

Transport for the North Monthly Operating Report July 2021



Contents

Introduction	Page
Summary from the Chief Executive	3
Programme Summary	
Northern Powerhouse Rail (NPR)	4-5
Investment Programme	6-7
Major Road Network (MRN)	8-9
Strategic Rail	10-11
Operations Summary	12-16
Financial Performance	
Financial Update	17-18
Activity Dashboard	19
Treasury Management Annual Review	20-22
HR Update	23-24
KPIs (Key Performance Indicators)	25-28

Introduction

Summary from the Chief Executive

A core focus in July has been working through the Manchester Recovery Task Force to seek solutions that address the concerns of the Rail North Committee with regard to the proposed service changes for the December 2022 timetable: the intention being to seek the inclusion of those solutions in the next round of consultation later this autumn. At the same time TfN has made strong representation to ministers on behalf of members and passengers, setting out the importance of having an agreed programme of work that gives confidence to rail users that a longer-term solution remains a priority. Discussions with ministers remain ongoing.

TfN and the Rail North partnership continue to work with the industry to support the recovery of rail services following the lifting of restrictions on 19 July 2021 and will be supporting recovery messaging from September.

Government has now confirmed that the Integrated Rail Plan (IRP) will not be published until September at the earliest. The delay to the Integrated Rail Plan (IRP) means that there is increased risk of delays and additional costs for both the Transpennine Route Upgrade (TRU) and Northern Powerhouse Rail (NPR) programmes. We informed TfN Board that the completion of the NPR Strategic Outline Case (SOC) and associated activities is likely to take at least six months from receipt of the IRP. Work continues across the Northern Powerhouse Rail programme in preparation for delivery of the SOC.

Work on the Investment Programme Benefits Analysis (IPBA) programme continues. The project team is continuing to develop the Gateway Project Review (GPR) report, which summarises work completed so far and provides recommendations for post-GPR work. The GPR report will be considered at the Strategic Oversight Group (SOG) meeting in September, along with the Investment Programme Scheduling Refinement Report.

Approval to consult on the TfN Freight and Logistics Strategy was delegated to the Interim Chief Executive Tim Wood at the Board Consultation Meeting on 29 July 2021. Work is currently under way to plan the consultation process and update the draft. The public consultation on TfN's Decarbonisation Strategy will continue until 31 August 2021 as planned. Work also continues around the revised Strategic Transport Plan (STP), the Pan-Northern Electric Vehicle Charging Infrastructure Framework, and embedding the Northern Transport Charter (NTC), while final outputs from the Visitor Economy and Transport in the North of England study are now available, and planning for projects including the Clean Mobility Visions project and the Health & Wellbeing research project also continues.

Operational departments continue to support projects and programmes across TfN. This month's report includes the annual Treasury Management Review, which can be found within the Financial Performance section.

Northern Powerhouse Rail (NPR)

Monthly Summary

TfN was informed on 19 July by the Department for Transport (DfT) that the Integrated Rail Plan (IRP) would not be published prior to Parliamentary recess, which started on 22 July, and no revised publication date was given.. Pending publication of the IRP, work continues across the programme that will ensure it is in a strong position for delivery of the Strategic Outline Case (SOC) after publication of the IRP and project Outline Businesses Cases (OBCs) which will then follow. The completion of the SOC and associated activities is likely to take at least six months from receipt of the IRP.

Activity Update

Infrastructure

The Manchester–Sheffield design and cost opportunities review achieved its objectives, which were to identify potential solutions that cost less than £3bn and £2.5bn (without electrification) and understand impacts on journey times. Follow-on work is now being planned, leading to co-client instruction. Phase 1 of the Leeds–Hull ground investigations was completed on 12 July. The resultant factual (data) report is now being prepared and is forecast to be delivered on 13 August. The interpretive report, which, based on the survey data, will confirm the opportunities that exist in reducing the currently allocated risk related costs, will then follow in October. Schedule improvements have been made by Network Rail (NR) in relation to the delivery of GRIP 2 (completion of NR feasibility stage) across corridors. The majority of scope will be delivered by the end of the calendar year.

Technical Assurance, Modelling and Economics (TAME)

DfT colleagues have confirmed their satisfaction with the performance of the latest update of Northern Rail Modelling System (NoRMS) iteration 2; written confirmation is expected in due course in the form of an Analytical Assurance Statement. Development on the Northern Economic Land Use Model (NeLUM) version 3 has progressed well in the month and is due for review by TfN and DfT in September. NeLUM and NoRMS are the key pillars of data production for the SOC and remain on schedule to be available to the programme at the point IRP is published and SOC delivery requirements confirmed.

Commercial Management

The cost model option tool has been developed and prepared in anticipation of the publication of the IRP. It provides relative costs for each corridor and a detailed analysis of the network costs to identify key cost drivers and where efforts should be focused. The cost model is able to provide various costing options which will ultimately be dictated by the content of the IRP.

Business Case

Further work has been completed on the ‘SOC evidence directory’, which is a single repository of sources that have been used in the development of the SOC for each case. Additionally, work has commenced on the collation of evidence for ‘NPR shortlisting history’ to provide a clear audit trail in one document of how decisions have been made to date.

Risks

Risk Summary	Summary of Mitigating Measures	KPI
--------------	--------------------------------	-----

<p>IRP delay and impact to co-client ability to agree 2021/22 scope As a result of the programme's dependency on the publication of the IRP, the co-clients are unable to agree that all of the activity set out in the TfN Business Plan for 2021/22 should be taken forward. Further, continued delay may lead to a review of current instructed scope to ensure the programme reduces risk to abortive work and ensures value for money is maintained. This could result in delays to proposed programme activity for 21/22 and beyond, as well as impacts on commissioning and mobilising programme teams to deliver work in 21/22 and readiness for delivery in future years (e.g., OBC, FBC).</p>	<ol style="list-style-type: none"> 1. Following the publication of the IRP, review scope between co-clients with a view to instructing on-hold items. 2. Ongoing discussions at a senior level regarding scope that can start in the absence of IRP. 3. Review impact of delays on each work package's ability to reach single option and develop response plan. 4. Paper to be presented to programme board requesting that co-clients instruct commencement of OBC/FBC preparation activity. 	9, 10
<p>IRP conclusions and decision-making IRP conclusions may impact SOC if recommendations on funding, phasing and/or route option specification are different from those agreed by TfN Board. This may result in partners not accepting the conclusions, which may impact ways of working as well as importing delays to SOC update and submission to TfN Board and Government.</p>	<ol style="list-style-type: none"> 1. IRP response team has been created. A rapid review of the IRP to take place to understand impact on the SOC and 21/22 Business Plan. Engagement with partner organisations on proposed programme team activity to take place for post-IRP review. 2. Work is underway on scope activity that has been agreed between co-clients. 3. Scenario planning is underway to understand the implications of IRP scenarios on NPR and the SOC. 	7-10
<p>Transpennine Route Upgrade (TRU) integration There is a risk that the NPR programme may become misaligned from the TRU programme if there is a lack of integration between the programmes such as irregular communication channels/forums, and if there is no/minimal reciprocal representation within each programme's governance. This may result in avoidable costs and delays as a consequence of duplication of effort, rework and strategic misalignment. In addition, the lack of integration may lead to missed opportunities for cross-programme assurance.</p>	<ol style="list-style-type: none"> 1. Escalation to be tracked at the NPR delivery team meeting (Level-0 board). 2. Review NR TRU representation at governance groups following publication of the IRP. 3. Review information shared by NR TRU and raise further requests to NR following this. 4. Prepare a proposal for how we integrate with NR TRU for agreement at senior TfN/NR level – at least monthly. 5. Initial meeting held between NPR and TRU directors. This is to become a monthly occurrence. 	7, 8
<p>Leak of sensitive information Programme sensitive information may be leaked ahead of formal publication or when there was no intention for the information to be made public. This may lead to reputational damage to TfN and NPR, inefficient use of resource time to manage queries, creation of misinformation which could stop programme decisions being made, and erode collaborative working between co-clients.</p>	<ol style="list-style-type: none"> 1. TfN has in place Confidentiality Agreements with Constituent Authorities i 2. The Codes of Conduct for Constituent Authorities (CA) make provision to the circumstances in which information may be disclosed. Each CA will have its own Officer Code of Conduct and/or Disciplinary Policy which have similar provisions to TfN's, dealing with the treatment of confidential information. 3. Employees have been reminded that TFN's Disciplinary Policy defines misuse of information as gross misconduct. 	

Programme and Look Ahead

TfN Board

The timing and content of briefings to TfN Board will be shaped by the eventual publication of the Integrated Rail Plan.

Investment Programme

Monthly Summary

Work is ongoing on the Investment Programme Benefits Analysis (IPBA) project. This 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 TfN’s four Future Travel Scenarios, to assess the Investment Programme against three different funding strategies. This work will enable TfN to make a strong evidence-based case for transport investment and provide a clear picture of the potential impact of the Investment Programme on carbon emissions.

Activity Update

- The pre-Gateway Project Review (GPR) modelling work is now complete.
- The Forecasting Impact Report, which summarises the modelling work to date, is being drafted for consideration by the Technical Assurance Group on 16 September 2021.
- The project team is continuing to develop the GPR report, which summarises the work completed so far, and gives recommendations for the post-GPR work. The GPR report will be considered at SOG on 2 September 2021.
- The Investment Programme Scheduling Refinement Report is being drafted for consideration at SOG on 2 September 2021. This report considers the early model outputs to identify if the delivery of any schemes could be re-profiled between delivery periods.
- The team is continuing to monitor and manage the project risks, including ensuring a suitable level of engagement from partners.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p>Managing interdependencies – Risk: The completion of deliverables relies on inputs from several parties. There is a risk that delays to these inputs could hinder the delivery and assurance of key products. This could result in additional costs, programme delays, and not meeting the commitments set in TfN’s 2021/22 Business Plan, which could damage TfN’s reputation.</p>	<ol style="list-style-type: none"> 1. Dedicated TfN resources in place to manage information on interdependencies. 2. Technical inception meeting agreed arrangements with the supplier to identify any outstanding interdependency challenges. Actions to be filtered through to weekly calls action log. 	12
<p>Variable Demand Modelling (VDM) – Risk: The VDM may override the policy drivers for the Future Travel Scenarios where forecast travel demand exceeds capacity. This may result in an unrealistic modal shift that does not reflect the intended policy drivers. This could provide conflicting results and conclusions.</p>	<ol style="list-style-type: none"> 1. A meeting to be set up between TfN and the supplier to understand the VDM process and model limitations and agreed a way forward. 2. Consultants to complete ‘test’ runs prior to the Gateway Project Review to understand the scale of the potential risk 	12

Programme and Look Ahead

- The project team will monitor and prepare for the potential impact of the Integrated Rail Plan on the IPBA programme. The timing and scale of the impact is unknown.
- The project team will produce the Investment Programme Scheduling Refinement Report, Forecast Impact Report and Gateway Project Review report, for consideration in September.
- Freight modelling, by supplier MDST, will be commenced for completion by the end of September.

Major Road Network (MRN)

Monthly Summary

The Electric Vehicle Charging Infrastructure (EVCI) Framework commission has been awarded to Element Energy and WSP Ltd and an inception meeting held. Work on the Mobile Device Data project is on schedule, with the delivery of the 2020 dataset monitoring performance of the MRN and initial data outputs due in early August. The team is providing input and feedback to Highways England (HE) to support the ongoing development of the Strategic Road Network (SRN) Route Strategies and Road Investment Strategy (RIS)3 programme.

Activity Update

- An initial draft of the updated Major Roads Report (MRR) has been circulated to partners and feedback is due 8 August 2021.
- The Mobile Device Data project, which will provide TfN with a 2020 dataset on the performance of the MRN for the North, is running on schedule with the initial six months of data due in early August.
- A proposal for the development of a TfN multi-modal hub policy position has been developed and shared with partners, with a review of best practice and call for evidence from partners now underway.
- Now that the Department for Transport has published its decarbonisation plan, the risk relating to the consequential delay of the Major Roads Report publication has now been closed.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
<p>Risk: Major Roads Network 1 (MRN1), 2020-2025 – There is a risk of lack of clarity around any decisions made regarding the proposed road investments for MRN1, which could lead to reputational risk and partners having less confidence in TfN.</p>	<ol style="list-style-type: none"> 1. DfT to present regular updates at the Major Roads Group. 2. To schedule a meeting with DfT’s Acceleration Unit to discuss progress of schemes submitted as part of TfN’s Economic Recovery Plan. 3. Contact DfT for further information if partners do not receive adequate information around the decision-making process. 4. Include the MRN1 proposed road investments in TfN’s 2021 Comprehensive Spending Review submission. 	18
<p>Risk: EVCI stakeholder expectations – If there is any misalignment of objectives or miscommunication with key stakeholders, there is a risk that their expectations of the project might not be met. This could lead to reputational risk, poor partner relations, and project outputs that are not applied effectively.</p>	<ol style="list-style-type: none"> 1. EVCI Steering Group has been set up and scheduled for 16 August to test and feedback on outputs. 2. Ensure significant partner engagement during project conception stage and TfN governance sign offs. 3. Engagement with the DfT and the Office for Zero Electric Vehicles to ensure clear understanding of how this work can support the national agenda and actions. 4. The suppliers are to support the partner agreement of inputs to the modelling tool. 5. The team is seeking new avenues to promote the work, including National Grid and the Energy Saving Trust (a delivery body for Government regarding electric vehicles). 	17

	6. TfN's advice presented to Transport Select Committee included the Zero Emission Vehicles published on 28 July.	
Risk: Mobile data outputs under-utilised - If partners do not have sufficient resources to utilise the MRN mobile datasets, or they do not find use in the outputs, there is a risk that the project outputs may be under-utilised. The value of the work may not be understood and likely to make further bids for future dataset projects more challenging.	<ol style="list-style-type: none"> 1. Develop a dashboard that will demonstrate the project outputs and examples of use for the data. 2. Provide support and training to partners including recorded webinars and step by step guidance. 3. Use the mobile dataset to strengthen the TfN evidence base for future Major Road Network intervention bids. 4. Atkins to present the outputs and outcomes of the project to the Major Roads Group, and produce an executive summary set of slides for sharing. 	14

Programme and Look Ahead

- Highways England has asked TfN to support the statutory public consultation events for the A66 dualling project, which will take place in autumn 2021. This includes advice on the approach and input into stakeholder communications.
- The first EVCI steering group has been scheduled for 16 August 2021.
- Owen Wilson, the Major Roads Strategy Manager, will be presenting at a webinar to Waterfront Conference on Transport Development in the North of England.

Strategic Rail

Monthly Summary

The publication of the Williams-Shapps White Paper in May 2021 creates both risks and opportunities for TfN which have been outlined in reports to TfN Board, Rail North Committee, and Scrutiny Committee. The team is preparing a more detailed response setting out a proposition for the North and the case for change. This will be presented to the TfN Board on 29 September. A core focus in July has been Central Manchester congestion – progressing the proposed service changes for December 2022 through Rail North Committee and a TfN Board discussion in parallel with ensuring that TfN has greater influence on the investment choices to unlock service enhancements. The team has worked with DfT to demonstrate the strong strategic case for investment and the evidence that TfN brings to the business case.

Activity Update

Rail Operations

The full lifting of restrictions took place on 19 July, including relaxing the legal requirement to wear masks and social distance on trains. Passenger demand has levelled off following growth seen in recent weeks, with Northern reporting demand at the end of July of 55% of pre-Covid levels. TransPennine Express (TPE) has seen an increase to 52%. The operational focus remains on working with the industry to support the recovery and TfN will be supporting the recovery messaging from September.

Rail Investment

The delay to the Integrated Rail Plan (IRP) has created a significant risk to Transpennine Route Upgrade (TRU) programme development, design, and delivery. Discussions on the programme business case, including the 'end state solution', can only be determined once the IRP is published. Delay could prohibit effective management of a programme of this size, delay development of outstanding programme options as well as delivery of the early benefits as the more mature elements of the programme seek commitment to deliver. Work is progressing well on options for freight including full gauge clearance to accommodate larger freight containers in line with TfN's strategic advice. An industry workshop on the Castlefield Corridor took place on 30 July where the team presented the case for including a full analysis of the benefits of including Platforms 15/16 at Piccadilly in the programme. A workstream is underway to produce the required assessment.

The team has developed a TfN Stations Strategy and report on this issue was submitted to the TfN Board in July and was received well.

On 29 July the DfT's Infrastructure Board approved £500k funding from the Rail Network Enhancement Pipeline (RNEP) for 22 Theoretical Line Speed Improvement route studies to be undertaken by Network Rail (NR). The process has been developed by TfN in collaboration with NR. While Ministerial and Treasury approval is awaited, work is underway with DfT and NR to agree the detailed remit for the studies. This is the first time that TfN has been directly responsible for securing funding through RNEP for NR.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
--------------------	--------------------------------	-----

<p>Risk: Proposed timetable changes on the East Coast Main Line (ECML) in May 2022 and Manchester in December 2022 might impact on local connectivity, thereby reducing choice for passengers. On the ECML, there is a risk of reduction in East-West connectivity to facilitate an additional North-South service from Newcastle to London. Furthermore, and in relation to Manchester, a new timetable is likely to reduce services to improve performance on the routes through Manchester putting pressure on some services and stopping patterns as there is currently no commitment to infrastructure works to restore services in the future.</p>	<ol style="list-style-type: none"> 1. TfN has responded to the consultation for the ECML calling for the timetable to be delayed and calling for an independent review of the changes following Covid-19. 2. TfN has appointed a consultant to explore how regional services that would be lost can be restored. 3. A collaboration between DfT and TfN to develop a roadmap of investment to support further capacity on the ECML. 4. Regarding Manchester, a letter has been issued to the DfT supporting the timetable change on the understanding that an infrastructure plan will follow. 	<p>1</p>
<p>Risk: The long-term effect of Covid-19 on viability of train services. The lifting of restrictions on travel is likely to continue to 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 has commissioned an agency to support messaging and communications to reinforce industry promotion of safe use of public transport in line with Government guidelines. 2. Rail North Committee has endorsed a Roadmap to Recovery. The team is working with train companies identifying ticketing/marketing/offers to rebuild confidence, attract passengers back, and entice new passengers when appropriate and Northern has begun a multichannel campaign from 19 July 2021. 	<p>1</p>
<p>Risk: TRU fit with the wider investment strategy in the North. There is a risk that the IRP reopens discussion on existing government commitments to the main 'building blocks' including both legs of HS2 Phase 2b, NPR and TRU. Delivery of TfN's STP might be impacted. Severe adverse reputational impact for TfN and pressure from partners.</p>	<ol style="list-style-type: none"> 1. Strategic Rail, Strategy & Programmes and NPR to continue to work together to identify potential integration between TRU, NPR and HS2 and understand how they best interface with other's programmes across the North (Manchester, Leeds/Sheffield/York etc). 2. TfN to continue to challenge the cost of major scheme projects and support the development of complementary and independent interventions on the classic network that can be delivered early subject to a suitable business case. 	<p>6</p>

Programme and Look Ahead

- Working through the Rail North Committee and TfN Board, continue to consider the outcome of the Manchester Recovery Task Force consultation.
- Support, monitor and assist the industry to rebuild services, passenger demand and confidence.
- Continue to prepare the detailed response to the Williams-Shapps Plan for Rail by late summer 2021.
- Develop proposals for addressing network gaps linked to the Long-Term Rail Strategy (LTRS) and produce the next stage of the TfN Stations Strategy.
- Continue to support the TfN response to the anticipated Integrated Rail Plan.
- Continue to work closely with DfT and Network Rail to secure successful delivery of the TRU project objectives.
- Work with DfT and NR on the detailed remit and funding mechanism following securing funding for TfN's line speed improvement programme.
- Continue to work with NR to assess three interventions to improve resilience and reliability of the rail network.

Operations Summary

Monthly Introduction

TfN operational teams include teams and departments that are key to our success as a Sub-national Transport Body and the completion of our authority-wide KPIs, but who are not responsible for the completion of individual projects or programmes. These teams provide support for programmes through specialist skills and knowledge in their relevant areas. Teams included under the operations section include the Stakeholder Engagement & Communications Team (SECT), Finance, Procurement & Risk, Strategy & Policy, and Technical Assurance, Modelling & Economics (TAME). Other teams within TfN may also be referenced under this section when they undertake important activities relevant to the pursuit of TfN's success and wider goals.

Activity Update

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

Stakeholder Engagement & Communications Team (SECT)

- The SECT has promoted TfN's activity proactively across external and internal channels, and directly to key stakeholders, throughout the month.
- Promotion of the Decarbonisation Strategy continued, with three online consultation events held and a number of media opportunities secured, including op-eds, feature articles, and response pieces. Efforts will continue, particularly across social media, in the final few weeks of the consultation.
- July's Board meeting gathered a great deal of interest, with a number of news outlets covering the discussions on NPR, the IRP, and timetables.
- Pre-Board meetings were held with civic and LEP members.
- Both David Hoggarth and Tim Wood were interviewed on GB News.
- TfN's response to the DfT's Transport Decarbonisation Plan was published and the team responded to a number of media enquiries.
- The appointments of Martin Tugwell and Cllr Gittins were promoted via a press release and website/social media activity at the end of the month, as well as through internal communications. A number of media opportunities for Martin are now being considered for during his first few weeks.
- Podcast recordings continue, with episodes featuring Cllr Gittins and Tim Wood created to be published in August.
- Internally, the main focus remains on the reopening of our offices and the move to hybrid working, with all channels being used to ensure colleagues are up to date. Planning is under way for TfN Live in September, which will be our first in-person staff event since January 2020.

- Planning is also under way for the TfN conference in September.
- Work continued on arranging meetings for the new CEO as part of his stakeholder schedule.
- Board updates were provided on a number of topics, including Manchester Recovery Task Force, DfT's Transport Decarbonisation Plan, and the IRP delay.
- TfN supported a Transport Across the North APPG session with Sir Peter Hendy.
- Individual meetings were held with members of the MWG on the Northern Transport Charter.

Finance & Procurement

- The team is working closely with all directorates and programmes to manage the procurement pipeline and is seeking opportunities to expedite activity where possible.
- Budget Revision 1, which is closely aligned to the original budget, was approved by the TfN Board and preparatory work in advance of the expected Comprehensive Spending Review has commenced. Audit fieldwork for the 2020/21 Statutory Accounts is in the process of concluding and the accounts were presented in draft at the July Audit & Governance Committee consultative call.
- TfN's new risk management software, Predict, has been successfully implemented and rolled out.

Legal & Democratic

- The 9 June 2021 and 29 July 2021 Board dates took place as "consultation meetings" to allow the Interim Chief Executive to use delegated powers to make any necessary decisions, as permitted by the Constitution, owing to the difficulty in arranging face-to-face meetings and competing legal requirements given the developing pandemic situation. The 29 September 2021 meeting will need to be a face-to-face meeting with public attendance provided for, and is scheduled to be held at Manchester Town Hall. The Scrutiny Committee meeting on 9 September 2021 and the Audit & Governance meeting on 16 September 2021 (which needs to recommend the approval of the 2020/21 accounts to the TfN Board) will also be conducted as "in person" meetings. Members will continue to be kept fully informed of future arrangements. The Government's response to the recent consultation on future ways of working for public meetings is awaited.
- The TfN Modern.Gov website, system and "restricted app" are fully embedded and a new report template and system for report preparation was trialled for the 27 July 2021 Board Consultation meeting. Use of the system will be further extended during coming months.
- The team continues to support procurement and governance and provide general legal advice across a wide range of areas within TfN.

Strategy & Policy

- The public consultation on TfN's Decarbonisation Strategy is ongoing and will run until the 31 August 2021. In addition to the previously identified engagement events and media activities, three regional webinars, open to the general public, were also held during July. A review of responses submitted so far ('week 8 update') will be carried out at the beginning of August to allow us an early view on any issues starting to arise out of the consultation.
- Initial work on the early activities set out in the Strategy has continued, including Pan-Northern Electric Vehicle Charging Infrastructure Framework (led by TfN's Major Roads Team), Clean Growth Visions (focusing on developing evidence-based demand management narratives), consideration of embodied carbon assessment processes on our projects, and facilitating a partnership examining hydrogen refuelling networks (through the North of England Hydrogen Forum).
- Work on the Freight & Logistics Strategy has continued. Approval to consult on the TfN Freight & Logistics Strategy was delegated to the Interim CEO Tim Wood at the Board Meeting on 27 July. Work is currently underway to plan and design the consultation process and update the consultation draft with implications arising from DfT's Transport Decarbonisation Plan and some outstanding partner comments. We plan to seek Board approval for the strategy following the summer/autumn consultation.
- Work continues to develop a programme for revising and adopting a new Strategic Transport Plan (STP) for publication in February 2024. The activity in July focused on preparing a first draft of the proposed programme and timeline which will be shared with partners for comment in August 2021 for initial feedback before being used to collate a paper outlining a proposed plan for discussion at TfN Executive Board and Board in September.
- Work continues at pace to embed the principles of the Northern Transport Charter (NTC) across TfN. In July 2021 this included facilitating a series of one-to-one sessions with the Member Working Group to discuss the proposals for piloting a TfN Citizens Assembly and/or Panel, establishing an Independent Advisory Group to provide advice to Board on specific topics when required, and plans to explore principles for potential weighting of the Investment Programme. The feedback from these sessions with Members then shaped a paper that was presented, and with TfN Board support, delegated for approval by the Interim CEO on 29 July 2021.
- Strategy colleagues have also begun scoping work to develop and agree a policy position statement outlining TfN's role in supporting partners' spatial planning.

Economics & Research

- Work continues on the TfN research programme linked to the Strategic Transport Plan evidence base, including an in-depth review of STP evidence requirements in preparation for STP drafting.

- Final outputs from the Visitor Economy and Transport in the North of England study are now available. The study sets out the importance of the visitor economy sector for the North and provides recommendations for transport solutions which can support the sustainable recovery and future growth of the sector. The team is liaising with the SECT team to plan the publication of the report, in alignment with other related activity at TfN such as the development of the Rail Tourism Action Plan led by TfN's Strategic Rail team.
- User Insight into Pan-Northern Travel (Phase 3) study is now in the report drafting stage. The study will provide insights from business owners on recent and potential future commuting patterns, business-related travel, and demand for transport of goods. The study will also develop a typology of business transport needs, behaviours and attitudes and explore the potential impact of transport investments on the North's business community. The study is expected to be completed in September 2021.
- In July, the supplier for the commissioned Transport-Related Social Exclusion (TRSE) research project proposed five areas for primary data collection, based on the outputs of secondary data analysis. Following discussions with the supplier on a revised methodology, delivery of the final results of this project is now expected in September 2021.
- The descriptive and focused coding stages for the qualitative TRSE research project has been completed by the Economics & Research Team. The findings from this analysis will be detailed in a report produced by the end of August.
- The scope for the Clean Mobility Visions project has been finalised, and a detailed work plan for the first phase of the project has been developed. The final scope reflects areas of interest from colleagues in Major Roads.
- Further revisions have been undertaken on the scope for the Health & Wellbeing research project. The commissioning processes for this project will begin in August.
- Work on defining TfN's role in promoting environmental net gain and enhancing natural capital continues, with a presentation to partners being given to the Strategic Oversight Group on 29 June.
- Working with consultants, the team has begun development of the next steps for the Northern Powerhouse Independent Economic Review, including internal requirements gathering, development of consultation materials and collaborative discussions with the NP11.

TAME (Technical Assurance, Modelling & Economics)

- The Northern Transport Modelling System (NorTMS) Development Partner Contract has commenced and a list of the work packages to be completed has been finalised. A package of early model improvements for the NorTMS model has been agreed.
- Revised time and cost estimates have been shared with DfT for representing the HS2 do-minimum in NoRMS, with the work now underway.
- The Northern Economy and Land Use Model (NELUM) Version 3 calibration work is continuing and an initial review of outputs to date indicates

progress is good. A lessons learned review on the delays to this workstream has been conducted.

- The first batch of the NorTMS development partner Tranche Four tasks have been approved and are underway. The first sprint planning meeting has taken place.
- TAME staff continue to support the IPBA with various activities including technical management of the work programme, preparation of Future Travel Scenario matrices, and further improvements to strategic assignment models.
- The Wider Economic and Social Impacts Partner (WESIP) contract inception meeting has taken place. Initial outputs have been defined and regular meetings set up.
- The Stations Analysis Partner onboarding is complete and technical sessions have been held including a workshop to discuss hub sift criteria for Liverpool station options.
- The Rail Business Case Partner contract with Mott MacDonald has commenced. The suppliers will be working with TAME and the Strategic Rail teams, and using the Analytical Framework to assemble Rail Business Case and complete general rail analytical work.
- The NPR Freight Partner Contract Invitation to Tender has now gone out. It is expected that the contract will commence in September.
- TAME support for TfN's decarbonisation work programme continues, with updates to the NoCarb modelling tool following publication of the DfT's Transport Decarbonisation Plan, and a new project to develop a tool for modelling Electric Vehicle Charging Infrastructure.
- There will be a minor delay to the TAME Analyst Support Partner contract which will result in consultancy contracts being extended to provide continuity of service.

Financial Performance

Financial Update

Summary

Expenditure incurred in July 2021: £4.24m

Variance to monthly budget: Underspend of £0.62m (13%)

Year-to-date (YTD) expenditure incurred: £18.75m

Underspend to date: £1.32m (7%)

Headlines

- July 2021 actuals have been monitored against the 2021/22 budget. At the initial quarterly budget revision, the base budget was maintained, a reprofiling exercise is currently underway to reflect approved virements and adjust expenditure profiles.
- The underspend in the month and year-to-date are principally driven by programme activity.
- Core underspend is driven by the timing of discrete activities and is expected to catch up, principally office refurbishment (in progress) and TfN conference (postponed to September).

Programmes:

- Expenditure of £3.67m represents an underspend of £0.51m (12%) in the month.
- Year-to-date expenditure of £16.08m is £0.95m behind budget (6%).

Integrated & Smart Travel:

- Programme-wide expenditure of £0.03m in the month represents an underspend of £0.01m. YTD expenditure of £0.91m remains under budget by £0.22m (19%).
 - As at the end of July, residual Phase 1 activity was still outstanding with final costs from Northern and Merseytravel pending.
 - With minimal activity outstanding, savings of £0.25m against the budget to close the programme are expected.

Northern Powerhouse Rail

- Expenditure of £3.57m represents an underspend of £0.49m (12%) in the month. YTD expenditure of £14.87m is £0.69m under budget (4%).
 - Underspend is driven by lower Business Case support costs following the postponement of the SOC submission. Underspend in this area will continue to accrue as a result of the further delay to the publication of the IRP highlighted in the NPR section of this report.
 - NR expenditure on design and survey work continues to be ahead of budget on a year-to-date basis.

IPBA (Investment Programme Benefits Analysis)

- Expenditure of £0.07m in the month is £0.01m under budget (15%). YTD expenditure of £0.28m is £0.04m under budget (13%), this is driven by the freight modelling work. This has been reprofiled following technical discussions and refinement of scope and work has now commenced in August.

Operations:

Rail Operations

- Expenditure in the month of £0.19m is £0.06m (23%) under budget. YTD expenditure of £0.77m is £0.15m under budget (16%).
 - Underspend is driven by vacancies funded from both discrete and core grant. Core underspend generated from vacancies is managed via the budget virement process or redeployed to allow for interim contractors to fulfil vacant roles.
 - Further underspend in relation to professional services expenditure, £0.03m YTD, has been reprofiled within the year, with several contracts currently being finalised.

Operational Areas

- Expenditure of £0.38m in the month is an underspend of £0.06m (13%). YTD expenditure of £1.90m is £0.22m under budget (10%), driven by the following:
 - £0.05m underspend in accommodation related to the refurbishment of the Leeds offices. Work is progressing well and on schedule to complete in August.
 - £0.04m underspend in SECT, largely due to the postponement of the TfN Annual Conference from June to September.
 - £0.09 underspend on professional services in the Strategy & Policy and Major Roads area. Several contracts have now commenced and expenditure is expected to accelerate in the months ahead.

Expenditure Control

- Through the monthly budget virement process, new opportunities identified as supportive of the delivery of the 2021/22 Business Plan are reviewed by OBT. No new activities were approved in July.

Activity Dashboard

TRANSPORT FOR THE NORTH FINANCE DASHBOARD					PERIOD BUDGET CYCLE		4 BASE BUDGET		JULY 2020/21	
PERIOD ACTUALS VERSUS BUDGET										
	Actuals	Budget	Var.	Var.						
	£m	£m	£m	%						
Integrated and Smart Ticketing	£0.03	£0.04	£0.01	21%						
Northern Powerhouse Rail	£3.57	£4.06	£0.49	12%						
IPBA	£0.07	£0.08	£0.01	15%						
Programmes	£3.67	£4.18	£0.51	12%						
Rail Operations	£0.19	£0.25	£0.06	23%						
Operational Areas	£0.38	£0.44	£0.06	13%						
	£4.24	£4.86	£0.62	13%						
PERIOD ACTUALS VERSUS BUDGET: PROGRAMMES										
	Actuals	Budget	Var.	Var.						
	£m	£m	£m	%						
IST: Phase 1	£0.01	£0.01	£0.00	-9%						
IST: Phase 2	£0.00	£0.01	£0.01	67%						
IST: Programme	£0.01	£0.01	£0.00	3%						
Northern Powerhouse Rail	£3.57	£4.06	£0.49	12%						
IPBA	£0.07	£0.08	£0.01	15%						
	£3.67	£4.18	£0.51	12%						
YEAR TO-DATE ACTUALS VERSUS BUDGET										
	Actuals	Budget	Var.	Var.						
	£m	£m	£m	%						
Integrated and Smart Ticketing	£0.94	£1.16	£0.22	19%						
Northern Powerhouse Rail	£14.87	£15.56	£0.69	4%						
IPBA	£0.28	£0.32	£0.04	13%						
Programmes	£16.08	£17.04	£0.95	6%						
Rail Operations	£0.77	£0.92	£0.15	16%						
Operational Areas	£1.90	£2.12	£0.22	10%						
	£18.75	£20.07	£1.32	7%						
YEAR TO-DATE ACTUALS VERSUS FORECAST TO OUTTURN (BASE BUDGET)										
	Actuals	F/cast	Var.	Var.						
	£m	£m	£m	%						
Integrated and Smart Ticketing	£0.94	£1.52	£0.58	38%						
Northern Powerhouse Rail	£14.87	£48.48	£33.61	69%						
IPBA	£0.28	£0.89	£0.62	69%						
Programmes	£16.08	£50.90	£34.81	68%						
Rail Operations	£0.77	£3.16	£2.39	76%						
Operational Areas	£1.90	£6.43	£4.53	70%						
	£18.75	£60.48	£41.73	69%						
FUNDING YEAR TO DATE					FUNDING FORECASTS TO OUTTURN (BASE BUDGET)					
Funding Stream	Actuals	Budget	Var.	Var.	Actuals	Budget	Var.	Var.		
	£m	£m	£m	%	£m	£m	£m	%		
TDF - Rail	£14.87	£15.56	£0.69	4%	TDF - Rail	£14.87	£48.48	£33.61	69%	
IST - Capital and Revenue	£0.94	£1.16	£0.22	19%	IST - Capital and Revenue	£0.94	£1.52	£0.58	38%	
Core Grant	£2.41	£2.79	£0.37	13%	Core Grant	£2.41	£8.86	£6.45	73%	
Rail North Grant & Contributions	£0.45	£0.46	£0.01	2%	Rail North Grant & Contributions	£0.45	£1.29	£0.84	65%	
Trading Income	£0.08	£0.11	£0.03	25%	Trading Income	£0.08	£0.33	£0.25	75%	
	£18.75	£20.07	£1.32	7%		£18.75	£60.48	£41.73	69%	

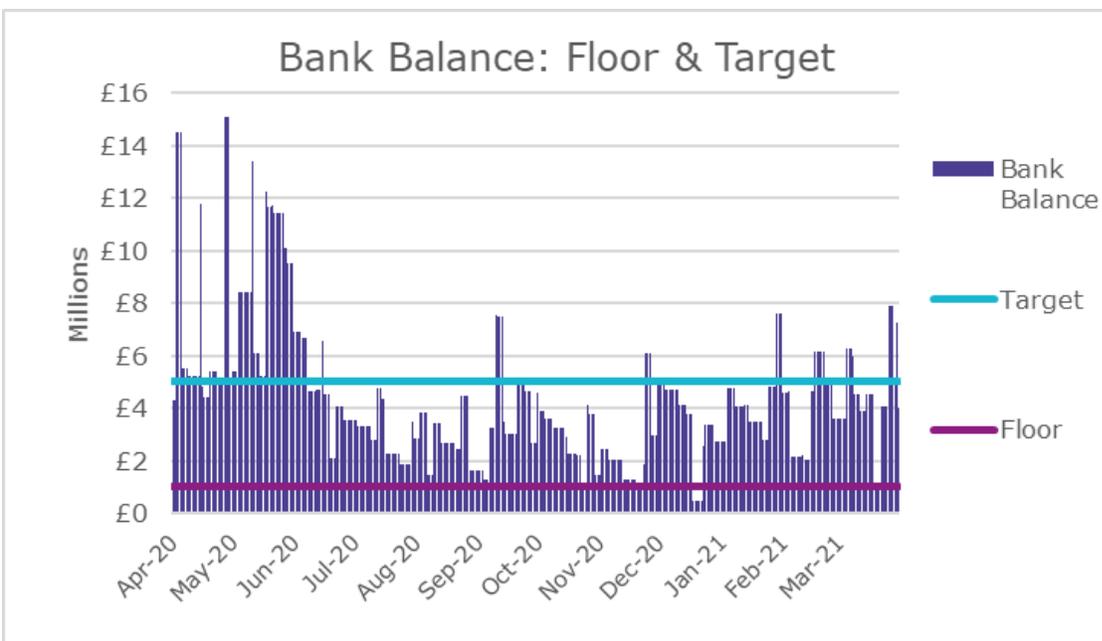
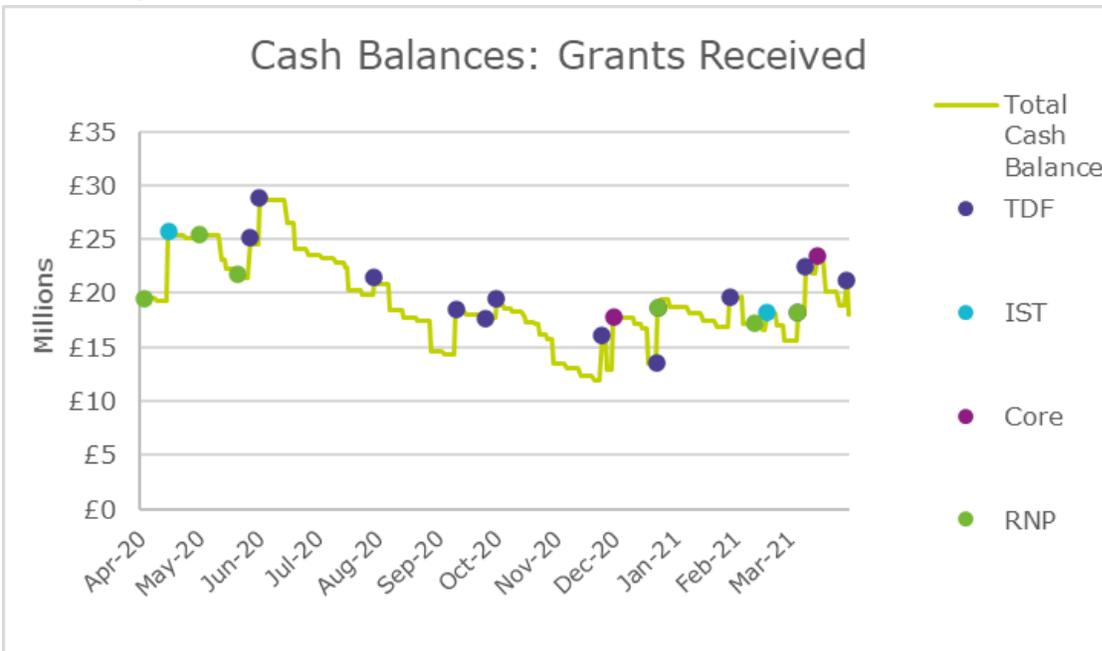
Treasury Management Annual Review

TfN continues to operate in compliance with its Treasury Management Strategy as approved by the Board.

Treasury Management is governed by a hierarchy of considerations:

1. Security;
2. Liquidity; and
3. Yield.

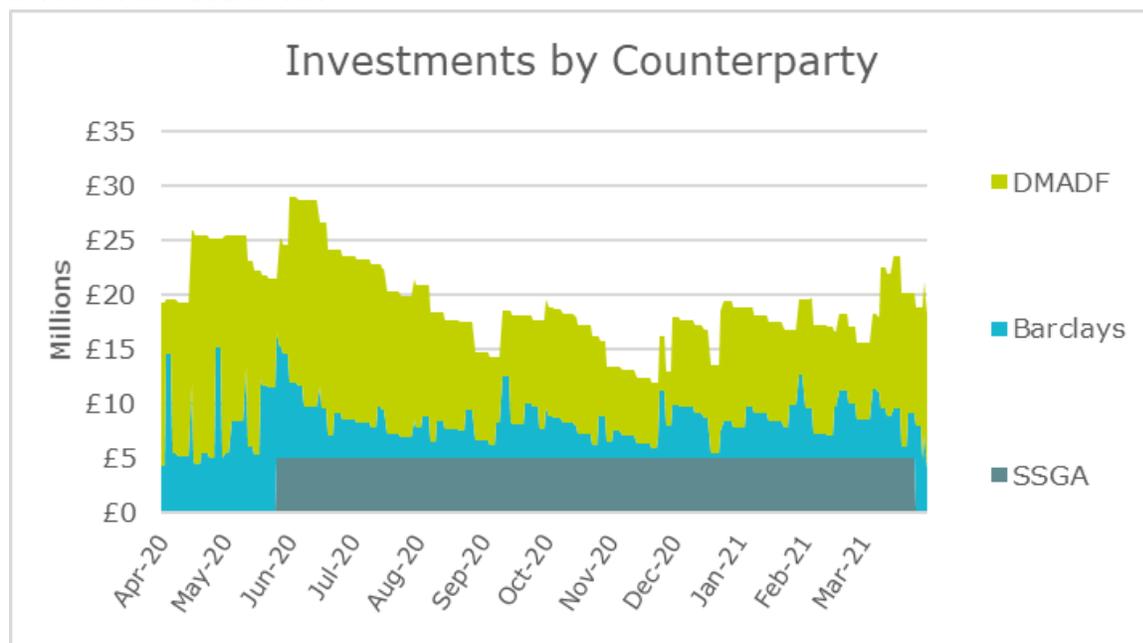
The following charts summarise the cash balances and investment decisions over the year to 31 March 2021.

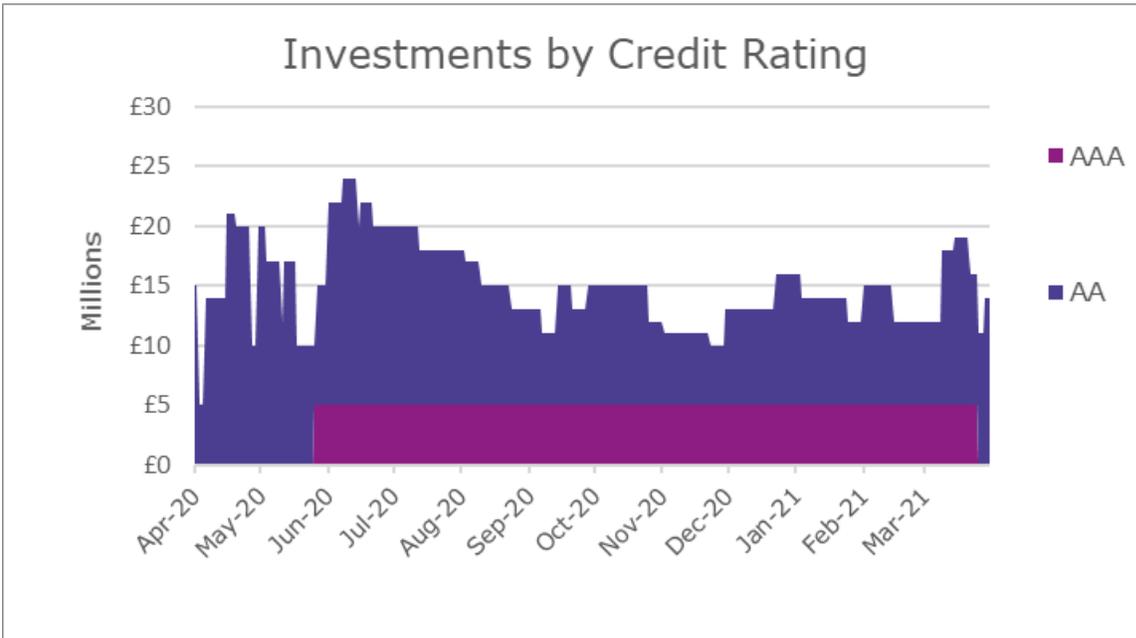


These graphs show the cash balances at each month end and the various grants recieved under TfN’s Grant Funding Agreements with DfT. These sums were then utilised to meet TfN expenditure to deliver its business plan. TfN’s inability to access credit means that it generally seeks to receive grants from DfT at the point at or before expenditure is committed. The time lag between costs being incurred and invoices being received and paid can lead to there being a considerable time period between grant receipt (cash in) and the relevant expenditure (cash out).

TfN accounts on an accruals basis which would see cash outflows in the month, at the earliest, following the month of the accounting entry. This can result in material cash balances at a period end.

TfN endeavours to retain a sum no greater than £5m with any one counterparty (other than with the DMO as described below). The timing of grant receipts is not always guaranteed and cashflows are prepared on a prudent basis, ie excluding grant receipts. This prudent approach, that allows TfN to meet its obligations, can result in short term balances exceeding £5m with Barclays. Upon receipt these grants are then built into subsequent investment decisions.





The graphs above show the two counterparties where funds have been deposited in the year (and the residual operational balance with Barclays) and their relative credit rating. With the exception of £5m held in a low risk money market fund, all other deposits were held with the UK Debt Management Office (“DMO”) and Barclays (our operational bank). The DMO is a government body that provides low risk cash management options whilst saving interest costs for central government.

Yields in the year have been very low (c0.1%) and in isolated instances the yield was negative. The Treasury Management policy places investment security and liquidity over yield in the hierarchy of considerations. This approach limits the risk of default on TfN’s cash deposit decisions.

Human Resources Update

Salaried Establishment as at **5 August 2021**

Established Permanent/Fixed-term Posts

Area	Permanent Posts (Over 2 years)	Fixed-term Posts (Up to 2 Years)	Total Establishment
CEO Office	2 (2.00 FTE)	-	2 (2.00 FTE)
Support Services	25 (25.00 FTE)	2 (2.00 FTE)	27 (27.00 FTE)
Operational & Delivery	73 (71.84 FTE)	18 (18.00 FTE)	91 (89.84 FTE)
Rail North Partnership (Hosted)	13 (13.00 FTE)	3 (3.00 FTE)	16 (16.00 FTE)
Total Establishment	113 (111.84 FTE)	23 (23.00 FTE)	136 (134.84 FTE)
Strength (in post)	104 (102.84 FTE)	15 (15.00 FTE)	119 (117.84 FTE)
Appointed (start date pending)	2 (2.00 FTE)	1 (1.00 FTE)	3 (3.00 FTE)
Active/Pending Recruitment	1 (1.00 FTE)	1 (1.00 FTE)	2 (2.00 FTE)
Vacant – On-hold	6 (6.00 FTE)	6 (6.00 FTE)	12 (12.00 FTE)

Agency/Consultancy Resource – Covering Vacant Established Posts

Area	Posts (FTE's)
Support Services	2 Post (2.00 FTE)
Operational & Delivery	9 Posts (9.00 FTE)
Total	11 Posts (11.00 FTE)

Consultancy Resource – Contracts for Service (TDF Funded)

Area	Current Strength Posts (FTE's)	Year-End FY21/22 Projected Posts (FTE)
Support Services	0 Post (0.00 FTE)	0 Post (0.00 FTE)
Operational & Delivery – NPR	47 Posts (47.00 FTE)	101 Posts (101.00 FTE)
Total	47 Posts (47.00 FTE)	101 Posts (101.00 FTE)

The above are all NPR related posts and due to the nature of the funding (one-year only) and technical skills required, have been engaged via the contract for service route. Further roles (circa 54 posts) are anticipated to be brought in throughout the forthcoming year, with actual plans for this resource to be finalised once the IRP reports and a revised date for the submission of the NPR SOC is agreed.

Resourcing Update – For Information

TfN Board & Partnership Board Chair – John Cridland – retired from his role following the TfN Board Meeting on 27 July 2021. A paper will be presented to the TfN Board in September for members to consider the approach to appointing a successor.

TfN Offices – our Manchester and Leeds offices both re-opened on Monday 2 August 2021 and have been physically re-designed (Leeds office from mid-September) to support and underpin our new hybrid ways of working.

HR Metrics – 2021/22 Year-To-Date:

Corporate Sickness Level:	1.3%
Employment Policy Application:	0%
Rolling 12 Month - Employee Turnover (Voluntary Leavers):	18.6%
% of Employees from an Ethnic Minority Background:	13%
% of Employees declaring a Disability:	12%
Gender Mix - % of Female Employees:	38%
% of Male Employees:	62%

KPIs

Key Performance Indicators

Transport for the North's Key Performance Indicators (KPIs) are outlined in the published Business Plan for 2021-22. 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 (complete)	0
On Track (in progress, no delays)	14
In Progress (in progress, may become delayed)	7
Delay (has missed a key deadline)	1
Delay BTYE – delayed beyond this year end	0
Not Started	4

Area	KPI	Detail	Progress	Status
Strategic Rail	1	Demonstrate clear Northern input in supporting and developing return to rail initiatives across the North to rebuild passenger numbers and aid economic recovery. March 2022	On Track Messaging and communications will continue to promote safe use of public transport. The team is working with train operating companies identifying ticketing/marketing/offers to rebuild confidence, attract passengers back, and entice new passengers when appropriate.	
Strategic Rail	2	Deliver plans for rail hub enhancements around two major stations to maximise the potential of the network. October 2021/February 2022	On Track Work has continued on developing a Strategic Outline Business Case for a radical plan for Leeds Station, with the delivery of an economic case by Atkins.	
Strategic Rail	3	Demonstrate meaningful and beneficial engagement for the North on rail reform within three months of publication of the Williams White Paper. September 2021	On Track A support partner has been engaged and work has begun on producing a draft proposition for the rail industry in the North.	
Strategic Rail	4	Further embed the TfN rail journey time improvement initiative with Network Rail to deliver better reliability on at least two rail routes during 2021/22. March 2022	On Track Network Rail is now fully engaged with the Theoretical Line Speed process and is progressing the delivery of the York-Scarborough and Darlington-Bishop Auckland findings. Implementation is expected by March 2022.	
Strategic Rail	5	Pursue the digital transformation of fares, ticketing and information	Delay A scoping report for this programme was prepared by the Integrated & Smart	

		through collaboration and the development of business cases across the North and/or through national rail reform. March 2022	Travel (IST) team as part of the project closedown. An appointment has been made to the Head of Digital Strategy and a start date of October 2021 agreed, but this may delay some of the outputs beyond March 2022.
Strategic Rail	6	Continue to use TfN's existing powers and role in the Rail North Partnership to deliver the best outcomes for passengers, within the financial and legacy infrastructure constraints, by influencing train operators and major programmes including TRU and Central Manchester. March 2022	On Track TfN is actively using its powers and voice to get a better outcome for passengers on Central Manchester - for example by working collaboratively with DfT to secure the right infrastructure for Manchester.
Northern Powerhouse Rail	7	Completion and submission of the Strategic Outline Case, timescale to be agreed following publication of the Government's Integrated Rail Plan. TBC post-IRP	In Progress Timings depend on IRP. Completion and submission dates dependant on IRP publication and subsequent agreements between TfN and DfT.
Northern Powerhouse Rail	8	Reconfirm NPR phasing plan in response to Government's Integrated Rail Plan. TBC post-IRP	Not Started Final phasing position in the SOC is dependent on the IRP conclusions and subsequent agreements between TfN and DfT.
Northern Powerhouse Rail	9	Complete initial survey work and commence OBC on early accelerated projects to start construction in FY 2024/25. September 2021	In Progress Current survey works due to conclude in Q2 21/22 as scheduled. However, the programme of activity post-surveys is dependent on IRP conclusions and subsequent agreements between TfN and DfT.
Northern Powerhouse Rail	10	Initiate additional survey work and commence Outline Business Case on early accelerated projects to enable delivery partners to start construction in 24/25. January 2022	Not Started Further surveys and pace of commencing OBCs are dependent on IRP conclusions and subsequent agreements between TfN and DfT.
Northern Powerhouse Rail	11	Agree NPR governance arrangements with DfT as programme transitions to the next stage. TBC post-IRP	Not Started Not started. Awaiting publication of the Integrated Rail Plan.
Investment Programme Benefits Analysis	12	Commission the Investment Programme Benefit Analysis work and deliver the programme up to the Gateway Review. September 2021.	On Track Programme is on track with the Gateway Project Review in progress, which reviews progress to date against the programme and scope of work.
Investment Programme Benefits Analysis	13	Subject to Gateway Review, complete work on the Investment Programme Benefit Analysis which will be used as the evidence	On Track Project baseline programme has been agreed and project is on schedule.

		base for the next STP. March 2022	
Major Roads	14	Produce a robust evidence base monitoring performance and types of journey on the MRN. This will support analysis of the impacts of Covid-19 to monitor and evaluate outcomes including changes in travel patterns and behaviours. October 2021	On Track The mobile data project is running on schedule with the first dataset due in August.
Major Roads	15	Publish the updated Major Roads Report, following DfT publication of the national Transport Decarbonisation Plan and TfN's Decarbonisation Strategy. October 2021	In Progress 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.
Major Roads	16	Use our evidence base to work with Highways England and DfT to identify TfN's priorities to be considered as part of DfT's Road Investment Strategy 3. March 2022	In Progress Work with Highways England to develop the route strategies, which will feed into RIS3, is ongoing.
Major Roads	17	Work with our partners and DfT to scope out how TfN can best support plans for an integrated electric vehicle and/or hydrogen charging infrastructure network, supporting all communities in the adoption of low and zero emission vehicles. March 2022	On Track A supplier has been awarded the contract and the project has now started.
Major Roads	18	Continue to work with DfT's Acceleration Unit to ensure their awareness of the schemes identified in TfN's Economic Recovery Plan for their consideration of accelerating delivery. March 2022	In Progress Engagement with DfT and the Acceleration Unit is ongoing.
Strategy, Policy and Research	19	Consult on the draft Decarbonisation Strategy and seek adoption by the TfN Board in autumn 2021. November 2021	On Track Consultation successfully launched on 7 June and now running for 12 weeks. Consultation events and promotion ongoing, due to close on 31 August 2021. Week 8 update scheduled for early August.
	20		On Track

Strategy, Policy and Research		Agree a plan to adopt a new Strategic Transport Plan by 2024, and commence a new Northern Powerhouse Independent Economic Review (NPIER) programme as a first step. October 2021	Work continues to map out a roadmap to a revised STP for publication in February 2024. July activities have focused on preparing a presentation outlining the proposed programme ready for circulation with partners for early feedback in August 2021.
Strategy, Policy and Research	21	Progress the advanced prioritisation mechanisms set out in the Northern Transport Charter, including analytical tools to allow prioritisation on a wider basis (economic, social, and decarbonisation) and independent assurance arrangements. March 2022	On Track TfN Board agreed to the NTC development plan at July 2021 board, including the progression of advanced prioritisation mechanisms and independent assurance arrangements.
Strategy, Policy and Research	22	Consult and adopt the TfN Freight & Logistics Strategy and work with the industry to agree implementation arrangements. December 2021	On Track TfN Board agreed for the strategy to progress to consultation.
Strategy, Policy and Research	23	Provide input into the final stages of the Union Connectivity Review and respond on its publication. September 2021	In Progress TfN submitted a formal response into the Call for Evidence in December 2020. Following that, contact has been made with the team supporting the review to understand any emerging findings and how TfN can support. A response is awaited.
Corporate	24	Develop and provide a Comprehensive Spending Review submission to Government. In line with timetable set by Government	In Progress TfN officers continue to prepare for an autumn Spending Review and have agreed a high-level approach with the TfN Board. Timetable for the Spending Review is yet to be published.
Corporate	25	Feed into emerging procurement practice as the UK's current 'EU style' regime is updated and look at opportunities to further increase social value. March 2022	Not Started Not started. Will begin once revised procurement guidance starts to emerge.
Corporate	26	Implement and further develop the agreed new Ways of Working, to include physical office design, office and remote working, corporate and constitutional meetings and IT strategy. Within three months of return to office	On Track Subject to emerging Government guidance on the lifting of current lockdown/social distancing restrictions, TfN remains on-track to fully implement its agreed new Ways of Working and reopen both offices in early August 2021. The physical re-design of the Manchester office will be fully complete by the end of July and this will be followed by the Leeds office by the end of September.



Transport for the North
2nd Floor
4 Piccadilly Place
Manchester
M1 3BN



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



0161 244 0888



info@transportforthenorth.com

