

Transport for the North Business Plan – 2022/23

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Chairman's welcome

Lord McLoughlin

Chairman

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

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

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

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

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

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

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

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

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

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

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

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

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

Cllr Louise Gittins **Leader of Cheshire West and Chester Council**

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

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

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

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

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

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

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

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

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

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

Cllr Charlie Edwards

Lancashire Cabinet Member for Highways and Transport

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

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

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

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

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

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

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

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

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

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

08-09

Transport for the North

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

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

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

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

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

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

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

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

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

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

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

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

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

10-11

Building on Success

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

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

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

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

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

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

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

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

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

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

Last year we

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

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

In 2022/23 we will:

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

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

12-13

Our Strategic Transport Plan

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

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

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

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

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

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

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

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

Our priority activities in 2022/23 will include:

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

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

14-15

Shaping the Future

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

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

Our priorities in 2023/24 are to:

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

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

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

16-17

Implementation through Collaboration

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

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

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

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

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

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

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

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

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

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

Evidence Based Strategic Thinking

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

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

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

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

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

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

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

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

20-21

Our Values and Behaviours

Our values

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

We make a difference

We do the right thing

We are driven to succeed

We collaborate

Our core behaviours

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

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

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

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

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

A best practice employer

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

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

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

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

Agile ways of working practice:

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

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

Health and Safety

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

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

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

22-23

Our People and Finances

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

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

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

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

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

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

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

Business Model

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

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

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

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

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

Funding

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

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

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

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

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

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

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

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

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

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

Reserves strategy

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

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

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

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

Value for money

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

Expenditure

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

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

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

:

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

Risk management

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

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Measuring success: KPIs

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

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

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

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

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

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