

# Quarterly Operating Report November 2023



## **1 Chief Executive's Introduction**

- 1.1 We continue to develop the format of our revised Quarterly Operating Report: this being the second edition following the initial August production. The primary purpose remains the same: to report on progress against the delivery of Business Plan objectives and enable TfN's partners to gain an overview of the work of TfN.
- 1.2 This quarter has been understandably impacted by the announcement by the Prime Minister on the 4<sup>th</sup> October of the cancellation of HS2 Phases 2a and 2b. The Government set out its approach to reallocating the funding previously identified for HS2 in its 'Network North document.
- 1.3 There is a need to reflect on the implications of the Government's policy announcement: both in terms of what it means for the revised Strategic Transport Plan and for realising the transformation in connectivity and capacity across the North's transport system. The evidence underpinning the STP is clear: investment in transforming our transport system is fundamental to enabling the North to realise its economic potential in a way that improves social inclusion and reduces environmental impact.
- 1.4 Following the success of the consultation on the draft STP over the summer months, the autumn has seen the team analyse the responses and identify the need for the document to be refined prior to its consideration by the TfN Board. That will now take place in March next year, a slight delay in order to ensure there is sufficient team to enable due consideration of the Network North document.
- 1.5 In addition to providing an update on progress with the delivery of our Business Plan we have also taken the opportunity in this QOR to include the more detailed half yearly Treasury Report as part of our financial reporting.

## **2 BP1: Consult on revised Strategic Transport Plan - Summer 2023**

- 2.1 In March 2023 the TfN Board approved a 12-week statutory consultation: this took place between May and August 2023. An independent Integrated Sustainability Appraisal (ISA) and Habitats Regulation Assessment (HRA) was also prepared and consulted on at the same time.
- 2.2 Stakeholders across the North were engaged using a number of mechanisms including promotion via our digital channels and news media. Some 648 responses, including statutory consultees, user groups, members of the public and our Northern Transport Voices panel: this is an increase on the engagement achieved with the first Strategic Transport Plan (STP).
- 2.3 Analysis of the consultation responses have been analysed throughout September and October. This enabled key messages and themes to be identified which require consideration in preparing the final draft. Discussions with TfN Members and wider partners took place at a September meeting of the Partnership Board and the main TfN Board the same month.

## **BP2: Publish Connected Mobility Strategy – Summer 2023**

- 2.5 The Connected Mobility Strategy was published on 30 October 2023 with communications planned into November 2023, alongside a programme of work to the end of financial year.

- 2.6 A suite of reports and policy positions were published, including papers on Interoperability in contactless payments, information provision for passengers and policy positions on both rail retail reform and rail fares reform in the North.

**BP3: Secure Adoption of the Revised Strategic Transport Plan – December 2023**

- 2.6 It was intended to present the final draft of the STP to the TfN Board for adoption in December 2023. However, on 4<sup>th</sup> October, the Government announced the cancellation of Phases 2a and 2b of High Speed 2 (HS2). The announcement was accompanied by the publication of Network North document by Government.
- 2.7 The STP must demonstrate it has due regard for Government policy. Therefore, it is necessary to assess the implications of the Network North document with the TfN Board and ensure the STP has due regard to the most recent Government policy.
- 2.8 Following careful consideration by the TfN executive we are confident that the draft STP vision, strategic ambitions and outcomes remain valid, based as they are on a comprehensive and robust evidence base. Cancellation of HS2 phases 2a and 2b does not remove the need for investment in improved connectivity and capacity between the North and the Midlands. To ensure adequate time to determine how best to reflect this in the final version of the STP, and to reach an agreed position with the TfN Board, presentation of the final draft for approval is deferred until March 2024.
- 2.9 Following the consultation, the document has been updated to reflect feedback including amending the headline metrics, making a stronger case for freight and better articulating that the environmental benefits we seek are beyond decarbonisation.

**BP4: Rail reform – Issue Proposition for the North – December 2023**

- 2.10 Policy position papers on Rail Reform continue to be developed and the TfN Rail Reform Programme Board has been re-established: this is being used to develop the North's proposition which will be developed further by December 2023 and shared with members at the start of 2024
- 2.11 The Government included a draft Bill for Rail Reform in the King's Speech delivered on 7<sup>th</sup> November. The draft Bill will be the subject of pre-legislative scrutiny, expected to take place in the New Year.

**BP5: Provide Annual STP Action Plan – March 2024**

- 2.12 Initial discussions have been held with Partnership Board and Executive Board on the proposals for implementation advice that will accompany the final STP. This will include an annual action plan that amongst other things will set out the actions that TfN will do to support the delivery of the STP. It is planned that draft advice on implementation will be presented to the TfN Board for its consideration in March 2024.
- 2.13 The draft STP was accompanied by a modelling and evaluation framework, which set out plans for how the key metrics in the STP will be monitored. Work has been undertaken subsequently to develop an interactive dashboard that will enable progress against these key metrics to be presented

on a regular basis to the TfN Board. A first iteration of the dashboard has been shared with partners for comment.

**BP6: Update Future Transport Scenarios – March 2024**

- 2.14 The project team has been undertaking evidence reviews and lessons learned exercises to inform this work. Local authority partner engagement sessions are scheduled to take place by mid-December 2023. The project to update the scenarios will ensure we take account of future uncertainty within our work and embed this capability in TfN’s analytical tools and evidence base.

**BP7: Consult on and then publish final Strategic Rail Report – March 2024**

- 2.15 A draft of the Strategic Rail Report was published in May 2023 as part of the supporting documents for the draft STP consultation. Revisions to the document have been made in response to the consultation. The intention remains to present the final document to the TfN Board in March.

**BP8: Ensure a strong case is forwarded for recommended RIS investment in the North – March 2024**

- 2.16 TfN submitted regional responses to the series of RIS 3 consultations published by the Department for Transport in the summer. This included statutory advice on the Strategic Road Network (SRN) initial report, and a response to National Highways Route Strategy Reports and Connecting the Country masterplan. At the time of writing, we are awaiting publication of the draft RIS by the Government.

**BP9: Publish Transport for the North’s Bus Policy Position – March 2024**

- 2.17 TfN has consulted partners and key stakeholders on ambitions for improving bus services and patronage. The TfN executive has identified a series of opportunities where TfN can support its partners. These will feed into the development of TfN’s Bus Policy Position and statutory advice on measures to transform bus services in the North. These are on track for presentation to the TfN Board in March.

**BP10: Implement an online local public transport data toolkit – March 2024**

- 2.18 Launched in September 2023, this sets out the tools, data and information available to local authorities. The offer includes details of the “Off the Shelf Menu” which provides an in-depth overview of the various evidence, tools and policies. This includes our Transport Related Social Exclusion (TRSE) and Electric Vehicle Charging Infrastructure (EVCI) tools.

- 2.19 More bespoke guidance and support is also available through the TfN ‘offer’, including advice/guidance/ training on the application of our tools; and (topic specific) pan-regional partner engagement. A series of workshops on the application of the TRSE tool have recently been completed.



- 2.20 We have launched our Clean Mobility Tool, which is intended to assist on modal shift appraisal, and our Carbon Baseline tool.

### **3 Functional Reports**

#### **Strategy and Research**

- 3.1 There has been a continued focus on developing the revised STP and the launch of the Transport for the North Offer and associated tools. The wider strategy and research programme continues to progress as set out below.
- 3.2 The 10 recommendations in the **Freight and Logistics Strategy**, are being progressed with focus on five work packages including stakeholder engagement, our evidence base and analytical capability and quick wins, primarily through our freight and logistics group. We also responded to the Future of Freight Planning call for evidence in October 2023.
- 3.3 Implementation of our **Decarbonisation Strategy** includes the release of the Clean Mobility and Carbon Baseline tools, as well the development of a Hydrogen Refuelling for Mobility visualiser which will assist partners identify locations for hydrogen refuelling stations.
- 3.4 The summary document for the **Northern Powerhouse Independent Economic Review (NPIER)**, is due to be published late 2023. This sets the new transformational vision of the economy of the North in 2050. We are working with partners, to shape the next stage of this programme.
- 3.5 The **Transport-Related Social Exclusion (TRSE)** survey, which engaged over 1,400 respondents was recently completed. It examined transport behaviours and perceptions, and the impacts that poor quality transport has on everyday life. The outcomes will be used to improve our TRSE tool methodology and will be published in March 2024.
- 3.6 Our **Northern Transport Voices (NTV)** panel continues to be an invaluable research tool for scoping public opinion. The panel provided input to the STP consultation, as well as views on the £2 bus fare cap, station ticket office closures, electric vehicles, and rural mobility hubs.
- 3.7 We have developed the **rural mobility evidence base** to support our partners in business cases for rural areas. A final report will be used to inform our review of DfT's policy paper for innovation in rural transport.

#### **Priorities for next Quarter**

- 3.8
- The STP will be finalised alongside an updated evidence base, Integrated Sustainability Appraisal and monitoring and evaluation dashboard;
  - We will develop implementation advice, which will consider the strategies and actions emerging from the STP;
  - We will commence scoping for the update of the Decarbonisation Strategy;
  - The Carbon Assessment Playbook will be published for partners to use alongside our carbon baseline; and
  - Draft our research strategy, establishing our programme of activity for economic, social and environmental research for next 12 months.

## **Strategic Rail**

- 3.9 The team has continued to support work by TransPennine Express (TPE) to stabilise and improve performance in the short term (including analysing options for the future of Nova 3 trains) and continues to monitor and report train performance against operator recovery plans.
- 3.10 Work has continued via the TRU Stakeholder Forum to support first and last mile improvements and identify local stakeholder feedback. This has resulted in customer experience improvements being implemented at stations and online.
- 3.11 We have supported TfGM and DfT as they commission consultants to undertake a Rail Freight Routing Study. This study will help identify recent changes to the total freight market, update the future rail freight forecasts.
- 3.12 Information has been provided by TfN into the various timetable options analysis work now being undertaken for the predicted post 2025 travel demand scenarios.
- 3.13 We had finalised TfN's revised Statutory Advice for Manchester, however there is a need to consider whether that in turn needs to be subject to amendments following cancellation of HS2 Phases 2a and 2b.
- 3.14 Completion of NPR Core-Full Bridge workshops with partners which will now help inform Transport for the North's response to HS2 announcement.
- 3.15 Building on the work of the Rail North Committee, the main Board endorsed TfN's response on the Ticket Office Consultation proposals published by the operators. The response was submitted to the Secretary of State in October 2023. Subsequently the Secretary of State, following receipt of advice from Transport Focus instructed the operators to withdraw their proposals.
- 3.16 The TfN executive has worked closely with its partners in response to proposals for recasting the East Coast Main Line timetable from December 2024. The proposals were assessed in terms of how they had addressed the concerns raised by TfN (and partners) when the proposal had last been put forward. A report on the new proposals and their impact on rail services (including opportunities presented to enable additional services) was considered by the Rail North Committee at its meeting in November. A final decision on the proposal was remitted to the TfN Board in December.

## **Priorities for next Quarter**

- 3.17
- Progressing the Connected Mobility Strategy programme with a focus on providing support for TfN partners through the 'Hub' - a support service to assist LTAs developing new ticketing initiatives;
  - Finalisation of the Strategic Rail Report in line with comments received during the Strategic Transport Plan consultation;
  - Establishment of a Task and Finish Group on rail station accessibility;
  - Understanding the implications of the Network North document;
  - Establishment of a new Future Infrastructure and Services Group bringing together Transport for the North and RNP colleagues;

- Working through the Rail North Partnership to ensure that TfN’s strategic priorities are reflected in the Northern and TPE Annual Business Plans; and
- Development of an initial Rail Reform proposition and programme of engagement with GBRTT.

### **Major Roads**

- 3.18 The TfN executive has worked with Partners to prepare and then submit a statutory response to the Government’s consultation on the SRN Initial Report. A response was to **National Highways** consultation on their Connecting the Country and Route Strategies Reports.
- 3.19 TfN has contributed to on-going National Highways studies, including the Transpennine study(A628/A616); RIS pipeline business cases and to piloting an approach to identifying Active Travel improvements.
- 3.20 A response to the Government’s Future of Freight consultation, was prepared and submitted, in which TfN set out the importance of freight and logistics to the North’s economy.
- 3.21 A range of advancements to the **Electric Vehicle Charging Infrastructure (EVCI) toolkit** have been delivered The toolkit continues to support local authority planning and strategic decisions.
- 3.22 The team is working with Transport for the South-East and Midlands Connect, as the first recipients of the EVCI tool rollout.
- 3.23 Partner engagement activities focused on **increasing bus patronage** in the North were completed, with the output presented to Partnership Board in September. This will support a development of TfN Bus Policy Position by March 2024.
- 3.24 Work continues to further develop the functionality of the **public transport modelling tool**, which covers bus and light rail.

### **Priorities for next Quarter**

- 3.25
- Engage with DfT /National Highways as work to prepare the next Road Investment Strategy continues;
  - Seek clarification on planned Major Road Network (MRN) investments following the Network North announcement;
  - Develop recommendations on the criteria for a further round of MRN funding and complete a ‘level of service’ analysis;
  - Progress Bus Working Group actions;
  - Release of EV Charging Infrastructure toolkit advancements for Northern partner use and open public access; and
  - Partner engagement in the work to update the Future Travel Scenarios begins.

### **TAME (NPR contract)**

#### **Progress in this Quarter**

- 3.26 Additional resource capacity focused largely on delivering Transport for the North service ‘offer’ to partners.

- 3.27 Appointment of two contracts - Aecom- the Northern Model Integration Tools (NorMITs) Land Use contract and WSP- Visualisation contract.
- 3.28 The Northern Behaviour Study contract is out for tender. This is an extensive data collection exercise to provide behavioural data in advance of a major re-calibration of the NoRMS variable demand model.
- 3.29 Work has commenced on Bradford Stations Analysis planning and scoping. This is a major study to appraise various new rail station locations in Bradford.

***Priorities for next Quarter***

- 3.30
  - Working with DfT to understand and agree next phases of the NPR programme (including freight requirements);
  - Appoint Northern Behaviour Study supplier;
  - Appoint NorMITs Demand Partner supplier;
  - Continuing with the roll-out of analytical products to sub-national transport bodies;
  - Providing support to LTAs with decarbonisation analysis and evidence for Local Transport Plans;
  - Agree further work on Rotherham Station programme; and
  - Business planning activities for FY 2024/2025.

**Rail North Partnership**

***Progress in this Quarter***

- 3.31 **Northern Service Agreement** - The Northern Team has been working through NTL's delivery of its commitments for this year as well as readying for the commencement of the Annual Business Planning round, incorporating a "Levelling Up" section intended to describe activities and deliverables that capture rail's role in the levelling up agenda.
- 3.32 **TPT Service Agreement** - Working with TPT on the impacts of their recovery plans – including the Nova 3 train fleet, the correct service mix on East and West Coast Mainlines from Dec 2024 and new initiatives around terms and conditions. TPT's new Annual Business Planning round has begun, whilst completing complex contract-close-out discussions with former operator First TPE.
- 3.33 **Transpennine Route Upgrade** - Working with the programme and operators to frame out next year's Business Plan activities for both whilst focussing on smoothing the funding mechanism through which our operators are funded by NR for TRU activities.
- 3.34 **Planning and Procurement Programme** – Undertaking the governance around the replacement of hundreds of life-expired "I5x" trains; work continues on the introduction of "scorecards" into our public-sector operators.
- 3.35 **Stakeholder and Comms** - Continuing to support the establishment of regional business units; working with TfN and stakeholders on the development of operators' business plans and timetable development on the East Coast Main Line; working with WYCA on a pilot basic skills for rail



programme; continuing to respond to correspondence from MPs and other stakeholders on operators' performance; and working with DOHL, Northern and TPT on improving co-ordination between operators, TfN and the Northern public on communications around operational changes including timetables.

3.36 **Finance** - the team is focussed on forecasting to year end to keep NTL and TPT to their budgets.

#### **Priorities for next Quarter**

- 3.37
- Progressing TPT's request for changes to terms and conditions;
  - Implementing the final decisions on Timetables to run for both operators into 2025;
  - Working through Business Planning process including RNC members; and
  - Progress on Rolling Stock Replacement (NTL) and New Rolling Stock (TPT).

#### **Communications and Engagement**

##### ***Progress in this Quarter***

3.38 The team continues to liaise with TRU Comms to ensure information flow between the programme and Transport for the North Comms is working so that risks and opportunities to be captured.

3.39 Liaison with DfT Comms and HS2 continues to ensure that key milestones are identified and exploited.

3.40 Drafted and disseminated media lines on the decision to delay A66 upgrade funding; on the decision not to bring forward proposals to close rail ticket offices; on Connected Mobility; on HS2 cancellation to the North; and on the National Infrastructure Assessment Report.

3.41 Issued regular dashboard updates to RNC members on performance; provided updates where necessary on key select committees, parliamentary statements and pertinent media stories.

3.42 Regular liaison with Comms/Engagement teams in partner organisations: in particular HS2 comms; National Highways; STB colleagues.

3.43 Provided communications support on TfN executive visits to partner colleagues in Crewe; Bradford and others.

3.44 Set up Rail North Committee briefing sessions as part of the development of a response to the Ticket Office consultations and to brief Members on the implications of the Network North document. .

#### **Priorities for next Quarter**

- 3.45
- Organise a Community Rail event to convene those groups across the North at a Transport for the North hybrid event to ensure this key stakeholder group is covered off;
  - Liaise with Strategic Rail over NPR Comms Plan in the light of the cancellation of HS2 to the North, the publication of Network North and how these impact the on-going work associated with the SOBC for NPR and subsequent DfT consultation;

- Refresh the Transport for the North NPR pages, with updates on our co-sponsor role and key milestones in the project as above;
- Planning for new year events including, Transport for the North’s annual conference, Convention of the North, and others; and
- Continue to hold the chair of the STB Comms Group for 2023/4.

**People and Finance**

**HR Metrics – 2023/24 Year-to-Date:**

3.46

**Establishment - Permanent/Fixed-term Posts**

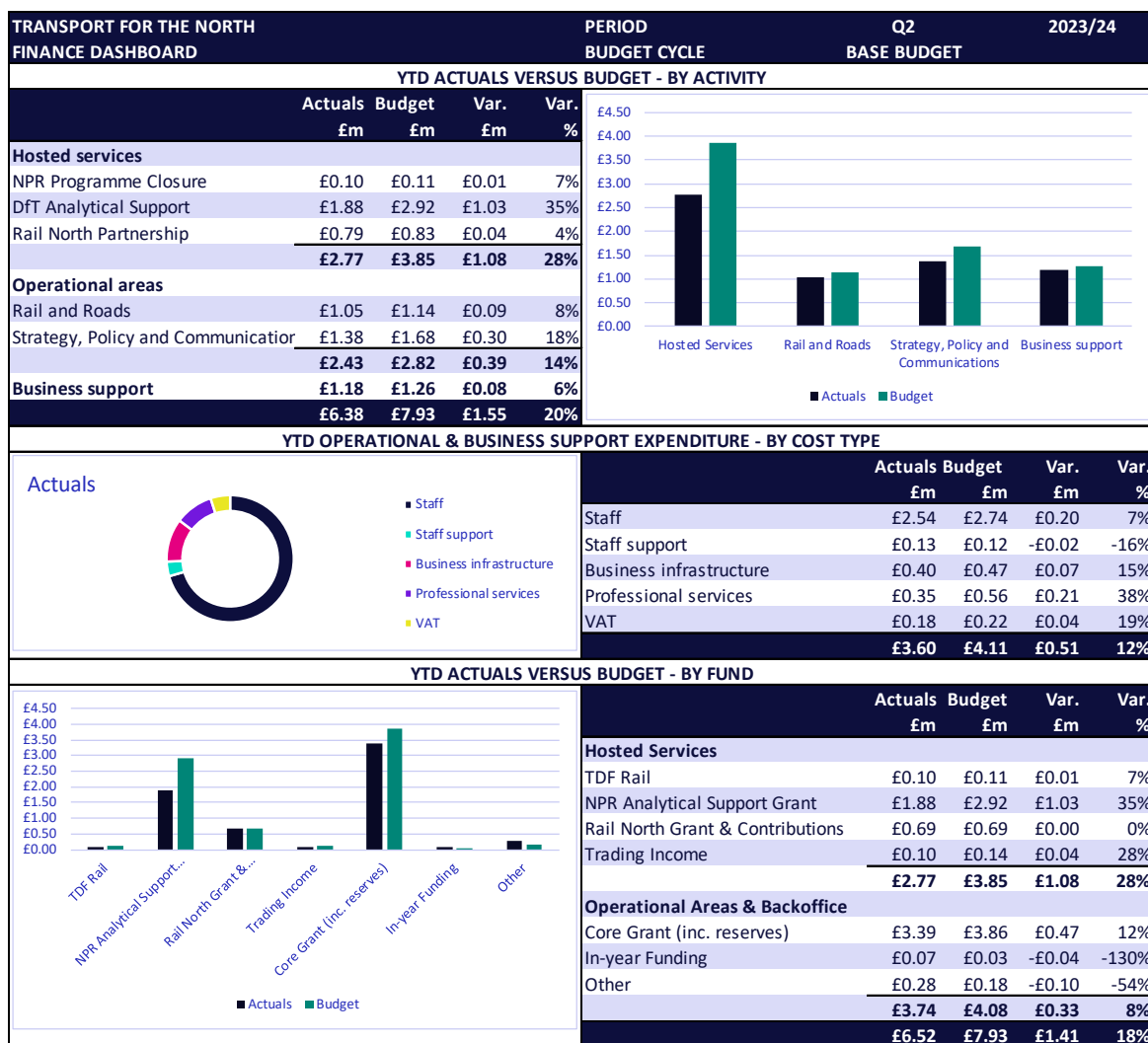
<b>Area</b>	<b>Permanent (&gt;2 years)</b>	<b>Fixed-Term (&lt; 2 Years)</b>	<b>Total Posts</b>
<b>CEO Office</b>	<b>2</b>	<b>-</b>	<b>2</b>
<b>Support Services</b>	<b>19</b>	<b>-</b>	<b>19</b>
<b>Operational &amp; Delivery</b>	<b>49</b>	<b>-</b>	<b>49</b>
<b>DfT Data Services (Hosted)</b>	<b>24</b>	<b>-</b>	<b>24</b>
<b>Rail North (Hosted)</b>	<b>14</b>	<b>3</b>	<b>17</b>
<b>Total Establishment</b>	<b>108</b>	<b>3</b>	<b>111</b>
<b>Strength (In Post)</b>	<b>100</b>	<b>3</b>	<b>103</b>
<b>Appointed (Start Date Pending)</b>	<b>1</b>	<b>-</b>	<b>1</b>
<b>Pending/Active Recruitment</b>	<b>1</b>	<b>-</b>	<b>1</b>
<b>Vacant – On-hold</b>	<b>6</b>	<b>-</b>	<b>6</b>

*HR KPI’s – 2023/24 Year-to-Date:*

<b>Corporate Sickness Level:</b>	<b>2.4%</b>
<b>Employee Turnover (Voluntary Leavers):</b>	<b>5.1%</b>
<b>% of Employees from an Ethnic Minority Background:</b>	<b>17%</b>
<b>% of Employees declaring a Disability:</b>	<b>20%</b>
<b>Gender Mix - % of Female Employees:</b>	<b>38%</b>
<b>% of Male Employees:</b>	<b>62%</b>

**Finance**

3.47



3.48 Total expenditure YTD is £6.4m, £1.6m (20%) below base budget.

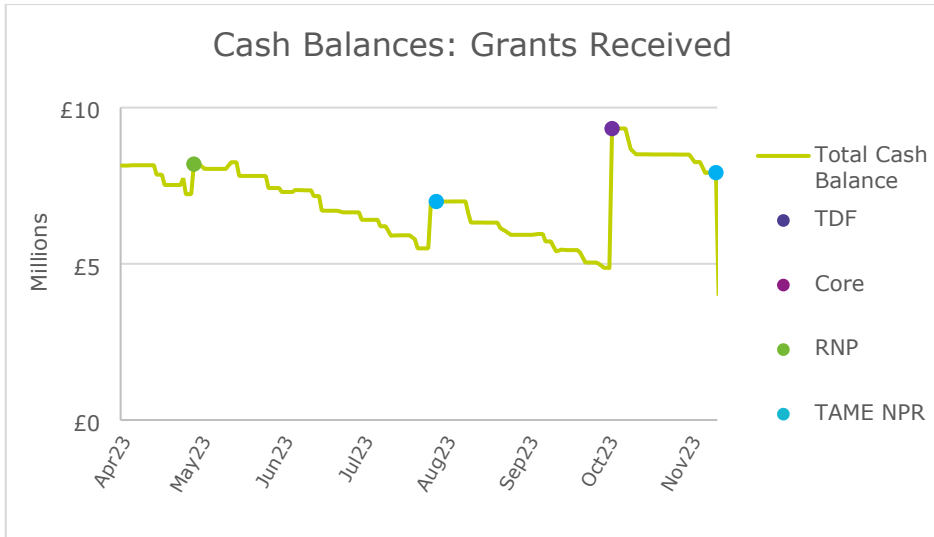
3.49 The underspend is mainly due to DfT Analytical Support, partly due to vacancies in the team but primarily because of the delay in agreeing the workplan for the year (it was agreed in Q2).

3.50 From an operational and business support perspective, staff underspends are the key driver resulting from delays in recruitment. Any savings to date are being monitored and where possible, mitigated through reallocating to new opportunities/new priorities as they arise.

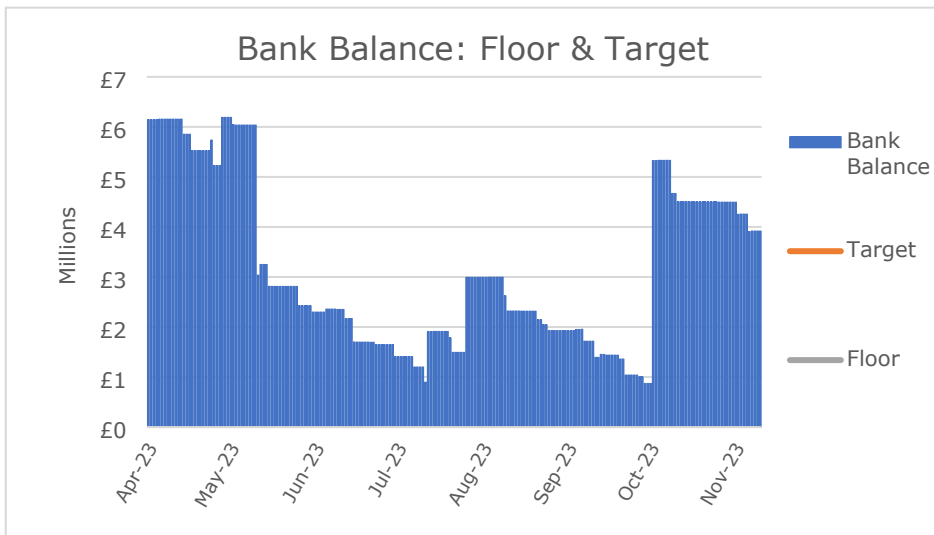
### Mid-Year Treasury Management Update:

3.51 The constitution obliges officers to report to Board at the mid-year mark on performance against the Treasury Management Strategy. Unlike many partner bodies, we are prohibited from borrowing, therefore the strategy directs how we manage cash and investments. To date, we have operated within the parameters set out in our Treasury Management Strategy.

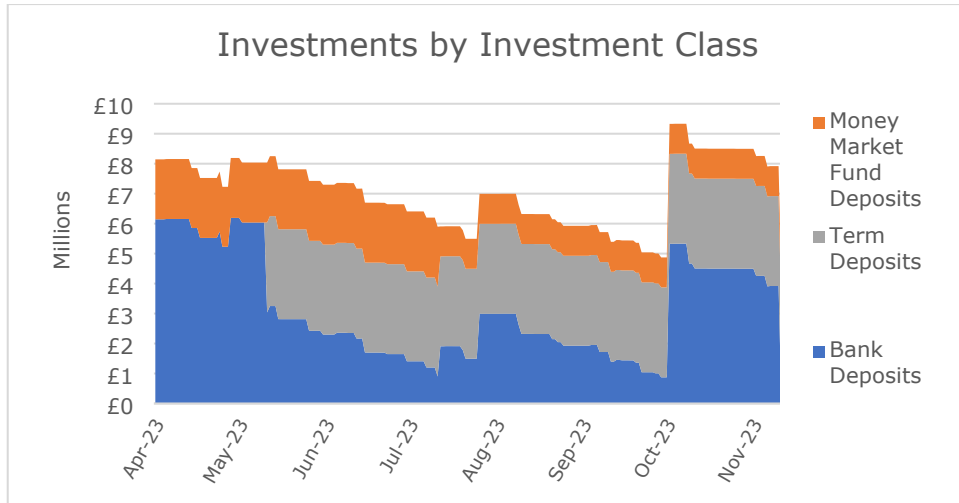
3.52 The following charts show performance against key parameters. It shows that TfN has managed cash and investments within its counterparty criteria, placing cash deposits with secure bodies and institutions on liquid terms.



3.53 The principal source of income is grant from DfT which is received periodically leading to the pattern of cash balances shown above i.e. a peak on receipt of grant followed by a gradual run down of balances until the next grant instalment is received. £2.7m of our core allocation for 2023/24 was received on 31 March 2023.



3.54 We aim to ensure that an adequate but not excessive balance is maintained in the main business bank account. This gives us a target of holding between £1m and £5m. In full compliance with our Treasury Strategy, at times we have held a balance above £5m, invariably linked to optimising our investment strategy. Yields have further improved this year, with the interest return on our business account only slightly lower than the alternatives at a similar level of security.



- 3.55 During the year we have sustained a suitable balance in Barclays, our business bank account. In July 2023, due to the delay in receipt of our second tranche of core funding, £1m was released (from the money market fund) to cover forthcoming liabilities.
- 3.56 We will continue to keep the position under review; there is no intention at present to change the focus of our Treasury Management Strategy and its prioritisation on security and liquidity over yield.