic Plan (WISP). Transport for the North engaged with the Transition Team prior to submission of the response and has had follow-up discussions. A key element of Transport for the North's response is to ensure that the WISP draws on the strong evidence base and analytical framework developed by Transport for the North and takes into account wider social and environmental priorities rather than being purely financially focussed. It was further argued that some measures enacted for financial reasons historically have been false economies, as they have hampered the ability to attract new passengers and grow revenue.

3.7 GBRTT have published a summary of the responses that they received to their Call for Evidence, which ran from December 2021 to February 2022.

250 organisations and 57 individuals responded. All Sub-National Transport Bodies, including Transport for the North, submitted a response. GBRTT have identified a number of recurrent themes in the responses, all of which tie in with Transport for the North's rail priorities, namely:

- 1) The key role rail should play in decarbonising the wider transport network – aligning with Transport for the North's *Decarbonisation Strategy*;
- 2) Better integration of rail with other forms of transport – as covered in Transport for the North's *Multimodal Hubs* policy;
- 3) The need to improve accessibility and the service we offer customers – linking to Transport for the North's *Stations Strategy* and work undertaken by Rail North Partnership;
- 4) The importance of rail's role in levelling up – reflecting Transport for the North's submission;

- 5) The need for much greater efficiency – which aligns with Rail North Partnership’s role in operator business planning and Transport for the North’s concern about high infrastructure costs; and
- 6) The need to recognise that rail isn’t always the answer – which will be reflected in our “mode agnostic” approach to the *Strategic Transport Plan* refresh.

GBRTT will take this input forward in to creating a draft of their 30-year *Whole Industry Strategic Plan*, which is due to be completed by the end of 2022

3.8 Engagement has also taken place with the GBR Transition Team on the principles of reform in the North, how a new Partnership would function (as set out in paragraph 3.4), and how it would fit with the principles of ‘double devolution’. The Transition Team attended the first of Transport for the North’s Rail Reform Programme Board meetings (held on 24th May 2022) together with Network Rail and TfGM. Representatives from the Transition Team have been invited to attend the September meeting of the Board to provide an update on their programme which will provide an opportunity to discuss how the proposals will be implemented in the North.

3.9 The proposition is now being developed in more detail and will be brought to a Board meeting later in the year. A Working Group for Members of the Board (including LEPs) has been established, and the first meeting is planned for July 2022.

Consultation on Legislation to Implement Rail Reform

3.10 The Government published this consultation on 9 June 2022, this being the proposed legislative changes to implement the 2021 Williams Shapps Plan for Rail. The consultation closes on 4 August 2022. An important part of the proposed legislation is to provide for the establishment of Great British Railways, the proposed body that will manage the rail network and services on an integrated basis. The consultation document is available at:

[Williams-Shapps Plan for Rail: consultation on legislation to implement rail transformation \(print version\) \(publishing.service.gov.uk\)](#)

3.11 The consultation document notes that Transport for the North and other bodies have worked in partnership with the Department for Transport to specify contracts and play an ongoing role in the in-life management of these. It also notes the devolved network in the Liverpool City Region and the devolved powers of the Scottish and Welsh Governments. These arrangements are not proposed to be diminished however the Scottish and Welsh Governments could delegate their authority to contract services to Great British Railways if they wish.

3.12 Transport for the North will submit a substantive response to the consultation and will engage with Member authorities to inform that response. As well as commenting on the roles of Transport for the North and Member authorities, we also intend to comment on wider policy issues so that the proposed legislation covers all relevant areas.

3.13 Transport for the North needs to develop a response to the consultation for submission by 4 August 2022. It is proposed to discuss the response with the Rail Reform Working Group and for the Board to delegate authority for signing off the response to the Chief Executive.

4. Corporate Considerations

Financial Implications

- 4.1 There are no direct finance implications as a result of this report. The resource cost of work proposed to undertaken in 2022/23 is included in the draft budget also being presented to the Board at this meeting.

Resource Implications

- 4.2 There are no direct implications as a result of this report. Dependant on the implementation of the GBR Target Operating model there may be structural, resource and skills implications for Transport for the North. This will be kept under review and the Board appraised as this proposal evolves. The organisation recognises UNISON, should changes to our delivery model subsequently be required, full and proper consultation will be undertaken with UNISON and any employees affected.

Legal Implications

- 4.3 The Government has made provision for legislation associated with the Rail Reform proposals in the 2022 parliamentary session. Transport for the North will review the proposals for any implications when published and provide a further report to the Board.

Risk Management and Key Issues

- 4.4 The report relates to the corporate risk that Transport for the North could have a reduced role in the rail industry following the implementation of the Williams-Shapps review. The report refers to the mitigations that Transport for the North is taking including developing a proposition, engaging with the GBRTT and responding to the consultation on the legislation.

Environmental Implications

- 4.5 This report does not constitute or influence a plan or programme which sets the framework for future development consents of projects listed in the EIA Directive and therefore does stimulate the need for SEA or EIA.

Equality and Diversity

- 4.6 A full Impact Assessment has not been carried out because it is not required for this report.

Consultations

- 4.7 Transport for the North's partners have been informally consulted on our approach and will have the opportunity to provide further input as the proposition evolves. Transport for the North's initial response to the White Paper was considered by Transport for the North's Scrutiny and Rail North Committees. The Rail Reform Working Group will be consulted on the proposed response to the DfT's consultation.

5. Background Papers

- 5.1 There are no background papers to this report.

6. Appendices

- 6.1 There are no Appendices.

Glossary of terms, abbreviations and acronyms used (if applicable)

Please include any technical abbreviations and acronyms used in the report in this section. (Please see examples below.) This will provide an easy reference point for the reader for any abbreviations and acronyms that are used in the report.

DfT	Department for Transport
GBR	Great British Railways
GBRTT	Great British Railways Transition Team
TfGM	Transport for Greater Manchester
WISP	Whole Industry Strategic Plan

This page is intentionally left blank

Meeting:	Transport for the North Board
Subject:	HS2 Update
Author:	Jonathan Brown, Strategic Rail Lead
Sponsor:	Tim Foster, Strategy and Programme Director
Meeting Date:	Thursday 30 June 2022

1. Purpose of the Report:

- 1.1 HS2 will provide a new high speed and high capacity railway network between London, the Midlands and North. TfN has consistently supported full delivery of HS2, which complements and enables the delivery of Northern Powerhouse Rail as well as supporting the long distance connectivity for the North West and Scotland as envisaged in the Union Connectivity Review.
- 1.2 Following the publication of the Integrated Rail Plan, significant changes to HS2 have been made to both the Eastern and Western legs of Phase 2b, with a number of further studies proposed but not yet defined. The hybrid Bill for Phase 2b is currently being considered by Parliament. The Government has confirmed that the Golborne Link has been removed from the Bill but has not specified what alternatives are being considered or formally responded to the Union Connectivity Review.

2. Recommendations:

- 2.1 The Board asks the Chairman to write to the Secretary of State to restating its support for HS2 to the North and the Board's continued desire to work with the Government to deliver it at the earliest possible opportunity.
- 2.2 The letter to the Secretary of State should also recommend that:
 - The terms of reference for the HS2 Sheffield to Leeds study be published as soon as possible.
 - The Government uses its response to the Union Connectivity Review as the opportunity to commission work on the alternatives to the Golborne Link will be developed and that this work should be taken forward in collaboration with TfN.
 - Clarity is required as to how HS2 and NPR services will serve Crewe.
 - Where savings are realised as a result of changes to the design of HS2 and/or NPR these should be retained within the overall funding envelope defined in the Integrated Rail Plan.
 - Further clarity is required on the decisions made in respect of Manchester Piccadilly.

3. Main Issues:

- 3.1 HS2 is the Government's programme to provide a new high speed and high capacity railway network between London, the Midlands and North. The Strategic Transport Plan (STP) recognises the substantial benefits of HS2 to the North and TfN has been a strong supporter of the HS2 network as confirmed in 2016.
- 3.2 As proposed at that time, the HS2 network would run from London to the West Midlands, with an Eastern leg extending to the East Midlands, Sheffield, Leeds and connecting to the East Coast Main Line to York and the North East, and Western Leg running to Manchester via Crewe with a connection to the West

Coast Main Line south of Wigan, allowing Lancashire, Cumbria and Scotland to be served.

- 3.3 HS2 is important in providing NPR links between Manchester and Liverpool, Sheffield and Leeds and other NPR infrastructure, such as the Crewe Northern Connection, are also important to HS2. For these reasons, it is important to see HS2 and NPR as part of wider plans to grow rail in the North, particularly given the role has to play in enabling economic growth and in decarbonising our transport system.
- 3.4 The November 2021 Integrated Rail Plan (IRP) set out that the Eastern Leg of HS2 would only be built from the West Midlands as far as East Midlands Parkway, with Nottingham, Derby and Sheffield served by extending on to the existing rail network. York and the North East would continue to be served by the East Coast Main Line as now, as would Leeds, however a study would be commissioned to consider how HS2 trains could travel beyond Sheffield to serve Leeds. The IRP retained the Western Leg as previously proposed.

Golborne Link

- 3.5 The Golborne Link is a 22km section of HS2 which splits from the Manchester Route at Hoo Green in Cheshire and links to the West Coast Main Line at Bamfurlong, south of Wigan. It allows HS2 trains to reach Wigan, Preston, Lancaster and stations in Cumbria and extending to Scotland. It bypasses the congested two track Winsford to Weaver Junction section of the West Coast Main Line (WCML), releasing capacity for regional, local and freight services. Golborne Link remained in the IRP HS2 network however it was noted that the Union Connectivity Review final report was (at the time) outstanding and may suggest alternatives.
- 3.6 The Union Connectivity Review report was published in November 2021 shortly after the IRP, and reported to the Board in January 2022. Specifically on the Golborne Link, the Union Connectivity Review suggested there should be a review of alternative northerly connections between HS2 and the West Coast Main Line. It suggested other options to connect to the WCML south of Preston could offer a two to three minute faster journey than the Golborne Link, however more work is needed to understand the case. The HS2 Hybrid Bill published on 24 January sought powers to construct Golborne Link and the rest of the IRP HS2 proposals.
- 3.7 The Government is intending to issue a formal response to the Union Connectivity Review later in 2022, however a written Ministerial Statement on 6 June said that "we can confirm the government will look again at alternatives which deliver similar benefits to Scotland as the Golborne link, so long as these deliver for the taxpayer within the £96 billion envelope allocated for the Integrated Rail Plan. We will look at the potential for these alternatives to bring benefits to passengers sooner, allowing improved Scotland services from Manchester and Manchester Airport, as well as from Birmingham and London. HS2 trains will continue to serve Wigan and Preston, as well as Lancaster, Cumbria and Scotland. Government, therefore, intends to remove the Golborne link from the High-Speed Rail (Crewe – Manchester) Bill after second reading. That means that we will no longer be seeking the powers to construct the link as part of this scheme."
- 3.8 It is important to recognise that strategic infrastructure projects, such as HS2, continue to evolve over time as they are developed in detail. It is therefore not unusual for proposals to be the subject of review and change. The key in such circumstances is to remain focused on the outcomes sought from the project and to assess alternatives for their consistency with them.
- 3.9 Whilst there is at the moment no information as to what these alternatives are or when they could be delivered, the Government is expected to formally respond to

the Union Connectivity Review later this autumn. It would be appropriate for TfN to seek that the Government uses its response as the opportunity to set out the way forward for considering alternatives to the Golborne Link. Given the importance of HS2 to the North's strategic transport network it is essential that TfN is involved in any work taken forward.

- 3.10 TfN recommends that prior to commissioning work on alternatives to the Golborne Link there is agreement on the strategic outcomes being sought. TfN would expect that those outcomes would include explicit recognition of the need to get HS2 trains to serve Wigan, Preston, Lancaster, Carlisle and onwards to Scotland.
- 3.11 A key consideration of any work on alternatives to the Golborne Link would be the limitations of the existing network recognising that parts of the West Coast Main Line are busy with long distance and regional passenger trains as well as being a key freight artery. Clarity and timing of next steps is important so that the expected benefits of high speed rail to Wigan, Lancashire and Cumbria are maximised.
- 3.12 In its response to the IRP the TfN Board emphasised the importance – through the Co-Sponsor arrangement – to continue to challenge costs within the rail industry. This position reflected the work done to remove costs from the Board's preferred NPR proposal which suggested that there is scope for further reduction in scheme costs. The current inflationary pressures within the construction sector makes such an approach all the more important. The TfN Board remain of the view that where cost savings are realised within the IRP programme these should be allocated to other IRP schemes in the North.

Crewe

- 3.13 Crewe is already a significant station on the West Coast Main Line with good connections to main centres. HS2 offers the catalyst to develop the station and surrounding area maximising on enhanced capacity and significant work has been led by Cheshire East Council to plan for this. The most recent HS2 Strategic Outline Business Case describes Crewe as "a vital 'super-hub', connecting high-speed services and the existing railway network. It also notes that this could enable 7,000 new homes and 37,000 new jobs by 2043.
- 3.14 The Crewe Northern Connection, which allows trains calling at the Crewe HS2 station to rejoin HS2 infrastructure to head north to Manchester or other destinations is a key part of the plans for wider development at Crewe. The Northern Connection is however part of the Northern Powerhouse Rail programme rather than HS2, although it is included in the HS2 Hybrid Bill. In effect, the NPR programme is delivering a large part of the claimed HS2 benefits for Crewe, through links to Manchester Airport, Piccadilly and North Wales. In addition, the London to Liverpool route via Warrington is also part of NPR and provides a faster alternative than use of the WCML and the current route via Runcorn.
- 3.15 It is therefore important that HS2 and NPR are planned in an integrated manner and that a holistic view of high speed service offer at Crewe is taken rather than a programme-specific view. The STP recognises the benefits of the Crewe Hub and TfN has consistently supported both HS2 and the Crewe Northern Connection because of the benefits that these bring in combination to the North.

Manchester Piccadilly

- 3.16 Piccadilly station in Manchester requires significant additional platform capacity to accommodate terminating HS2 services and through NPR services. This could be delivered through a surface addition to the station (the Government's preferred option presented in the 2b Bill) or by constructing an underground through

station. A surface station at Piccadilly would have significant implications for the footprint of Piccadilly and the eastern approaches to the Station, as well as for east west connectivity. Both Greater Manchester Combined Authority and Manchester City Council have indicated their intention to petition against the HS2 Bill.

- 3.17 The TfN Board's position on Piccadilly, established in 2020, has been that both the underground and surface options should be considered on a like for like basis in the Integrated Rail Plan. However the IRP concluded that the underground station was not affordable within the available funding envelope and therefore should not be pursued. However, to date, a full like-for-like comparison of the two options has not been published. It is recommended that TfN should seek publication of such an analysis by the Government.

Eastern Leg

- 3.18 The IRP curtailed the Eastern Leg of HS2 to a route from the West Midlands to East Midlands Parkway only, with a study of how HS2 trains could serve beyond Sheffield and on to Leeds. The Terms of Reference for this study have not been released by the Government.
- 3.19 A governance process has been established by West Yorkshire Combined Authority for this work and TfN is supporting the work by providing analysis and information and will continue to do so once the study formally commences. The output from the study is important not only in terms of providing clarity on what is proposed for the rail network, it is also critical in terms of understanding whether the current safeguarding of land associated with the original proposal needs to be retained. It is recommended that TfN should seek the publication of the Terms of Reference as a matter of some urgency.

Hybrid Bill

- 3.14 The Government is seeking powers to construct the Crewe to Manchester section of HS2 through a Hybrid Bill initially deposited into Parliament on 24 January and subsequently revised. The Hybrid Bill is now in a formal Parliamentary process at which the scheme and objections will be formally examined by a Committee. The Bill received a second reading in the House of Commons on 20 June. A Bill Committee will be established and there will be a period to submit petitions for consideration by the Committee. This period is currently expected to run until 4 August.

Conclusions

- 3.15 HS2 is very significant for the North for both connectivity and growth, and confirmation of the Western Leg in the Integrated Rail Plan was welcomed by the Board in November. Whilst the changes to the Eastern Leg have had significant implications for connectivity between the Midlands, Yorkshire and the North East, TfN welcomed the commitment to the new study on options for serving Leeds and it is essential that the terms of reference for that study are published and work is taken forward at pace.
- 3.16 The decision to remove the Golborne Link from the Bill is effectively removing a section of committed infrastructure in the North. Clarity on the process for developing alternatives is important, as is ensuring that any alternatives provide at least the same strategic outcomes as were anticipated for the Golborne Link, and that funding is recycled within the funding envelope agreed.
- 3.17 In advocating for HS2, TfN has also stressed repeatedly the complementarity and inter-dependency of HS2 and NPR, and the need for these to be planned as an integrated network. This is particularly important for key interface locations such as Crewe, Manchester Airport and Manchester Piccadilly. TfN is a co-Sponsor of

NPR but not of HS2, however there are parts of HS2 that are essential for NPR, and at Crewe NPR delivers the full benefits of the Crewe “super hub”.

- 3.18 As per the recommendations in section 1 of this report, Officers recommend the Board instruct the Chair to write to the Secretary of State in line with the conclusions of this report.

4. Corporate Considerations

Financial Implications

- 4.1 There are no financial implications arising from this report.

Resource Implications

- 4.2 There are no resource implications arising from this report.

Legal Implications

- 4.3 The legal implications have been considered in the report and will be kept under review as the Hybrid Bill progresses through Parliament.

Risk Management and Key Issues

- 4.4 There are no risk implications arising from this report.

Environmental Implications

- 4.5 There are no environmental implications arising from this report. This report does not constitute or influence a plan or programme which sets the framework for future development consents of projects listed in the EIA Directive and therefore does not stimulate the need for SEA or EIA. All proposed infrastructure developments will be subject to screening for the need for EIA by the relevant development authority as part of the design development and consenting process.

- 4.6 Passenger rail has an essential part to play in achieving our decarbonisation objectives within TfNs Decarbonisation Strategy, particularly around reducing private car vehicle mileage.

Equality and Diversity

- 4.6 There are no equality and diversity implications arising from this report.

Consultations

- 4.7 Informal discussions have been held with TfN Member authorities in the areas affected and these have informed the content of this report.

5. Background Papers

- 5.1 There are no background papers.

6. Appendices

- 6.1 There are no appendices.

Glossary of terms, abbreviations and acronyms used (if applicable)

a) HS2	High Speed 2
b) IRP	Integrated Rail Plan
c) NPR	Northern Powerhouse Rail
d) WCML	West Coast Main Line

Meeting: Transport for the North Board
Subject: Corporate Risk Register
Author: Daniella Della-Cerra-Smith, Risk Manager
Sponsor: Paul Kelly, Interim Finance Director
Meeting Date: Thursday 30 June 2022

1. Background:

- 1.1 This report provides the Board with an update on the organisational risks, issues, and opportunities from both the emerging Business Plan and a range of other sources (some of which are beyond Transport for the North's direct control).
- 1.2 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. 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 7.1.
- 1.3 Transport for the North has undertaken a comprehensive review of the Corporate Risk Register in line with the change in organisational environment and it reflects the scope and size of TfN moving forward. As part of this process, the Risk Manager has worked with Directors and the Senior Management Team to review, assess, and update risks, including identifying new risks and closing risks where applicable. Key changes are included in Appendix 7.3.
- 1.4 The Audit and Governance Committee's role in relation to risk is included in the broader detail of the Constitution, which is defined below:
- "Audit and Governance Committee is a key component of corporate governance providing an independent, high-level focus on the audit, assurance and reporting framework underpinning financial management and governance arrangements. Its purpose is to provide independent review and assurance to Members on governance, risk management and control frameworks. It oversees financial reporting, the Annual Governance Statement process and internal and external audit, to ensure efficient and effective assurance arrangements are in place."*
- 1.5 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"*.
- 1.6 The Audit and Governance committee was scheduled on 10 June to discuss the revised Risk Management Strategy and corporate risk register, but the meeting was rescheduled to 14 July. The Constitution provides the Finance Director with a delegated power to take urgent decisions on any matter within the terms of the Audit & Governance Committee after consultation with members of the Committee either in writing or by telephone, and accordingly he has sought feedback via email.
- 1.7 The feedback received from Members included a number of clarifications and noted that the updated register offered a significant amount of detail and was

reflective of formalised processes and procedures and they were happy to support its presentation to TfN Board.

2. Recommendations:

2.1 TfN Board is invited to:

- Consider the report and appendices;
- Discuss the information provided in the Corporate Risk Register; and
- Subject to any required amendments arising from discussion, approve the content of the Corporate Risk Register as a reflection of the current position.

3. Update Summary

3.1 As part of the risk register review, there have been several changes to the TfN corporate risk themes. High level changes for the Board to acknowledge are:

- An updated Corporate Risk Register format, to include both current and target scores and an Executive Summary.
- A revised Risk Management Strategy, Appendix 7.3 containing updates to reflect the transition to the risk 5x5 matrix, a new scoring criteria and the organisation's use of Predict! risk management software.

3.2 New Themes added: TfN cyber-security, Co-sponsorship, Technical Appraisal, Modelling and Economics (TAME), TfN Funding, and TfN Resources (the latter two being a replacement to TfN Operations).

3.3 Closed Themes:

- The COVID-19 pandemic prevents or delays TfN from delivering its objectives: Closed now that covid restrictions have been lifted, the TfN offices have reopened, and the recovery phase has commenced.
- Northern Powerhouse Rail Business Case Delivery Programme Development: Closed and risks transferred to the DfT as the programme transitioned to a single client arrangement with co-sponsorship between DfT and TfN starting 1 April 2022.
- TfN Operations: Closed and replaced with two new themes; funding and resources.

3.4 The top 5 risk themes are currently:

- TfN funding
- TfN resources
- Embedding TfN's Strategic Transport Plan (STP) across programmes
- Technical Appraisal, Modelling and Economics (including an opportunity)
- Rail operations - franchise management and investment

3.5 An issue has been identified regarding TfN Funding; TfN have received a one-year funding settlement and no indicative funding beyond March 2023. Further details, including resolution actions can be found in the Corporate Risk Register.

3.6 A new opportunity has been added to the corporate risk register; TAME is an area where TfN can offer more analytical services to partners both nationally and locally, as a regional centre of excellence that is user centred, place-based and outcome focused.

4. Considerations and Ongoing Work:

4.1 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.

-
- 4.2 The Risk Manager will lead future discussions on the following potential opportunities for TfN.
- Simplification of and reduction in processes, overheads and services arising from reshaping of TfN.
 - Developing further TfN's role as a centre of excellence in support of its partners at local, city-region and national levels.
 - Using the revision of the Strategic Transport Plan to strengthen linkages between economic growth, the environment, and social communities as part of the commitment to pursuing user-centred, place-based, outcome focused solutions.

5. Corporate Considerations:

Financial Implications

- 5.1 The financial implications are detailed within individual risks where applicable.

Resource Implications

- 5.2 The resource implications are detailed within individual risks where applicable.

Legal Implications

- 5.3 The legal implications are detailed within individual risks where applicable. Governance processes adopted are explained within the report.

Risk Management and Key Issues

- 5.4 The Corporate Risk Register is part of this report.

Environmental Implications

- 5.5 A full impact assessment is not required for this report.

Equality and Diversity

- 5.6 A full impact assessment is not required for this report.

Consultations

- 5.7 A consultation has not been carried out because it is not necessary for this report.

6. Background Papers:

- 6.1 The Corporate Risk Registers presented as a standing item at each Audit & Governance Committee provide the background papers and context for this report.

7. Appendices:

- 7.1 Item 7.1 – Corporate Risk Register May 2022
- 7.2 Item 7.2 – Corporate Risk Register – Key Changes
- 7.3 Item 7.3 – Risk Management Strategy

This page is intentionally left blank

Transport for the North

Corporate Risk Register

Updated May 2022

Page 91



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 2022/2023 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 a monthly cycle, with clear reporting in line with governance arrangements.

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 TfN 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 2022/23 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 such as risk description, potential consequences on TfN's objectives and priorities, and the mitigation measures in place to manage risks.

Section 1 provides an executive summary of TfN's corporate risk themes and factors, key changes to the register since the last risk review, key impacts and action themes, TfN's risk environment, emerging risk, opportunities and next steps.

Section 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. Quality has been included as an additional impact.

Section 3 provides a guideline in regard to the assessment of TfN's level of control on the proposed mitigation risk plans.

Section 4 provides a detailed analysis of each risk, the mitigating actions that have been adopted, and the mitigation level of control, as it is important to understand the extent to which TfN is able to influence or control the risk outcomes.

1 Executive Summary

- 1.1. A thorough review of the corporate risk register has been conducted in line with TfN's change in organisational environment and it reflects the scope and size of TfN moving forward.
- 1.2. All existing risks have been scrutinised, rearticulated, and reassessed in line with:
 - the transition to the 5x5 risk matrix and updated scoring criteria, (including quality impact)
 - post IRP position
 - change in TfN's organisational environment
 - reduction in funding allocation
- 1.3. Through the risk management process, 5 new risk themes and 12 new risk factors have been identified. All actions have been reviewed and updated and new actions have been put in place where required.
- 1.4. New Themes: TfN cyber-security, Co-sponsorship, Technical Appraisal, Modelling and Economics (TAME), TfN Funding, and TfN Resources.
- 1.5. Closed Themes:
 - The COVID-19 pandemic prevents or delays TfN from delivering its objectives: Closed now that covid restrictions have been lifted, the TfN offices have reopened, and the recovery phase has commenced.
 - Northern Powerhouse Rail Business Case Delivery Programme Development: Closed and risks transferred to the DfT as the programme transitions to a single client arrangement with co-sponsorship between DfT and TfN starting 1 April 2022.
 - TfN Operations: Closed and replaced with two new themes; funding and resources.
- 1.6. New Opportunity: TAME is an area where TfN can offer more analytical services to partners both nationally and locally, as a centre of excellence that is user centred, place-based and outcome focused.

Corporate Risk Dashboard



Page 94

TCR	Themes ordered by highest current risk score	Number of Risk Factors per Theme	Current Score	Target Score	Risk Owners
13	TfN funding	3			Chief Executive Officer and Finance Director
14	TfN resources	1	25	20	Business Capabilities Director
3	Embedding TfN's Strategic Transport Plan (STP) across programmes	2	20	15	Interim Strategy and Programme Director
12	Technical appraisal, modelling and economics (TAME) (including an opportunity)	3	20	15	Interim Strategy and Programme Director
9	Rail operations - franchise management and investment	3	19	17	Strategic Rail Director
2	TfN's reputation, political engagement and effectiveness	4	18	15	Chief Executive Officer
11	Co-sponsorship	2	18	15	Chief Executive Officer
4	Delivery of robust and compelling evidence to support Investment Programmes	1	15	11	Interim Strategy and Programme Director
7	TfN compliance and relevant laws and regulations	1	11	11	Business Capabilities Director
5	Transport decarbonisation and climate change	1	11	8	Interim Strategy and Programme Director
10	TfN cyber security	2	10	10	Business Capabilities Director

Key impacts across themes:

- TfN reputational damage and loss of credibility.
- TfN's ability to access funding in the future.
- TfN's ability to deliver statutory duties.
- Recruitment and retention of staff.
- Damage to TfN's organisational culture and staff morale.

Key action themes:

- Partner Engagement
- Business Planning
- Training employees
- Establishing and following realistic programmes
- Government Engagement

Threat Scoring	
Issue	
Very High	19 - 25
High	14 - 18
Medium	7 - 13
Low	1 - 6

1.7. Key Risk Factors for TfN:

ID	Theme	Risk Description	Actions	Action Owner
886	TfN Funding	Issue: TfN have received a one-year funding settlement and no indicative funding beyond March 2023.	<ol style="list-style-type: none"> 1. Preparation of Business Plan on the basis of a reasonable planning assumption for future years' funding 2. Secure DfT endorsement for Business Plan 3. Demonstration of TfN value for money through agreement with DfT on KPIs 	Chief Executive Officer
643	TfN Resources	TfN's is unable to recruit and retain suitable staff to deliver the 2022/23 business plan and medium to long term TfN objectives.	<ol style="list-style-type: none"> 1. Update People Strategy as required 2. Continue to brief and update staff 3. Redesign and downsize TfN to fit 22/23 budget 4. Provide training and development opportunities 5. Agree recruitment strategy for TAME 6. Full and proper consultation with UNISON 	Business Capabilities Director Business Capabilities Director Chief Executive Officer Interim Strategy and Programme Director Business Capabilities Director Business Capabilities Director
881	Embedding TfN's STP across Programmes	TfN is unable to produce a second STP that is acceptable to both the TfN board and government.	<ol style="list-style-type: none"> 1. Align business plan with TfN's objectives 2. Engagement with Partners and Government 3. Manage programme via TfN's Strategic Oversight Group 4. Update Northern Powerhouse Independent Economic Review (NPIER) 5. Manage interdependencies with NPIER 	Interim Strategy and Programme Director
884	Technical Appraisal, Modelling and Economics	Legal and commercial restrictions. TfN is not legally allowed to share its models or data with Partners.	<ol style="list-style-type: none"> 1. Early engagement with legal team 2. Develop TfN Licensing Strategy 3. Train employees on derived data 4. Create flow chart of model in/outputs 5. Obtain licences for all data inputs 	Interim Strategy and Programme Director

310	Rail Operations	There is a risk that TfN could have a reduced role in the rail industry following the implementation of the Williams-Shapps review.	<ol style="list-style-type: none"> 1. Collaboration with the GBR transition team 2. Establish a programme board chaired by TfN's CEO 	Strategic Rail Director
-----	-----------------	---	--	-------------------------

1.8. TfN's Risk Environment and Emerging Risks

- 1.8.1. The organisation is currently going through a period of change and the risk environment over the next six months will reflect this. TfN is currently finalising its business planning and organisational redesign to reflect the level of funding available and its new role as co-sponsor (with DfT) for implementation of Northern Powerhouse Rail post IRP. TfN will be a smaller organisation. It's priorities will continue to reflect its role as a statutory Sub-national Transport Body and its role in supporting its partners at local, city-region and national level.
- 1.8.2. Through its business planning, TfN will be put on a sustainable footing consistent with reasonable planning assumptions about future funding. This approach will potentially reduce the risk associated with the funding and resourcing themes, as it will enable TfN to work with DfT to ensure effective resource planning of agreed priorities, including the retention and recruitment of skills for roles.
- 1.8.3. TfN are awaiting publication of the Transport Bill and the Levelling Up, and Regeneration Bill. Until published, these provide an area of uncertainty for TfN that could affect its policy development work, TfN operations, and engagement with the DfT and Partners.
- 1.8.4. TfN has transitioned to a co-sponsorship agreement with the DfT for the management of implementing Northern Powerhouse Rail (NPR). It is anticipated that the risks under the Co-Sponsorship theme will be reduced in the next six months as the role and responsibilities are finalised, governance processes for decision-making are established and regular engagement with the DfT develops.

1.9. TfN Emerging opportunities

1.9.1. Emerging opportunities for future discussion:

- Simplification of and reduction in processes, overheads and services arising from reshaping of TfN.
- Developing further TfN's role as a centre of excellence in support of its partners at local, city-region and national levels.
- Using the revision of the Strategic Transport Plan to strengthen linkages between economic growth, the environment, and social communities as part of the commitment to pursuing user-centred, place-based, outcome focused solutions.

1.10. Next Steps

- 1.10.1. The Risk Management Strategy has been updated to reflect the transition to the updated 5x5 risk matrix and scoring criteria, and the use of TfN's risk management software, Predict. A full review of the strategy will be conducted and updated accordingly, including TfN's risk appetite.

2 Probability Impact Matrix

2.1 The Probability Impact Matrix (PIM), as illustrated below, is a tool that allows risk severity to be calculated. Risks are plotted according to the probability of occurrence and the impact upon an activity should the risk happen.

		Threat Scoring				
		Very Low 1	Low 2	Medium 3	High 4	Very High 5
PROBABILITY	75 - 100%	5	10	17	20	25
	51 - 74%	4	8	14	18	20
	26 - 50%	3	7	10	15	19
	6 - 25%	2	6	8	11	17
	≤5%	1	2	4	8	13

Threat Scoring	
Very High	19 – 25
High	14 – 18
Medium	7 – 13
Low	1 – 6

		Opportunity Scoring				
		Very Low 1	Low 2	Medium 3	High 4	Very High 5
PROBABILITY	75 - 100%	-5	-10	-17	-20	-25
	51 - 74%	-4	-8	-14	-18	-20
	26 - 50%	-3	-7	-10	-15	-19
	6 - 25%	-2	-6	-8	-11	-17
	≤5%	-1	-2	-4	-8	-13

Opportunity Scoring	
Very High	-19 – -25
High	-14 – -18
Medium	-7 – -13
Low	-1 – -6

3 Probability and Impact Scoring Criteria

- 3.1 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.
- 3.2 The qualitative risk ranking (risk score) could be generated by multiplying the probability with the maximum of the impacts (i.e. financial, reputation etc.) for each risk.

Issue Rating

Likelihood Criteria	Impact Criteria
100% probability that the risk will materialise or the has materialised.	One or more of the implications will have an effect on Business Plan objectives and/or KPIs.

5 x 5 Threat Impact Scoring Criteria

Likelihood Criteria	Very Low	Low	Medium	High	Very High
	≤5%	6-25%	26-50%	51-74%	>75%
Impact Criteria	Very Low	Low	Medium	High	Very High
Cost	£0 - £100k	£100k - £200k	£200k - £500k	£500k - £800k	£800k - £1m
Reputation	Minimal negative local media coverage quickly remedied /loss of trust and credibility	Minor negative local media coverage quickly remedied /loss of trust and credibility	Moderate negative regional media coverage/loss of trust and credibility	National short – term negative media coverage/considerable loss of trust and credibility	National long – term negative media coverage, significant loss of trust and credibility
External Relationship	Minimal strained relationship with partners and/or third parties	Minor strained relationship with partners and/or third parties	Moderate strained relationship with partners and/or third parties	Evidence of relationship issues with partners and/or third parties	Severe relationship issues with partners and/or third parties.
Quality	Work is fit for purpose but may require minimal changes	Work is fit for purpose but may require minor changes	Moderate changes or specialist resource required to provide high quality outputs	Scope changes required to provide high quality outputs	Project outputs are not credible/robust, with no assurance and partners do not endorse reports
Time	0 – 1 month	1 – 3 months	3 – 9 months	9 – 12 months	12 – 18 months

5 x 5 Opportunity Scoring Criteria

Likelihood Criteria	Very Low	Low	Medium	High	Very High
	≤5%	6-25%	26-50%	51-74%	>75%
Impact Criteria	Very Low	Low	Medium	High	Very High
Cost	-£0 - -£100k	-£100k - -£200k	-£200k - -£500k	-£500k--£800k	-£800k- -£1m
Reputation	Minimal positive local media coverage/ increase of trust and credibility	Minor positive local media coverage/increase of trust and credibility	Moderate positive regional media coverage/increase of trust and credibility	National short – term positive media coverage/considerable increase of trust and credibility	National long – term positive media coverage, significant increase of trust and credibility
External Relationship	Minimal increase in TfN's relationships with partners/third parties	Minor increase in TfN's relationships with partners/third parties	Moderate increase in TfN's relationships with partners/third parties	There is considerable evidence that TfN's relationships with partners/third parties is increasing	Relationships with partners/third parties significantly increased, benefitting TfN's credibility
Quality	Work is high quality with minimal changes	Work is high quality with minor changes	Moderate changes and no additional specialist resource to provide very high-quality outputs	Scope changes not required to exceed high quality outputs	Exceeds credible/robust project output expectations, with assurance and partners endorse reports
Time	0 – -1 month	-1 – -3 months	-3 – -9 months	-9 – -12 months	-12 – -18 months

4 Qualitative Assessment on the Levels of Mitigation Control

- 4.1 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 risk actions and the extent to which TfN is able to influence or control those risk outcomes.
- 4.2 TfN do not have full control over all mitigation actions. The avoidance and reduction of the assessed impacts are contingent on partners and members taking further action.
- 4.3 The following corporate risks have been subject to an evaluation by identifying the level of control:
- **High Control:** TfN has direct control over most of the available mitigation options - strategies that TfN has the power and/or ability to implement and as a result, contribute to the successful mitigation of the associated risk.
 - **Medium Control:** TfN has some control over the available mitigation in conjunction with collaborative efforts with relevant partners or other stakeholders to be successful in the management of the action plans. TfN may be able to deploy additional resources to increase its ability to influence risk outcomes.
 - **Low Control:** TfN has very limited control over the identified mitigations which must be a collaboration with the relevant internal and external parties. 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 or how these mitigations are implemented.
- 4.4 Each assigned control level will be accompanied by a progress summary and the most recent date that it was assessed and updated.

5 Qualitative Risk Analysis of TfN's Corporate Level Risks

TCR02: TfN's reputation, political engagement, and effectiveness.....	12
TCR03: Embedding Strategic Transport Plan (STP) across programmes.....	15
TCR04: Delivery of robust and compelling evidence to support Investment Programmes	17
TCR05: Transport decarbonisation and climate change.....	19
TCR07: TfN compliance and relevant laws and regulations.....	21
TCR09: Rail operations – franchise management and investment	23
TCR10: TfN cyber security	25
TCR11: Co-sponsorship.....	27
TCR12: Technical appraisal, modelling and economics	29
TCR13: TfN funding	31
TCR14: TfN resources	33

TCR02: TfN’s reputation, political engagement, and effectiveness

ID	Risk Description	Owner	Current Score	Target Score
879	NEW: Despite our statutory status there could be a material change in government's commitment to STB's/ reduction of remit and powers of TfN or a change in views/ approach as to how STB's function.	Chief Executive Officer	17	17
296	There is a risk of disconnect between TfN's statutory powers/remit and stakeholder expectations.	Chief Executive Officer	18	15
640	The internal and external leaking of confidential information may create a legal liability.	Chief Executive Officer	15	15
880	NEW: TfN are unable to provide the One Voice for the north in relation to strategic transport investment priorities, and policy positions.	Chief Executive Officer	18	15

Impacts:

- Reduction in core funding makes it more difficult for TfN to fulfil statutory responsibilities.
- TfN unable to fulfil its statutory responsibilities requiring a fundamental review of the organisation.
- Failure to make timely, evidence-based advice to Government in respect of priority projects and programmes thereby delaying or preventing the benefits of strategic transport infrastructure from being delivered.
- TfN’s credibility could be negatively impacted by being unable to deliver across an “expectation gap” between its statutory responsibilities and powers and partners' perception of its role.
- TfN’s reputation with DfT, partners and members could potentially be adversely affected, with potential legal costs.
- TfN’s relationship with DfT, partners and members could potentially be adversely affected.
- 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.

Mitigation actions for risk 879:

ID	Control Level and Action Description	Owner	Due
2489	Medium - There is structured engagement with government officials and decision-makers.	Chief Executive Officer	Dec 22
2490	Medium - TfN continue to respond to any DfT proposals and develop a revised version of Memorandum of Understanding (MOU) between DfT and TfN.	Chief Executive Officer	Dec 22

2491	Medium - TfN to demonstrate through priorities identified in the Business Plan that it delivers value for money, maximises the efficiency of taxpayer money and provides additional value to its partners (nationally and across the North) that realises benefit to the north of England.	Chief Executive Officer	Dec 22
2492	Medium - Maximise the input and contribution of Partnership Board through increased engagement and consultation.	Chief Executive Officer	Sept 22
2493	Medium - Engagement with other Statutory Transport Bodies (STB)'s to identify areas of common interest and opportunities for collaboration.	Chief Executive Officer	Ongoing

Mitigation actions for risk:296

ID	Control Level and Action Description	Owner	Due
949	Medium - There is continuous engagement with stakeholders, and partners, to continue to represent 'One Voice' for the North.	Chief Executive Officer	Ongoing
1548	Medium - TfN's Business Plan to be sustainable, with clear explanations of TfN activities.	Chief Executive Officer	Jun 22

Mitigation actions for risk:640

ID	Control Level and Action Description	Owner	Due
1551	Medium - TfN has in place Confidentiality Agreements with Constituent Authorities in relation to Northern Powerful House Rail and the Rail North Partnership to regulate information disclosed. In addition, the Confidentiality Agreement demonstrates how information and data may and may not be used, ensures compliance with data protection legislation, and impose responsibility for compliance.	Head of Legal Services	Ongoing
1553	Medium - The Codes of Conduct relating to Members of Constituent Authorities make provision as to the circumstances in which information may be disclosed. Each Constituent Authority will have its own Officer Code of Conduct and/or Disciplinary Policy which are likely to have similar provisions to TfN's, dealing with the treatment of confidential information.	Head of Legal Services	Ongoing
1554	Medium - TfN's processes seek to restrict where possible disclosure of data only to those within the organisation who need to possess such data in order to carry out TfN's business as a public authority. This will support the reduction of the risk of deliberate or accidental disclosure of information shared on a confidential basis.	Head of Legal Services	Ongoing

Mitigation actions for risk 880:

ID	Control Level and Action Description	Owner	Due
2494	High - As part of the second Strategic Transport Plan work, maximise utilisation of existing forums to ensure Partners are actively engaged.	Interim Strategy and Programme Director	Sept 22
2495	High - Use established governance to ensure that focus on key priorities are understood and that stakeholders are actively engaged.	Interim Strategy and Programme Director	Jun 22
2496	Medium - There is continuous engagement with Members and constituent authorities, stakeholders, and partners, to continue to represent the 'One Voice' for the North.	Chief Executive Officer	Ongoing

TCR03: Embedding Strategic Transport Plan (STP) across programmes

ID	Risk Description	Owner	Current Score	Target Score
641	Inconsistency between the second STP's policy positions and delivery of TfN workstreams.	Interim Strategy and Programme Director	11	8
881	NEW: TfN is unable to produce a second STP that is acceptable to both the TfN board and government.	Interim Strategy and Programme Director	20	15

Impacts:

- Programmes of work developed in a way that does not contribute to, or runs counter to, the overall objectives and plans set out in the STP, resulting in the failure to achieve the aims of the STP and/or leads to sub-optimal impacts from transport investments.
- Inconsistent messaging because of uncoordinated activity weakens TfN's reputation with government, constituent authorities and wider stakeholders.
- TfN's credibility could be negatively impacted.
- TfN do not produce a credible second STP that is endorsed by TfN board and government.
- Significant TfN reputational challenges with TfN board and government, as well as financial and time implications.

Mitigation actions for risk 641:

ID	Control Level and Action Description	Owner	Due
1556	High - 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.	Interim Strategy and Programme Director	Ongoing
1557	Medium - A Policy Development Framework (previously known as the Internal Assurance Framework) is being developed. The work will identify clear and consistent approaches to policy development across the organisation. In addition, the Policy Development Framework will enable decision makers to decide TfN's priorities for future projects and programmes to ensure alignment within the TfN programme as well as with partner programmes.	Interim Strategy and Programme Director	Jun 22
1558	High - 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.	Interim Strategy and Programme Director	Sept 22

1559	High - The new STP programme will define and sequence the required activities needed, with clear milestones in place for the development and production of a revised STP. Furthermore, there is a plan for consultation and formal adoption by the Board, which is expected no later than 2024. The TfN Board has agreed a programme for the update of the new STP and governance mechanisms are being established in preparation for work to start this financial year.	Interim Strategy and Programme Director	Ongoing
------	--	---	---------

Mitigation actions for risk 881:

ID	Control Level and Action Description	Owner	Due
2497	High - Comparing sustainable business plan with TfN objectives	Interim Strategy and Programme Director	Jun 22
2498	Medium - Continued direct engagement with partners and government departments over TfN's objectives and approach to the Second STP	Interim Strategy and Programme Director	Ongoing
2499	Medium - Developing a clear programme of activity for second STP and managing through SOG exec board and TFN board.	Interim Strategy and Programme Director	Dec 22
2500	High - Work with partners to review and update Northern Power Independent Economic Review.	Interim Strategy and Programme Director	Sept 22
2501	High - Manage interdependencies with Northern Power Independent Economic Review, which will run in parallel with STP2.	Interim Strategy and Programme Director	Dec 22

TCR04: Delivery of robust and compelling evidence to support Investment Programmes

ID	Risk Description	Owner	Current Score	Target Score
298	There is a risk that TfN might be unable to make a timely, robust, credible, evidence-based case for investment in transport.	Interim Strategy and Programme Director	15	11

Impacts:

- 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 the organisation's key objective is to take a leadership role in delivering innovative business cases to secure investments.
- Programme delays could result in extra costs and resources.

Mitigation actions for risk 298:

ID	Control Level and Action Description	Owner	Due
953	Medium - 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.	Interim Strategy and Programme Director	Jun 22
954	High - Ensure programmes are realistic and achievable and are being re-adjusted if required, without significantly impacting delivery against TfN's core objectives.	Interim Strategy and Programme Director	Jun 22
955	Medium - 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.	Interim Strategy and Programme Director	Ongoing
2509	High - The team has developed flexible professional services contracts, which can be scaled up and down to meet different levels of NPR resource requirements, thereby, providing a control mechanism to protect TAME's resources that are committed to other programmes.	Interim Strategy and Programme Director	Jun 22

957	High - Reviewing TAME structure in line with business plan commitments.	Interim Strategy and Programme Director	Jun 22
2502	High - Strengthen TAME governance for more transparent prioritisation of activity.	Interim Strategy and Programme Director	Jun 22
2503	Medium - Build in suitable Project Management controls into the team.	Interim Strategy and Programme Director	Sept 22
2504	Medium - Use evidence to provide recommendations to the Secretary of State for Road Investment Strategy.	Major Roads Director	Dec 22
2505	Medium - Use evidence to provide recommendations to the Secretary of State for Rail Network Enhancement Pipeline.	Strategic Rail Director	Dec 22

TCR05: Transport decarbonisation and climate change

ID	Risk Description	Owner	Current Score	Target Score
299	Within its Decarbonisation Strategy, TfN and its partners have committed to achieving close to zero emissions for surface transport in the North by 2045. TfN is unable to deliver its contribution to achieving this target.	Interim Strategy and Programme Director	11	8

Impacts:

- TfN fails to deliver on its commitments laid out within the TfN Decarbonisation Strategy.
- Adverse impacts on TfN credibility and influence as a Sub-National Transport Body.
- If the required level of policy commitment to deliver close to zero by 2045 is not achieved 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 actions for risk 299:

ID	Control Level and Action Description	Owner	Due
959	High - Careful programme planning to ensure TfN activities proposed in the Strategy are accommodated in business planning up until 2025 to ensure priority activities are given appropriate focus, resourcing, and funding. By undertaking these research, evidence and data building, and facilitation activities, and providing the outputs to our Partners and national government, there is a higher likelihood of the required levels of policy commitment being achieved.	Interim Strategy and Programme Director	Ongoing
2362	Medium - Develop mechanisms to ensure decarbonisation and sustainability are reflected in project and strategy decision-making.	Interim Strategy and Programme Director	Mar 23
2425	Low - Aspiration to undertake an appraisal of the relative carbon benefits associated with the remaining activities defined within the decarbonisation strategy, dependant on funding	Interim Strategy and Programme Director	Mar 23
2506	Medium - Continue to influence and engage with stakeholders and maintain reputational credibility	Interim Strategy and Programme Director	Ongoing

2507	Medium - Work underway for TfN to produce a carbon assessment	Interim Strategy and Programme Director	Jun 22
2508	Medium - Embedding decarbonisation into wider TfN workstreams including freight and social inclusion and testing the interdependencies	Interim Strategy and Programme Director	Ongoing

TCR07: TfN compliance and relevant laws and regulations

ID	Risk Description	Owner	Current Score	Target Score
303	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 exceeds its powers.	Business Capabilities Director	11	11

Impacts:

- 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 affect its ability to meet its objectives and/or result in 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 & 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 actions for risk 303:

ID	Control Level and Action Description	Owner	Due
970	High - TfN has suitably qualified officers in all senior positions, particularly the HoPS, S151 Officer and Monitoring Officer. In addition, TfN has employed an in-house legal team.	Head of Legal Services	Ongoing
971	High - TfN ensures there are clear and well documented processes and procedures in place.	Head of Legal Services	Ongoing
972	High - Ongoing training on laws and legislations and communication across the organisation.	Head of Legal Services	Ongoing
973	High - Procedures are in place through Modern.Gov to ensure that there is continuous legal review to TfN's Boards and Committees. Modern.gov champions now in place and have received initial training to help to widen corporate knowledge of modern.gov to support governance and resilience.	Head of Legal Services	Ongoing

974	High - TfN employs in house legal and procurement specialists and where necessary seeks external legal advice on commissioning and procurement.	Head of Legal Services	Ongoing
1569	High - A new process, Modern.Gov is being implemented to streamline report approvals and support efficient decision-making. Modern.gov champions have been identified and have received initial training to widen corporate understanding of the system and help support governance and resilience.	Head of Legal Services	Ongoing
1570	High - TfN will seek external legal advice on legal issues as identified by the legal in-house team.	Head of Legal Services	Ongoing
1571	High - TfN has employer's liability, public liability, and professional indemnity insurance in place to mitigate any financial liability.	Head of Legal Services	Ongoing
2310	Medium - Audit and Governance Committee has core functions supporting compliance with laws regulations and best practice, including monitoring governance risks and control.	Head of Legal Services	Ongoing

TCR09: Rail operations – franchise management and investment

ID	Risk Description	Owner	Current Score	Target Score
309	The long-term effect of Covid-19 may impact on the viability of train services and future investment decisions. The pandemic has changed travel patterns and behaviours and therefore service and investment decisions will need to reflect new markets and emerging evidence of demand.	Strategic Rail Director	17	17
310	There is a risk that TfN could have a reduced role in the rail industry following the implementation of the Williams-Shapps review.	Strategic Rail Director	19	17
311	Future timetable changes in Manchester and potential East Coast Main Line in May 2023 that reduces rail connectivity for the North.	Strategic Rail Director	18	18

Impacts:

- Low passenger numbers post-Covid could reduce the viability of some existing services.
- Less investment in services and infrastructure because of weaker business cases.
- If there is a delay in investment and delayed rolling stock, passengers will continue to be frustrated and experience poor quality services.
- Severe adverse reputational impact and pressure from partners.
- The franchise system is being replaced by service contracts directly funded by the Treasury through Great British Railway, potentially diminishing TfN's role and influence over operations (although this also represents an opportunity for TfN to make a case for further involvement in the management of the rail network).
- Timetable amendments to address capacity issues could result in a decline in services to some areas and on local connectivity, thereby reducing choice for passengers.
- Failure to integrate investment programmes could affect TfN's reputation by impacting on a significant part of its rail transformational programmes and the delivery of the Strategic Transport Plan.

Mitigation actions for risk 309:

ID	Control Level and Action Description	Owner	Due
980	Low - To continue to use TfN's influence in the monthly Rail North Partnership Board, Rail North Committee to shape the re-introduction of services, and infrastructure developments and re-build passenger confidence.	Strategic Rail Director	Ongoing

981	Medium - To continue with the close working relationship and communication with TfN member authorities on deliverables and risks - feeding back information through TfN governance structures.	Strategic Rail Director	Ongoing
1578	Medium - To continue to track train service performance and delivery via regular reporting dashboards.	Strategic Rail Director	Ongoing
1579	Medium - 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.	Strategic Rail Director	Ongoing

Mitigation actions for risk 310:

ID	Control Level and Action Description	Owner	Due
1638	High - TfN is working with the GBR transition team to work on a more detailed proposal as to how the white paper might be delivered in the North.	Strategic Rail Director	Mar 23
983	High - TfN are establishing a programme board from April 22 chaired by TfN's CEO.	Strategic Rail Director	Mar 23

Mitigation actions for risk 311:

ID	Control Level and Action Description	Owner	Due
1581	Medium - TfN, working with Partners, has outlined to Operators and the Department the key concerns of the regions. TfN has appointed a consultant to explore how regional services that would be lost can be restored on ECML. To support this TAME has produced economic impacts of the timetable change on the ECML.	Strategic Rail Director	Ongoing
985	High - A collaboration between DfT and TfN to develop a blueprint of infrastructure and services to support further capacity on the ECML will be established. Likewise, regarding Manchester, collaborative work continues with DfT to underpin a blueprint linking infrastructure to future service development.	Strategic Rail Director	Ongoing

TCR10: TfN cyber security

ID	Risk Description	Owner	Current Score	Target Score
876	NEW: Cyber disruption/attacks to the available information and technical infrastructure. Inappropriate user access to confidential information. Access may be limited for an unknown period of time.	Business Capabilities Director	10	10
887	NEW: Data is removed purposefully from the TfN's systems.	Business Capabilities Director	10	8

Impacts:

- Site outages, loss of resource time, which could impact on programme timescales, impact on cost for restoration of resources and information.
- Ransomware, compromise of information, potential legal implications due leakage of data/GDPR fines which leads to reputational challenges
- Damage to TfN's reputation and credibility.
- TfN's relations with the DfT, partners and members could potentially be adversely affected.
- There could be a loss of resource time, delays to programmes and costs incurred to restore or replace data.

Mitigation actions for risk 876:

ID	Control Level and Action Description	Owner	Due
2472	Medium - IT and Data Policies to be produced, reviewed, and updated in line with known cyber threats.	Head of IT and Information	Ongoing
2473	Medium - Training to all TfN staff performed on new policies.	Head of IT and Information	Ongoing
2474	Medium - Communications Plan in place for regular updates to employees when required.	Head of IT and Information	Ongoing
2475	Medium - Monitoring and compliance checks performed (e.g. Phishing attacks).	Head of IT and Information	Ongoing
2476	Medium - On-going/monitoring security updates performed to user devices and software services.	Head of IT and Information	Ongoing
2477	Medium - Business Continuity Plan checks, system reviews and restoration timescales regularly assessed.	Head of IT and Information	Ongoing

2478	Medium - Insurance cover in place for ransoms where required.	Head of IT and Information	Ongoing
------	---	----------------------------	---------

Mitigation actions for risk 887:

ID	Control Level and Action Description	Owner	Due
2530	Medium - IT to monitor any changes in patterns with data management, especially mass deletions.	Head of IT and Information	Ongoing
2531	Medium - IT to continue to restrict personal email address for use on SharePoint to limit data transfer risk.	Head of IT and Information	Ongoing
2532	Medium - IT and Data Policies in place, reviewed and updated regularly.	Head of IT and Information	Ongoing

TCR11: Co-sponsorship

ID	Risk Description	Owner	Current Score	Target Score
877	NEW: Change to the agreed Terms of Reference for the Sponsor Board and associated delivery arrangements.	Chief Executive Officer	14	10
647	NEW: The publication of the IRP has set out the Government's proposals in respect of NPR, TRU and HS2: it also sets out the need for further work to be undertaken. There is a risk that individual programmes are not aligned and expected benefits not realised.	Interim Strategy and Programme Director	18	15

Impacts:

- Reduction in engagement with TfN members could impact on the speed of delivering agreed investment priorities and result in missed opportunities to maximise wider benefits of agreed investment.
- A less effective sponsorship arrangement could result in missed opportunities to align investment in IRP with other delivery opportunities across the industry, which could impact on TfN's credibility and reputation with our partners and the public.
- Failure to integrate investment programmes could affect TfN's reputation by impacting on a significant part of its rail transformational programmes and the delivery of the Strategic Transport Plan.

Mitigation actions for risk 877:

ID	Control Level and Action Description	Owner	Due
2479	High - Establish Sponsor Board and use it to finalise roles and responsibilities for co-sponsorship.	Chief Executive Officer	Jun 22
2480	High - Agree governance for future decision making.	Chief Executive Officer	Jun 22
2481	Medium - Agree regular engagement forums to ensure alignment with programme/escalation of key issues.	Chief Executive Officer	Jun 22
2482	Medium - Design TfN sponsorship function and agree through business planning.	Chief Executive Officer	Jun 22

Mitigation actions for risk 647:

ID	Control Level and Action Description	Owner	Due
2510	Medium - Define TfN's future role on programme boards through the design of the NPR sponsor function.	Interim Strategy and Programme Director	Jun 22
2546	High - Establish Sponsor Board and use it as a mechanism for working with DfT to address programme alignment issues.	Chief Executive Officer	Jun 22
2511	Medium - TfN to chair the new TRU stakeholder forum that will directly influence the TRU programme board.	Strategic Rail Director	Ongoing
2547	Medium - TfN using its role on the North of England integration board to ensure alignment of benefits.	Strategic Rail Director	Ongoing

TCR12: Technical appraisal, modelling and economics

ID	Risk Description	Owner	Current Score	Target Score
882	NEW: Providing a direct service to DfT, limits TAME's services in delivering TfN 's objectives.	Interim Strategy and Programme Director	10	8
884	NEW: Legal and commercial restrictions. TfN is not legally allowed to share its models or data with Partners.	Interim Strategy and Programme Director	20	15
885	NEW Opportunity: TAME is an area where TfN can offer more analytical services to partners both nationally and locally, as a centre of excellence that is user-centred, place-based and outcome focused.	Interim Strategy and Programme Director	-11	-18

Impacts:

- TAME and TfN could be perceived to be prioritising NPR work above other TfN priorities or undertaking analysis of options that conflicts with requirements of Sponsor Board.
- Analysis undertaken for DfT is mis-represented as "TfN evidence".
- TfN is unable to complete the evidence base for its statutory role.
- TfN has a responsibility to share data with Partners as it develops its role as an industry leader and centre of excellence, so the inability to do so would cause reputational damage and loss of credibility.
- Restrictions in sharing data or models could cause delays to individual projects, which could result in additional costs and limit TfN's ability to expand the scope of its analytical services
- Increase TfN's chance of securing additional future funding through capabilities.
- Improved relations and reputation with government and partners as a recognised centre of excellence locally, regionally, and nationally.
- A source of trusted information, that available to all our partners.
- Improving outcomes for partners including efficiencies of public funding

Mitigation actions for risk 882:

ID	Control Level and Action Description	Owner	Due
2512	Medium - Finalise grant funding agreement and underpinning the Memorandum of Understanding.	Chief Executive Officer	Jun 22

2513	Medium - Review structure of TAME within business planning and ensure appropriate resources available for TfN facing programme.	Chief Executive Officer	Jun 22
2514	Medium - Establish the Analytical Steering Group (as set out in the GFA) and agree DfT requirements and deadlines.	Chief Executive Officer	Jun 22
2515	High - Strengthen internal TfN TAME governance to enable more transparent prioritisation of activity.	Chief Executive Officer	Jun 22

Mitigation actions for risk 884:

ID	Control Level and Action Description	Owner	Due
2521	Medium - Introducing consideration of data licencing at the start of projects, including early engagement with the legal team.	Interim Strategy and Programme Director	Sept 22
2522	Medium - Present a proposal for TfN's licensing strategy to OBT, including data sharing protocols and clarity on commercial arrangements.	Interim Strategy and Programme Director	Sept 22
2523	Medium - Invite Kemp lawyers to facilitate an educational workshop with TAME and wider TfN colleagues on derived data.	Interim Strategy and Programme Director	Jun 22
2525	Low - Create a flow chart of all model data inputs and outputs that can be circulated with teams and Partners.	Interim Strategy and Programme Director	Jun 22
2526	High - Contact all data input suppliers to obtain licences that allow TfN to share data.	Interim Strategy and Programme Director	Sept 22

Actions for opportunity 885:

ID	Control Level and Action Description	Owner	Due
2527	High - Explore and identify TAME capabilities and collaboration opportunities with partners through analytical assurance group and SOG.	Interim Strategy and Programme Director	Ongoing
2528	High - Outline TAME opportunity in business planning 2022/23, matching available resources to key TfN core priorities, including the introduction of new prioritisation mechanisms where appropriate.	Interim Strategy and Programme Director	Jun 22
2529	Low - Ensure all core and NPR business plan commitments are prioritised before offering TAME services to third parties.	Interim Strategy and Programme Director	Ongoing

TCR13: TfN funding

ID	Risk Description	Risk Owner	Current Score	Target Score
300	There is a risk that TfN fails to deliver Value for Money in all areas within the funding allocation	Finance Director	17	13
878	NEW: Funding levels are significantly reduced which creates a misalignment with TfN's medium to long term business planning	Chief Executive Officer	19	17
886	NEW ISSUE: TfN have received a one-year funding settlement and no indicative funding beyond March 2023.	Chief Executive Officer		

Impacts:

- Failure to achieve Value for Money could impact on TfN's ability to access funding in the future.
- TfN unable to deliver statutory duties responsibilities.
- TfN's ability to retain/recruit suitably qualified staff.
- Reduction of funding and potential redundancies could damage organisational culture and lead to, unhealthy work/life balances/staff wellbeing.
- Lack of direction for the organisation could result in lower staff morale and potential resignations.
- TfN reputational damage and loss of credibility
- Significant implications to employees of TfN and retaining a workforce. TfN is unable to plan resourcing effectively and there is a significant barrier in attracting candidates.
- TfN's relationship with the DfT, partners and members could potentially be adversely affected.

Mitigation actions for risk 300:

ID	Control Level and Action Description	Owner	Due
962	High - Clear and well documented processes and procedures are in place. External audit review and report on value for money on an annual basis	Finance Director	Ongoing
963	High - Commissioning processes include OBT sign-off of expenditure, and explicit approval for expenditure against a schedule of delegations.	Finance Director	Ongoing

1564	High - To continue to brief and update staff through the monthly updates, regular bulletins, employee forum and SMT meetings with regards to budget setting, IRP, and other current uncertainties TfN is facing to keep them fully apprised and address any questions or concerns in a timely fashion.	Business Capabilities Director	Ongoing
------	--	--------------------------------	---------

Mitigation actions for risk 878:

ID	Control Level and Action Description	Owner	Due
2483	High - Engagement with stakeholders to ensure the case for TfN's funding is supported by all Board members (Political and Business leaders), and amongst the North's MPs.	Chief Executive Officer	Dec 22
2484	Medium - There is structured engagement with government officials and decision-makers.	Chief Executive Officer	Dec 22
2485	Medium - TfN and DfT collaborative working to develop a revised version of Memorandum of Understanding.	Chief Executive Officer	Dec 22
2486	Medium - TfN to demonstrate that it delivers value for money, maximises the efficiency of taxpayer money and provide additional value and benefit for Partners in the north of England through a prioritised and sustainable business plan.	Chief Executive Officer	Dec 22

Actions for issue 886:

ID	Control Level and Action Description	Owner	Due
2534	Medium - Preparation of Business Plan on the basis of a reasonable planning assumption for future years' funding	Chief Executive Officer	Jun 22
2535	Medium - Secure DfT endorsement for Business Plan	Chief Executive Officer	Jun 22
2356	Medium - Demonstration of TfN value for money through agreement with DfT on KPIs	Chief Executive Officer	Jun 22

TCR14: TfN resources

ID	Risk Description	Owner	Current Score	Target Score
643	TfN's is unable to recruit and retain suitable staff to deliver the 2022/23 business plan and medium to long term TfN objectives	Business Capabilities Director	25	20

Impacts:

- Failure to recruit and retain the people with the right skills could negatively impact on TfN's ability to deliver its objectives and priorities.
- Damage to the organisational culture, staff morale and confidence.
- TfN reputational damage and loss of credibility.

Mitigation actions for risk 643:

ID	Control Level and Action Description	Owner	Due
1566	High - Update People Strategy (People Management Framework) aligned to the outcomes of the ongoing change agenda and timescales. This may include, reward, workforce/skills planning, succession planning, recruitment and selection, talent, and performance management.	Business Capabilities Director	Ongoing
1568	Medium - To continue to brief and update staff through the monthly updates, regular bulletins, Team talks, intranet, employee forum and SMT meetings.	Business Capabilities Director	Ongoing
2487	High - Work with the Business Planning working group to redesign and downsize the organisation in line with the budget and business planning 2022/23.	Chief Executive Officer	Jun 22
2488	Medium - Work with the HR and Skills Team to provide development and training opportunities within TfN e.g. non-technical skills in the TAME team.	Interim Strategy and Programme Director	Mar 23
2533	Medium - Agree a recruitment strategy for the TAME team	Business Capabilities Director	Sept 22
2537	High - Full and proper consultation with UNISON - to continue regular formal meetings	Business Capabilities Director	Ongoing



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



info@transportforthenorth.com



Corporate Risk Register - May 2022 Key Changes

1. A thorough risk review has been conducted across TfN. All risks have been rearticulated/reassessed in line with the transition to the 5x5 risk matrix, updated scoring criteria, post IRP position, change in TfN's organisational environment and reduction in funding allocation. All actions have been reviewed and updated and new actions have been put in place where required.
2. **TCR01** COVID 19, closed risk theme Covid restrictions have been lifted, TfN offices are now open and recovery phase has commenced.
3. **TCR02** Reputational, Political Engagement and Effectiveness, risk factor 1 has closed (Central Government's intention with regards to the future role of Sub-national Transport Bodies (STBs) is unclear. This uncertainty may prevent the organisation from fulfilling its objectives and delivering its programme of works). Closed as departments commitment to STB's is clear. New risk raised in relation to potential for material change in government's commitment to STB's. Risk factor 2 closed (TfN's ability to produce a robust budget), closed as funding allocation received in Feb 22. Interim budget now been produced. Final budget to be produced June 22. Risk factors 3 and 4 remain open and have been rearticulated and reassessed. New risk identified - TfN are unable to provide one voice for the North.
4. **TCR03** Embedding strategic Transport Plan across programmes, risk factor 1 has been re-articulated and reassessed (Inconsistency between the second STP policy positions and delivery of TfN workstreams). Quality impact has been assessed. New risk identified - TfN unable to produce a second STP that is acceptable to both the TfN board and government.
5. **TCR04** Delivery of robust and compelling evidence to support investment programmes, TfN might be unable to make a timely, robust, credible, evidence-based case for investment in transport. Risk has been re-articulated and reassessed. Quality impact has been assessed.
6. **TCR05** Transport Decarbonisation and Climate Change, risk factor 1 has been re-articulated and reassessed. Risk factor 2, TfN's Investment Programme is misaligned to the agreed Decarbonisation Trajectory has been closed, risk to be managed at programme level. Transferred to Strategy function.
7. **TCR06** TfN operations, replaced with 2 new themes; funding and resources, risk factor 1 (TfN fails to deliver value for money in all areas within the funding allocation) has been transferred to funding theme, rearticulated and reassessed. Risk factor 2 has closed Interim budget now been produced. Final budget to be produced June 22. Risk factor 3, (TfN unable to recruit and retain suitable staff) has transferred to resources theme, re-articulated and reassessed.
8. **TCR07** TfN compliance and relevant Laws and Regulations, Risk reassessed, and actions reviewed.
9. **TCR08** Northern Powerhouse Rail Business Case Delivery Programme Development, closed Feb22. IRP has been published. NPR will transition to a single client arrangement, with the single client being DfT, and a co-sponsorship arrangement between DfT and TfN from 1st April 2022. TfN overarching objectives in relation to NPR need to be reconsidered and agreed with the board
10. **TRC09** Rail Operations – Franchise Management and investment, Risk factor 1, 2, 3 re-articulated and reassessed. Risk factor 4 (existing government commitments on TRU are re-opened) risk closed and now being actioned as part of the co-sponsorship arrangement.

11. 5 new risk themes have been identified based on risk reviews conducted across the organisation and in line with TfN's organisational environment moving forward.

- TfN cyber security,
- Co-Sponsorship,
- Technical appraisal, modelling and economics (TAME), includes 3 risk factors and 1 opportunity,
- TfN Funding,
- TfN Resources.

Risk Management Strategy



Contents

1. Risk Management Strategy	3
Purpose	3
2. Introduction to Risk Management	4
Benefits to Risk Management	4
Common Process Barriers	4
Key Terminology.....	5
3. Risk Management Process	7
Predict Software	7
Contextual Analysis.....	8
Identification of Risks (Threats & Opportunities)	8
Risk Categories	8
Risk Description.....	10
Risk Evaluation.....	10
5x5 Risk Matrix and Scoring	11
Risk Analysis	12
Risk Treatment.....	12
Treatment Response Strategy (TRS) for Threats	12
Treatment Response Strategy (TRS) for Opportunities.....	12
Monitor and Control	13
Risk Communication.....	13
4. Risk Reporting	14
5. Issue Management	17
Issue Management Process	17
6. Reference	19
7. Appendices	20

Version Control

Version	Author/Updated by	Date Updated	Next Review Due
Version 1	Haddy Njie	April 2018	
Version 2	Haddy Njie	September 2019	
Version 3	Daniella Della-Cerra-Smith	April 2022	September 2022

1. Risk Management Strategy

Purpose

- 1.1. The Risk Management Strategy (RMS) aims to support the strategic objectives of the business and sets out Transport for the North's (TfN) approach to risk management. It provides guidance in its application for the management of risk by describing TfN's:
 - Risk Management Process;
 - Risk Management Reporting;
 - Issues Management
- 1.2. The document is intended to act as a communication and management tool to ensure TfN's Programmes and Directorates have clarity regarding:
- 1.3. The Risk Management Processes to be adopted;
 - Scales of probability and impact and the tools to be used;
 - Reporting of risk and the timing of risk management activity.
- 1.4. Not all risks can be eliminated, but staff and senior management should be aware of the risks affecting TfN's Programmes and Directorates in order for the risks to be understood and, where possible, managed and mitigated.
- 1.5. The RMS supports key principles in the following ways:
 - **Building trust and respect:** by being open about our risks, we can build trust and respect
 - **Delivering our promises:** by managing risk we can deliver our commitments

2. Introduction to Risk Management

- 2.1. TfN faces a wide range of risks (both threats and opportunities) at all levels across the organisation. The nature of TfN's activity means that not only is risk management central to the achievement of its strategic objectives, but the process by which it addresses risk (related to its activity) has the potential to achieve sustained benefits across the full portfolio of projects and programmes.
- 2.2. The focus of good risk management is the identification and management of risk. Management of risk involves the systematic application of methods and practices to the tasks of identifying, estimating, and evaluating risks. This in turn allows mitigation measures to be identified and implemented. This provides a disciplined environment for proactive decision-making.
- 2.3. The Risk Management Strategy will provide the framework for managing risk in a consistent manner and raises awareness of the need for effective risk management. Adopting the RMS will support the aim of integrating risk management into working arrangements so that risks are proactively identified and managed.
- 2.4. Furthermore, the approach to Risk Management will involve identifying and realising potential opportunities. This process is designed to encourage the consideration of opportunities and the communication of these within TfN.

Benefits to Risk Management

- 2.5. Proactive Risk Management provides a number of primary and secondary benefits including:
 - Reduced exposure to the negative impacts of uncertainties;
 - Confidence in achieving targets and maximising outputs and outcomes through improved understanding of uncertainties;
 - Risks owned by parties and/ or individuals best able to manage them; and
 - Facilitation of effective communication across the organisation.

Common Process Barriers

- 2.6. It is recognised that there are barriers and constraints common to the implementation and embedding of risk management.
- 2.7. The most common barriers to successful risk management are:
 - Lack of time or resources allocated to risk management;
 - Lack of risk strategy, process, or plans;
 - Lack of a senior risk champion;
 - Lack of training, knowledge or formal risk tools or techniques;
 - Lack of 'buy-in' from the teams;
 - Lack of clear guidance for managers or staff.
- 2.8. It is the responsibility of managers, assisted by the Risk Manager, to reduce the likelihood of encountering these barriers whenever possible. Where obstacles arise that are beyond the ability of the manager to address, it is important to

escalate it to the Risk Manager who will work with the Programme Manager to take appropriate action.

Key Terminology

2.9. The key risk management terminology referred to in this document are as follows:

- **Risk:** Defined as an uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives. Such an event that potentially creates a benefit for the organisation is termed as an opportunity (+ve risk) while an event with a potentially negative impact is viewed as a threat (-ve risk).
- **Risk Management:** The identification, evaluation, analysis, treatment and reporting of uncertainties, threats and opportunities associated with Project, Programme, Directorate and Portfolio objectives.
- **Risk Culture:** Refers to an organisation's set of attitudes, values, and knowledge of risk management. An effective risk culture rewards individuals for taking the right risks in an informed manner.
- **Risk Cause:** A description of the source of the risk, i.e. the event or situation that gives rise to the risk.
- **Risk Impact:** The extent of the adverse or positive effect on objectives.
- **Risk Proximity:** Defined as short-term, medium-term, and long-term, risk proximity is a prioritisation technique which assists risk owners in deciding the risks upon which to focus mitigation and management activity.
- **Risk Probability/ Likelihood:** The possibility of a risk event occurring.
- **Risk Score / Profile:** A comparative indication of how serious the risk is likely to be.
- **Inherent Risk:** Refers to the (gross) risk position. That is, before any mitigation measures / controls are in place.
- **Current Risk:** Refers to the managed level of risk. That is, the existing level of risk, taking into account current controls/mitigation measures put in place.
- **Target Risk:** Refers to the ultimate level of risk that is desired by the organization, when planned controls and mitigation actions have been implemented.
- **Mitigation:** Measures/ actions taken to reduce the possibility of the risk event occurring.
- **Secondary Risk:** Risk that arises as a result of implementing a particular risk mitigation measure.
- **Predict:** Risk management software implemented by TfN to record, review, update and manage all risks.
- **RAG:** Refers to a traffic light system (Red, Amber, Green) used in denoting the severity of a risk.
- **Risk Register:** The document which holds specific information regarding each risk associated with individual programmes/directorates.
- **Risk Reference:** The unique number given to each risk on the risk register.
- **Risk Owner:** The relevant individual with responsibility for ensuring identified risks are managed effectively in accordance with the RMS.

- **Risk Transfer:** The movement from a risk owner to another appointed owner who is better placed to manage the risk.
- **Risk Closeout:** Where a risk/ potential risk event is no longer valid and has been formally shutdown.
- **Early Warning:** An advanced indication that a potential risk is about to materialise, allowing appropriate measures to be adopted.
- **Qualitative Risk Report (QRR):** Refers to a detailed qualitative evaluation of risks on a programme. The report highlights the current risk position taking into account the spread of risks on a Probability and Impact Matrix.
- **Issue:** A risk that has materialised and which is affecting the programme, requiring immediate resolution through a management response.
- **Assumption:** A “logical belief” rather than a matter of proof. Assumptions may include exclusions from programme scope, estimates or budgets.
- **SWOT:** Strengths, Weaknesses, Opportunities and Threats – A strategic planning or evaluation technique.
- **PESTLE:** refers to Political, Economic, Social, Technological, Legal and Environmental – an analytical technique useful for decision-making.

3. Risk Management Process

- 3.1. The primary purpose of the Risk Management Process (RMP) is to identify the effect of uncertainty on programme and business objectives and to formulate and implement measures to reduce or optimise the effects. In addition, an appropriately functioning RMS is a key driver for fostering effective communication and decision-making.

Predict Software

- 3.2. Predict is the Risk Management system, which TfN has adopted to record, review update, and manage risks across the organisation from corporate to project and programme level. It provides a central location for Risk Management and provides visibility and transparency across the organisation.
- 3.3. Training for Predict is provided to new TfN employees. If there is a version update it is communicated to all users and training will be provided.
- 3.4. If staff have a query in regards to use of the system, they can email risksystem@transportfornorth.com for support.
- 3.5. All risks, issues, opportunities and actions are recorded into the Predict software and are reviewed and updated on a monthly basis during risk workshops. Progress comments should be provided as an audit trail.
- 3.6. Risk Management is an iterative process through which risks are continually identified, assessed, and managed. The process will be facilitated by the Risk Manager. The process is not dependent upon the Risk Manager's presence, and members of staff are encouraged to consider risk management throughout the delivery of their activities.
- 3.7. Adopting industry best practice, the Risk Management Process is subdivided into six key steps listed below:
- Contextual Analysis;
 - Identification of Risks;
 - Risk Evaluation;
 - Risk Analysis;
 - Risk Treatment;
 - Monitor & Control
- 3.8. Collectively, these steps form a logical sequence, necessary for the adoption of a robust approach to the implementation of risk management. As represented below, the steps are represented as an iterative process, as it will be common for the entire process to be completed a number of times during the life of a business activity.

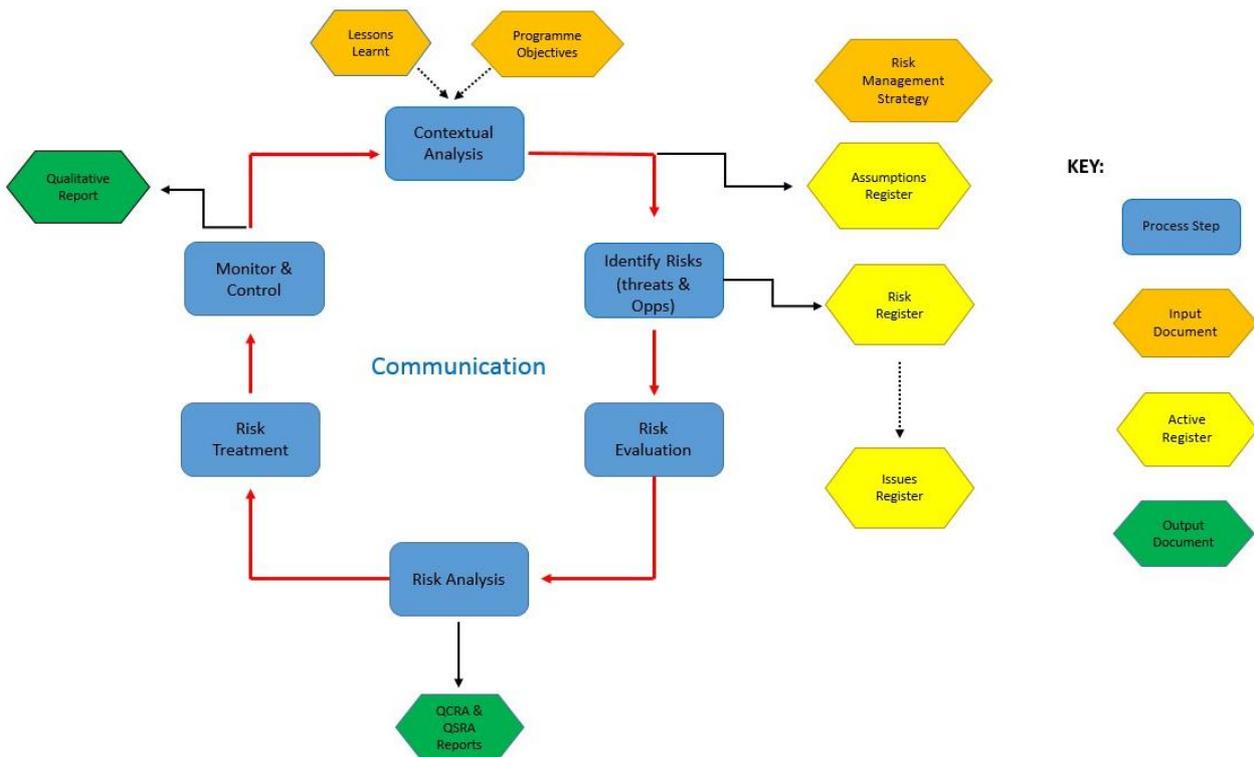


Figure 1: TfN's Risk Management Process

Contextual Analysis

3.9. This step requires the manager to collate the maximum amount of information with regard to the scope of the activity, thus enabling the identification of risks that may have an impact upon TfN's objectives. Information collated will assist in defining appropriate probability and impact scoring.

Identification of Risks (Threats & Opportunities)

3.10. Risk identification sets out to identify the exposure to uncertainty. This process should identify sources of risk (upside and downside) where these are deemed to have an effect. Risks will be identified against the explicit activity objectives identified during Contextual Analysis. As such, a comprehensive list of risks, known as a risk register, will be developed.

3.11. Opportunities need to be identified along with threats. Each item will be identified by category and given a distinct risk reference.

3.12. It is important that risk identification is conducted as a group activity that considers the opinions of relevant team members and, where appropriate, Subject Matter Experts (SME). This process should be facilitated by the Risk Manager (unless otherwise agreed with the Risk Manager).

Risk Categories

3.13. The categorisation of risks in the table below will enable risks to be classified and assessed consistently across the organisation.

3.14. The following categories should be considered when assessing risks:

Item	Risk Category	Description / Risks associated with
1	Corporate Objectives	<ul style="list-style-type: none"> • Corporate objectives relate to possible risks (threats and opportunities) that may either hinder or enhance the chances of successfully achieving TfN's business plan. • Risks such as funding / delivery management, integrated transport strategy and transport solutions • Reputation and political environments are also to be considered.
2	Resources	<ul style="list-style-type: none"> • Resources concentrate on the availability and engagement of appropriately skilled people (internal and external) and their ability to collaborate in the successful delivery of programmes. • Skills and experience, knowledge, and talent development of the existing workforce are all considered. • Tools including equipment, office space, IT, etc., are risks that also fall under this category.
3	Commissioning, Commercial and Financial / Funding	<ul style="list-style-type: none"> • Commissioning risks, include the ability to develop effective procurement and contracting strategies, and secure appropriate commercial agreements. • Commercial risks include an understanding of market or industry factors affecting the delivery and operations, and the contractual arrangements necessary to deliver successful outcomes. • Financial/ Funding risks include effective costing, budget estimating and cost control. Affordability and value for money are also key considerations, as well as the associated risks of the funding of projects and programmes.
4	Technical Performance	<ul style="list-style-type: none"> • Risks include the specification, design, build, commissioning and testing of project/ programme deliverables (e.g., new assets, processes, etc.) • Technical performance also includes how well the solutions are performing and delivering expected benefits.
5	Public, Media and Stakeholders	<ul style="list-style-type: none"> • Public, Media and Stakeholder related risks encompass the requirements and influences of Partners, Customers, Campaigners and associated reputational risks.
6	Legislation and Regulation	<ul style="list-style-type: none"> • These risks relate parliamentary/ legislative processes, and the requirements of central government and transport regulators that may possibly impact on TfN's objectives. • This category also includes the risk of changes in political policy, support, and regulations.
7	Governance	<ul style="list-style-type: none"> • The Governance category looks at the risks in relation to effective and efficient decision making, particularly in respect of TfN's responsibility as an STB for determining investment priorities across the North of England.
8	Delivery Partners	<ul style="list-style-type: none"> • This category includes for commissioning related risks in respect of TfN's relationships with its third-party delivery Partners, including Network Rail, Highways England, and HS2.

		<ul style="list-style-type: none"> • Interdependencies between the separate organisations' objectives and timescales are also considered.
9	Service Delivery	<ul style="list-style-type: none"> • Service delivery – or operational – risks include those factors that may hinder and/ or enhance TfN's current operations and future services. • In addition, service functionality and the opportunity to add value to customers and the wider public is also a consideration.

Table 1: Risk Categories

3.15. Further risk categories may be established at any time in consultation with the Risk Manager.

Risk Description

3.16. An accurate risk description (i.e. describing a risk in a structured manner) should be formed of three parts as follows:

- The Risk: Defined as an uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives;
- Risk Cause: A description of the source of the risk, i.e. the event or situation giving rise to the risk;
- Risk Impact: The extent of the adverse or positive effect on objectives.

Risk Evaluation

3.17. Risk evaluation is the process of assessing the probability and impact of individual risks. The exercise enables the risk identifier to prioritise risks in order to establish a most-to-least-severity ranking.

3.18. When a risk is identified, an estimate of the probability of the risk occurring and the likely impact needs to be determined.

3.19. Probability is the evaluated likelihood of the identified risk occurring.

3.20. Impact is the evaluated effect or result of a particular risk occurring. Impact should ideally be considered under the elements of:

- Time
- Financial
- Reputation
- Quality
- Benefit
- People/ Resource

3.21. For example, there may be a "Low" probability of damage to a relationship with a key delivery partner, but enormous reputation impact may result if the risk occurs. Conversely, a "High" probability risk of a systems failure may not have a major impact on the business.

5x5 Risk Matrix and Scoring

- 3.22. A Probability Impact Matrix (PIM), as illustrated below, is a tool that allows risk severity to be calculated. Risks are plotted according to the probability of occurrence and the impact upon an activity should the risk happen.
- 3.23. The qualitative risk ranking (risk score) will be generated by multiplying the probability with the maximum of the impacts for each risk. The risks with the highest scores will be reported for review and decision-making.

		THREAT SCORING					
PROBABILITY	75 – 100%	Very High 5	5	10	17	20	25
	51 – 74%	High 4	4	8	14	18	20
	26 – 50%	Medium 3	3	7	10	15	19
	6 – 25%	Low 2	2	6	8	11	17
	≤5%	Very Low 1	1	2	4	8	13
			Very Low 1	Low 2	Medium 3	High 4	Very High 5
			IMPACTS				

Table 2: Probability Impact Matrix for Risks

Score		Threat response
Very High	19 – 25	Focus Terminate, treat, transfer, fallback planning
High	14 – 18	Control Terminate, treat, transfer
Medium	7 – 13	Control/ Monitor Terminate, treat, transfer, tolerate
Low	1 - 6	Monitor Tolerate

Table 3: Threat Scoring

		OPPORTUNITY SCORING					
PROBABILITY	75 – 100%	Very High 5	-5	-10	-17	-20	-25
	51 – 74%	High 4	-4	-8	-14	-18	-20
	26 – 50%	Medium 3	-3	-7	-10	-15	-19
	6 – 25%	Low 2	-2	-6	-8	-11	-17
	≤5%	Very Low 1	-1	-2	-4	-8	-13
			Very Low 1	Low 2	Medium 3	High 4	Very High 5
			IMPACTS				

Table 4: Probability Impact Matrix for Opportunities

Score	
Very High	-19 - -25
High	-14 - -18
Medium	-7 - -13
Low	-1 - -6

Table 5: Opportunity Matrix

Risk Analysis

- 3.24. As the organisation matures in its approach to Risk Management, further risk analysis will be undertaken to determine the aggregated effect of the threats and opportunities on an activity. This will include consideration of any interdependencies or mutual exclusivity between risks.
- 3.25. Detailed analysis will be conducted by way of a quantified risk assessment (QRA), using recognised risk tools and software with the capability to build probabilistic risk models to produce risk analysis and allow greater confidence in the assessment of risks. These analyses will be facilitated by the Risk Manager who will produce the QRA results.

Risk Treatment (also referred to as Mitigation Actions)

- 3.26. This is the process of selecting the most suitable response strategy to the management of individual or groups of risks. These are applied to both threats and opportunities. Appropriate ownership will be identified in the risk register for all risks, together with the associated mitigating actions.
- 3.27. A mitigation response strategy is a key stage in the management of risks. It is the process by which a programme decides how and by whom risks will be managed. For example, programme teams may agree to transfer a particular risk from one team to another.

Treatment Response Strategy (TRS) for Threats

TRS	Description
Tolerate	Accept the threat without any further action.
Treat	An action taken to minimise both the probability and impact of risk.
Transfer	Transfer risk to another programme / party.
Terminate	Choose a different option to completely eliminate the threat.
Share	Share the risk with another programme / third party.

Table 6: Treatment Response Strategy (Threats)

Treatment Response Strategy (TRS) for Opportunities

TRS	Description
Enhance	Action taken to increase the probability or impact of the opportunity occurring.
Exploit	Take action to ensure the opportunity happens, and the outcome is optimised.
Share	Share the opportunity with another programme / third party.
Accept	Accept the opportunity and move on.

Table 7: Treatment Response Strategy (Opportunities)

Monitor and Control

3.28. This is the process by which the risk planning measures are monitored and controlled. Usually conducted as part of regular risk reviews, the monitoring activity will enable the generation of Action Reports and an updated Qualitative Risk Report. The output of this process step will allow for corrective action to be taken should the risk planning measures be judged as not working effectively and thus further actions may be required.

Risk Communication

3.29. In support of the six steps outlined above, the effective communication of risk is the process whereby risk information is shared amongst relevant parties in a consistent manner, thus promoting and enhancing a coordinated approach to Risk Management.

3.30. Any programme's exposure to risk evolves over its lifecycle and continuous effective communication is therefore critical to the identification of new threats and opportunities or changes within the programme. In particular, the identification of new risks depends upon the maintenance of good communication networks. It is imperative that management engages with staff across the programme and ensures stakeholders have:

- Clearly defined roles and responsibilities;
- Clear and precise understanding of the risk escalation channels;
- Good knowledge of transferred lessons learned.

4. Risk Reporting

- 4.1. An efficient and effective risk reporting process allows management to be informed regarding key threats and opportunities that requires attention at a higher level, and the results of the risk assessments may be presented in a variety of formats depending on the stakeholder audience and reporting needs. Generally, key risks are presented in the form of graphs and tables with the most probable outcome plotted for a range of values and probabilities.
- 4.2. The reporting structure shown below outlines the different reporting audiences for the reporting of risks. It is important to note that given the unique nature of TfN's various programmes and governance structures, there are some projects and programmes that report risks through external governance such as the NPR Working Group and Programme Board. However, as a corporate body, the overarching risk reporting diagram illustrates the required risk governance that the organisation has adopted.
- 4.3. For governance and transparency reasons, programme risks will be managed and reported within programmes. As 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 Operating Board as risks requiring corporate focus. Furthermore, critical challenges and issues which may require the attention of senior executives will be escalated to TfN's Operating Board (OBT).
- 4.4. In accordance with Transport for the North's constitution, paragraph 19.3 makes TfN's Finance Director is "responsible for discharging the functions of the responsible financial officer under the Accounts and Audit (England) Regulation 2015, including ensuring risk is appropriately managed". Furthermore, paragraph 63.4.11 emphasises that "the Operating Board manages the risk management arrangements to ensure the appropriate management of risks" is in place across the organisation. Consequently, programme and corporate risks will be reported to TfN Operating Board to assist decision-making and to allow it to consider the reporting of risks to our members and partners.
- 4.5. Conversely, it is imperative for strategic risks identified at the corporate level to be shared across programmes to ensure a "bottom up" and "top down" risk awareness prevails.

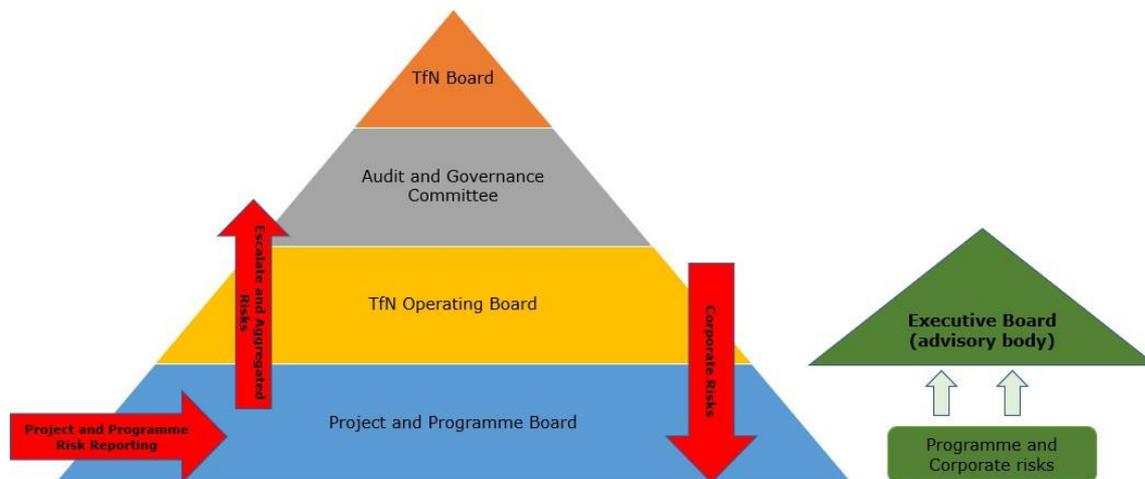


Figure 2: TfN's Reporting Structure

- 4.6. **Project and Programme Board** - Based on an agreed tolerance, the programme teams must report high severity risks that might impact the delivery of programme objectives to their respective board members.
- 4.7. **Operating Board** - On a periodic basis, key significant risks across all programmes will be reported to OBT to ensure there us transparency and visibility of programme risk exposures and if required make informed decisions to mitigate reported risks.
- 4.8. **Audit and Governance Committee (AGC)** - TfN's corporate and key programme risks are reported to the AGC to provide assurance to the committee that risks, and challenges related to the programmes are being recognised, analysed, and robustly managed.
- 4.9. **TfN Board** - The ultimate decision-making body with regard to Transport for the North activity. As a result, TfN's corporate risks will be shared to the Board.
- 4.10. Qualitative risk management reporting will be produced after each risk assessment/ review.
- 4.11. The guiding principles are that reporting will be:
- Understandable
 - Recognisable
 - Concise
 - Logical
 - Consistent
- 4.12. The below table outlines how risks will be reported internally. It summaries the key risk documents, the target audience, and the responsible owner(s) to ensure they are disseminated in a timely manner.

Document	Target Audience	Schedule	Author/Responsible
Risk Register	Programme Teams OBT	Ongoing	Risk Manager
Risk Dashboard & Key Risks	Programme Teams/EB/PB	Monthly	Risk Manager
Programme Key Risks	OBT	Monthly	Risk Manager
Qualitative Risk Report (QRR)	OBT	Quarterly	Risk Manager

Table 8: TfN's Internal Risk Reporting

The following Responsible, Accountable, Consulted, and Informed (RACI) chart shows the distribution of responsibilities and sets out who should be notified when one of the following risk reports is to be generated.

Risk Document	Responsible	Accountable	Consulted	Informed
Programme Risk Monthly Report	RM	PD	PT	PD
Risk Register	PM / RM	PM	PT	PD
Risk Mitigation	PM	PM	PT	PT
Early Warning	PM	PM / PT	RM	RM
New Risk	PM	PM / PT	PT	PT
Risk Transfer	PM	PM	PT	PD
Risk Dashboard/ Key Risks	RM	RM	PM	EB/PB / SMT
Quarterly Qualitative Risk Report	RM	RM	PT	SMT

Key:

- EB Executive Board
- PB Programme Board
- RM Risk Manager
- PM Project Manager
- PT Programme Team
- PD Programme Director
- SMT Senior Management Team

Table 9: Risk RACI Chart

5. Issue Management

- 5.1. Issue management plays an important part in TfN’s risk management approach. An issue arises when a risk has crystallised or materialised and the actual event is known and currently occurring or has a 100% probability of happening unless action is taken immediately.
- 5.2. When a group of high severity risks are judged as issues, it is a requirement for the programme team to report the issues to TfN’s Operating Board.

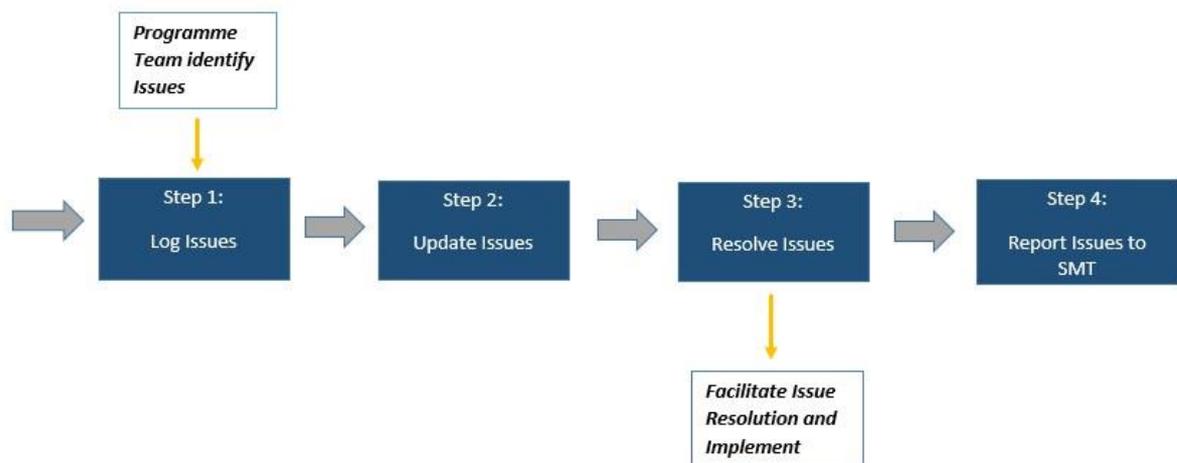


Figure 3: Issues Reporting

- 5.3. The following Responsible, Accountable, Consulted, and Informed (RACI) chart shows the distribution of responsibilities with the following issues reporting.

Issue Document	Responsible	Accountable	Consulted	Informed
Issue Register	PM / RM	PM	PT	PD
Issue resolution	PD	PD	PT	PM / PT
Issue Reporting	RM	PM / RM	PT	SMT
Issue Report	RM	RM	PT	PT / SMT

Key: RM Risk Manager
 PM Project Manager
 PT Programme Team
 PD Programme Director
 SMT Senior Management Team

Table 10: Issues RACI Chart

Issue Management Process

- 5.4. As depicted below, the Issues Management process diagram depicted below follows a cyclical process with five discrete steps. The results from these steps are stored in the Programme Issues Register. The Programme Management Group will monitor the effectiveness of the issues process as a whole and will modify this procedure as appropriate as the organisation develops.

- 5.5. The Issues Management process will focus on critical issues, also known “showstoppers”. A showstopper is an event that is serious enough to halt an activity or a programme.
- 5.6. Unlike risk ranking, all critical issues will be treated as very significant (i.e. Very High) including those requiring external interface and internal resolution. Individual reviews will be held on a regular basis with issue owners to update the status of the issues.

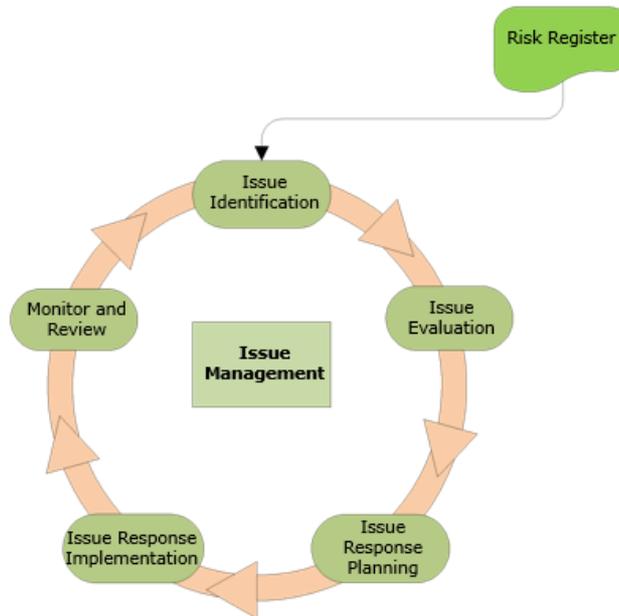


Figure 4: Issues Management Process

- **Issue Identification:** the process by which issues are identified and recorded in an Issues Register. An event can either be identified originally as an issue or as a form of crystallised risk.
- **Issue Evaluation:** the process by which identified issues are analysed based on the information known. The output of this evaluation greatly assists in determining the appropriate management response strategy.
- **Issue Response Planning:** the creation of appropriate management response to the issues evaluated.
- **Issue Response Implementation:** the process by which management puts a response strategy in place to tackle the identified issues. Including the dissemination of mitigation strategies and the allocation / implementation of required responses.
- **Monitoring and Review:** This component enables the management team to evaluate the effect of the response strategy implemented. That is, the effectiveness of the mitigation strategies and actions is monitored.

6. Reference

Figures:

Figure 1: TfN's Risk Management Process	8
Figure 2: TfN's Reporting Structure	15
Figure 3: Issues Reporting	17
Figure 4: Issues Management Process	18

Tables:

Table 1: Risk Categories	10
Table 2: Probability Impact Matrix for Risks.....	11
Table 3: Threat Scoring	11
Table 4: Probability Impact Matrix for Opportunities	11
Table 5: Opportunity Matrix.....	11
Table 6: Treatment Response Strategy (Threats)	12
Table 7: Treatment Response Strategy (Opportunities).....	12
Table 8: TfN's Internal Risk Reporting.....	16
Table 9: Risk RACI Chart.....	16
Table 10: Issues RACI Chart.....	17

7. Appendices

Appendix 1: 5x5 Threat and Opportunity Scoring Criteria

5 x 5 Threat Impact Scoring Criteria

Likelihood Criteria	Very Low	Low	Medium	High	Very High
	≤5%	6-25%	26-50%	51-74%	>75%
Impact Criteria	Very Low	Low	Medium	High	Very High
Cost (Tier 1 - £0-£2m Budget)	£0 - £10k	£10k - £20k	£20k - £50k	£50k - £80k	£80k - £100k
Cost (Tier 2 - £2-6m Budget)	£0 - £40k	£40k - £80k	£80k - £200k	£200k - £320k	£320k - £400k
Cost (Tier 3 - £6-14m Budget)	£0 - £100k	£100k - £200k	£200k - £500k	£500k - £800k	£800k - £1m
Reputation	Minimal negative local media coverage quickly remedied /loss of trust and credibility	Minor negative local media coverage quickly remedied /loss of trust and credibility	Moderate negative regional media coverage/loss of trust and credibility	National short – term negative media coverage/considerable loss of trust and credibility	National long – term negative media coverage, significant loss of trust and credibility
External Relationship	Minimal strained relationship with partners/third parties	Minor strained relationship with partners/third parties	Moderate strained relationship with partners/third parties	Evidence of relationship issues with partners/third parties	Severe relationship issues with partners/third parties
Quality	Work is fit for purpose but may require minimal changes	Work is fit for purpose but may require minor changes	Moderate changes or specialist resource required to provide high quality outputs	Scope changes required to provide high quality outputs	Project outputs are not credible/robust, with no assurance and partners do not endorse reports
Time	0 – 1 month	1 – 3 months	3 – 9 months	9 – 12 months	12 – 18 months

5 x 5 Opportunity Scoring Criteria

Likelihood Criteria	Very Low	Low	Medium	High	Very High
	≤5%	6-25%	26-50%	51-74%	>75%
Impact Criteria	Very Low	Low	Medium	High	Very High
Cost (Tier 1 - £0-£2m Budget)	£0 - -£10k	-£10k - -£20k	-£20k - -£50k	-£50k - -£80k	-£80k - -£100k
Cost (Tier 2 - £2-6m Budget)	£0 - -£40k	-£40k - -£80k	-£80k - -£200k	-£200k - -£320k	-£320k - -£400k
Cost (Tier 3 - £6-14m Budget)	-£0 - -£100k	-£100k - -£200k	-£200k - -£500k	-£500k--£800k	-£800k- -£1m
Reputation	Minimal positive local media coverage/ increase of trust and credibility	Minor positive local media coverage/increase of trust and credibility	Moderate positive regional media coverage/increase of trust and credibility	National short – term positive media coverage/considerable increase of trust and credibility	National long – term positive media coverage, significant increase of trust and credibility.
External Relationship	Minimal increase in TfN's relationships with partners/third parties	Minor increase in TfN's relationships with partners/third parties	Moderate increase in TfN's relationships with partners/third parties	There is considerable evidence that TfN's relationships with partners/third parties is increasing	Relationships with partners/third parties significantly increased, benefitting TfN's credibility
Quality	Work is high quality with minimal changes	Work is high quality with minor changes	Moderate changes and no additional specialist resource to provide very high-quality outputs	Scope changes not required to exceed high quality outputs	Exceeds credible/robust project output expectations, with assurance & partners endorse reports
Time	0 – -1 month	-1 – -3 months	-3 – -9 months	-9 – -12 months	-12 – -18 months