

Quarterly Operating Report

July - September 2024



1 Chief Executive's Introduction

- 1.1 Following the General Election TfN has been in 'listening mode' over the period covered by this Report as the new Government set out its priorities. In particular, the Government's Missions bring a clarity and focus that we have used to assess how our work adds value to their delivery. This has shown that the outcome focused approach adopted in preparing the revised Strategic Transport Plan is consistent with the Government's Missions.
- 1.2 In parallel, engagement with TfN's constituent authorities has provided the opportunity for those authorities to give an initial steer on the way forward for TfN. With the Government committed to bring forward legislative change in several key areas of transport policy, the steer provided by the authorities has been that TfN should focus on those activities that are of pan-regional significance, are related to its analytical capability and support for partner authorities, and which supports partners with the acceleration of scheme delivery.
- 1.3 The insight gathered through both exercises is being used to shape TfN's Business Planning for 2025/26 following a discussion with the TfN Board at its September meeting. The TfN executive continues to work closely with the Department for Transport (DfT) regional sponsorship team throughout this period ahead of the October Budget Statement. The executive's work is guided by a set of reasonable planning assumptions on likely level of funding, assumptions which reflect the on-going pressure on public finances.
- 1.4 The period of reflection has identified the need to amend the Business Plan for 2024/25, and those changes are reflected in this Report. It has also identified activities that TfN has undertaken in the past which may not be appropriate moving forward. This too is being reflected in the business planning work for 2025/26.
- 1.5 The priority afforded by the TfN Board to making the rail network fully accessible continues to be a key focus for the Rail North Committee (RNC). Discussions at the Committee have focused on using the levers available to TfN (through the Rail North Agreement) to influence and shape both the train operators' annual business planning process, and the development of the next 10-year outline service specification for both Northern and TransPennine Trains (TPT).
- 1.6 The TfN executive has continued to be an active member of the East Coast Main Line Task Force, working closely with the constituent authorities most directly affected by the change to ensure that their concerns are taken fully into account. The added value that comes from having a mechanism that feeds the voice of the authorities directly into the work of the Task Force has been demonstrated on a consistent basis.
- 1.7 The work related to the East Coast Main Line has further emphasised the importance of a pan-regional overview given the multiple interdependencies across the North's rail system. In September the Rail North Committee welcomed the first overview – or 'state of play' – of all the rail investments (both infrastructure and rolling stock) and

associated timetable changes. Moving forward the overview will form the basis of further engagement with DfT and the wider rail sector.

- 1.8 Work has continued to roll out TfN's EV charging infrastructure (EVCI) framework more widely across the rest of England at the request of the DfT. Our work, alongside partners, was shortlisted at the Highways UK awards and we have used the working relationship established with the energy sector to feed into the development of proposals for Regional Energy Supply Planning.
- 1.9 Also nominated for an award was the Rail North Partnership (RNP) team – the team that works in support of both TfN and DfT to deliver Northern and TPT services. The nomination for an award as part of the Civil Service Awards comes in the wake of the RNP team continuing to deliver a high-level, quality technical and professional service on behalf of both partners.
- 1.10 This quarter's report also includes the mid-year update on our Treasury Management Strategy.

2 Progress against Business Plan Key Milestones

RAG Key:

R	Deferred progress
A	Delayed progress
G	On target

BP 1 Secure the agreement of the Board to submit statutory advice on the North's Bus Network – June 2024

A

- 2.1 With collaborative input from our partners, Department for Transport (DfT) and industry experts, we completed a draft set of bus policy recommendations in Spring 2024, ready to be presented at Board. Following the general election, the new government is proposing to deliver at pace legislative reform through the Better Buses Bill. As a result, our focus has shifted to informing this Bill rather than publishing a separate document.
- 2.2 We also continue to support our partners with the delivery of their Bus Service Improvement Plans (BSIPs) by developing and providing evidence and analysis to them (as part of the TfN offer) for their local plans and business cases. The Bus Analytics Tool will provide partners with reliability and accessibility metrics for the bus services in their area. While there have been some delays with the tool due to challenges around data assurance and resourcing, it should be available for partners to use by March 2025.
- 2.3 In addition, we have developed an online interactive 'beginner's guide to buses' course to be hosted by the Bus Centre of Excellence. This is aimed to support partner capacity and capabilities by providing a base

understanding of the industry across multiple topics such as operation models, stakeholders, accessibility, and the transition to net zero.

- 2.4 The next *Better Buses for the North* forum is scheduled for 6 November 2024. It will give partners an opportunity to feedback on business planning, share lessons learnt from their ongoing work, receive updates from DfT, including the Better Buses Bill, and hear from industry experts on existing tools and evidence to support Partner work, such as the new social value toolkit for buses.

BP 2 With partners, identify the North’s requirements of national rail reform, building upon existing levels of rail devolution (such as the Rail North Agreement) – June 2024

A

- 2.5 Following the announcement of the general election, we revisited our previous assumptions around the timeline for Rail Reform and have worked with partners to identify some key requirements that will shape our Rail Reform proposition. These requirements are being drafted into a narrative, which we will test with partners prior to further engagement. This will then form the basis of our engagement with the industry and DfT as consultation on the upcoming Rail Reform Bill in 2025.

BP 3 Secure the agreement of the Board to a strategy for improving accessibility to and at rail stations, and to identify key actions for implementation – June 2024

A

- 2.6 A framework for delivering the accessibility programme was approved at RNC on 3 September 2024 and supported by the TfN Board on 16 September 2024. It was agreed that TfN would write to the Secretary of State for Transport to request that funding for the 2024-29 period for the DfT’s “Access for All” programme should be devolved to the North using mechanisms contained in the Rail North Agreement. TfN is working with the operators via RNP to secure the inclusion of some “quick win” accessibility works in operator business plans.

- 2.7 The fourth meeting of the Rail North Partnership Accessibility Task and Finish Group was held on Wednesday 18 September 2024, where Members and Partners discussed methods for prioritising the location of investment in accessibility. A further update will be provided at November’s RNC.

BP 4 Secure the agreement of the Board to submit statutory advice to government on implementation of the Strategic Transport Plan (STP) - September 2024

A

- 2.8 Working is on-going into improving how the existing transport appraisal systems can better reflect the conditions in the North, with a focus on ensuring that social and environmental factors are given consideration.

- 2.9 The Northern Appraisal Playbook is due to be available to partners from November/December 2024 and will set out how to make the most of the flexibilities contained within the Green Book. This will draw upon

findings from a series of case studies – looking at existing scheme appraisals and how the case for investment could be strengthened.

- 2.10 The research will identify several additional areas that could be taken forward in 2025/26, such as whether a Northern measure of time should be considered. This further work would identify areas where we and partners could work collaboratively to strengthen investment cases for the North.

BP 5 With partners, identify proposals for investment in the Major Road Network for consideration by government – September 2024

A

- 2.11 The preliminary work on identifying potential Major Road Network (MRN) schemes is now complete. Proposed schemes include major maintenance and renewals, road safety, supporting a shift to alternative modes and road schemes facilitating new development and targeting congestion hotspots.
- 2.12 Work using TfN’s analytical framework to develop a ‘level of service’ analysis of the MRN has also been completed. This provides an evidence base to support consideration of investment priorities. All further work on an MRN scheme pipeline has now been paused until DfT provide further information and guidance on future funding for the MRN.

BP 6 Secure the agreement of the Board to publish an investment pipeline for the North that forms the basis of input into the next Government Spending Review – September 2024

A

- 2.13 Following the election of the new government and after taking soundings from partners, work on reviewing and assessing priorities for a long-term pipeline of pan-regional transport investment was paused whilst a steer is sought from the TfN Board.
- 2.14 TfN is in a strong position to develop a prioritised investment programme reflecting the STP and using our research base, evidence, and analytical capabilities. We will be guided by partners on when and how we make the case for strategic investment and influence national investment programmes and decisions.

BP 7 Deliver services commissioned by DfT in support of Northern Powerhouse Rail – Ongoing

G

- 2.15 TAME’s work programme on the Bradford station Strategic Outline Business Case continues, with four station options being appraised. The Analytical Framework is being utilised to provide a broad breadth of evidence in the Economic and Strategic Dimensions.
- 2.16 A major programme of Analytical Framework development continues, with a new Land Use and Transport Interaction model for the North and updating the base year of the Northern Transport Modelling system well underway.
- 2.17 The first phase of the Northern Behavioural Survey is completed, which aims to derive behavioural parameters for use in the rail demand

forecasting models. The parameters are expected to provide a more northern focussed set of behavioural responses.

BP 8 Secure the agreement of the Board to publish, for consultation, the draft update of the regional transport decarbonisation strategy – March 2025

A

2.18 Given the new Government's focus on delivery and following feedback from partners, this workstream will now take the form of a stocktake to update our baseline data. This will help us, and partners, understand progress thus far, and update evidence, including our decarbonisation pathway and policy recommendations, to support the STP ambitions for a fair and prosperous transition. The stocktake will also include an action plan for TfN Executive to support our partners deliver their priorities. This revised approach means our focus is on updating data and evidence underpinning the 2021 strategy, rather than doing a full refresh with associated consultation requirements.

2.19 Drafting of the stocktake has commenced along with partner engagement designed to optimise the value of the action plan. Work has also begun on updating the carbon baseline data, led by our TAME team. Currently, TAME resources have been prioritised into the production of the TfN Carbon Assessment Playbook, with the tool being of significant practical value to partners as they look to develop their Local Transport Plans (LTP) and understand the carbon reduction potential of transport measures, more widely. This new tool, expected to be available during the next quarter, will form part of the TfN Offer.

BP 9 Secure the agreement of the Board to submit statutory advice to delivery partners and regulatory bodies that will support delivery of investment in Electric Vehicle (EV)/alternative fuels infrastructure – March 2025

G

2.20 The EV State of Play report was approved by TfN Board in September and is being finalised for publication before December 2024. The EV State of Play report aims to:

- Review and evaluate progress of EV charging infrastructure deployment across the region against our forecasted requirements.
- Apply TfN's evidence, and consolidated views of regional partners, to highlight key policy recommendations which can further enhance the speed and effectiveness of the EV transition.

2.21 The EV State of Play recommendations will form a basis for continued work with our partners (nationally and across the North) to focus on what needs to happen to bring these actions into operation to address barriers for EV uptake and charging infrastructure deployment.

2.22 We have applied our EV Charging Infrastructure (EVCI) Framework evidence within the EV State of Play report and expect to launch new evidence capabilities before December 2024, again as part of the TfN Offer. The EVCI Framework is already being actively used by local authorities via TfN's regional EV forum, as well as by national agencies, energy partners and private sector investors alike to inform planning,

investment, and delivery actions. The EVCI Framework was shortlisted for the Collaborative Partnership Award at the 2024 Highways UK Excellence Awards.

BP 10 Continue to develop the 'TfN Offer' to partners across the North and nationally, including roll out of the Common Analytical Framework – Ongoing

G

- 2.23 Demand for the TfN Offer continues to grow, and its scope is constantly evolving as additional tools and capabilities are becoming available, as noted in this report. Within the first year of operation we supported over 70 requests, with a further 10 in progress and more than 100 requests have been received.
- 2.24 At the end of September 2024, we estimate that TfN has realised savings of at least c.£360k by undertaking technical/analytical work through the TfN Offer. Moreover, it is conservatively estimated that the tools and capabilities produced by TfN have an added value of c.£3m.
- 2.25 We will be implementing a monitoring and evaluation process to assess the effectiveness of the responses to the TfN Offer requests, as well as seeking ongoing feedback on how the Offer can evolve to support the needs of our partners.

BP 11 Continue the TfN research programme and thought leadership activity as part of maintaining the evidence base that underpins the work of TfN – Ongoing

G

- 2.26 Our research strategy set out our research priorities for the year, aligned to the STP objectives and helps us ensure the STP evidence base remains current and robust. We have undertaken a six-monthly review and can report good progress against planned activities for this year.
- 2.27 Specifically, we launched a new 'severance tool' in August 2024, which considers the impact on active travel due to major road and rail infrastructure. We are nearing completion of the review into our evidence base for Transport Related Social Exclusion, which will include an update to the existing tool to provide data at a more granular level for partners to use in their planning and decision making, where appropriate.
- 2.28 Our citizens' panel – Northern Transport Voices – took part in research on accessibility at rail stations. This survey received over 2,000 responses, and the findings, expected by the end of Q3, will be used to inform the work currently underway through the RNC. In addition to this, we have completed some research into perceptions of rail freight – to inform our evidence base on mode shift - and are considering how the panel could support work on road safety.

BP 12 Continue to make the case for investment by government in the North's priorities for the Strategic Road Network and Rail Network

G

- 2.29 We have developed initial priorities for a long-term pipeline of pan-regional transport investment, as noted above. We intend to consider the next steps for that work with partners over the coming weeks. In the meantime, we continue to assist, with evidence and advice, across a range of strategic road and rail matters to protect and enhance investment in the North's connectivity.

Rail North Partnership

Progress in this Quarter

- 2.30 RNP continues to be focused on the 2025/26 annual business planning round for Northern and TPT. This includes conversations with stakeholders across the North to ensure local transport plans are considered in the development of those train operating company (TOC) business plans.
- 2.31 We were delighted that RNP's work on business planning and engagement with stakeholders has been recognised nationally and was nominated in the Civil Service Award's partnership category. The winners will be announced at a ceremony at Lancaster House in London on 10 December 2024.
- 2.32 RNP has also launched our outline passenger service specification project to develop a 10-year specification for Northern and TPT, built around stakeholder strategic transport plans overlaying passenger demand and budgets. The base specification document will be completed by April 2025, with the final specification due to be completed in April 2026.
- 2.33 Within the TOCs, TPT continues to make good progress in its driver training which will enable three trains per hour across the TransPennine Route Upgrade (TRU) diversionary routes from May 2025. The procurement of new trains will also help to realise the benefits of the TRU programme (more frequent, more reliable, faster, greener trains).
- 2.34 Following the successful introduction of its West Coast Kitchen trolley and dining service, TPT began work to develop similar offerings on its other long-distance services.
- 2.35 Northern's new Yorkshire Dales Explorer service between Manchester and Ribbleshead has carried more than 1300 passengers since its introduction in June. The service has been nominated in the national Community Rail Awards.
- 2.36 RNP has issued Northern with a breach of contract notice in July, requiring it to produce a performance improvement plan. This was because Northern failed to meet its TOC on self-cancellation targets for three consecutive periods.
- 2.37 **Priorities for next Quarter**
- Continue to work with operators and stakeholders on Northern and TPT's business plans, Northern's performance improvement plan and Northern's passenger assistance improvement plan (required by the Office of Rail and Road).

- Continue to develop the outline passenger service specification project with a series of ongoing stakeholder conversations.
- TPT will continue to focus on procuring new trains and driver training for TRU.
- Services on the Northumberland line between Ashington and Newcastle will begin by December, with two trains per hour Monday to Saturday.
- RNP and our partners will develop the Yorkshire Dales Explorer offering, including working with bus operators to provide improved local bus connectivity to nearby attractions and with Yorkshire Dales National Park and local business groups on offers/discounts with local accommodation, food and drink and leisure providers.

3 People and Finance

3.1

TRANSPORT FOR THE NORTH				PERIOD	Q2	2024/25
FINANCE DASHBOARD				BUDGET CYCLE	BASE BUDGET	
YTD ACTUALS VERSUS BUDGET - BY ACTIVITY						
	Actuals £m	Budget £m	Var. £m	Var. %		
Hosted services						
DFT Analytical Support	£2.84	£2.90	£0.06	2%		
Rail North Partnership	£0.92	£0.94	£0.02	2%		
	£3.76	£3.84	£0.08	2%		
Operational areas						
Rail and Roads	£0.92	£1.10	£0.18	16%		
Comms, Legal, Analysis and Strategy	£1.84	£2.07	£0.24	11%		
	£2.75	£3.17	£0.42	13%		
Business support						
	£1.13	£1.12	-£0.01	-1%		
	£7.64	£8.13	£0.49	6%		

YTD OPERATIONAL & BUSINESS SUPPORT EXPENDITURE - BY COST TYPE						
Actuals	Actual £m	Budget £m	Var. £m	Var. %		
Staff	£2.83	£2.99	£0.16	5%		
Staff support	£0.12	£0.14	£0.01	10%		
Business infrastructure	£0.36	£0.34	-£0.02	-5%		
Professional services	£0.37	£0.62	£0.24	39%		
VAT	£0.20	£0.21	£0.01	3%		
	£3.88	£4.29	£0.41	9%		

YTD ACTUALS VERSUS BUDGET - BY FUND						
	Actuals £m	Budget £m	Var. £m	Var. %		
Hosted Services						
NPR Analytical Support Grant	£2.84	£2.90	£0.06	2%		
Rail North Grant & Contributions	£0.81	£0.83	£0.02	2%		
Trading Income	£0.12	£0.11	£0.00	-2%		
	£3.76	£3.84	£0.08	2%		
Operational Areas & Backofl						
Core Grant (inc. reserves)	£3.73	£4.14	£0.40	10%		
Other	£0.15	£0.15	£0.00	3%		
	£3.88	£4.29	£0.41	9%		
	£7.64	£8.13	£0.49	6%		

HR DASHBOARD				HR KPI's - Year to Date	
Establishment					
Permanent/Fixed Term Posts	Permanent (< 2 Years)	Fixed-Term (< 2 Years)	Total Posts		
Hosted services					
DFT Analytical Support	26 (25.90 FTE)	-	26 (25.90 FTE)	Corporate Sickness Level: 4.0%	
Rail North Partnership	18 (18.00 FTE)	3 (3.00 FTE)	21 (21.00 FTE)	Employee Turnover: 9.2%	
	44 (43.90 FTE)	3 (3.00 FTE)	47 (46.90 FTE)	% of Employees from an Ethnic Minority Background: 17.0%	
Operational areas					
Rail and Roads	18 (17.86 FTE)	-	18 (17.86 FTE)	% Employees declaring a Disability: 19.0%	
Comms, Legal, Analysis and Strategy	35 (34.92 FTE)	2 (2.00 FTE)	37 (36.92 FTE)	Gender Mix - % of Female Employees: 40.0%	
	53 (52.78 FTE)	2 (2.00 FTE)	55 (54.87 FTE)	Gender Mix - % of Male Employees: 60.0%	
Business support					
	16 (16.00 FTE)	-	16 (16.00 FTE)		
Total Establishment	113 (112.48 FTE)	5 (5.00 FTE)	118 (117.48 FTE)		
Strength (In Post)					
Appointed (Start Date Pending)	-	-	-		
Pending/Active Recruitment	1 (1.00 FTE)	-	1 (1.00 FTE)		
Vacant - On-hold	8 (8.00 FTE)	-	8 (8.00 FTE)		

3.2 Year to date expenditure is £7.64m, £0.49m (6%) below base budget.

3.3 Staff costs are £0.2m lower than budgeted due to deferred recruitment, most notably the Rail and Roads Director role, which represents half the underspend.

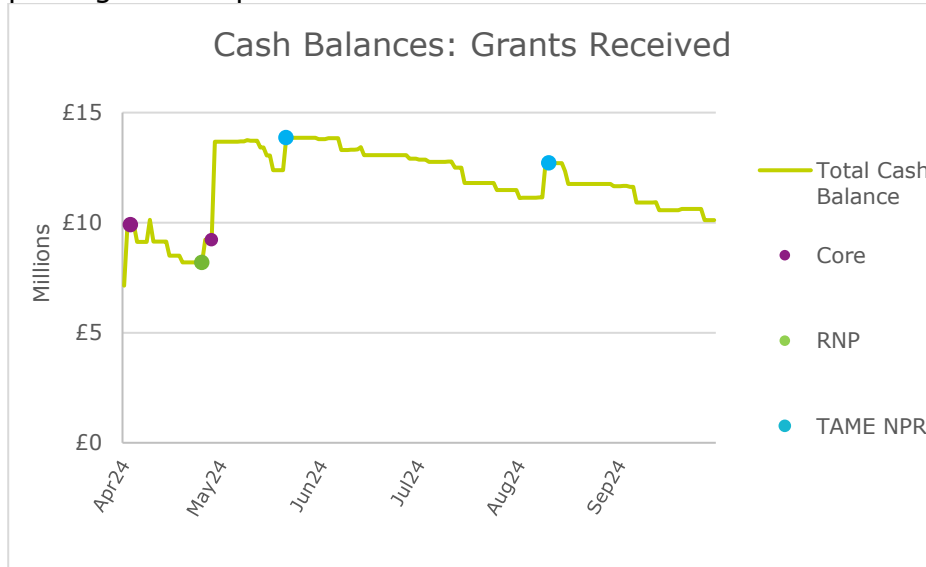
3.4 Discretionary costs are £0.4m underspent. NPR TAME accounts for £0.1m with the remaining £0.3m in the operational areas, the majority due to delayed activity compared to the original budget phasing.

3.5 High priority activities emerging during the year are captured within the virement process. To date these have been delivered within the budget envelope due to budgeted activities being either deprioritised, delayed or delivered at a lower cost. To date, virements totalling £0.4 million have been approved, as detailed below, with funds redirected to support new initiatives aligned with corporate priorities. Part of the savings relate to activities no longer proceeding with work currently underway planning suitable alternatives.

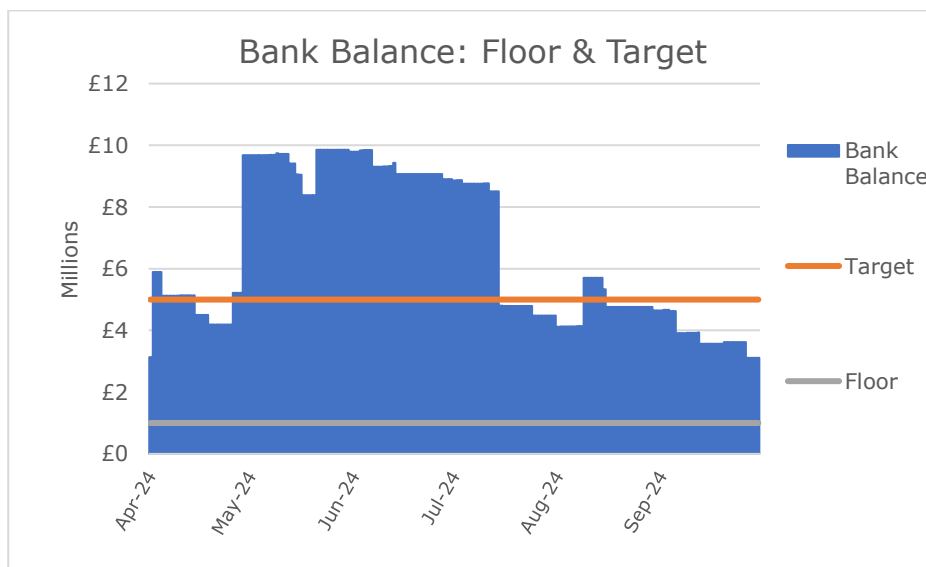
This includes the TfN 2025 Annual Conference, which will be replaced by more targeted engagement activities over 2025.

Mid-Year Treasury Management update

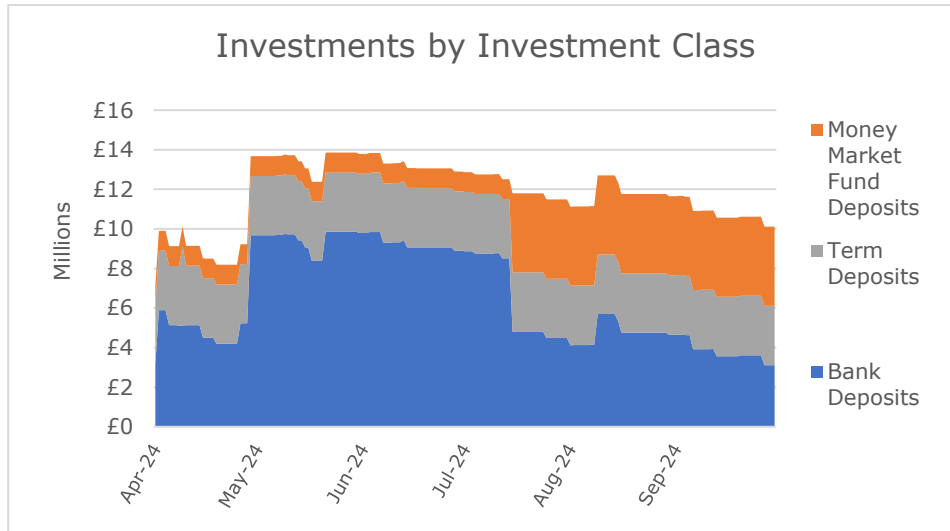
- 3.6 The TfN Constitution obliges officers to report to Board at the mid-year mark on performance against the Treasury Management Strategy. Unlike many partner bodies, we are prohibited from borrowing, therefore the strategy directs how we manage cash and investments. To date, we have operated within the parameters set out in our Treasury Management Strategy.
- 3.7 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.



- 3.8 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.



3.9 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. 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.



- 3.10 During the year we have sustained a suitable balance in our main business bank account. In July 2024, to further divest our portfolio but remaining liquid, an additional £2m was invested in money market funds.
- 3.11 There is no intention to change the focus of our Treasury Management Strategy and its prioritisation on security and liquidity over yield.