

Transport for the North Monthly Operating Report December 2020



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Introduction

Summary from the Chief Executive

The preparation of this report has been undertaken against the backdrop of the DfT funding letter issued on 4 January significantly cutting funding for next year. This report doesn't assess the impact of the proposed cuts – these will be discussed at TfN's January Board and subject to separate communication. TfN is now in dialogue with the Department for Transport regarding the settlement and is making further representations to ministers.

The National Infrastructure Commission published its delayed Rail Needs Assessment on the 15 December. TfN responded with an immediate reaction on the day of publication and followed up with a more detailed assessment for the TfN Board. The Integrated Rail Plan due at the end of 2020 is now expected to be published early in 2021.

We also submitted and published TfN's submission to the Union Connectivity Review, which highlighted the vital importance of Northern transport network in connecting Scotland, Wales and England and called for a sustained programme of road and rail investment to remove key bottlenecks, boost connectivity and improve resilience and reliability for key freight routes.

Work on the Northern Powerhouse Rail (NPR) Strategic Outline Case (SOC) remains on track to go to TfN Board and then to Government in March 2021. The SOC was shared with Partners and DfT during December.

Integrated & Smart Travel work continued, with the final set of Local Transport Authority (LTA) requested enhancements to Disruptions Messaging Tool (DMT) being delivered, tested and accepted for 'go live' in January 2021. During December, progress has been made with Northern Train's Platform Validators (PVals) with 85% now ready for live use, and PVals at Merseyrail's 66 stations operational in time for planned go-live in January 2021. National rollout of the Fares Tool and go-live for the Disruption Messaging Tool (DMT) are also planned for January 2021.

TfN's Future Travel Scenarios report was published online in mid-December, with publicity around this scheduled for January 2021. This major programme of analysis has been developed over 18 months, drawing on the work of leading experts in transport, decarbonisation, the economy and societal trends. The publication updates early analysis of future travel demand in the Strategic Transport Plan, providing long-term future growth forecasts by travel mode under a number of alternative futures.

We continue to support the North's rail network around Covid-related recovery planning.

Northern Powerhouse Rail (NPR)

Monthly Summary

The business case development work is continuing on schedule to gain approval of the Strategic Outline Case (SOC) by TfN Board in March to then be submitted to Government. During December, version 3.0 of the SOC was shared with Partners and DfT for review and feedback. In addition, a deep-dive on the SOC was held at the NPR Working Group. Feedback received has been incorporated into SOC V3.1 and is to be shared with TfN Board ahead of the meeting on 14 January 2021.

The next iteration of the SOC (Version 4) will include updated costs from Network Rail's (NR's) assurance process and NPR Commercial team as they are received through December and January. Updated BCRs as a result will also be calculated and included in the next version.

Remit development workshops are scheduled to take place in January between TfN, DfT, Partners and Delivery Partners to support delivery of NPR Programme objectives for FY21/22. This will be an iterative activity taking into account TfN Board decisions, the publication of the Integrated Rail Plan, which has been delayed until early 2021 and subsequent investment decisions following SOC submission.

Activity Update

Infrastructure

Work to support the re-assurance of costs for the SOC has continued to be a principal activity across the Infrastructure Team.

The preliminary sharing of unassured costs has helped the Commercial and TAME teams to complete as much work as early as possible to support development of the SOC to agreed timelines. They have also given TfN the opportunity to question and challenge costs ahead of them going through formal NR assurance panels. However, NR assured costs will not be available until early February 2021. This has impacted NPR's ability to take assured cost estimates, as initially planned, to the January 2021 Board and additional governance dates are being scheduled to support submission of SOC in March 2021.

A scope for developing the first phase of the NPR train control strategy has now been agreed with NR. This work commenced in December 2020 and will continue into the next financial year (subject to funding being agreed).

A price and programme has been received from NR for Leeds – Hull Ground Investigation (GI) surveys. The GI surveys are scheduled to commence 27 February 2021, with a completion date for surveys of 02 July 2021, and completion of outputs (reports and updated Bespoke Advice Note) by 13 September 2021.

The Barnsley Dearne Valley Parkway & Rotherham Main Line Project remains on track to present progress on Outline Business Case (OBC) in February 2021. It is hoped that this will enable of approval from DfT for the team to progress to complete the remaining OBC evidence by mid-2021.

Technical Assurance, Modelling and Economics (TAME)

Iteration 1D of the Northern Rail Modelling System (NoRMS) model, which is to be used in the SOC, has been updated to include a forecast opening year of 2040 from the currently used year of 2033. This was in order for the SOC to align with TfN phasing/Government’s IRP. It results in an increase in BCR as the Capital Cost spend is pushed back by 7 years and as such is further discounted in the appraisal.

Iteration 2 of NoRMS, which will include the 2018 base year, is on schedule to be delivered in January and will be used to run sensitivity tests to deliver updated outputs which will be captured in the SOC where appropriate.

Partner engagement

Engagement at officer, executive and Member levels continues to support the programme towards the delivery of the SOC. Partner organisations continue to be informed at all levels, with briefing sessions taking place ahead of key milestones and meetings in the programme.

Risks		
Issue Summary	Summary of Mitigating Measures	KPI
<p>Issue: Infrastructure costs – 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"> 1. Investigate the rationale for increase in Capital Expenditure (CAPEX) costs and ensure they are recorded. 2. TfN working with NR on a series of reviews including tunnel rates, overhead line equipment (OHLE) and power, property cost estimates and schedule forecasts. 3. Agreement made with NR that the network would be re-assured and new assured cost plans will be created. Two sets of figures are to be created – one with NR assured costs and the second with the NPR Commercial Team cost overlays. 4. The TfN estimating team is delivering packages of work (that NR would have previously delivered) required to support the SOC. This allows NR to focus on reassuring all retained routes. 	2
<p>Issue: BCR development - Low BCRs have been 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"> 1. Iteration 1D to support SOC will provide further enhancements, alongside NeLUM (Northern Economy and Land-Use Model) which provides transformation Level 3 BCRs. 2. A final iteration of NoRMS, Iteration 2 (due Jan 2021), will include a 2018 demand uplift and should also increase overall benefits. 3. Work is being undertaken with the modelling team to look at optimism bias in Operational Expenditure (OPEX). NR renewals costs allowed for in NPR under review. This work is expected to be concluded 22 January 2021. 	2

	4. Business case and modelling to be reviewed against Green Book reforms which place less emphasis on BCRs, as well as DfT proposals for longer appraisal periods.	
Risk Summary	Summary of Mitigating Measures	KPI
Risk: Partner engagement - 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.	<ol style="list-style-type: none"> 1. Post-sift and Board preparation engagement with partner organisations at a Member level, involving NPR working group throughout the sifting process. 2. One-to-one briefings are taking place by the NPR Director, Tim Wood, with leaders and executive Board Members. 3. NPR has extended the stakeholder management capacity within the NPR PMO to support Partner engagement. 	2
Risk: Integrated Rail Plan (IRP) – The possible delay of the IRP publication and its outcome could have consequences to the SOC if its recommendations on funding envelope/phasing/specifying route options are different from those agreed by TfN Board. These recommendations may result in a need to review decisions and result in late submission of the SOC as well as resulting in a delayed start to the next stage of NPR delivery and the Outline Business Case (OBC).	<ol style="list-style-type: none"> 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. 2. Planning assumptions for FY 21/22 + are being used to develop plans for future year development of NPR. This will better prepare the programme to respond to the IRP conclusions, when the IRP is delivered (Date TBC), and, hopefully, reduce re-work to business planning ahead of TfN Board in March 21. 	2

Programme and look ahead

TfN Board	Recommendations
14.01.21	Note SOC Near Final Draft, advise on essential changes to support approval.
10.03.21	Agree SOC, agree submission of SOC to Government, agree statutory advice, agree comms strategy and handling.

Integrated and Smart Travel (IST)

Monthly Summary

The final set of Local Transport Authority (LTA) requested enhancements to Disruptions Messaging Tool (DMT) were delivered, tested and accepted for 'go live' next month. The Fares Tool transitioned to DfT for national use also for next month. Good progress was made by Northern Trains readying for live use a further 18 Platform Validators (PVals). We progressed our Innovation Demonstrator project down selecting 10 bids to go through to round one (bidder desktop demonstrations).

Update 4 January: DfT informed TfN that there was no funding allocation for the IST Programme in 2021/22. In the absence of any funding to continue with the Innovation Demonstrator project, the decision was therefore taken at Programme Board on 13 January to cancel the procurement of the associated procurement exercise.

Activity Update

Phase 1 - Smartcards on Rail

Northern Trains has made substantial progress over December with 80 (85%) of PVals ready for live use. PVals at Merseyrail's 66 stations are now fully operational and 'go live' is planned for January 2021. Flexi-seasons are available along five routes but given Covid-19 restrictions DfT has not yet approved further roll out. *Update 5 January:* we will review the impact of Lockdown restrictions on completion, but given the project is near completion we continue to work to 31 March 2021.

Phase 2 - Improving Passenger Information

Fares Tool – The tool has been transitioned to DfT for national roll out in January 2021. In December TfN and DfT launched external communications promoting successful completion of the tool's development. Since the 'soft' launch (i.e. the tool's open availability for use by any operator in advance of national roll out) more than 400 fares and ticketing products have been created by 30 operators.

Disruption Messaging Tool (DMT) – LTAs and TfN have tested and accepted the final set of enhancements (social media and reporting) from the supplier, with 'go live' scheduled in January 2021. CityMapper (a transport app) has expanded its services to the North and is feeding back to LTAs in order that good quality data is provided to the public.

Phases 3 and 4 - Contactless on Rail and Local Smart Schemes

Whilst a decision regarding funding for these schemes was awaited, the programme made submissions to DfT to utilise unspent grant to undertake initial work over the remainder of this financial year. This included a joint proposal by TfN and Northern to implement a bankcard Pay As You Go (PAYG) proof of concept project. *Update 4 January 2021: DfT informed TfN that there was no funding allocation for the IST Programme in 2021-22.*

In December we progressed our innovation demonstrator projects. We finalised the assessment of selection questionnaires from 22 bidders (i.e. initial

submissions proposing fitness to proceed to the next stage). December’s Programme Board approved 10 down selected bids to progress through to round one (bidder desktop demonstrations). *Update 13 January:* this procurement has been cancelled because of the decision not to fund the IST programme.

Risks		
Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p>Risk: Phase 1 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.</p>	<ol style="list-style-type: none"> 1. Northern - TfN to continue working with Northern to pressure suppliers for delivery. An alternative temporary solution proposed by Northern is to be discussed with TfN. 2. Listed Building Consents - Network Rail is giving Manchester Piccadilly priority for planning consents and delays to granting consents to the outstanding three stations are being escalated by TfN to senior officers in the relevant local authorities. 3. TfGM Validator configuration - TfGM has stated this work is to be completed by the end of January. 	3
<p>Risk: Phase 2 – 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. This would have a reputational impact for TfN.</p>	<ol style="list-style-type: none"> 1. Continue to gain agreement from and support Nexus to use the tool as the other four City Region LTAs. Developers, including Google, have stated that they require consistency across the North if they are to publish data from the ODH. 2. If 1. is attainable ITO World (DMT supplier) to work with LTAs to increase consistency and quality of the data they enter and automate a process to transfer data from the ODH to Google (who a number of LTAs see as essential). 3. Work with LTAs and other developers e.g. CityMapper to improve data quality. 	4
<p>Issue: Phases 3 & 4 – DfT informed TfN (4 January 2021) that there was no funding allocation for the IST Programme in 2021/22. The impact is there is a loss of £33.4m investment in the North. There is no date by which the passengers in North will have access to contactless payments on heavy and light rail, resulting in reduced passenger confidence, a slower return to public transport and a failure to level up.</p>	<ol style="list-style-type: none"> 1. To seek TfN Board’s support to engage Secretary of State to reconsider the IST funding decision particularly regarding the projects’ impact on supporting the post Covid economic recovery. 	5

Programme and look ahead

Phase 1

Merseytravel/rail launching (January 2021) their online retailing offer supported by Platform Validators at their 66 stations delivered through Phase 1. Northern to test Star Mobile (on board retailing and validation).

Phase 2

Fares Tool: Project closure. In addition to the scope of the project, TfN will support the DfT fares publication business change activity. Disruptions Messaging Tool: South Yorkshire Passenger Transport Executive (SYPTTE) roll out of unplanned for disruptions across bus and tram in January 2021.

Investment Programme

Monthly Summary

We continue to prepare for next year's Investment Programme Benefit Analysis (IPBA) and through the road, rail and smart travel teams continue to pursue projects in the Economic Recovery Plan. The IPBA commission is critical to understanding the economic, social and environmental benefits of the TfN Investment Programme. The analysis will use DfT's conventional growth scenario, and the four Future Travel Scenarios agreed by TfN Board in July 2020, to assess the three investment programme strategies. 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 the potential impact of the Investment Programme on carbon emissions. This includes reference case schemes including Northern Powerhouse Rail.

4 January Update – the IPBA will have to be assessed alongside all other priorities in the business planning process, given the reduction in funding announce.

Activity Update

The commission for the IPBA project went out to tender on 5 November 2020, so that suppliers can be commissioned to start work by April 2021. The deadline for the return of applications was extended to 23 December 2020 to allow further time for suppliers to respond during the holiday period. Tenders have now been returned and are being assessed. During this month:

- Work on updating the TfN Interventions Log, which maps the road and rail schemes in the Investment Programme, is ongoing, and takes account of recent decisions on the NPR programme. The Interventions Log will be regularly updated and also includes schemes that are under consideration but do not form part of the TfN Investment Programme.
- A commission to bring forward coding of the Investment Programme interventions into TfN's transport models is being procured to de-risk the main commission.
- A commission for freight modelling to support the main IPBA commission is being negotiated.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
Innovative Modelling – Risk: The delivery of the IPBA planned to start in April 2021 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.	<ol style="list-style-type: none"> 1. To continue to hold monthly meetings to track interdependencies and monitor potential risks. 2. TAME to continue to provide monthly updates on the framework's development and state of readiness. 3. Hold point has been built into commission; a gateway allows TfN to review the scope of work against progress and need. 	10

<p>NPR Alignment – Risk: A number of interdependencies with NPR have been identified. – for e.g. reference case, model development, resource requirements, and freight modelling.</p> <p>If delivery of NPR and IPBA are not aligned: --</p> <ul style="list-style-type: none"> - There are potential financial and time risks (for instance, if re-work is required or IPBA has to wait for NPR to complete their programme first); -Resource implications if NPR’s priority leaves skills gap (particularly within TAME) that prevents IPBA from proceeding, as well as reputational impacts if the technical assumptions are not consistent. 	<ol style="list-style-type: none"> 1. Monitor the NPR programme and implications for IPBA via monthly programme reviews. 2. Hold regular resource meetings with NPR managers to consider TAME resource requirements. 3. TAME to provide bi-monthly technical updates to ensure consistency of NPR and IPBA delivery. 	<p>10</p>
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Programme and look ahead

- The project team, including contributors from our Partner organisations, will review the tender bids, and seek to award the contract to the successful bidder in March 2021.

Major Road Network (MRN)

Monthly Summary

On 20 November 2020, the Cumbria Local Enterprise Partnership (LEP) Board confirmed £5m of the Ministry of Housing, Communities & Local Government’s ‘Getting Building’ fund to support further scheme development of the A595 Bothel Strategic Improvement.

TfN’s Future Travel Scenarios reports have been published online with press release and light-touch comms promotion expected in January 2021. We have reviewed the Government’s response to the Future Transport consultation (following our submission in Spring) and the Future of Transport Rural Strategy call for evidence and we are engaged with DfT officials. It is hoped that they will attend the Sub-National Transport Body liaison meeting on 12 February.

Activity Update

- The team has been engaging with the Department for Transport and their Acceleration Unit to discuss opportunities for speeding up delivery of projects identified in TfN’s Economic Recovery Plan.
- The team has worked with our Communications and TAME teams to complete the Future Travel Scenarios report and ensure evidence-based application within TfN’s Analytical Framework.
- The team is continuing to monitor the impacts of Covid-19 on travel, and is engaging with DfT, Highways England (HE) and TfN partners on sharing transport data. This includes sharing of mobile phone data monitoring journey time and reliability on the MRN.
- The team has received tender bids for the Major Road Network’s monitoring and performance project, which uses anonymous mobile device data to provide network data such as journey times, reliability and origin-destination information. Subject to governance procedures, the contract will be awarded to the successful bidder in January 2021.
- The team is inputted into TfN’s response to the Union Connectivity Review (UCR).

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p>Risk: Negative perceptions - Due to the environmental and sustainability impacts of traffic and congestion, stakeholders might assume that road investments could be worsening the situation e.g. greenhouse gas (GHG) emissions. As a result, there is a risk that the road schemes might not get the investment needed to deliver the Strategic Transport Plan (STP).</p>	<ol style="list-style-type: none"> 1. Working with Communications team to develop a clear narrative on why roads are a critical part of the transport network, and how future management of, and investment in roads can support the North’s vision for a sustainable future. 2. TfN’s Strategy team to influence the transport appraisal processes to include social inclusion etc following publication of the Green Book updates. 3. Work to address this topic in the Major Roads Report and work with comms to develop an appropriate comms plan. 	<p>6</p>

	<ol style="list-style-type: none"> 4. Await the outcome of DfT's decarbonisation plan (Spring 2021) and use this to help inform TfN's Decarbonisation Pathway. 5. To monitor impacts of Covid-19 on travel behaviours, patterns and flows, and use this to inform scenario work and communications. 6. The Investment Programme's benefit analysis project to enable TAME to build the Analytical Framework, which can be used to demonstrate the real impact of road investment and different policy measures 	
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Programme and look ahead

- The team will continue to develop the Major Roads Business Plan for 2021-2022.
- The team will engage with Highways England, Network Rail and DfT following publication of TfN's Future Travel Scenarios, to share findings and planned application towards future TfN outputs.
- There has been further engagement with Partners following consideration of the report on the Trans-Pennine Tunnel (TPT) and M6-A1(M) studies at Partnership Board. This will help inform recommendations to TfN Board in January 2021.
- The team is supporting the development of TfN's draft Decarbonisation Strategy, due to be agreed at TfN Board in March.

Strategic Rail

Monthly Summary

The operational focus remains on supporting Covid-19-related work and service planning through the Rail North Officer Group (Operations) and working closely with Rail North Partnership (RNP).

TfN continues to work closely with the DfT and Network Rail on a range of investment plans across the North of England, including schemes to address congestion hotspots in Central Manchester, train lengthening (capacity) and decarbonisation as part of the Manchester and North West Transformation Programme and also at Leeds.

4 January update – the new England wide lockdown announced will reduce passenger numbers considerably through January into early February.

Activity Update

Rail Operations

The December timetable was successfully brought into operation on 13 December to allow for greater stability whilst dealing with Covid-related resource challenges. The team continues to monitor passenger demand very closely and during December TransPennine Express passengers were at 24% of pre-Covid levels and Northern's at 30%. Through the Rail Operations Group, the team will be co-ordinating the response to the latest national lockdown. The Strategic Rail and IST teams continue to work with Northern on potential initiatives for smart ticketing and fares incentives in readiness to building back rail demand at the appropriate time.

Work has continued preparing the documentation and Member working group sessions in readiness for consultation on the options for a potential May 2022 timetable change centred on central Manchester and which is expected to commence in early January.

Rail Investment

A special Rail North Committee working group took place on 4 December 2020 to receive an update on the TransPennine Route Upgrade (TRU) from the DfT and Network Rail. The key points raised by Members at the session included gauge clearance for freight, full electrification, achieving full accessibility at all stations and ensuring there is alignment with disruption/works on the highway network. Consultation and communicating before the works start were also highlighted.

A new Reliability and Resilience Officer has joined Strategic Rail to drive the development of rail related strategy and policy, focusing on the reliability and resilience of the rail network.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
Risk: The short-term effect of Covid-19 on the reintroduction of	1. TfN continues to work closely with operators to review timetables in advance of changes	

<p>services on to the network – Services could be further impacted by resource levels among operators and restrictions around staff training. This will impact on localised areas which will see reductions in connectivity and frequency until driver training is delivered. Furthermore, the rollout of further new trains will also be delayed possibly leading to a reliance on older rolling stock.</p>	<p>and to feed in key areas of concern to be addressed.</p> <ol style="list-style-type: none"> 2. Driver training continues whilst resources allow and TfN continues to work with operators to understand the impact and appropriate mitigations as a result of the backlog. 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. 	
<p>Risk: The long-term effect of Covid-19 on viability of train services – The second and third national lockdowns and tighter restrictions on travel are likely to further affect the time it will take for the industry to recover to pre-Covid-19 levels. This may impact on the future of train service investment decisions which might affect TfN’s ability to achieve its ambition for the North of England.</p>	<ol style="list-style-type: none"> 1. TfN’s Economic Recovery Plan, including the “quick win” programme, has been issued to the DfT’s Acceleration Unit and TfN continues to liaise with the Unit. 2. Messaging and communications will continue to promote safe use of public transport in line with Government guidelines and protect services for key workers. 3. Work with train companies using ticketing/marketing/offers to rebuild confidence, attract passengers back, and entice new passengers at the appropriate time. 	9
<p>Risk: DfT reprioritisation and the Williams Review – The coronavirus pandemic has meant DfT has had to focus its resources on response. This has led to the delay in the publication of the Williams Review. In addition, the Government may choose to focus on centrally deliverable initiatives such as franchise delivery and focus less on devolution. This may not align with the strategy of Members and would require a wider response from TfN.</p>	<ol style="list-style-type: none"> 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. 2. To mitigate the risk further, TfN is working with Partners and external consultants to shape our response when the White Paper is published. 	9

Programme and look ahead

- Support, monitor and help shape the industry response to Covid-19 and, when appropriate, to rebuild services, demand and passenger confidence.
- Work with operators for further timetable changes including May 2021.
- Working through the Rail North Committee and TfN Board, respond to industry proposals for mitigating cross-Manchester performance issues.
- 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) and produce a delivery plan for the TfN Stations Strategy.
- Continue to input to work on the Union Connectivity Review (UCR) and Integrated Rail Plan.
- Continue to work closely with the DfT and Network Rail to secure successful delivery of the TRU project objectives.
- The next Rail North Committee is on 12 January where agenda items include an update on the next steps on Central Manchester capacity issues as well as ongoing Covid impacts.

Operations Summary

Monthly Introduction

During December, operational colleagues have been focused on; comms activity in response to the National Infrastructure Commission's (NIC) Rail Needs Assessment and preparing detailed advice to TfN Board on 14 January, the finalising of TDF (Transport Development Fund) funding letter 18, the award of a range of procurements and contract extensions, the continuation of virtual public meetings and associated updates to the TfN constitution, continuation of work on various strategies including decarbonisation and freight, and a response to the Union Connectivity Review and other consultation activity, and ongoing work and/or assurance on key models in TAME including NoRMS (Northern Rail Modelling System) Iteration 1D, NoHAM (the Northern Highway Assignment Model), and NELUM (the Northern Economy and Land Use Model).

Activity Update

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

Stakeholder Engagement & Communications Team (SECT)

- The SECT has continued to promote activity across TfN's channels on both a proactive and reactive basis.
- Activity has included a response to the publication of the National Infrastructure Commission's Rail Needs Assessment in December. This included a proactive media statement and subsequent interviews.
- TfN has also promoted internally and externally becoming a member of the Greater Manchester Good Employment Charter.
- TfN's Annual Conference was held successfully and fully virtually, with a cross-section of speakers including TfN Board Members, Ministers, industry and business representatives, with associated coverage of discussions on TfN's website and channels.
- December also saw the TfN website homepage updated, to improve navigation and signposting visitors to key pages within the site.
- On Strategic Rail, the team helped facilitate Member and officer briefings on the progress on Trans-Pennine Route Upgrade and Manchester Recovery Task Force activity, and is awaiting an update on next steps from the DfT on the latter.
- Elsewhere, progress on the Innovation Partnership procurement as part of the IST programme, has been promoted externally.
- The team continues to keep TfN colleagues engaged through a robust internal communications programme.

Finance & Procurement

- TDF (Transport Development Fund) Funding letter 18 agreed and funds transferred in December.

- Three-year financial forecasting model testing completed and ready for operational use.
- The Procurement department continues to support the business around Covid-19 work activities.
- The team is working closely with TAME/NPR colleagues to manage the procurement pipeline and develop the long-term procurement strategy for the coming year and beyond. In addition, a number of procurements / contract extensions have been awarded including, Distributional Impact Appraisal, Transport Related Social Exclusion, Wider Impact Calculator, SOC (Strategic Outline Case) Strategy Procurement Manager, NPR Business Case Officer Roles, User Insights, Decarbonisation and Visitor Economy. The following projects are currently out in the market for tender or close to be awarded including, Mobile Device Data, NorMITS (Northern Model Integration Tools) Demand Partner, and IPBA (Investment Programme Benefit Analysis).

Legal & Democratic

- Virtual public meetings continue to be held; the TfN Constitution includes formal procedure rules for this purpose. Regulations allowing virtual meetings expire in May 2021 and the position continues to be monitored; the LGA and other local Government organisations wrote on 16 October 2020 to the Secretary of State calling for the Regulations to be made permanent.
- Now that the TfN Modern.Gov website is live and all public meetings since 28 October 2020 have been published through it, the “restricted app”, which allows secure access and electronic annotations has been added. Preparations are being made to add further internal programme boards onto the system. The team continues to support governance through input into a range of workstreams across TfN .

Strategy, Policy, Economics & Research

- Following the publication of the Rail Needs Assessment on 15 December, the team supported the immediate proactive media response and has worked rapidly with Strategic Rail and the NPR Programme to provide strategic and technical advice to the Board meeting on 14 January.
- Development of TfN’s Decarbonisation Strategy continues on track to be submitted to the March TfN Board meeting. An initial draft of the strategy, including proposals for a pan-Northern carbon trajectory, will be considered at the Partnership Board in February. Engagement on future priority actions, to be signposted in the Strategy, is ongoing with Partner officers. TfN’s work is also being informed through a decarbonisation-focused working group formed with the other sub-national transport bodies and research being undertaken alongside the DecarboN8 network.
- Similarly, our work on a new Freight Strategy for TfN is progressing well and analytical work is progressing. We will be engaging with officers and Members on this at the Partnership Board Meeting in February and full Board in March 2021.

- A response to the Union Connectivity Review was submitted at the end of December following partner input and we will follow up with the review team. TfN is also preparing a response to the Devolution All Party Parliamentary Group (APPG) enquiry into the role of central Government reform in English devolution, building on the Northern Transport Charter work.
- The research team is currently finalising procurement of the next phases of the TfN Research Programme, including new work on the North's visitor economy and developing our evidence base on transport related social inclusion. Both projects will play an important role in shaping the evidence behind our Strategic Transport Plan.

TAME (Technical Assurance, Modelling & Economics)

- TfN's TAME team is continuing to finalise the Northern Rail Modelling System (NoRMS) Iteration 1D for application in NPR. Testing of updates during December identified some minor issues which are currently being addressed.
- TAME's ongoing work with the DfT to assure this version of NoRMS has resulted in broad approval of the model's use in the SOC. This will be used to test the value for money case of the full NPR scheme; outputs for this will feed into TfN's February Board.
- TfN's suppliers at SYSTRA are also continuing to further develop NoRMS; the Iteration 2 model, with a 2018 base year is due to be finalised during January; and will be incorporated into the later stages of the SOC programme, but will be mainly focussed on application in 2021/22.
- The wider TfN Analytical Framework is also undergoing assurance and peer review in readiness for the IPBA commencing in April 2021. The development of the Northern Highway Assignment Model (NoHAM) is undergoing independent review, and the most recent work to update the future year travel demands is being documented to support peer review during January. Other tools such as the Northern Economy and Land Use Model (NELUM) and External Forecast System (EFS) are also being readied for application in the IPBA during January.
- TAME is coordinating a response to DfT's consultation on appraisal periods, which could see additional years of benefits being counted in business cases for major transport projects.
- TAME staff are continuing to contribute modelling and analysis to TfN's draft Decarbonisation Strategy, which will also be presented at the TfN February Board.
- New contracts are scheduled to commence in early January to support the wider analysis workstreams using TfN's Analytical Framework, along with further model development of NELUM's Wider Impacts Calculator and the Northern Model Integration Tools (NorMITS).
- A new starter has joined TAME part-time to assist TAME in their strategy for using the Analytical Framework to support upcoming Strategic Rail projects.

Financial Performance

Financial Update

Summary

Expenditure incurred in December: £5.11m

Variance to December monthly budget: Underspend of £0.62m

Year to-date expenditure: £40.84m

Year to-date variance to budget: Underspend of £2.79m

Headlines

- Financial position for December is monitored against Revision 2 budget.
- A final budget revision exercise was carried out in December to be approved by TfN Board in January. However, this was rendered out of date by the DfT Funding Letter received on 4 January which reduced in year Core funding by £3m and significantly changed the context of TfN's financial planning for the remainder of the financial year.

Programmes:

- Expenditure of £4.64m represented an underspend of £0.34m (7%) in the month.
- The main driver of underspend was the NPR programme (£0.59m), which was offset with an overspend in the month on the IST programme (£0.25m).

Integrated & Smart Travel:

- There was programme-wide expenditure of £1.02m, with an overspend of £0.25m in the month, reducing year to date underspend to £0.26m (3%).
 - Overspend arose in Phase 1 (£0.28m) due to the rephasing of capex costs, with Northern civils work nearing completion. Work is ongoing, with all TOCs due to receive final cost submissions as the project nears completion.
 - There was minor rephasing of expenditure in Phase 2. YTD expenditure is in line with budget.

Northern Powerhouse Rail

- Expenditure of £3.57m represented an underspend of £0.59m (14%) in the month. YTD expenditure of £27.94m is 7% under budget.
 - Network Rail expenditure was £0.49m under budget in the month. This was mainly driven by more accurate forecasting of forecasted spend.
 - There was an acceleration of modelling expenditure in the month, although there was still a marginal underspend of £0.02m (4%).

- Underspend of £0.07m (9%) arose in other programme development areas, driven by survey work which is now anticipated to begin in February.
- Programme support costs were in line with budget.
- Underspend on communications and stakeholder engagement activity as DfT did not agree to any activity in the last funding letter.

Strategic Development Corridors (SDC)

- Expenditure totalled £0.06m in December, which was marginally under budget.

Operations:

Rail Operations

- Expenditure of £0.17m represented an underspend of £0.05m (23%) in the month. This is mainly within consultancy costs and is partly due to phasing and partly due to lower costs on journey time analysis project. In addition, there are savings due to vacancies following recent staff departures.

Operational Areas

- Expenditure of £0.44m in the month, represented an underspend of £0.22m against budget (44%). This includes:
 - £0.08m saving on ERP development contract in relation to the flexitime module.
 - £0.03m of underspend in the Strategy & Policy area, due to rephasing with expenditure expected to catch up.
 - £0.03m of underspend in the Communications area, a combination of savings and rephased activity.
 - £0.02m ICT of saving in relation to Azure service development.

Activity Dashboard

TRANSPORT FOR THE NORTH FINANCE DASHBOARD					PERIOD BUDGET CYCLE	9 REVISION 2	DEC 2020/21		
PERIOD ACTUALS VERSUS BUDGET									
	Actuals	Budget	Var.	Var.					
	£m	£m	£m	%					
Integrated and Smart Ticketing	£1.02	£0.77	£-0.25	-33%					
Northern Powerhouse Rail	£3.57	£4.16	£0.59	14%					
Major Roads	£0.06	£0.06	£0.01	8%					
Programmes	£4.64	£4.99	£0.34	7%					
Rail Operations	£0.17	£0.22	£0.05	23%					
Operational Areas	£0.29	£0.51	£0.22	44%					
	£5.11	£5.72	£0.62	11%					
PERIOD ACTUALS VERSUS BUDGET: PROGRAMMES									
	Actuals	Budget	Var.	Var.					
	£m	£m	£m	%					
IST: Phase 1	£0.75	£0.48	£-0.28	-58%					
IST: Phase 2	£0.13	£0.15	£0.01	10%					
IST: Phase 3	£0.00	£0.00	£0.00	-					
IST: Phase 4	£0.01	£0.01	£0.00	9%					
IST: Programme	£0.13	£0.14	£0.01	7%					
Northern Powerhouse Rail	£3.57	£4.16	£0.59	14%					
Major Roads	£0.06	£0.06	£0.01	8%					
	£4.64	£4.99	£0.34	7%					
YEAR TO-DATE ACTUALS VERSUS BUDGET									
	Actuals	Budget	Var.	Var.					
	£m	£m	£m	%					
Integrated and Smart Ticketing	£7.28	£7.54	£0.26	3%					
Northern Powerhouse Rail	£27.94	£29.94	£2.00	7%					
Major Roads	£0.41	£0.44	£0.03	8%					
Programmes	£35.63	£37.92	£2.29	6%					
Rail Operations	£1.60	£1.70	£0.10	6%					
Operational Areas	£3.61	£4.01	£0.40	10%					
	£40.84	£43.63	£2.79	6%					
YEAR TO-DATE ACTUALS VERSUS FORECAST TO OUTTURN									
	Actuals	F/cast	Var.	Var.					
	£m	£m	£m	%					
Integrated and Smart Ticketing	£7.28	£9.81	£2.53	26%					
Northern Powerhouse Rail	£27.94	£44.16	£16.22	37%					
Major Roads	£0.41	£0.55	£0.15	27%					
Programmes	£35.63	£54.52	£18.90	35%					
Rail Operations	£1.60	£2.40	£0.80	33%					
Operational Areas	£3.61	£5.94	£2.33	39%					
	£40.84	£62.87	£22.03	35%					
FUNDING YEAR TO DATE					FUNDING FORECASTS TO OUTTURN				
Funding Stream	Actuals	Budget	Var.	Var.	Actuals	F/cast	Var.	Var.	
	£m	£m	£m	%	£m	£m	£m	%	
TDF - Rail	£27.23	£29.24	£2.01	7%	£27.23	£43.21	£15.98	37%	
IST - Capital and Revenue	£7.28	£7.54	£0.26	3%	£7.28	£9.81	£2.54	26%	
Core Grant	£5.13	£5.68	£0.55	10%	£5.13	£8.28	£3.15	38%	
Rail North Grant & Contributions	£1.02	£0.97	£-0.05	-5%	£1.02	£1.30	£0.28	21%	
TDF - Roads	£0.00	£0.00	£0.00	-	£0.00	£0.00	£0.00	-	
Trading Income	£0.18	£0.20	£0.02	9%	£0.18	£0.26	£0.09	32%	
	£40.84	£43.63	£2.79	6%	£40.84	£62.87	£22.03	35%	

HR Update

Human Resources Update

Salaried Establishment as at **8 January 2021**

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 (89.10 FTE)	38 (37.60 FTE)	129 (126.70 FTE)
Total Establishment	123 (119.59 FTE)	44 (43.60 FTE)	167 (163.19 FTE)
Strength (in post)	104 (101.27 FTE)	26 (25.60 FTE)	130 (126.87 FTE)
Appointed (start date pending)	1 (1.00 FTE)	0 (0.00 FTE)	1 (1.00 FTE)
Active/Pending Recruitment	3 (3.00 FTE)	0 (0.00 FTE)	3 (3.00 FTE)
Vacant – On-hold	15 (14.32 FTE)	18 (18.00 FTE)	33 (32.32 FTE)

Chief Executive Recruitment - Aligned to TfN's constitution both the recruitment process and final appointment will be subject to TfN Board approval. It is anticipated recruitment will commence by W/E 22 January 2021.

Barry White leaves TfN on 15th May 2021.

Agency Resource - Covering Vacant Posts

Area	Posts (FTEs)
Support Services	2 Post (2.00 FTE)
Operational & Delivery	2 Posts (2.00 FTE)
Total	4 Posts (4.00 FTE)

Consultancy Resource - Covering Vacant Posts

Area	Posts (FTEs)
Support Services	0 Post (0.00 FTE)
Operational & Delivery	10 Posts (9.80 FTE)
Total	10 Posts (9.80 FTE)

HR Metrics – 2020/21 Year to Date

Corporate Sickness Level:	2.9%
Employment Policy Application:	3.7%
Employee Turnover (Voluntary Leavers):	7%
% of Employees from an Ethnic Minority Background:	14%
% of Employees declaring a Disability:	11%
Gender Mix - % of Female Employees:	40%
% of Male Employees:	60%

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	Number of KPIs with this status
Achieved	4
On Track	5
In Progress	3
Delay	3
Delay – beyond this year end (BTYE)	1

Area	KPI	Detail	Progress	Status
Corporate	1	Agree with Government the phasing and prioritisation of the Integrated Rail Plan for High Speed North. December 2020	In Progress	Yellow
			TfN has responded to the publication of the Rail Needs Assessment and has provided advice to the Board on the next steps. The Integrated Rail Plan is now expected early in 2021.	
Northern Powerhouse Rail	2	Agree and submit Strategic Outline Case to Government. January 2021	Delay	Orange
			The SOC timeline has been rephased due to the impacts of Covid-19 and was approved at TfN Board on 29 April 2020. The revised SOC submission date is March 2021.	
Integrated and Smart Travel	3	Complete the delivery of the Integrated and Smart Travel on Rail Project (Phase 1). November 2020	Delay	Orange
			MerseyRail have installed all 66 PVal's. Northern are still on schedule to complete this financial year. However, upgrades to gates at Manchester stations and Bradford Interchange have been delayed until February 2021.	
Integrated and Smart Travel	4	Complete the delivery of Phase 2 of the Integrated and Smart Travel Programme (informed customers). March 2021	On Track	Green
			The phase remains on track to meet the KPI. The Fares Tool has been transitioned to DfT for national use in December and the project is scheduled to close in January 2021. DMT (Disruption Messaging Tool) and ODH (Open Data Hub) are in Business As Usual. Final enhancements to DMT remain on schedule to 'go live' in January 2021.	
	5		Delay	Orange

Integrated and Smart Travel		Agree a plan for the delivery of contactless payments on rail, in collaboration with the DfT and Rail Delivery Group (Phase 3). December 2020	A decision on future funding had been deferred until the delayed outcome of the Spending Review. DfT informed TfN in January that funding for the programme would not continue beyond the current financial year. Discussions with DfT over the future of the programme are ongoing.
Major Roads	6	Agree and approve the Transport for the North Major Roads Report. March 2021	<p>Delay BTYE</p> <p>The technical report has been completed. The publication of the final Major Roads Report has been postponed so the report can take account of both the TfN Decarbonisation Strategy, and DfT's delayed Transport Decarbonisation Plan. This will not have any negative implications for other programmes.</p>
Strategic Rail	7	Implement the recommendations in the Blake-Jones review. June 2020	<p>Achieved</p> <p>The Blake-Jones Action Plan was approved at Rail North Committee in July 2020 and the team continues to embed the actions into the business as usual operating model. There are longer-term issues on funding for additional resource, and a response is awaited from DfT.</p>
Strategic Rail	8	Develop a TfN response to the Williams Review. Within three months of publication	<p>On Track</p> <p>A response to the Williams Review will be developed within three months of its publication; the date of which is yet to be announced.</p>
Strategic Rail	9	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	<p>In Progress</p> <p>Strategic Rail is proactively supporting the industry through the crisis and recovery, for example through the Rail North Officer Group (Operations). 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 and work has been completed on developing a "quick win" programme which has been shared with the DfT's Acceleration Unit.</p>
Investment Programme	10	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	<p>Achieved</p> <p>The update of the Investment Programme following the qualitative sequencing process, and applying the developing Assurance Framework, has been achieved.</p>
Strategy	11	Develop a Decarbonisation Strategy for approval by the TfN Board and ensure that this is embedded in TfN's Investment Programme Assurance Framework. March 2021	<p>On Track</p> <p>Analytical work on Decarbonisation Pathways is well advanced and work on strategy underway. Initial drafts of the Decarbonisation Strategy have been shared with partner officers in preparation for consideration at the next Partnership Board (February).</p>

Strategy	12	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	<p>In Progress</p> <p>Following completion of KPI 16, work is ongoing to finalise the approach to the assessment of the TfN's Investment Programme utilising TfN's Decarbonisation Trajectory (to be agreed through Decarbonisation Strategy), Future Travel Scenarios and accompanying Decarbonisation Pathways developed by TAME.</p>
Strategy	13	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	<p>On Track</p> <p>Work to develop the TfN Freight Strategy remains on track and main analytical work nearly completed. We plan to provide an update to Members in February, at the next Partnership Board. Further engagement with officers will be arranged in early 2021.</p>
Modelling and Analysis	14	Complete and deploy the Analytical Framework throughout TfN's programmes. March 2021	<p>On Track</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>
Organisation	15	Develop and provide a Comprehensive Spending Review submission to Government. At date set by HMT	<p>Achieved</p> <p>A CSR submission was provided to the DfT on 28 August in line with departmental deadlines. On 21 October the Chancellor announced a revised one-year process to conclude at the end of November. TfN submitted a supplemental SR submission to the Department, reflecting the move to a single year settlement, on 6 November.</p>
Organisation	16	Develop and adopt the Northern Transport Charter. June 2020	<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 embed demonstrating TfN's capability for greater devolution in next year's business plan.</p>



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