

# Transport for the North Monthly Operating Report September 2020



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# Introduction

## Summary from the Chief Executive

The September Board meeting focused on the initial agreement of phasing for Northern Powerhouse Rail (NPR). This allowed TfN to write to the National Infrastructure Commission to provide a confidential update on plans for NPR. Following the Board we also wrote to the Secretary of State for Transport summarising TfN's Northern Transport Charter proposals.

Development of the NPR Strategic Outline Case (SOC) has continued and remains on track to submit to TfN Board in March 2021. The past month has been focused on sift workshops, member briefings, and work on technical modelling. The exploration of site survey opportunities have also progressed with intention of starting line speed surveys between Garforth to Hull in Q4 of financial year 20/21..

TfN continues to support Covid recovery planning on the North's rail network in conjunction with other key organisations including the Department for Transport (DfT) and the Manchester Recovery Task Force (MRTF). Following a successful service uplift in early September, work with Operators continues towards further timetable uplifts in December 2020. However, there is ongoing uncertainty about future passenger numbers. Passenger numbers had climbed over the summer but the introduction of local Covid restrictions in recent weeks has seen numbers fall to 27% of pre Covid levels for TransPennine Express and 30% for Northern.

Work on the Integrated and Smart Travel (IST) programme continues, but advice received from the Department for Transport has noted that a decision on funding for Phase 3 (Contactless on Rail) and Phase 4 (Local Smart Schemes) will be delayed until the outcome of the Comprehensive Spending Review (CSR). In the meantime, the majority of focus has been on readying the innovation partnership procurement to go to market.

Work is ongoing to finalise the commission for Investment Programme Benefits Analysis. This work is due to start in April 2021, and be completed by summer 2022; it will identify the benefits of our 30-year investment programme and provide a compelling evidence base for greater investment in the region's road and rail networks.

A review of TfN's working arrangements due to Covid was carried out in September. Given the revised government advice on working from home, the decision was made to continue remote working until early 2021. The organisation continues to monitor the evolving Covid situation and will review arrangements again in January 2021.

# Northern Powerhouse Rail (NPR)

## Monthly Summary

Development of the Strategic Outline Case (SOC) has continued at pace in the month and remains on track to submit to TfN Board in March 2021. The programme gained initial agreement on the phasing paper presented at the TfN Board meeting held on 17 September, whilst noting the intention to re-confirm the preferred phasing scenario following decisions and agreement of the preferred network when the Board meets in November.

Sift workshops for all corridors are being delivered to programme board this period. The outcomes of the sift meetings will be taken to the TfN November Board allowing for the shortlist of corridor options, the preferred way forward for each of the corridors, and therefore the preferred network, to be presented for agreement.

## Activity Update

### Infrastructure

An infrastructure remit review has taken place for Sequence 4.1, which captures delivery of SOC and OBC transition activities, to ensure priorities and sequencing remain up-to-date to support on-time delivery of SOC. The review captured additional activities that have emerged as the delivery of intermediate sift has progressed. Infrastructure costs substantiation and reassurance in support of SOC is a key focus activity of this work. TfN and DfT have agreed the approach to be taken in the development of procurement scenarios for OBC delivery.

Development has commenced with the work being led by a joint team consisting of TfN, DfT, Network Rail (NR) and HS2. The work will continue through the remainder of the Financial Year (FY) and will ensure decisions made at TfN Board and IRP conclusions are captured.

Accelerated site survey opportunities continue to be explored, with line speed surveys between Garforth and Hull being targeted to start in this Financial Year. Further surveys are also being identified for Barnsley Dearne Valley Parkway (BDVP) and Rotherham Midland Main Line (RMML) station, with traffic surveys scheduled to take place in October 2020.

### Technical Assurance, Modelling and Economics (TAME)

A review of the updated Northern Rail Modelling System (NoRMS) model (1D), which is to be used to support SOC development, took place between TfN and DfT in the month and the updates applied to the model have been agreed. The model has now been formally handed over to the TfN Rail Modelling & Appraisal Partner (RMAP) for commencement of network testing. Whilst network testing is taking place on NoRMS 1D, iteration 2 of NoRMS is in development and will complete the development of the NoRMS model in line with SOC delivery. Iteration 2 is scheduled to be delivered in December and is to be used for sensitivity tests for the SOC.

### Partner Engagement

Thirteen Member briefings were held during the last governance cycle. The meetings have been positive, providing Partners with updates on emerging evidence and enabling them to share their views in advance of the sift process. There has been concern about the timescales in which to make decisions, but this

is balanced with a recognition that the North needs to make its choice and have its voice heard.

Risks		
Issue Summary	Summary of Mitigating Measures	KPI
<p><b>Issue: Infrastructure costs</b> – The infrastructure costs for route/hub options have increased through Sequence 4 (SOC) development. The increased costs are contributing to reduced Benefit Cost Ratio (BCR) values vs the same options at SOBC, and negatively impact the ability to make a positive case.</p>	<ol style="list-style-type: none"> <li>1. TfN is working with NR on a series of efficiency overlay reviews to try to minimise or reduce costs.</li> <li>2. Agreement with NR that the network would be re-assured and a new assured cost plan will be created.</li> <li>3. Additional estimating resources are being procured to support management of this issue.</li> </ol>	2
Risk Summary	Summary of Mitigating Measures	KPI
<p><b>Risk: BCR development</b> - There is a risk that low BCRs will be generated, following further development since SOBC, across infrastructure and modelling and appraisal. This may result in NPR struggling to present a viable business case to Government.</p>	<ol style="list-style-type: none"> <li>1. Continue to share with co-client and through governance the strong NPR strategic case which aligns with the Government’s agenda.</li> <li>2. Iteration 1D to support SOC will provide further enhancements, alongside NeLUM which provides transformation Level 3 BCRs.</li> <li>3. A final iteration of NoRMS, iteration 2, will include a 2018 demand uplift and should also increase overall benefits.</li> </ol>	2
<p><b>Risk: Partner engagement</b> - There may be a lack of understanding and buy-in by Partners of emerging and/or final information to support sifting and decision-making for SOC. This will impact on the time Partners have available to fully review emerging final information and endorse/challenge to SOC submission timescales/failure to meet board dates.</p>	<ol style="list-style-type: none"> <li>1. Pre and post-sift engagement with Partner organisations at a Member level, involving NPR working group throughout the sifting process.</li> <li>2. One-to-one briefings are taking place by the NPR Director, Tim Wood, with Leaders and Executive Board Members.</li> <li>3. NPR has extended the stakeholder management capacity within the NPR PMO to support Partner engagement.</li> </ol>	2
<p><b>Risk: Integrated Rail Plan</b> – There is a risk that the outcome of the Integrated Rail Plan (IRP) could have consequences to the SOC if its recommendations do not align with decisions made by TfN Board on the Preferred Phasing. As such, conclusions may result in a need to review decisions and late edits to the SOC.</p>	<ol style="list-style-type: none"> <li>1. TfN has set up a working group to develop its response to the IRP and ensure that it is effectively communicated to Partners and stakeholders, and that interfaces and interdependencies between IRP and NPR (including SOC) are closely managed.</li> </ol>	2

## Programme and look ahead

TfN Board	Recommendations
18.11.20	<b>Note</b> SOC 2 <sup>nd</sup> Partial Draft, <b>agree</b> shortlist of corridor options to be progressed, <b>agree</b> the current preferred way forward on the each of the corridors, <b>agree</b> the current NPR preferred network, subject to network-wide tests, <b>agree</b> , following initial agreement at September TfN Board, current preferred NPR phasing plan.
14.01.21	<b>Note</b> SOC Near Final Draft, <b>advise</b> on essential changes to support approval.
10.03.21	<b>Agree</b> SOC, <b>agree</b> submission of SOC to Government, <b>agree</b> Statutory Advice, <b>agree</b> comms strategy and handling.

# Integrated and Smart Travel (IST)

## Monthly Summary

Passengers continue to benefit from the rollout of flexi season tickets which are now available at some non-gated as well as some gated stations, which are detailed in the report below. Advice was received from DfT that a decision on funding to progress business cases for Phase 3 (contactless on Rail) and Phase 4 (Local Smart Schemes) will be delayed until the outcome of the CSR. In the meantime, most LTAs have submitted Expressions of Interest (EOI) for local smart schemes should there be a positive CSR decision.

The main focus has been readying the innovation partnership procurement to go to market next month. This will deliver innovation demonstrators to support the development of Phase 4 and inform future projects.

## Activity Update

**Phase 1:** (Smartcards on Rail): On-site Platform Validator (PVal) installation civils work (ready for PVal heads) for both Northern (Phase 1) and Merseyrail are respectively approximately 66% complete. Northern have installed 28% of (Phase 1) PVal Heads (devices which validate cards) and Merseyrail 16%. In addition to gated stations where smart flexi seasons were reported as available to customer last month (Leeds-Harrogate, Skipton-Leeds, Huddersfield-Dewsbury-Leeds, Blackburn-Bolton) they are now available from Leeds to Knaresborough and Leeds to Ilkley and stations in between, through the enablement PVals.

**Phase 2:** (Improving Passenger Information) **Fares Tool:** TfN and DfT have agreed technical governance and have progressed discussions on commercial transition of the tool for national use by DfT. Delivery remains on schedule. The tool now enables bus operators and LTAs to create fares information (in NeTEx, a new technical standard for exchanging public transport information) which can be hosted on the Bus Open Data Platform (the national fares information tool) or on their own platforms.

**Disruption Messaging Tool:** The supplier has signed off on the contract and started the final phase of development - social and reporting enhancements. Transport for Greater Manchester (TfGM), West Yorkshire Combined Authority (WYCA) and MerseyTravel continue to publish their disruptions through the tools. Novation of the tools to LTAs has been paused pending the outcome of the CSR which proposes further development.

**Phase 3:** (Contactless on Rail) and **Phase 4:** (Local Smart Schemes) consideration of the North's proposal to accelerate the national rollout of contactless on rail and the Strategic Outline Case for local schemes (outstanding from June 2020) has been deferred until the outcome of CSR. IST is inputting to Rail Delivery Group (RDG) working groups on technical and business design aspects of any national solution for contactless on rail. Most LTAs have submitted draft proposals for local smart schemes to IST and key themes have been captured in a briefing note. Activities have focused on preparing procurement documentation for innovation partnership demonstrators.

## Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<b>Risk: Phase 1</b> - the challenges faced with validation equipment may delay the introduction of smart flexi-seasons in Greater Manchester and the Bradford areas, which could result in not attaining the KPI and costs running into 2021/22.	<ol style="list-style-type: none"> <li>1. TfN working with Northern to ensure that there is a route into Manchester which is not reliant on the supplier, S&amp;B, to complete upgrades to gates and a workaround for the Bradford stations. TfN is working with Northern to appoint a troubleshooter and report to project boards progress on upgrades to gates.</li> <li>2. Network Rail is giving Manchester Piccadilly planning consents priority, which will expedite progress.</li> <li>3. TfGM to provide a date for completion of works to update their validators.</li> </ol>	3
<b>Risk: Phase 2</b> – developers do not consume disruptions data in the Open Data Hub (ODH) and publish it in their live applications and as a consequence those LTAs who are currently using the DMT and ODH do not use the tools in the long term.	<ol style="list-style-type: none"> <li>1. Influence five City Region LTAs to use the DMT for all disruptions across all modes, as required by data consumers.</li> <li>2. Act upon data consumers survey responses about the ODH and their plans for SIRI SX (standard for exchanging real time information) data.</li> <li>3. Support collaboration between LTAs and data consumers.</li> </ol>	4
<b>Risk: Phase 3</b> – funding of Contactless on Rail in the North may not be secured and therefore customers in the North do not benefit from seamless train travel.	<ol style="list-style-type: none"> <li>1. Submission to fund delivery was included in the CSR submission.</li> <li>2. Continue to engage with DfT and RDG about the role of TfN in any national scheme and prepare to progress following a CSR decision.</li> </ol>	5
<b>Risk: Phase 4</b> – marketing approach or lack of clarity might lead to supplier bids for the Innovation Partnership being not viable causing a lack of direction for the future business cases and possible cancellation of the innovation work.	<ol style="list-style-type: none"> <li>1. Ensure clear and robust tender proposal documentation to ensure suppliers understand requirements.</li> <li>2. Undertake wide communications and early market engagements to ensure market is aware of and able to respond to the procurement challenge.</li> </ol>	

## Programme and look ahead

### Phase 1

- Go live between Leeds – Skipton
- Merseyrail and Northern continue PVal installation civils work and fitting heads.
- Progress remaining 26 consents for on Phase 2 (next tranche of stations).

### Phase 2

#### Fares Tool:

- Complete Multi Operator Tickets and conclude testing for Assisted Digital (for people with low digital skills).
- Complete DfT Technical Governance, 14 October and Government Digital Service Standard assessment, 28 October.

### Phases 3 and 4

- Local Smart Schemes: Contact seven LTAs who have not yet submitted an Expression of Interest to bring forward a scheme (13 responses received).
- Innovation Demonstrators: Finalise procurement approach and commercial documents and deliver market engagement webinar.

# Investment Programme

## Monthly Summary

In September TfN continued finalising the tender requirements, and associated procurement documents, for the Investment Programme’s Benefit Analysis (IPBA) project, so that suppliers can be commissioned by April 2021. The IPBA commission is critical to understanding the economic, social and environmental benefits of the Northern Investment Programme. The analysis will use DfT’s conventional growth scenario and the four future scenarios agreed with partners to assess the three investment programme strategies agreed by TfN Board in July. This work will enable TfN to make a strong evidence based case for transport investment and only through completing this analysis will we have a clear picture of potential the impact of the Investment Programme on carbon emissions. This includes reference case schemes including Northern Powerhouse Rail.

## Activity Update

During this month:

- An update on the IPBA proposals and timetable was presented to the Strategic Oversight Group (SOG) on 9 September.
- Draft IPBA Requirements documents have been circulated to SOG members for final comments.
- Work has progressed on updating the TfN Interventions Log, which maps the road and rail schemes in the Investment Programme.

## Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p><b>Innovative Modelling – Risk:</b> The IPBA project has been delayed until 2021, however, it still relies on a set of innovative models to provide evidence for the North’s business case, which require thorough testing and assurance. If the models are not ready on time, there is a risk that we might not meet the Business Plan commitments and the sequencing outputs may have low assurance.</p>	<ol style="list-style-type: none"> <li>1. Hold regular interdependencies forum from September.</li> <li>2. TAME to provide monthly updates on the framework’s development and state of readiness.</li> <li>3. Hold point has been built into commission; a gateway allows us to review the scope of work vs progress and need.</li> </ol>	10
<p><b>NPR Alignment – Risk:</b> A number of interdependencies with NPR have been identified e.g. ref case, model development, resource requirements, and freight modelling. If delivery of NPR and IPBA are not aligned there are potential financial and time risks (if rework is required), potential programme delays (if IPBA has to wait for NPR to complete their programme first), resource implications if NPR priority leaves skills gap (particularly within TAME) that prevents IPBA from proceeding, as well as reputational impacts if the technical assumptions are not consistent.</p>	<ol style="list-style-type: none"> <li>1. Monitoring the NPR programme and implications for IPBA via monthly programme reviews.</li> <li>2. Hold regular resource meetings with NPR managers to consider TAME resource requirements.</li> <li>3. TAME to provide bi-monthly technical updates to ensure consistency of NPR and IPBA delivery.</li> </ol>	10

## Programme and look ahead

- A supplier presentation is planned for 14 October to inform the market of our proposals.
- IPBA procurement documents will be completed and approved in November 2020.
- IPBA tenders will be issued to the market during the first week of December 2020.

# Major Road Network (MRN)

## Monthly Summary

This month, TfN and Partners continue to monitor the progress of Major Road Network and Large Local Major interventions. We are also working closely with Highways England (HE) to have greater engagement and collaboration in the development of Road Investment Strategy 3 and supporting colleagues in the NPR team with discussions with Partners on the highway implications of new upgraded stations.

## Activity Update

- The team has finalised the requirements document to acquire a 2020 set of mobile phone data that will provide useful monitoring information on the Major Road Network. Our plan is to go to the market in October and initiate work on the commission in January.
- The team have started work on updating the Major Roads Report, which is planned to be published spring 2021.
- We are continuing to monitor the impacts of COVID-19 on travel, and are engaging with DfT, Highways England and TfN Partners on sharing transport data.
- We are working with TAME on finalising the Future Travel Scenarios Report, including engagement with and challenge from a panel of technical experts on the draft report and on assumptions within the future scenario modelling.

## Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p><b>Risk: Negative perceptions</b> - Due to the environmental and sustainability impacts of traffic and congestion, stakeholders assume that road investments could be worsening the situations e.g. greenhouse gas (GHG) emissions. There is a risk that the road schemes might not get the investment needed to deliver the Strategic Transport Plan.</p>	<ol style="list-style-type: none"> <li>1. Working with comms to update the webpages and include FAQs that address these issues.</li> <li>2. TfN is inputting into the review of national modelling appraisal guidance to include social inclusion etc.</li> <li>3. Work to address this topic in the Major Roads Report and work with comms to develop an appropriate comms plan.</li> <li>4. Await the outcome of DfT's decarb plan (autumn); use this to develop TfN's Decarbonisation Pathway.</li> <li>5. Monitor impacts of COVID-19 on travel behaviours, patterns and flows; use this to inform scenario work and communications.</li> </ol>	<p>6</p>

<p><b>Risk: Major Roads Report (MRR) dependencies</b></p> <p>The MRR is being updated following the completion of TfN’s Decarbonisation Strategy work. Should the work on the strategy be delayed, we will be unable to publish the MRR update on time.</p>	<ol style="list-style-type: none"> <li>1. In the event that the inputs for the completion of the MRR update are delayed, TfN will consider delaying the publication of the MRR, noting that this will not have any negative implications for other programmes and keeping Partners informed to manage expectation. Keep in regular contact with the Strategy team to monitor any programme fluctuations.</li> <li>2. The technical work on the Decarbonisation Strategy is progressing which will support getting partners to endorse a “Northern” Decarbonisation trajectory.</li> </ol>	<p>6</p>
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**Programme and look ahead**

- The team continue work on updating the Major Roads Report, taking account of the emerging evidence from development of the Future Travel Scenarios and Decarbonisation workstreams.
- The team plan to issue the commission for 2020 mobile phone data and continue to monitor data impacts of COVID-19 on travel.
- The team will start to develop the Major Roads Business Plan for 2020-2021.

# Strategic Rail

## Monthly Summary

The operational focus remains on supporting COVID-19-related work and recovery planning and the continued strong joint working between TfN, DfT, the Rail North Partnership (RNP) and the train companies working through the North of England Contingency Group to 'build back better'.

Following a successful service uplift in early September work has been ongoing with Operators for further timetable uplifts in December 2020 and May 2021. Rail usage had steadied at about 40% but has recently started to fall again following the implementation of additional local COVID restrictions with TransPennine Express passenger numbers 27% of pre COVID levels and Northern at 30%.

## Activity Update

TfN continues to work closely with the DfT and Network Rail on investment plans across the North of England, including schemes to address congestion hotspots in Central Manchester (including through the Manchester Recovery Task Force (MRTF)) and at Leeds. Analysis of initial options for the December 2021 timetable change from the MRTF indicated minimal performance gains as delays would continue to be imported into Manchester by trains from elsewhere. A revised programme has been proposed to accommodate further refinement which would likely result in incremental changes in December 2021 followed by more substantial options at future changes. TfN has submitted a comprehensive list of potential enhancements in and around Manchester which will be analysed at an industry workshop in early October and which will consider the ongoing and future impacts of COVID-19.

As part of the Government's commitment to invest in and accelerate infrastructure across the UK we understand the TransPennine Route Upgrade (TRU) now forms part of Project Speed. Decisions on future TRU project scope are expected to be formulated this autumn and progressed through a further Outline Business Case for investment in spring 2021.

## Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<b>Risk: The long-term effect of COVID-19 on viability of franchises</b> - There is a risk that the demand for rail may continue to take a significant amount of time to recover to pre-COVID-19 levels, impacting on the future of train service investment decisions which might affect TfN's ability to achieve its ambition for the North of England.	<ol style="list-style-type: none"><li>1. TfN is currently awaiting a response from DfT on the ambitious programme of work as part of the Economic Recovery Plan which was submitted in July 2020.</li><li>2. Messaging and communications will continue to promote safe usage of public transport despite recent changes in Government strategy.</li></ol>	9

	3. The next timetable uplift is scheduled for December 2020 where there will be a further uplift in services.	
<b>Risk: DfT reprioritisation and the Williams Review</b> - The coronavirus pandemic has meant DfT has had to focus its resources on responding to the pandemic. This has led to the delay in the publication of the Williams Review. Government may choose to focus on centrally deliverable initiatives such as franchise delivery and focus less on devolution. As a result, this may not align with the strategy of Members and would require a wider response from TfN.	<ol style="list-style-type: none"> <li>1. TfN will continue to make the case for reform that supports the North's ambitions and will respond to the Williams White Paper once published.</li> <li>2. To mitigate the risk further TfN has allocated some resource in Quarter 3 (October - December) to respond to any Williams and related policy proposals. External support is currently going through the procurement process with the successful bidder expected to start in October 2020.</li> </ol>	9
<b>Risk: The short-term effect of COVID-19 on the reintroduction of services on to the network</b> – Services could be further impacted by resource levels among Operators and restrictions around training for staff. This will impact on localised areas which will see reductions in direct connectivity and frequency until driver training is delivered. Rollout of further new trains will also be delayed leading to a reliance on older rolling stock.	<ol style="list-style-type: none"> <li>1. TfN continues to work closely with regions and Operators to review timetables in advance of changes and to feed in key areas of concern to be addressed.</li> <li>2. Limited driver training has recommenced and TfN continues to work with Operators to understand the impact and appropriate mitigations.</li> <li>3. TfN is working with Operators to understand train crew sickness levels following the recent increase in COVID-19 cases and any regional impacts this could have on services.</li> </ol>	

## Programme and look ahead

- Support, monitor and help shape the industry recovery from COVID-19 to rebuild services and passenger confidence.
- Work with Operators for further timetable uplifts in December 2020 and May 2021.
- Working through the Rail North Committee and TfN Board, respond to industry proposals for mitigating cross-Manchester performance issues.
- Continue preparations for the Williams Review White Paper publication (or related proposals) and link this to the implementation of the Blake-Jones Action Plan.
- Produce a draft report on how Strategic Rail can prioritise and develop proposals for addressing Network Gaps linked to the Long-Term Rail Strategy (LTRS).
- Produce a delivery plan for the TfN Stations Strategy as set out in the LTRS.
- Work with DfT and East Midlands Rail on improvements to the Liverpool – Nottingham service in consultation with all Partners.
- Continue to input to work on the Integrated Rail Plan (IRP).
- Continue to work closely with the DfT and Network Rail to secure delivery of the project outcomes including full electrification, investment at all stations along the corridor and a fully gauge-cleared freight path to support intermodal freight movements across the Pennines.

# Operations Summary

## Monthly Introduction

Operational teams in August have focused on: continued promotion of TfN's work by Comms; work on various procurements most notably IST's Innovation Partnership Procurement and multiple procurements for TAME by the Finance & Procurement team; the introduction of Modern.Gov software by TfN's Legal team; work on the Integrated Rail Plan (IRP), TfN's Freight Strategy and TfN's Decarbonisation Strategy by the Strategy team; and support of the NPR sift process and development of various tools by the TAME team.

## Activity Update

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

### Stakeholder Engagement & Communications

- The Stakeholder Engagement and Communications team has continued to promote TfN's work across its various channels proactively, as well as responding to regional and national developments.
- Activity has included: promoting the September TfN Board meeting, broadcast online, as well as editorial content regarding the future of rail franchises and new industry agreements; naming of Tees Valley as a hydrogen transport hub; the Budget statement by the Chancellor; and recommendations on future devolution to the region from NPP.
- With regard to proactive external communication, several key subjects have been highlighted by the CEO as being sensitive. As such, external comms output has been less than previous months.
- The team has also continued to support TfN's programmes, with Partner engagement ongoing regarding Northern Powerhouse Rail ahead of key decisions being made for the network, as well as early promotion of the new IST procurement, supporting the team's pre-market engagement. Elsewhere, the team has continued to grow online social following, as well as launching and promoting new specific parts of the website including decarbonisation.
- Internally, the team is continuing to play a key role in facilitating full remote working through new wellbeing and internal communication initiatives.

### Finance & Procurement

- 2019/20 Statutory Accounts approved by Audit & Governance committee for submission to TfN Board for approval on 18 November 2020.
- Budget Revision 2 scheduled to be completed for approval by TfN Board on 18 November 2020.
- The Procurement department continues to support the business around COVID-19 work activities.

- The team is working closely with TAME colleagues to manage the procurement pipeline and 10 new TAME procurement activities have been identified for action. In addition, a number of procurements are currently being evaluated, including External Forecast Systems, Strategic Rail Support and Risk Management Software. These are expected to be let in the near future.
- There has been active engagement with the IST team to support taking Innovation Partnership Procurement to market, including assuring the procurement approach and required documentation.

### **Legal & Democratic**

- Virtual public meetings continue to be held, with the Constitution updated to include formal procedure rules for this purpose. Current regulations allowing virtual meetings expire in May 2021 and the position continues to be monitored.
- The modern.gov software system (to streamline governance and meeting management arrangements and as used by a number of constituent authorities) has undergone testing and partial implementation through meeting agendas being produced within the system as a single pack. A pilot rollout of an internal meeting using the system fully for users to access agendas has been delayed for a short period to improve the forward facing website, and the first public meeting is tentatively expected to be Scrutiny Committee on 28 October, followed by the November Board meeting. All system users will be sent log in details and instructions in good time.
- The Legal team has continued to support Procurement in a high level of commissioning activity from all departments and to support Finance in the finalisation of the NPR, IST and Core Grant Funding Agreements.

### **Strategy, Policy, Economics & Research**

- The initial TfN position on the Integrated Rail Plan for the North and Midlands was agreed by the Board in September and the CEO has provided a confidential update to the National Infrastructure Commission on plans for Northern Powerhouse Rail (NPR). The final position will be agreed at the TfN Board in November alongside decisions on NPR, following further work with rail officers.
- Work is progressing on the TfN Freight Strategy, due to be agreed by Board at the end of the financial year. TfN is leading efforts to coordinate freight planning across the Sub-national Transport Bodies through the 'Freight Community of Practice' which includes representatives from the Department for Transport, Highways England and Network Rail. The work programme includes themes on data, decarbonisation and future mobility for freight.
- The team continues to support the CEO and Directors in various aspects of long-term strategic planning, including the work to finalise the Northern Transport Charter, TfN's input into the Spending Review and internal TfN business planning for the next financial year.
- Development of TfN's Decarbonisation Strategy continues with a strong focus on modelling pathway scenarios as part of the programme on travel

scenarios. Initial proposals for the strategy will be considered at the November Partnership Board.

- A number of new research projects have been developed with Partners and are about to be commissioned. This includes work on transport-related social exclusion, a study on the Northern visitor economy, and further insight research. We are also working towards publication of a number of completed research reports.

### **TAME (Technical Assurance, Modelling & Economics)**

- The TAME team has been working intensively in the past few weeks to support the ongoing NPR Sift programme and to contribute to the Sift workshops which culminate on the 9 October.
- Initial modelling and assessment of the full network NPR scheme has begun, using the Northern Rail Modelling System (NoRMS) with modelling and analysis being carried out both by internal TAME teams and suppliers.
- A further version of NoRMS has been developed by TAME suppliers, and this is now in use in initial testing of the network-wide NPR scheme for SOC. TAME has secured technical assurance from the DfT on this version of the model, with the new model version providing a more robust capturing of benefits for the NPR scheme.
- Further development of NoRMS and the Northern Economy and Land-Use Model (NELUM) is taking place both in-house within TAME and through suppliers to update the baseline model conditions within the Analytical Framework to a 2018 base year from 2015, which will improve the validity of the modelling suite. These model versions will be used to support the SOC programme in the later stages of work.
- Work within TAME is underway to contribute to the Wider Analysis of the NPR scheme for SOC, this will feed into the Economic Impact Report (EIR). TAME are currently assessing NPR under the Accessibility Framework, and work will commence imminently on the Distributional Impact Assessment.
- TAME has also recently commenced work with a key supplier to undertake modelling and analysis of the Future Freight Scenarios, this rail freight scheme testing will be included within the NPR SOC programme and contribute to making the case for the NPR scheme as a whole.
- TAME is continuing to develop the Northern Highway Assignment Model (NoHAM), to prepare the model for application on the IPBA in 2021/22. Recent work has involved further enhancement of the car demand matrices and update to the base year validation of the model. Further development of the analytical framework to integrate NoRMS and NoHAM will take place towards the end of the year to improve multi-modal modelling capabilities for both NPR and IPBA programmes.
- TAME analysts are providing significant support and analysis to the publication of TfN's Future Travel Scenarios and Decarbonisation Pathways, two key pieces of work that will contribute towards TfN's Northern Transport Charter. This work will be brought to Executive Board and TfN Board in October and November.
- TAME is fielding increasing levels of requests from other programmes and Partners for data and modelling tools. A data sharing strategy containing

a number of scenarios and estimating resource impacts is under development.

# Financial Performance

## Financial Update

### Summary

Expenditure incurred in September (Period 6): £4.75m

Variance to September monthly budget: Underspend of £2.37m

Year-to-date expenditure: £26.27m

Year-to-date variance to budget: Underspend of £3.16m

### Headlines

- Financial position for Period 6 is monitored against Revision 1 budget.

### Programmes:

- Expenditure of £4.21m represented an underspend of £1.74m (29%) in the month.
- Underspend is driven by NPR (£1.32m) and IST Phase 1 (£0.35m).

### **Integrated & Smart Travel:**

- Programme-wide expenditure of £1.16m with an underspend of £0.40m (26%) in the month.

#### Phase 1

- Expenditure of £0.73m in the month, represented an underspend of £0.35m against budget.
- An underspend arose in relation to Transpennine Express (£0.16m) - pending confirmation of final costs, savings are expected in relation to this activity. This will be considered further in Budget Revision 2.
- Underspend on Northern and Merseytravel reflects profiling differences.

#### Phase 2/4 and Programme Team

- Expenditure of £0.43m represented an underspend of £0.06m (12%) in the month
- Phase 2 underspend of £0.03m (8%) in month.
- Expenditure on Phase 4 remains limited to internal staff costs pending approval to proceed.

### **Northern Powerhouse Rail**

- Expenditure of £3.01m represented an underspend of £1.32m (30%) in the month. YTD expenditure of £17.81m is within 6% under the Revision 1 forecast.

- Expenditure in relation to the Network Rail contract was £0.86m under budget in the month. This is the largest single TfN outgoing and was the result of anticipated level of ramp not yet being achieved.
- Underspend on modelling work of £0.23m in the month, reflecting a delay in the ramping up of new contracts.
- Programme support costs were within 10% of budget.
- No expenditure to-date on communications & stakeholder engagement activity, pending commitment.

### **Strategic Development Corridors (SDC)**

- Expenditure of £0.04m in the month, an underspend of £0.02m, relates to delay to the Major Roads Report and reduced costs of attendance/participation at the Highways UK event as a result of it being held online.

### **Operations:**

#### **Rail Operations**

- Expenditure of £0.18m represented an underspend of £0.11m (38%) in the month. This is driven by vacancies for Blake Jones roles pending additional funding.

#### **Operational Areas**

- Expenditure was £0.36m in the month, an underspend of £0.52m against budget as a result of both slipped activity and savings.
- Slipped activity which has been reprofiled in the rev2 budget includes:
  - Professional service commissions in the Strategy & Policy directorate (£0.10m)
  - Purchase of mobile device data (£0.06m)
  - New flexi-system development (£0.05m)
  - Implementation of risk software (£0.05m)
  - Organisation design review (£0.05m)
  - Accommodation & ICT costs associated with reopening of the offices (0.02m)
  -
- Savings were realised in the following areas:
  - Vacant posts and reduced recruitment fees due to recruitment freeze (£0.04m)
  - Communications & SH engagement, reduced costs in the current environment (£0.05m)

# Activity Dashboard

TRANSPORT FOR THE NORTH FINANCE DASHBOARD					PERIOD BUDGET CYCLE	6 REVISION 1	SEPT 2020/21	
<b>PERIOD ACTUALS VERSUS BUDGET</b>								
	Actuals £m	Budget £m	Var. £m	Var. %				
Integrated and Smart Ticketing	£1.16	£1.56	£0.40	26%				
Northern Powerhouse Rail	£3.01	£4.33	£1.32	30%				
Major Roads	£0.04	£0.06	£0.02	37%				
<b>Programmes</b>	<b>£4.21</b>	<b>£5.95</b>	<b>£1.74</b>	<b>29%</b>				
Rail Operations	£0.18	£0.29	£0.11	38%				
Operational Areas	£0.36	£0.88	£0.52	59%				
	<b>£4.75</b>	<b>£7.12</b>	<b>£2.37</b>	<b>33%</b>				
<b>PERIOD ACTUALS VERSUS BUDGET: PROGRAMMES</b>								
	Actuals £m	Budget £m	Var. £m	Var. %				
IST: Phase 1	£0.73	£1.08	£0.35	32%				
IST: Phase 2	£0.29	£0.32	£0.03	8%				
IST: Phase 3	£0.00	£0.00	£0.00	-				
IST: Phase 4	£0.01	£0.03	£0.01	51%				
IST: Programme	£0.13	£0.14	£0.02	11%				
Northern Powerhouse Rail	£3.01	£4.33	£1.32	30%				
Major Roads	£0.04	£0.06	£0.02	37%				
	<b>£4.21</b>	<b>£5.95</b>	<b>£1.74</b>	<b>29%</b>				
<b>YEAR TO-DATE ACTUALS VERSUS BUDGET</b>								
	Actuals £m	Budget £m	Var. £m	Var. %				
Integrated and Smart Ticketing	£4.63	£5.79	£1.16	20%				
Northern Powerhouse Rail	£17.81	£18.93	£1.12	6%				
Major Roads	£0.27	£0.30	£0.02	7%				
<b>Programmes</b>	<b>£22.71</b>	<b>£25.01</b>	<b>£2.30</b>	<b>9%</b>				
Rail Operations	£1.07	£1.28	£0.21	16%				
Operational Areas	£2.49	£3.14	£0.65	21%				
	<b>£26.27</b>	<b>£29.43</b>	<b>£3.16</b>	<b>11%</b>				
<b>YEAR TO-DATE ACTUALS VERSUS FORECAST TO OUTTURN</b>								
	Actuals £m	F/cast £m	Var. £m	Var. %				
Integrated and Smart Ticketing	£4.63	£9.73	£5.10	52%				
Northern Powerhouse Rail	£17.81	£47.31	£29.50	62%				
Major Roads	£0.27	£0.83	£0.55	67%				
<b>Programmes</b>	<b>£22.71</b>	<b>£57.86</b>	<b>£35.16</b>	<b>61%</b>				
Rail Operations	£1.07	£2.82	£1.75	62%				
Operational Areas	£2.49	£7.76	£5.27	68%				
	<b>£26.27</b>	<b>£68.44</b>	<b>£42.17</b>	<b>62%</b>				
<b>FUNDING YEAR TO DATE</b>					<b>FUNDING FORECASTS TO OUTTURN</b>			
Funding Stream	Actuals £m	Budget £m	Var. £m	Var. %	Actuals £m	F/cast £m	Var. £m	Va
TDF - Rail	£17.33	£18.45	£1.12	6%	£17.33	£46.36	£29.03	63%
IST - Capital and Revenue	£4.62	£5.79	£1.17	20%	£4.62	£9.73	£5.11	52%
Core Grant	£3.55	£4.35	£0.81	19%	£3.55	£10.73	£7.18	67%
Rail North Grant & Contributions	£0.65	£0.68	£0.03	5%	£0.65	£1.32	£0.67	51%
TDF - Roads	£0.00	£0.00	£0.00	-	£0.00	£0.00	£0.00	-
Trading Income	£0.12	£0.16	£0.04	26%	£0.12	£0.31	£0.19	62%
	<b>£26.27</b>	<b>£29.43</b>	<b>£3.16</b>	<b>11%</b>	<b>£26.27</b>	<b>£68.44</b>	<b>£42.17</b>	<b>62%</b>

# HR Update

## Human Resources Update

Salaried Establishment as at **6 October 2020**

### Established/ Fixed-term (Transition) Posts

Area	Established Posts (Over 2 years)	Fixed-term (Transition) Posts (Up to 2 Years)	Total
CEO/Chair	2 (1.17 FTE)	-	2 (1.17 FTE)
Support Services	30 (29.32 FTE)	6 (6.00 FTE)	36 (35.32 FTE)
Operational & Delivery	91 (87.90 FTE)	38 (37.50 FTE)	135 (133.40 FTE)
<b>Total Establishment</b>	<b>123 (120.39 FTE)</b>	<b>44 (43.50 FTE)</b>	<b>167 (163.89 FTE)</b>
<b>Strength (in post)</b>	<b>108 (106.07 FTE)</b>	<b>28 (27.50 FTE)</b>	<b>136 (133.57 FTE)</b>
<b>Appointed (start date pending)</b>	<b>0 (0.00 FTE)</b>	<b>0 (0.00 FTE)</b>	<b>0 (0.00 FTE)</b>
<b>Active/Pending Recruitment</b>	<b>0 (0.00 FTE)</b>	<b>2 (2.00 FTE)</b>	<b>2 (2.00 FTE)</b>
<b>Vacant – On-hold</b>	<b>15 (14.32 FTE)</b>	<b>14 (14.00 FTE)</b>	<b>29 (28.32 FTE)</b>

### Agency Resource - Covering Vacant Posts

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

### Consultancy Resource - Covering Vacant Posts

Area	Posts (FTE's)
Support Services	0 Post (0.00 FTE)
Operational & Delivery	9 Posts (8.80 FTE)
<b>Total</b>	<b>9 Posts (8.80 FTE)</b>

### HR Metrics – 2020/21 Year to Date

Corporate Sickness Level:	<b>3.0%</b>
Employment Policy Application:	<b>3.6%</b>
Employee Turnover (Voluntary Leavers):	<b>7.2%</b>
% of Employees from an Ethnic Minority Background:	<b>15%</b>
% of Employees declaring a Disability:	<b>11%</b>
Gender Mix - % of Female Employees:	<b>39%</b>
% of Male Employees:	<b>61%</b>

# KPIs

## Key Performance Indicators

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

### Key

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

Area	KPI	Detail	Progress	Status
Corporate	1	<b>Agree with Government the phasing and prioritisation of the Integrated Rail Plan for High Speed North. December 2020</b>	In Progress	
			An initial TfN position was agreed at Board in September and submitted to the NIC. This will be re-confirmed alongside NPR decisions at Board in November.	
Northern Powerhouse Rail	2	<b>Agree and submit Strategic Outline Case to Government. January 2021</b>	Delay	
			The SOC timeline has been rephased due to the impacts of COVID-19 and was approved at TfN Board on 29 April 2020. The next step is to complete a re-baselining activity of the programme for the SOC submission in March 2021.	
Integrated and Smart Travel	3	<b>Complete the delivery of the Integrated and Smart Travel on Rail Project (Phase 1). November 2020</b>	Delay	
			There are likely to be delays to completion for Northern and Merseyrail because of the three-month delay to on-site works as a consequence of COVID-19. Currently there is no delay that will impact on the achievement of the KPI and risks that may cause delay to the KPI are being robustly managed	
Integrated and Smart Travel	4	<b>Complete the delivery of Phase 2 of the Integrated and Smart Travel Programme (informed customers). March 2021</b>	On Track	
			The phase remains on track to meet the KPI. DMT (Disruption Messaging Tool) and ODH (Open Data Hub) are now in BAU with the core development work now complete. Further enhancements to DMT have been commissioned for delivery in December 2020. The prototype of the Fares Tool is being developed in the second stage (beta private) and is now publicly available for testing by a select group of operators working with the project team.	
	5		Delay	

<b>Integrated and Smart Travel</b>		<b>Agree a plan for the delivery of contactless payments on rail, in collaboration with the DfT and Rail Delivery Group (Phase 3). December 2020</b>	A paper outlining the North's proposals to accelerate contactless on rail in the North has been presented to the June's meeting of DfT's Investment Committee but a decision on future funding has been deferred until the outcome of the Comprehensive Spending Review.
<b>Major Roads</b>	6	<b>Agree and approve the Transport for the North Major Roads Report. March 2021</b>	On track The technical report has been completed and the Major Roads Report will be updated following the completion of the decarbonisation workstream.
<b>Strategic Rail</b>	7	<b>Implement the recommendations in the Blake-Jones review. June 2020</b>	Achieved The Blake-Jones Action Plan was presented and approved at the 12 May 2020 Rail North Committee meeting and a final report was approved at Rail North Committee in July 2020 and the team is now embedding the actions into the business as usual operating model. The slight delay was due to attention focused on responding to the rail operational aspects COVID-19 crisis. There are longer term issues on funding for additional resource, and a response is awaited from DfT.
<b>Strategic Rail</b>	8	<b>Develop a TfN response to the Williams Review. Within three months of publication</b>	On Track A response to the Williams Review will be developed within three months of its publication; the date of which is yet to announced.
<b>Strategic Rail</b>	9	<b>Support the industry and Rail North Partnership in the response to and recovery from COVID-19, including a strong focus on the needs of passengers and businesses, together with the short-term investment needed to support the recovery. March 2021</b>	In Progress Strategic Rail is proactively supporting the industry through the crisis and recovery, for example through the North of England Contingency Group. A plan to support the economic recovery by investment in infrastructure has been developed and submitted to DfT as part of the TfN Economic Recovery Plan.
<b>Investment Programme (formerly SDCs)</b>	10	<b>Update and refresh the TfN Investment Programme, based on an agreed Assurance Framework and using the outputs of the SDC Qualitative Sequencing process. September 2020</b>	Achieved The update of the Investment Programme following the qualitative sequencing process, and applying the developing Assurance Framework, has been achieved.
<b>Strategy</b>	11	<b>Develop a Decarbonisation Strategy for approval by the TfN Board and ensure that this is embedded in TfN's</b>	On Track Analytical work on Decarbonisation Pathways is nearing completion. Initial conclusions and outline proposals for decarbonisation strategy will be

		<b>Investment Programme Assurance Framework. March 2021</b>	considered by TfN Partnership Board in November.
<b>Strategy</b>	12	<b>Develop an inclusive and sustainable growth framework that will sit alongside the Strategic Transport Plan and ensure that this is embedded in TfN's Investment Programme Assurance Framework. March 2021</b>	<p>In Progress</p> <p>Following completion of KPI 16, work has now begun to develop the short-medium-term actions that will support development of the inclusive and sustainable growth ambition, as agreed by July Board in approving the Northern Transport Charter.</p>
<b>Strategy</b>	13	<b>Develop a Freight Strategy for approval by the TfN Board and ensure that this is embedded in TfN's Investment Programme Assurance Framework. March 2021</b>	<p>On Track</p> <p>In progress. Additional resources to support the development of the TfN Freight Strategy are now in place. Work will be managed through the Strategic Oversight Group and progress reported to Members later in the year.</p>
<b>Modelling and Analysis</b>	14	<b>Complete and deploy the Analytical Framework throughout TfN's programmes. March 2021</b>	<p>Delay</p> <p>Substantial progress has been made in preparation of the Analytical Framework for NPR and IPBA programmes, with the programme of activities to March 2021 fully mapped. Delivery is still subject to risk, as evidenced by the recent change to the NPR open-year assumption which creates a number of remedial tasks. These risks are being proactively managed by TAME programme leads</p>
<b>Organisation</b>	15	<b>Develop and provide a Comprehensive Spending Review submission to Government. At date set by HMT</b>	<p>Achieved</p> <p>A CSR submission was provided to the DfT on 28 August in line with departmental deadlines. The CSR process itself is ongoing, with the date for an announcement uncertain but expected towards the end of this year.</p>
<b>Organisation</b>	16	<b>Develop and adopt the Northern Transport Charter. June 2020</b>	<p>Achieved</p> <p>The team completed work on the remaining Northern Transport Charter (NTC) proposals which were endorsed and adopted by the Board in July. There is now ongoing follow-on work about how to best to progress these proposals with Government.</p>



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