

# Quarterly Operating Report

## January – March 2024



# **1 Chief Executive's Introduction**

- 1.1 The March meeting of the TfN Board marked the culmination of 2 years work to update the Strategic Transport Plan (STP) – the statutory framework that sets out the North's ambition to realise its full potential.
- 1.2 Underpinned by one of the most comprehensive evidence bases ever assembled, the STP is grounded in our understanding of the North's current transport system, before setting out what needs to change over the next 30 years to realise economic growth that is sustainable and socially inclusive. At the heart of the STP is its focus on realising outcomes that are place-based and user-centred and this philosophy will underpin our subsequent advice to the Secretary of State.
- 1.3 The revised STP has been submitted as the North's statutory advice to the Secretary of State, and work is now underway to prepare more detailed advice that will support its efficient and cost-effective implementation.
- 1.4 Without question an improved public transport offer is central to the economic success of the North. The travelling public's experience continues to be one of disappointment in the face of rail services that are unreliable and performance below the required standard. Frustration with the service on the West Coast culminated in the TfN Board advising the Secretary of State that the contract should be taken away from Avanti West Coast at the earliest opportunity.
- 1.5 The North's buses and coaches play an important role as part of our transport system. The scale of the challenge facing authorities when it comes to local bus services is clear right across the North, with the cut back in supported routes contributing significantly to communities feeling increasingly isolated and excluded. Our work to develop advice on how to improve local bus services continues apace with a focus on having a proposal for the Board to consider in June.
- 1.6 The growing interest from our partners – both nationally and across the North – in accessing the 'TfN Offer' illustrates the importance of our work in support of those partners. Designed to enable access to the knowledge, experience and insight that is held within TfN, we have so far responded to 42 requests from partners. A further 21 requests have been received, some of which have yet to be processed, with some being constrained by our need to prioritise existing work commitments. Nevertheless, at a time when local transport authorities are under immense pressure, the TfN Offer is demonstrably showing considerable added value.
- 1.7 Business planning for 2024/25 was greatly assisted by the certainty provided by having a two-year funding settlement. In anticipation of the need for government to undertake a spending review following the general election, work has begun to develop a proposition for future consideration by the TfN Board. This proposition will set out the opportunities and potential offered by building on our track record of professional leadership enabled by cutting edge technical capability and accumulated experience.

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

- 2.1 The 12-week statutory consultation on the STP 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 The draft STP has been updated by the TfN executive, working with partners, to reflect the consultation feedback.

## **BP2: Publish Connected Mobility Strategy (CMS) – Summer 2023**

- 2.3 The CMS was launched in October 2023, with press events, podcast and insight pieces issued in November 2023. A suite of reports and policy positions have been 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.
- 2.4 Implementation of the strategy's outcomes is underway with a subsidiary 'Ticketing North' programme in development for delivery in 2024/25. This is alongside delivery of a fares modelling work packages to support the region's aims for simpler and fairer pricing.

## **BP3: Secure Adoption of the Revised STP – December 2023**

- 2.5 The TfN Board agreed to approve and adopt the final STP on 20<sup>th</sup> March 2024. The decision had been deferred from December 2023 to enable the final document to reflect the changes in Government policy arising from the publication of Network North, whilst ensuring that the need for investment in improved connectivity and capacity in the rail network was set out in the final version of the STP.
- 2.6 Following the Board meeting, the final document was submitted as statutory advice to the Secretary of State for Transport and was published, alongside the final ISA, on the TfN website.

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

- 2.7 Policy position papers on Rail Reform continue to be developed and are undergoing further development in light of comments received and the publication by government of the draft Bill on 20<sup>th</sup> February 2024. We provided a submission to the Transport Select Committee tasked by government with pre-legislative scrutiny of the draft Bill. This was agreed by the TfN Board on 20<sup>th</sup> March and emphasised the importance of protecting and building upon the current level of rail devolution that exists in the North. In parallel, we have written to the Department for Transport (DfT) setting out issues relating to the draft Bill that require further consideration on a bi-lateral basis.

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

- 2.8 As part of the evidence base supporting the STP, we published our Monitoring and Evaluation Strategy in March 2024. The draft strategy was published during the consultation on the STP and had been subject to some minor adjustments, in line with the consultation feedback. The

strategy consists of a series of headline, core, and supplementary metrics developed in collaboration with partners and which can be used to monitor progress against the STP.

- 2.9 Reporting on these metrics will be undertaken on an annual basis. This will include a summary of data linked to the headline objectives, and a breakdown of which core metrics are moving in a positive or negative direction compared to the base year.
- 2.10 There are already structures in place, via the TfN Business Plan and annual report, that enable us to report and set priorities for our work. We therefore judge that the purpose of an "annual action plan" for the STP (as originally envisaged) can be effectively met via these existing publications with some adjustments/augmentation.

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

- 2.11 TfN has continued to refresh this framework which addresses and accommodates future uncertainty in decision making when delivering the vision and ambitions in our STP. Two workshops have been held with the TfN regional partners and other stakeholders including representatives from the energy sector, academia, and wider industry.
- 2.12 These sessions, which were well supported, have reviewed our assessment of social, technological, economic, environmental, and political factors which will impact future travel needs. Workshop outcomes have begun to shape the refined scenario narratives, their impacts, and outline the policies and strategies required to reach TfN's vision from each future state.

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

- 2.13 A draft of the Strategic Rail Report was published in May 2023 as part of the supporting documents for the draft STP consultation and revisions to the document have been made in response to the consultation. The Strategic Rail Report is part of the set of documents supporting the STP.

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

- 2.14 TfN has continued to input into shaping National Highways planning for RIS3 (Road Investment Strategy) and beyond. This includes advocacy for dualling of the A66, providing evidence and feedback on RIS pipeline schemes, for example including A19 North of Newcastle, A628 / A616 study, work on Manchester Northern Gateway and input to work on a Strategic Active Travel Corridor Study for Tyne and Wear.
- 2.15 Publication of the draft RIS by Government is awaited: it is understood that the work to prepare the draft RIS is largely complete and awaiting final clearance. We will consider the contents of the draft RIS for its alignment with the published STP and respond accordingly.

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

- 2.16 A draft of the Policy Position has been shared with TfN partners for comment. This will be updated and presented at TfN Scrutiny Committee and TfN Board in June 2024.
- 2.17 A debate on buses at the TfN Board in March identified several issues/topics that need to be covered in the Policy Position. The Board's discussion benefitted from the attendance of the DfT official leading its work on this topic.

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

- 2.18 Launched in September 2023, the TfN Offer 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 TfN's Transport Related Social Exclusion (TRSE), Carbon Baseline and Electric Vehicle Charging Infrastructure (EVCI) tools.

**BP11: Develop a submission to Government that identifies opportunities to build on Transport for the North's technical capabilities – March 2024**

- 2.19 Analytical tools have been developed and made available to partners that support them in their work, including Carbon Assessment Framework tool; Clean Mobility Visions (CMV) tool and our existing EVCI and Bus Service Improvement Plan (BSIP) tools.
- 2.20 Interest from TfN partners has been high, with 42 requests received from partners that have been processed and responded to: a further 21 requests have been received that have not been processed/responded to. The reasons for the latter are a mix, including partly the need for us to prioritise the resources currently available.
- 2.21 The TAME team continue to work with partners (both nationally and across the North) to identify further opportunities to develop TfN's 'offer' in support of their work. Work continues to enable the roll out our work on EVCI to the other 6 Subnational Transport Bodies (STB) areas later this spring.

### **3 Functional Reports**

#### **Strategy and Research**

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

- 3.1 There has been a focus on the approval and adoption of the STP, as well as starting to prepare initial implementation advice which will include research on how existing appraisal systems can be strengthened to better reflect conditions in the North. Our monitoring and evaluation strategy has also been finalised and published alongside the STP.
- 3.2 Work on the Decarbonisation Strategy update is underway, with updates to partners planned throughout March and April. This is in accordance with the agreed programme which aims to seek Board approval in March 2025 to formally consult on an updated strategy. Alongside this, we continue to build our evidence base, with the initial report into the wider costs and benefits of travelling by different modes completing in March

2024 and procurement is underway for a supplier to help understand the vulnerability of our regional transport network to climate change effects.

- 3.3 The Hydrogen for Mobility Visualiser was finalised in March, forming a new component of the TfN Offer. Development of the STB Carbon Assessment Playbook continues, with a target date for completion in April 2024.
- 3.4 We supported the Convention of the North 2024 conference, leading on the drafting of the three transport policy propositions to reflect the STP and the Northern Powerhouse Independent Economic Review (NPIER). We facilitated the transport workshop that debated the propositions and provided feedback to the plenary session.
- 3.5 Our Northern Transport Voices (NTV) panel has conducted research on rural mobility hubs and a study into rail station accessibility. We have also started recruitment to expand the panel from 600 to 2,000 members, which will help to make our research more robust.
- 3.6 We published a new research report on TRSE, based on survey work conducted in Leeds, Liverpool, Middlesbrough, York, and North Yorkshire. We also completed qualitative primary research on the impact of Covid-19 on TRSE and the results will be published in Q1 of 24/25.
- 3.7 We have finalised our rural mobility analytical report, which draws on our TAME capabilities. The findings of this work has further enriched our rural evidence base, which we have shared with partners and stakeholders.
- 3.8 Implementation of the Freight and Logistics Strategy continues. TfN has taken a lead role as chair of the STB freight sub-group encouraging better collaboration on cross-boundary freight issues, such as joint work on freight modelling.

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

- 3.9
  - Develop initial thinking on STP implementation advice, including system reform, for consideration by the TfN Board in September,
  - Establish 2023 carbon baseline as part of decarbonisation strategy,
  - Commence work on, climate change vulnerability workstream,
  - Finalise STB Carbon Assessment Playbook,
  - Publish a report into the impact of Covid-19 on TRSE.

#### **Strategic Rail**

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

- 3.10 TransPennine Express's performance has substantially improved and stabilised as they work through their programme of driver training. We continue to monitor progress towards facilitating the restoration of services by the end of 2024. Avanti West Coast's performance has continued to be unacceptably poor culminating in the TfN Board formally advising the Secretary of State that Avanti's contract should be terminated at the earliest possible opportunity.
- 3.11 Following the cancellation of the latter phases of HS2 (and the related Network North policy announcement) we continue to utilise the Co-

Sponsorship arrangements (with the DfT) and relationship with partners to build an understanding of the revised programme and requirement for additional interventions. Government has secured the agreement of interested parties to support the proposal that Northern Powerhouse Rail (NPR) should serve Warrington Bank Quay and Manchester Airport using broadly the previously proposed route between Liverpool and Manchester. Government's subsequent announcement highlights that further work is required to identify options for the station design at Manchester Piccadilly and the approach into Liverpool. Delivery of NPR 'in full' – as defined by the TfN Board - remains our preferred outcome, along with the need for significant investment to increase North-South connectivity consistent with that which would have been addressed by the latter stages of HS2.

- 3.12 We continue to work with and support our partners in West Yorkshire as to the critical importance of identifying a long-term solution for the capacity problems at Leeds Station. Until such time as there is a preferred solution, we consider it premature to remove the safeguarding on land that had been previously identified as being required.
- 3.13 The Accessibility Task and Finish Working Group continues to work on identifying options for Rail North Committee (RNC) on how to make stations fully accessible. The Committee has requested an accelerated 10-year programme (with some quick wins in the first 5-years) which is now being worked up together with a draft investment programme for consideration at the June RNC meeting.
- 3.14 Through our membership of the TransPennine Route Upgrade (TRU) Stations Strategy Steering Group, we have supported the development of a prioritisation framework for station enhancements along the TRU corridor. This has involved using our work on TRSE to assess the level of social exclusion and to then work with partner authorities and operators to identify improvements and enhancements to enhance the customer experience.
- 3.15 We have designed a programme of work packages aimed to support our partners in delivering local fares reform, addressing capability and capacity challenges on ticketing, and coordinating more collaboration.

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

- 3.16
- Develop a firm proposition for accelerating delivery of accessibility improvements at stations through the Accessibility Task and Finish Group,
  - Develop and seek Board endorsement of a Rail Reform Proposition and operating model for the North,
  - Review the NPR co-sponsorship agreement and ways of working to ensure we can shape this programme to deliver the STP outcomes,
  - Commence work with Rail North Partnership (RNP) on a revised 10-year specification for the Northern and TransPennine Express contracts,

- Develop a reliability, resilience, and line speed improvement programme.

## **Major Roads**

### **Progress in this Quarter**

- 3.17 Analytical work on developing the public transport data tool was completed in March. Work is nearing completion on an online platform that will enable easy visualisation of data on bus schedules, journey time reliability and accessibility by bus and tram. This is expected to be available for use by TfN partners by end of May.
- 3.18 Stephen Fidler (Director, Local Transport, Department for Transport) gave a presentation at TfN's Board in March on the DfT's progress and plans for Bus Back Better. In preparation for a substantive discussion at the June Board, TfN partners have been asked to comment on TfN's draft policy position and recommendations to Government on delivering improved bus services. The outcome from the discussion at the March Board meeting will be used to shape the final draft of the policy position ahead of the June meeting.
- 3.19 We have launched enhancements to the EVCI Framework tool to better inform planning and decision making with regards to EV charging infrastructure. The Framework roll out to the other STBs has begun with Transport South East and Midlands Connect data tools about to become available. We are also working with National Highways to identify applications of TfN's EVCI Framework towards the national Rapid Charging Fund.
- 3.20 We have launched a partnership with Ordnance Survey that is exploring use of geospatial data within TfN's EVCI Framework and wider land-use analytical capabilities. A member of the Ordnance Survey has been seconded to TfN as part of this partnership.
- 3.21 The initial phase of work on updating TfN's Future Travel Scenarios is nearing completion including a refreshed qualitative narrative, travel outcomes and policy solutions. This will be quantified within TfN's Analytical Framework during 2024, providing a tool for testing policy choices and transport interventions against differing future travel demand, and the North's ambitions for the economy, the environment and social inclusion.
- 3.22 We have completed a 'level of service' analysis of the Major Road Network (MRN), which considers the role of the MRN in supporting the economy, impacts on the environment, and on local communities. Evidence from the work will be used to support prioritisation of the need for future investment.
- 3.23 Work has commenced on updating and prioritising the TfN Investment Programme, including development of a multi criteria assessment framework which will be used to inform sifting and prioritisation of the North's recommendations for strategic transport investment. Recommendations on the Investment Programme will be presented to TfN Board in the autumn.



### **Priorities for next Quarter**

- 3.24
- Complete the Bus Policy Position and present to TfN Board for consideration and adoption,
  - Launch the Public Transport (Bus, Tram & light rail) data tool,
  - Work with partners to develop recommendations for a prioritised strategic pipeline of road transport investment,
  - Complete the qualitative refresh of TfN's Future Travel Scenarios,
  - Complete the roll out first tranche of EVCI Framework,
  - Continue the development of further EVCI Framework enhancements.

### **TAME (NPR and Core)**

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

- 3.25 Work has started on the Visualisation Framework, Northern Behaviour Survey Scoping Study, and the Northern Model Integration Tools (NorMITs) Demand Partner. The former will generate dashboards for several workstreams including bus and the EVCI programme.
- 3.26 The detailed post HS2 Phase 2b/Network North Strategic Outline Business Case (SOBC) refresh for NPR (as defined by government) has been completed including Office of Rail and Road (ORR) growth scenarios, service, and demand sensitivities.
- 3.27 Work continues for a new NPR station in Bradford including site visits. The initial working group meetings have led to the development of a technical working group and suggested project scope and programme of work to the DfT.
- 3.28 We continue to work on several short-term projects including the Rail Network Builder and localising the Northern Highway Assignment model to increase potential use by Local Transport Authority (LTA) partners.

### **Priorities for next Quarter**

- 3.29
- Supporting delivery of NorTMS updates in advance of Bradford NPR station modelling to be undertaken in Q2,
  - Detailed programme scoping and delivery to outline programme and deliverables across the various partners and working groups for Bradford NPR new station SOBC,
  - Continue the roll-out of analytical products to STBs, including the Common Analytical Framework (CAF),
  - Providing further support to LTAs with decarbonisation analysis and evidence for Local Transport Plans (LTP),
  - Providing support to other TfN programmes identified in agreed Business Planning.

### **Rail North Partnership**

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

- 3.30 We have worked with Northern Trains (Northern) and TransPennine Trains (TPT), and the evaluation teams in DfT to finalise the operators' Annual Business Plans, testing the operators on their proposed efficiency initiatives to ensure that sufficient money and resources are secured to protect services and continue post-Covid growth (in the form of Levelling Up plans unique to the North's two co-managed operators).
- 3.31 We have worked with TPT to launch the initiatives in the operators 'Prospectus for Transformation' in which they are required to reintroduce services that were temporarily withdrawn in the December 2023 timetable. Early signs are that the short-term timetable changes, along with the use of Rest Day Working (RDW) under TPT's new agreement with ASLEF, is allowing the operator to catch up on the backlog of driver training.
- 3.32 Our focus on Northern's performance and recovery has continued. The return of RDW has led to fewer on-the-day cancellations, as well as supporting driver training for the TRU. RNP instructed Northern to introduce more rigorous sickness-management processes and to develop a robust staff-recruitment and skills plan to increase operational flexibility.
- 3.33 There has been engagement by the rail sector with partners on the proposed East Coast Mainline Timetable (ECML) change for December 2024 and future timetables for Manchester, through the work of the Manchester Task Force. Towards the end of March, it started to become clear that there were challenges associated with the proposed ECML timetable change necessitating the industry to consider alternative options.
- 3.34 TPT's and Northern's plans for rolling stock procurement (large scale replacement of aging Northern fleets and new trains for both operators to run services on the upgraded TRU route) are being taken through DfT governance.

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

- 3.35
- Continue discussions begun with RNP Board on an Outline Passenger Service Specification for Northern and TPT, with the aim of moving beyond the restrictions of the Annual Business Planning process towards a more strategic means of securing services in the North that enable realisation of the ambition set out in the STP,
  - Continued focus on workforce and service reform issues and the wider industrial relations landscape,
  - Preparation for a considerable uplift in construction activity associated with the TRU programme and increased operator involvement in supporting the programme,
  - Continued involvement in rolling stock procurement as the operators pass important governance hurdles,
  - Continue our Management Team review and staff development programme to build a stronger team to meet RNP's growing size and responsibilities.

## **Communications and Engagement**

### **Progress in this Quarter**

- 3.36 Chief Executive Martin Tugwell attended the House of Commons' Transport Select Committee on 31<sup>st</sup> January, along with Mayor Andy Burnham, where they discussed a number of topics relating to the enquiry into strategic transport objectives.
- 3.37 TfN's Annual Conference was held in Liverpool on 5<sup>th</sup> February and was fully subscribed with partners and stakeholders from across the North. Among the speakers were Liverpool City Region Mayor Steve Rotherham; Greater Manchester Mayor Andy Burnham; West Yorkshire Mayor Tracy Brabin and Rail Minister Huw Merriman. National media attendance included BBC Newsnight, which interviewed Lord McLoughlin and subsequently ran a package on TfN's position on rail investment.
- 3.38 TfN also took part in the STB annual conference in Manchester on 28<sup>th</sup> February. The event, at Manchester Central, brought together subnational transport bodies from across England to discuss areas of common interest.
- 3.39 We facilitated a fringe meeting at the Liberal Democrat Spring Conference in York in March. The meeting was oversubscribed and had standing room only.
- 3.40 We also supported Chair Lord Patrick McLoughlin and Chief Executive Martin Tugwell in a visit to the East Riding of Yorkshire Council to see some of its recent infrastructure projects, as well as some of the transport challenges the county faces. A visit to the Siemens rail facility at Goole showed the positive impact that economic investment can bring to communities.
- 3.41 We supported Chair Lord McLoughlin and Strategy Director Katie Day in a visit to Lancashire on Thursday 28 March where they had positive discussions on the key transport projects and priorities for Lancashire.

### **Priorities for next Quarter**

- 3.42
- To work on a public transport campaign that helps to encourage patronage,
  - To work with colleagues to develop a media and engagement plan to support the CMS,
  - To further develop TfN's digital channels.

## People and Finance

### 3.43 HR Metrics – 2023/24 Year-End (As at 31 March 2024):

#### Establishment - Permanent/Fixed-term Posts

Area	Permanent (<2 Years)	Fixed-Term (<2 Years)	Total Posts
CEO Office	2	-	2
Support Services	18	-	18
Operational and Delivery	48	-	48
DfT Data Services (Hosted)	25	-	25
Rail North (Hosted)	15	3	18
<b>Total Establishment</b>	<b>108</b>	<b>3</b>	<b>111</b>
<b>Strength (In Post)</b>	<b>98</b>	<b>2</b>	<b>100</b>
<b>Appointed (Start Date Pending)</b>	<b>3</b>	<b>-</b>	<b>3</b>
<b>Pending/Active Recruitment</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>Vacant – On-hold</b>	<b>6</b>	<b>-</b>	<b>6</b>

#### *Please Note*

*A total of up to seven new/additional posts (three of these posts are subject to approval of the RNP budget for FY24/25) have been identified as a result of the business/resourcing planning process and are due to be added to the TfN Establishment from April 2024.*

#### **HR KPI's – 2023/24 Year-End:**

<b>Corporate Sickness Level:</b>	<b>2.6%</b>
<b>Employee Turnover (Voluntary Leavers):</b>	<b>8.9%</b>
<b>% of Employees from an Ethnic Minority Background:</b>	<b>17%</b>
<b>% of Employees declaring a Disability:</b>	<b>19%</b>
<b>Gender Mix - % of Female Employees:</b>	<b>38%</b>
<b>% of Male Employees:</b>	<b>62%</b>

## Finance

TRANSPORT FOR THE NORTH FINANCE DASHBOARD		PERIOD BUDGET CYCLE		Q4 BASE BUDGET		2023/24	
<b>YTD ACTUALS VERSUS BUDGET - BY ACTIVITY</b>							
	Actuals	Budget	Var.	Var.			
	£m	£m	£m	%			
<b>Hosted services</b>							
NPR Programme Closure	£0.16	£0.20	£0.04	19%			
DfT Analytical Support	£4.65	£5.86	£1.21	21%			
Rail North Partnership	£1.58	£1.62	£0.04	2%			
	<b>£6.39</b>	<b>£7.68</b>	<b>£1.29</b>	<b>17%</b>			
<b>Operational areas</b>							
Rail and Roads	£2.22	£2.30	£0.08	3%			
Strategy, Policy and Communicator	£2.94	£3.33	£0.38	12%			
	<b>£5.17</b>	<b>£5.63</b>	<b>£0.46</b>	<b>8%</b>			
<b>Business support</b>							
	<b>£2.36</b>	<b>£2.81</b>	<b>£0.45</b>	<b>16%</b>			
	<b>£13.92</b>	<b>£16.11</b>	<b>£2.20</b>	<b>14%</b>			
<b>YTD OPERATIONAL &amp; BUSINESS SUPPORT EXPENDITURE - BY COST TYPE</b>							
Actuals		Actuals	Budget	Var.	Var.		
	£m	£m	£m	%			
Staff	£5.13	£5.55	£0.41	7%			
Staff support	£0.23	£0.22	£0.01	-4%			
Business infrastructure	£0.90	£0.97	£0.07	7%			
Professional services	£0.88	£1.23	£0.34	28%			
VAT	£0.40	£0.47	£0.07	15%			
	<b>£7.55</b>	<b>£8.44</b>	<b>£0.88</b>	<b>10%</b>			
<b>YTD ACTUALS VERSUS BUDGET - BY FUND</b>							
	Actuals	Budget	Var.	Var.			
	£m	£m	£m	%			
<b>Hosted Services</b>							
TDF Rail	£0.16	£0.20	£0.04	19%			
NPR Analytical Support Grant	£4.65	£5.86	£1.21	21%			
Rail North Grant & Contributions	£1.37	£1.36	£0.01	-1%			
Trading Income	£0.21	£0.27	£0.05	21%			
	<b>£6.39</b>	<b>£7.68</b>	<b>£1.29</b>	<b>17%</b>			
<b>Operational Areas &amp; Backoffice</b>							
Core Grant (inc. reserves)	£7.09	£8.04	£0.95	12%			
In-year Funding	£0.07	£0.03	£0.04	-123%			
Other	£0.36	£0.36	£0.00	0%			
	<b>£7.53</b>	<b>£8.44</b>	<b>£0.91</b>	<b>11%</b>			
	<b>£13.92</b>	<b>£16.11</b>	<b>£2.20</b>	<b>14%</b>			

3.44 Total expenditure for 2023/24 is £13.9m, £2.2m (14%) below budget. The underspend is mainly due to DfT NPR 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).

3.45 Within the Operational/Business Support areas, salary costs are underspent by £0.4m, mainly resulting from deferred recruitment and savings made against the cost-of-living provision. Discretionary costs are £0.4m less than budget, circa 40% of this being within Core Modelling, much of this linked to the delay in the NPR workplan. Approximately £0.2m of the total underspend represents slipped activity into 2024/25.

### 2024/25 Budget funding update

3.46 The RNP funding for 2024/25 has been finalised and includes the utilisation of reserves derived from modest underspends in previous years. For 2024/25 we anticipate reserves up to £50,000 (of a reserve of £93,000) will be required to fund expenditure. Actual outturn may be less than anticipated and the level of actual reserve utilisation will be amended accordingly.