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Transport for the North
Transport for the North Board
Agenda

Date of Meeting	**Thursday 11 June 2020**
Time of Meeting	**2.00 pm**
Venue	**MS Teams**

Item No.	Agenda Item	Page
1.0	**Welcome & Apologies**	
2.0	**Declarations of Interest** Members are required to declare any personal, prejudicial or disclosable pecuniary interest they may have relating to items on the agenda and state the nature of such interest.	
3.0	**Minutes of the Previous Meeting** To approve as a correct record the minutes of the previous meeting of the Board and to note the record of the informal meeting of the Board held on 29 April 2020.	5 - 28
4.0	**Operational Rail Update** To consider the update from the Strategic Rail Director and presentations from rail operators, the TUC and Transport Focus on rail travel/operations.	29 - 36
5.0	**Economic Recovery Plan** To agree the initial submission to Government set out in the report from the Major Roads Director.	37 - 50
6.0	**Future Road Investment**	51 - 64

	To consider the update from the Major Roads Director.	
7.0	**Northern Powerhouse Rail Update** To note the update from the Northern Powerhouse Rail Director.	65 - 74
8.0	**Monthly Operating Report** To note the update from the Strategy and Programme Director.	75 - 104
9.0	**Financial Outturn 2019/20** To note the update from the Finance Director and note the potential for carry forwards of resource to be made at the July Board when the Revision 1 budget reforecast is presented.	105 - 122
10.0	**Exclusion of Press and Public** To resolve that the public be excluded from the meeting during consideration of Item[s] [11 & 12] on the grounds that: (1) It is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during such item(s), confidential information as defined in S100A(2) of the Local Government Act 1972 (as amended) would be disclosed to them in breach of the obligation of confidence; and/or (2) it / they involve(s) the likely disclosure of exempt information as set out in the Paragraphs [where necessary listed below] of Schedule 12A of the Local Government Act 1972 (as amended) and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	
11.0	**Part 2 Minutes of the Previous Meeting** To approve as a correct record the Part 2 Minutes of the	123 - 126

	meeting of the Board held on 12 March 2020.	
12.0	**Proposed Investment Programme - Update** To consider the update from the Major Roads Director.	127 - 182

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Transport for the North Board – Item 3 - Minutes

Meeting: Transport for the North Board
Date: Thursday 12 March 2020, 13.10 – 15.20
Location: Schiphol Suite, Hilton Manchester Airport, Outwood Lane, Manchester, M90 4WP

Chairman:

John Cridland	Chairman

Also in Attendance

Richard George	Director at Independent Railway Experts Ltd
Ewa Kmietowicz	Team Leader, Committee on Climate Change

Constituent Authority Attendees:

Cllr Fred Jackson	Blackpool
Cllr Craig Browne	Cheshire East
Cllr Karen Shore	Cheshire West & Chester
Cllr Keith Little	Cumbria
Mayor Andy Burnham	Greater Manchester
Cllr Daren Hale	Hull
CC Michael Green	Lancashire
Cllr Stewart Swinburn	North East Lincolnshire
Cllr Richard Hannigan	North Lincolnshire
Cllr Don Mackenzie	North Yorkshire
Mayor Dan Jarvis	Sheffield City Region
Cllr Hans Mundry	Warrington
Cllr Judith Blake	West Yorkshire

Rail North Authority Attendees:

Cllr Trevor Ainsworth	Derbyshire
Cllr John Ogle	Nottinghamshire

Local Enterprise Partnership (LEP) Attendees:

Graeme Bristow	Cheshire & Warrington LEP
Kishor Tailor	Hull and the Humber LEP
Mark Rawstron	Lancashire LEP
Mark Roberts	Leeds City Region LEP
Andrew Hodgson	North East LEP
Peter Kennan	Sheffield City Region LEP

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Delivery Partners:

Nick Bisson	Department for Transport
Jim O'Sullivan	Highways England
Lorna Pimlott	HS2
Sir Peter Hendy	Network Rail

Transport for the North Officers in Attendance:

Barry White	Chief Executive
Gary Rich	Democratic Services Officer
Iain Craven	Finance Director
Julie Openshaw	Head of Legal
Rosemary Lyon	Legal & Democratic Services Officer
Peter Molyneux	Major Roads Director
Tim Wood	NPR Director
Deborah Dimock	Solicitor
David Hoggarth	Strategic Rail Director
David Hughes	Strategy and Programme Director

Apologies:

Cllr Mohammed Khan	Blackburn with Darwen
Cllr Phil Riley	Blackburn with Darwen
Steve Curl	Cumbria LEP
Dawn Madin	Director of Business Capabilities
Cllr Richard Burton	East Riding of Yorkshire
Cllr Chris Matthews	East Riding of Yorkshire
Mike Blackburn	Greater Manchester LEP
Steve Howes	Interim IST Director
Cllr Chris Brewis	Lincolnshire Council
Cllr Robin Renshaw	Lincolnshire Council
Mayor Steve Rotheram	Liverpool City Region
Cllr Liam Robinson	Liverpool City Region
Asif Hamid	Liverpool City Region LEP
Mark Whitworth	Liverpool City Region LEP
Cllr Carl Marshall	North East Combined Authority
Cllr Graeme Miller	North East Combined Authority
Cllr Nick Forbes	North of Tyne Combined Authority
Cllr Peter Jackson	North of Tyne Combined Authority
Matthew Lamb	North Yorkshire LEP
Cllr Shuguftah Quddoos	Nottingham City
Cllr Adele Williams	Nottingham City
Cllr Mark Winnington	Staffordshire
Cllr Philip Atkins	Staffordshire
Cllr Abi Brown	Stoke-on-Trent
Cllr Daniel Jellyman	Stoke-on-Trent
Mayor Ben Houchen	Tees Valley
Cllr Heather Scott	Tees Valley
Paul Booth	Tees Valley LEP

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Jerry Hopkinson	Tees Valley LEP
Cllr Keith Aspden	York
Cllr Andy D'Agorne	York

1.0 Welcome and Apologies **Action**

1.1 The Chairman welcomed Members and apologies were noted. The Chair particularly welcomed Graeme Bristow, a new member of the Board who will be representing Cheshire and Warrington LEP.

The Chairman explained that he and the Chief Executive had liaised over whether it was appropriate for the meeting to take place in view of the national situation with Coronavirus. He explained that the decision was made to go ahead with the meeting, that Government advice is being sought on a constant basis and protocols are in place for Transport for the North to operate effectively. The Chairman stated that he expects that this meeting will be the last for a while and that he expects the next meeting to be virtual.

Members were informed that Item 8 could be discussed in public.

Members were informed that there would not be a Minister attending the meeting due to their presence at Transport questions in the House of Commons.

The Chairman thanked Patricia Hayes, Director General for Roads and Devolution for her contribution to the Board following her appointment to a senior role in the Home Office.

1.2 The Chief Executive explained that the Head of Legal Services and Monitoring Officer has explored how decisions can be made should the Board be unable to meet in person due to Coronavirus. He explained that Transport for the North would be able to continue to operate and make decisions through delegated powers if this were to happen.

1.3 The Monitoring Officer reinforced the comments of the Chief Executive and explained that two key matters reserved to Board for decision would be the budget and sign off of the accounts. Measures relating to these two issues will be monitored as things progress. For all other operational issues, delegated powers will be able to be used.

2.0 Declarations of Interest

2.1 There were no declarations of interest.

3.0 Minutes

3.1 The minutes of the meeting of the Transport for the North Board held on 8 January 2020 were considered.

3.2 Cllr Shore raised an issue relating to the Castlefield Corridor. She commented that in the last meeting Mayor Rotheram requested that any decisions relating to this should be made by agreed objective, criteria and evidence. She requested that this be shared with the Board if this had not already happened.

The Strategic Rail Director explained that there is a working group which is examining the details of the changes and has been using evidence to scrutinise the industry's plans and proposals. He stated that the materials used in the previous working group and the forthcoming working group could be shared with Members.

RESOLVED: That the minutes of the Transport for the North Board held on 8 January 2020 be approved as a correct record.

4.0 Exclusion of Press and Public

RESOLVED: That the public be excluded from the meeting during consideration of the following items of business because it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, there will
be disclosure of confidential information as defined in Section 100A of the Local Government Act 1972 (as amended) and/or exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended),

5.0 Part 2 Minutes

5.1 The Part 2 minutes of the meeting held on 8 January 2020 were considered and their accuracy as a correct record confirmed. Members discussed any issues arising from the minutes.

RESOLVED: That the Part 2 minutes of the meeting held on 8 January 2020 be approved as a true and accurate record.

6.0 Manchester Piccadilly Station Independent Review (r)

6.1 The report was received by Members and they were invited to ask questions and make comments on the report.

RESOLVED:
1) That the report be noted.
2) That the recommendations in the report be approved.

7.0 Northern Powerhouse Rail Next Steps (r)

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7.1 The report on next steps for Northern Powerhouse Rail was received by Members who were invited to ask questions and make comments on the report.

RESOLVED: 1) That the report be noted.
2) The recommendations in the report be agreed.

The Press and Public were invited back into the meeting, which continued in public.

8.0 High Speed North (r)

8.1 The report was received by Members and taken as read.

8.2 The Strategy and Programme Director highlighted the positive impact that the publication of the Oakervee Review and the subsequent announcement and commitment from the Government to the Eastern and Western legs of High Speed 2 has had on the North. He explained that the assessment of High Speed 2 phase 2B and the development of an integrated rail plan will provide an opportunity to develop a pipeline of rail investment in the North as well as being able to accelerate some of this.

The Strategy and Programme Director explained that the paper set out the priorities and principles that Transport for the North believe should drive the assessment process and the development of an integrated rail point with TfN and its Board having a meaningful role to play in the assessment process.

Members were asked to endorse the priorities and principles set out in the paper and that these be communicated to central Government as statutory advice.

8.3 Cllr Hale asked about the status of HS2 Phase 2b.

The Strategy and Programme Director explained that the paper reflects Transport for the North's understanding of the government announcement on 11 February that the delivery body would be considered as part of the assessment.

Nick Bisson added that due to the scale of phase 2B and Euston, Ministers are looking for a different delivery body to deliver these projects as they want them to be treated as major projects in their own right.

8.4 Cllr Green highlighted the fact that there was no explicit commitment to the continuation of the Goldborne Link in the report, which he believes is critical to Lancashire in order to maximise the benefits of HS2. He explained that taking away the link will have an impact on speed capacity and trade in Lancashire.

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Cllr Mundry explained that he would be unable to support Cllr Green, as the Goldborne Link would cut Warrington out of the network which would be detrimental for them.

8.5 Mayor Burnham raised the issue of HS2 being seen as the big brother to NPR and suggested that the Board should start to see these projects as equal priorities for which solutions to both are trying to be found.

He suggested that the Board should pitch them as being equally important and integrating them as one would make sense.

8.6 The Chief Executive raised two points on behalf of Liverpool City Region who were unable to attend the meeting. He explained that Liverpool feel that they have been omitted from the high-speed network and this process provides an opportunity to put that right. They also raised the issue of freight on in relation to the Integrated Rail Plan.

8.7 The Strategy and Programme Director explained that the report looked to identify known scope issues that would need to be addressed by the Integrated Rail Plan, which included some of those raised by Members. The report was not seeking to set out solutions to those issues at this stage; that would follow later in the IRP process.
He also acknowledged the point raised by Mayor Burnham regarding the equity of High Speed 2 and NPR. He explained that this now needs to be factored into the principles of the statutory advice that will be provided to Government.

8.8 The Chairman summarised the discussion of Members. He highlighted three points that had come out of the discussion. The first related to the description of principles and the fact that Members wanted equality of status between HS2 and NPR to be reflected in the integrated Rail Plan.

Secondly, he stated that in relation to Piccadilly, it is a principle ask from Transport for the North as a Board that the assessment be undertaken, and the peer group review being undertaken by TfN feed into this.

In relation to the issue of the Goldborne Junction he explained that this needs to be tackled outside the meeting. He offered Cllr Green his assurances that the issue will be addressed and that a consensus would be built amongst

Resolved:

1) That the report be noted;
2) That the wording in the Integrated Rail Plan should ensure that NPR and HS2 are treated equally

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3) The principles be agreed.

9.0 Northern Powerhouse Rail Governance (r)

9.1 The report was received by Members and taken as read. The Chairman stated that the report is looking for the Board to approve the amended Memorandum of Understanding.

9.2 The Chief Executive provided background to the report and explained that the Memorandum of Understanding summarises the working relationship between Transport for the North and the Department in relation to NPR projects. He described the working relationship between TfN and the Department as positive with the department having final say as to the work that goes ahead. Members were asked to approve TfN entering into the new Memorandum.

9.3 Mark Rawstron asked if there was anything in the governance that can enhance the position of TfN in making and getting its voice heard.

The Chief Executive explained that he would separate out NPR and High Speed North. In relation to NPR he explained that he wanted to keep the progress going so that we can feed in the right evidence into the work being undertaken by Sir John Armitt and the Infrastructure and projects Authority regarding capacity. He further explained that he wanted to be in a position where he can push ideas forward to Government in order that faster progress can be made.

9.4 Sir Peter Hendy highlighted the role for Network Rail in integrating services into the existing rail network and highlighted the issue as to how this fits into the existing railway network and that not recognising it has been part of the development of these things in the past.

Resolved
1) That the report be noted;
2) That the amended Memorandum of Understanding be agreed.

10.0 Monthly Operating Report (r)

10.1 Members received the Monthly Operating Report from the Finance Director and the report was taken as read.

RESOLVED: That the report be noted.

11.0 Business Plan (r)

11.1 Members received the Business Plan from the Finance Director.

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11.2 The Chief Executive highlighted to Members the various committees and meetings the plan has been through on its way to being finalised. He highlighted the fact that we entered the year with great momentum in both the country and particularly the North in relation to infrastructure.

He explained that the plan sets out an ambitious year ahead. The key priorities within the plan were outlined to Members and this included; the Integrated Rail Plan, NPR and Decarbonisation.

The Chief Executive highlighted the announcement on the Road Investment Strategy (RIS) 2 programme the previous day and explained that the shaping and development of the strategy for RIS 3 is essential.

He explained that Rail will continue to be a significant area for TfN and the Williams Review is awaited and Blake Jones is also going to be important to developments in this area during the year.

The spending review was highlighted, and the Chief Executive emphasised that Transport for the North's input into this will be critical. The National Infrastructure Strategy is also due to be published by the Government.

11.3 Cllr Browne raised the issue of Integrated and Smart Travel (IST) and questioned what the plan B is for the non-Metropolitan areas. He also requested that the business plan be modified to show how the concerns and needs of these areas are going to be addressed.

A request was also made for an allocation be made in the IST budget for the non-Metropolitan areas to show that their needs are being taken seriously.

The Chief Executive explained that the disruption messaging and fares tools are available to any authorities and operators respectively.

The Chief Executive updated Members on the current position with regards to Phase 3 - contactless on rail. He explained that the Williams Review is still being awaited and it is hoped that recommendations around a national roll out on this will be made within the review. However, if this is not the case Transport for the North will look to implement this in the North in pay as you go areas.

With regards to Phase 4 of the project, no allocation has yet been made. Talks are ongoing with many authorities across the North asking for their ideas before a plan can be presented to the DfT. The Chief Executive assured Cllr Browne that conversations will take place with his authority.

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11.4 Cllr Blake asked about the change in relationship with the Rail North Committee and the fact that there is no reference to this in the business plan.

The Chief Executive agreed that there should be some wording on the relationship and stated that he would include that when finalising the document.

11.5 Peter Kennan wondered if the plan should highlight the fact that Transport for the North supports quick wins when they are available.

The Chief Executive explained that he didn't believe that the business plan was the right place for this to be included but stated that he supported the idea of quick wins.

11.6 The Chairman asks for the Comms Team to circulate a note to the Board highlighting the quick wins in the principle areas of delivery that have been had over the year.

Resolved:
1) That the Business Plan be noted;
2) That the Business plan be approved.

12.0 Budget 2020/21 (r)

12.1 The report was received by Members and taken as read.

12.2 The Finance Director noted the gross budget of £88.1m, including contingency of £22.3m, and the net budget of £65.8m against which TfN will report during the year. He also noted that whilst the budget is fully funded, some of the elements of expenditure are dependent on in-year funding approvals from the Department. This relates principally to TDF funded NPR activity but also Phases 3 and 4 of the IST programme.

12.3 The Finance Director noted that the report sets out a reserve strategy as well as presenting the Treasury Management Strategy for approval.

12.4 Cllr Blake asked if any progress had been made in the commissioning of the sub regions in term of pilots.

The Chief Executive explained that progress has been made in identifying the types of schemes that can be taken forward, but no decisions have been made and these will need to come back to Board at a later date.

Resolved:
1) That the report be noted;
2) That budget be approved.

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12.5 Following the budget item, the Chairman then invited Jim O'Sullivan to provide Board with information on the RIS 2 announcement from the previous day.

Mr. O'Sullivan explained that the RIS of £25.3 billion was approved and a further £2.1 billion added to make up the PFI funds for the Lower Thames Crossing and the A303 Tunnel.

In terms of Schemes in the North, 2 new schemes were committed which were the A66 and Simister Island North West Quadrant improvements around Manchester. In addition, 13 schemes approved under RIS 1 are funded for completion and there are also plans for 3 smart motorways; M62 junctions 20-25, M6 junctions 21a-26 and the M56 junctions 6-8. He also explained that following the smart motorway stocktake a further £600 million have been received for retrospective safety improvements.

He also highlighted that a further 9 schemes that were being developed during RIS 2 and hoping to construct during RIS 3 or 4.

He explained that out of 15 suggested priorities from the Board they have secured funding for 7 of these projects.

12.6 Mayor Burnham raised the issue of Smart Motorway safety and looked for reassurance from Mr. O'Sullivan.

Mr. O'Sullivan explained that together with the Department they have spent the last 3 months examining the safety of Smart Motorways. He stated that the Secretary of State has said that overall they are safe with certain elements being safer than "normal motorways" whilst others are less safe. He further explained that UK motorways and Smart Motorway are some of the safest roads in the world. Public concern around live lane breakdowns was acknowledged and he highlighted the measures that they are looking to put in place.

13.0 Update on the Northern Transport Charter (r)

13.1 Members received an update on the Northern Transport Charter and the report was taken as read.

13.2 Cllr Blake explained that she was pleased to be able to inform Board that the message and idea of idea of putting passengers first is now being taken up across the country.

She highlighted that there was a lot of good publicity in the build up to the budget in relation to the Northern budget. She explained that there is still some work to be done around governance but will report back to board at a subsequent meeting.

13.3 The Strategy and Programme Director provided more detail on the progress of the Charter. He explained that the focus of the report

was on two of the four priorities which are the long term funding settlement and leading strategic transport delivery which will allow the North to be able to manage a devolved budget. He explained that it was the intent to bring an update on the remaining to ambitions to the next Board.

The Strategy and Programme Director explained that he hoped a finalised Northern Transport Charter will form part of Transport for the North's Spending Review submission later in the year.

13.4 Cllr Blake explained that the Membership has been extended encouraged new Membership so that all the areas are represented.

13.5 Cllr Green raised the issue of resource implication in local authorities as not all authorities may have the officer capacity in terms of skill set to support Members.

Resolved: That Members should note the progress set out in the report.

14.0 Decarbonisation (r)(p)

14.1 Members received the presentation from Ewa Kmietowicz on decarbonisation and a report from the Strategy and Programme Director which was taken as read.

14.2 The Strategy and Programme Director Paper explained that the report recaps Transport for the North's previous commitments to decarbonisation outlined in the Strategic Transport Plan and the Northern Transport Charter. Further to this it also summarises the work undertaken in collaboration with Members in the previous year and outlines plans for the year ahead.

14.3 Councillor Hale explained that the strategic goals have to match with the intervention policy and highlighted the importance of early wins. He then went on to highlight the importance of freight on rail as well as electrification.

14.4 Cllr Hannigan stated that the next big challenge is about bringing down the cost of hydrogen production.

14.5 Mayor Burnham stated that he believed that TfN and the department were unable to bring together the issue of transport and decarbonisation. He stated that he believed the transport improvement and decarbonisation need to become one and the same thing.

He stated that he feels that when looking at this issue the thought needs to be how does transport improvement further

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decarbonisation and this should be coming out in every report that comes to the Board.

14.6 Cllr Blake expressed concerned that Transport for the North aren't matching the ambition of its constituent Members and that there needs to increase in ambition on this.

She highlighted the fact that having looked through the report that people had not been put at the centre of things. She expressed concern that we would just replicate what we already have if petrol and diesel cars are replaced with electric ones and that congestion would continue to exist.

Cllr Blake requested assistance from Transport for the North in this area, she explained that Local Authorities are turning down planning applications for housing developments as they are not meeting the climate obligations, due to being isolated from public transport networks.

She explained that Leeds are going live with their clean air zone from September and taxis and buses are beginning to convert as a result of the change and the difference can be felt.

She also raised the issue of aviation and the fact that no -one was taking responsibility for aviation emissions.

14.7 Mark Roberts asks for pilots to be set up to inform the strategy. He suggested that TfN could co-ordinate the approach which would help to inform Government strategy.

14.8 The Chairman also asked Ms Kmietowicz for help on the issue of aviation as TfN have no direct leverage on this area.

14.9 The Strategy and Programme Director thanked Members for their comments and explained this would help in the development of the work plan for the year ahead.

14.10 Mayor Burnham stated that it is essential to bring down the cost of public transport in the north. He explained that due to cost and the inconsistent nature of public transport many residents do not have an alternative to using their car. He stated there needs to be more talk about the cost of public transport as at the moment it is cheaper for residents not to use it.

Resolved: That the presentation and report be noted and distributed to Members.

15.0 Feedback from Rail Northern Committee and update on Operator of Last Resort (v)

15.1 Members received an update on the Northern Rail Committee and an update from Richard George on the Operator of Last Resort.

15.2 Mayor Burnham provided Members with an update, explaining to Members that he felt that the meeting had entered into a new era. The meeting had two key focusses; Northern (the move to Operator of Last Resort) and TransPennine Express (performance recovery).

Members were informed that Northern are developing a 100-day plan which is being looked at in terms of rolling stock issues, service issues and infrastructure. The plan is due to be published in June and with a presentation to the Committee beforehand.

He explained that Cllr Brown had requested assurances around connectivity through Chester and in relation to the Central Manchester Working Group and these were provided.

In relation to TPE he explained that at the last meeting Members requested a timetable for improvement. He stated that there had been a slight recovery in January which had tailed off in February. The issues were discussed and TPE believed they were on a slow path to improvement but felt that the December timetable changes would help them further.

Members were informed that the Committee had asked TPE to agree with Officers a mid-year point and an end-year point where progress against the Public Performance Measure and cancellations could be measured.

15.3 Richard George updated the Board on progress. Mr George explained that the transfer had gone smoothly and that they had requested from the Secretary of State time to do a 100-day plan. He stated there were a number of issues that needed to be addressed and not all of them were specifically Northern issues and these would need to be solved together with Network Rail and other partners.

Resolved: That the update be noted.

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Transport for the North Board Informal Consultation Call Minutes

Meeting: Informal Consultation Call Minutes
Date: 29 April 2020, 11.30 – 13.15
Venue: Virtual Meeting – Microsoft Teams

Chairman:

John Cridland	Chairman of Transport for the North

Also in Attendance:

Sir John Armitt	National Infrastructure Committee

Constituent Authority Attendees:

Cllr Phil Riley	Blackburn with Darwen
Cllr Craig Browne	Cheshire East
Cllr Louise Gittins	Cheshire West & Chester
Cllr Keith Little	Cumbria
Cllr Chris Matthews	East Riding of Yorkshire
Cllr Mark Aldred	Greater Manchester
Cllr Darren Hale	Hull
CC Michael Green	Lancashire
Mayor Steve Rotheram	Liverpool City Region
Cllr Carl Marshall	North East
Cllr Stewart Swinburn	North East Lincolnshire
Cllr Richard Hannigan	North Lincolnshire
Cllr Don Mackenzie	North Yorkshire
Mayor Dan Jarvis	Sheffield City Region
Cllr Heather Scott	Tees Valley
Cllr Hans Mundry	Warrington
Cllr Judith Blake	West Yorkshire
Cllr Andy D'Agrone	York

Rail North Authority Attendees:

Cllr Trevor Ainsworth	Derbyshire
Cllr Chris Brewis	Lincolnshire
Cllr John Ogle	Nottinghamshire
Cllr Mark Winnington	Staffordshire

LEP Attendees:

Graeme Bristow	Cheshire & Warrington LEP
Steve Curl	Cumbria
Kishor Tailor	Hull LEP
Mark Roberts	Leeds
Andrew Hodgson	North East

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Matthew Lamb	North Yorkshire
Peter Kennan	Sheffield City Region
Jerry Hopkinson	Tees Valley LEP

Delivery Partners:

Nick Bisson	Department for Transport
Margaret Jackson	Department for Transport
Lorna Pimlott	HS2
Graham Botham	Network Rail
Sir Peter Hendy	Network Rail

Officers in Attendance:

Barry White	Chief Executive
James Mills	Corporate Engagement Lead
Gary Rich	Democratic Services Officer
Dawn Madin	Director of Business Capabilities
James Lyon	Executive Assistant
Maria Unwin	Executive Assistant
Iain Craven	Finance Director
Tim Foster	Head of Economic Advice
Julie Openshaw	Head of Legal
Steve Howes	Interim IST Director
Rosemary Lyon	Legal & Democratic Services Officer
Tim Wood	NPR Director
Deborah Dimock	Solicitor
David Hoggarth	Strategic Rail Director
Peter Molyneux	Strategic Roads Director
David Hughes	Strategy and Programme Director

Apologies:

Mike Blackburn	Greater Manchester LEP
Asif Hamid	Liverpool LEP
Mark Whitworth	Liverpool LEP
Cllr Adele Williams	Nottingham

1.0 Welcome and Apologies **Action**

1.1 The Chairman welcomed Members to the consultation call. As this is the first virtual meeting of the Board it was explained to Members how the meeting would work and how this is a practice run for the meeting in July which he hoped will be streamed live.

1.2 The Chairman welcomed Emma Ward, the new Director General of DFT.

2.0 Declarations of Interest

2.1 There were no declarations of interest received.

3.0 Coronavirus Update (p)

a) Impact on Rail
b) Impact on TfN
c) High-Level Corporate Risk Assessment
d) Economic Recovery Plan

To consider the update from the Chief Executive.

Impact on Rail

3.1 Members received the first part of the presentation from the Strategic Rail Director who highlighted the key points in the presentation which was taken as read.

3.2 The Strategic Rail Director explained that the North of England Contingency group is the main mechanism for consulting with both Members and the industry. He explained that this is a positive way of working with the operators and is also the most effective way of connecting everybody across the crisis.

The Strategic Rail Director praised the operators for how they have been working with Transport for the North. He highlighted an example where the group had had a particular impact, where South Yorkshire had produced a report on key workers and essential travel needs as well as potential gaps in the initial plan. This information was provided to the group resulting with Northern making tweaks to the timetable as well as responding to the opening of the Nightingale hospitals.

He also highlighted that rail usage in the North of England is similar to levels across the country was is approximately 5%.

It was explained to Members that Operators are currently working on the next phase of the key worker timetable, with the implementation of this subject to advice from the Government and Public Health England.

3.3 The Chairman thanked the Strategic Rail Director on behalf of the Board for all the work that has been done for the Rail North Partnership and the excellent communications that have been being sent out to Stakeholders.

3.4 Mayor Rotheram requested that Trade Unions should be included at a future meeting to provide feedback on some of

their stories around their members who contracted Coronavirus and have passed away as well as some of the difficulties front line staff have experienced. He explained that by having their input it may influence thinking going forward with regards to things such as Personal Protective Equipment (PPE) and face coverings.

The Chairman commented that this was an excellent suggestion and stated that he would seek to progress the suggestion.

3.5 Cllr Blake raised the issue of passenger confidence and that people may revert to using their cars due to concerns around being in an overcrowded situation. She supported Mayor Rotheram and explained that the work of Trade Unions will be critical.

3.6 Cllr Little asked whether driver training has continued to take place since lock down.

The Strategic Rail Director explained that this had been suspended due to social distancing requirements.

3.7 Cllr Marshall referred to the recovery plan and expressed an interest in being involved in this.

Impact on TfN, High-Level Corporate Risk Assessment and the Economic Recovery Plan

3.8 The Chief Executive updated Members on the impact on Transport for the North and the slides were taken as read.

3.9 The Chairman commended the Chief Executive and the team for the resilience shown in adapting to the challenging situation.

3.10 Cllr Swinburn stated that he believed that the biggest risk being faced in the long term is the availability of funding and stated that Transport for the North needed to push hard for post-Covid recovery business stimulus that will be created by transport improvements.

He requested that TfN accelerate the Strategic Development Corridor and Investment Programme especially where economic growth is the outcome. He highlighted the Grimsby Western Relief Road as one such project. This is a TfN project which is programmed for 2027 and he requested support from TfN to bring this project forward.

3.11 Mayor Jarvis stated that the economic challenges resulting from coronavirus will be massive. He emphasised the

importance of quick wins in order to deliver economic benefits and stated that the Hope Valley line would be one such project that would deliver on this.

3.12 Cllr Blake raised the issue of the impact of this on franchises and requested that this should be looked at further at the upcoming Rail North Committee.

She also stated that the current situation may provide an opportunity to start thinking about moving more freight on to rail.

3.13 Cllr Hale raised concerns about the impact of this on public transport in Hull. He expressed concern about the impact on bus services in the area post pandemic.

He also raised the issue of Hull Trains in the area and was disappointed not to have received TfN support for them as they, as non-franchised operators, had not received any Government support.

3.14 Kishor Taylor raised the issue that certain areas such as Hull have a large manufacturing industry and people will still need transport to get into work.

He also raised the issue of supply chains and how the current situation has shown that the existing ones do not work in the situation currently being experienced and that more local supply chains are needed which will require a better freight network.

3.15 The Chief Executive addressed the issue of Hull trains and explained that TfN has worked closely with the DfT in order to ensure that paths are kept open for Hull trains and that when we transition out of this the operator of train services in Hull will be able to resume.

RESOLVED: That the presentations and updates be noted.

4.0 NIC Rail Needs Assessment – Sir John Armitt (v)

4.1 Sir John Armitt was welcomed by the Chairman and asked to provide Members with an overview of the work he was doing with the National Infrastructure Committee (NIC).

4.2 Sir John explained that the NIC has been asked to provide the Government with a menu of options in different ways in which HS2 phase 2B can be combined with the different projects that Transport for the North is planning, as well as taking into account the Midlands rail hub and providing services up to Scotland.

4.3 The Chairman explained that during the Oakervee Review they argued for the Y-shaped network which they believe to be essential. He further explained the importance to the North of HS2, Northern Powerhouse Rail and the classic rail network integrating together.

4.4 Members were provided with the opportunity to ask questions about the assessment and asked a variety of questions in relation to their constituent areas.

Cllr Green, Cllr Swinburn and Cllr Gittins asked specific questions relating to Scotland, North East Lincolnshire and Wales.

4.5 Cllr Blake requested a conversation following the meeting about moving forward work on the Eastern leg in order that is should not become secondary to the Western leg.

4.6 In responding to the questions from Cllrs Gittins, Swinburn and Blake, Sir John explained that the call for evidence will provide the maximum opportunity for constituent authorities to make the points that they have raised.

He explained that they are not being asked to make specific recommendations and reiterated that the Government are looking for a menu of options.

He explained that the biggest challenge is the process aspect and planning element.

4.7 Sir John was aware of the importance of links to Scotland using a combination of HS2/NPR and then linking in to the conventional rail network.

4.8 Mayor Rotheram explained that some of the options on the menu are unpalatable to the people of Liverpool City Region. He explained that he believed that some of the outputs had been diluted such as the journey time between Liverpool and Greater Manchester.

He also questioned who is responsible for leading on the delivery plan for bringing HS2 and NPR together, requested times scales, and asked if his work will be offering a model for how NPR will be delivered, or if the DfT will do that.

Sir John explained that he is aware of the need to get better connectivity over to Liverpool.

4.9 Mayor Jarvis welcomed the assessment and explained that they are commissioning a specific piece of work for the call for evidence.

4.10 Sir Peter Hendy explained that Network Rail is fully collaborating with this piece of work and stated that this is the first proposition for years that has looked to combine classic railway with new rail.

4.11 Mark Aldred stated that he wants the plan to consider the whole system and expressed his concerns about the funding.

4.12 Sir John explained that there would be an opportunity for LEPs to feedback to them.

4.13 The Chairman thanked Sir John for joining the meeting.

RESOLVED: That the update be noted.

5.0 Integrated Rail Plan (P)

5.1 Members received the presentation from the Strategy and Programme Director. He explained that a number of discussions have already taken place with Sir John Armitt and the NIC and close working arrangements have been established in the early stages of the Integrated Rail Plan.

He explained that Transport for the North is seeking to provide the NIC with as much support as possible during the initial evidence gathering phase, and this is being done by making available existing evidence and analysis available to them for the North's long term rail requirements.

He explained that the Government is still working to the end of year deadline for completing the process, with evidence needing to be with the NIC by the end of May. A first draft has been produced and he hoped that this would be shared with Members' Officers by the end of the day.

5.2 Cllr Green asked how local issues will be included in the submission.

5.3 Nick Bisson apologised that Emma Ward had been unable to dial in to the meeting.

He explained that the Ministers still wanted to achieve the Integrated Rail Plan and that the timelines remained the same.

In response to Mayor Rotheram, he explained that the NIC focus on needs assessment is on the "what" and that the "how" will come later.

RESOLVED: 1) That the presentation be noted;

2) That the broad approach outlined be supported, subject to points raised by Members being addressed.

6.0 Northern Powerhouse Rail Update (r)

6.1 The report was received by Members and taken as read. The NPR Director highlighted the key points of the report for Members.

6.2 The Finance Director referred Members to the March Monthly Operating Report which was circulated with the papers. He highlighted the TDF allocation letter in the report, which was received on 31 March, and explained that the letter differed from the draft which the business plan and budget had been based on, and this had introduced uncertainty into the funding arrangements for NPR.

Discussions have been on going with the Department since the letter had been received and funding is now committed for the sifting work. There is also a funding agreement that would take TfN to delivery of the Strategic Outline Case (SOC) at the end of the year. However, TfN has not yet had the pre sequence 5 confirmation which is preparatory work that that needs to be undertaken to prepare for the immediate start of outline business cases once the SOC has been agreed.

The Finance Director explained that he understands that the DfT intend to undertake a detailed view of the NPR work plan at the end of the summer, by which point the direction of travel on the Integrated Rail Plan will be known.

6.3 Cllr Mundry requested that NPR should look at operating from Liverpool to Manchester on a new 2-line system rather than using any existing lines which he believes will cause issues. In response the NPR Director explained that there will be six trains an hour between Liverpool and Manchester. Whilst a number of options are under consideration, there is an agreed TfN preference for a new line between Liverpool, Warrington and Manchester.

6.4 Cllr Scott requested that the Leeds Newcastle sift line be brought forward to September.

In response the NPR Director explained that this is a particularly complex issue on which he is working closely with partners in the Northeast and plans are being formulated. He confirmed that Cllr Scott's comments would be taken into consideration.

6.5 Peter Kennan asked how LEPs can have meaningful input into the sifting process.

He also emphasised the importance of quick wins as this is something that did not feature in the report.

The issue of Manchester Piccadilly was also raised, as he wanted to better understand the role of Manchester Piccadilly in the sifting process when the situation regarding it has not yet been resolved.

The NPR Director stated that he would welcome a conversation with the LEPs on this issue.

In relation to quick wins he highlighted the Barnsley Dearne Valley station as well as Darlington and is keen to get some very early survey work done and quickly move to delivery.

6.6 Cllr Blake stated that the impact of Covid 19 needs to be taken into account. She also requested that constituent authorities should be consulted on any communications that go out around NPR due to it being an area of sensitivity.

She requested that the Chief Executive write to the Secretary of State around the funding issue. She also highlighted the fact the difficult decisions would be required around NPR and believed that Ministers needed to be involved in this process going forward.

The NPR Director stressed the importance of communications and stated that a series of one-to-ones will be being arranged with Members and leaders in the North.

6.7 Cllr Aldred asked how TFN will ensure the route Corridor sift and SOC align with the integrated rail plan, particularly with the sift process taking place before the IRP is published and that Piccadilly is expected to be considered as part of the IRP.

RESOLVED:

1) That the report be noted;
2) That the Progress on the SOC through development of the structure of the five cases and development of the phasing approach be noted;
3) That Members agree to the rephasing of the NPR programme to change the submission date of the SOC document to align with the March 2021 TfN Board;
4) That Members agree the options appraisal and sifting process that NPR follows, commencing June 2020 in line with the rephased programme.

7.0 IST Phase 3 & 4 Update (r)

7.1 Members received the IST phase 3 and 4 update report which was taken as read.

RESOLVED:
1) That the report be noted;
2) That Members approve and delegate authority to the Chief Executive to sign off the Strategic Outline Business for Stage 4 of the project.

8.0 Monthly Operating Report (r)

8.1 Members received the Monthly Operating Report which was taken as read.

	RESOLVED:	That the report be noted.	

r = report; p = presentation; v = verbal

DRAFT

Transport for the North Board - Item 4

Subject: Operational Rail Update

Author: Salim Patel, Programme Manager

Sponsor: David Hoggarth, Strategic Rail Director

Meeting Date: Thursday, 11 June 2020

1. Purpose of the Report:

1.1 To update Members on operational rail matters, particularly in respect of the response to the Covid-19 crisis, future impacts as lockdown measures are relaxed, and longer-term challenges post Covid-19.

1.2 To provide background information for inputs from the rail operators, the TUC and Transport Focus at the meeting. There will also be an update on the Northern 100 Day Plan.

2. Executive Summary:

2.1 Transport for the North and Rail North Partnership have been working to support the rail response to the Covid-19 crisis in the North of England. The response to the industry's introduction of a key worker timetable, initially running just under half the normal services, was positive. Local authority representatives provided feedback as part of the North of England Contingency Group and outcomes have been shared with Local Resilience Forums to try to ensure Covid-19 emergency responders are sighted on the north's rail activity.

2.2 Since lockdown, rail passenger usage across the North has been around 5-10% of normal levels and footfall across Network Rail's major stations has been significantly reduced. In general, the public have heeded the messaging to 'leave the trains clear for those who really need them'. Whilst services have increased recently to 63-75% of normal levels, social distancing means that capacity is only 10-20% of normal levels. The reduction in demand (and uncertainty about the route back to normality) means industry finances are under severe pressure which will have implications for future services and investments. It is critical that a roadmap to recovery is developed that works for the North's passengers and businesses and that Transport for the North plays an integral part in the decision-making to come.

3. Background Information:

Transport for the North's role in responding to the Covid-19 crisis

3.1 Transport for the North has supported the rail industry in its response to the crisis by working with partners to shape service propositions to meet key worker requirements and by reinforcing the messaging that those who don't need to travel should not do so to protect capacity for essential users.

3.2 The main mechanism for this has been through Transport for the North's coordination of the North of England Contingency Group – bringing together lead officers with representatives of the industry. This has helped ensure a direct link between industry planning and local needs. Train operators have responded very positively to suggested changes to the timetables taking into account specific local requirements.

3.3 Transport for the North's focus during this period has been on communication (principally about what the railway is providing during the Covid outbreak and who should travel); ensuring consistency across the operators on the approach they are making and where they are prioritising; ensuring the sustainable delivery of the timetable, and services; and preparation for recovery when conditions permit.

3.4 Communicating rail service availability has been central to managing rail usage throughout the pandemic and the Great North Rail Project Strategic Communications Group has also met regularly to share messaging and report on issues and developments. This work, supported by Transport for the North, has helped ensure clear messaging on managing travel during the pandemic has been rapidly cascaded across the North whenever needed.

The Current Position

3.5 Changes to the Covid regulations came into force on 1 June 2020 (these include some limited retail openings such as car showrooms and outdoor markets and the ability for people to meet in outside spaces in groups of up to six people from different households, following social distancing guidelines). In addition, some schools have started phased returns. Further lockdown easement, contingent of Covid-19 tests being passed, is expected on 15 June 2020 when, for example non-essential retail outlets are expected to be allowed to re-open with appropriate social distancing provision.

3.6 Both Northern and TPE have successfully introduced a stable Key Worker Timetable which has gone through several iterations and was shaped by insight gathered from the North of England Contingency Group.

3.7 Services are, in the vast majority of cases, performing well with the Public Performance Measure (PPM) regularly in excess of 90 per cent for both Northern and TPE. Final data from TPE and Northern is expected imminently but shows continued strong performance. For example, in May, Northern averaged 96% PPM and TPE had a PPM of 95%.

3.8 At the beginning of the lockdown, passenger numbers dropped quickly and stabilised at around 5% of the usual total for Northern and TPE. Since the initial lockdown, demand has steadily increased to between 5 and 10%. Since the lockdown was eased in June, operators have reported only a relatively small increase allowing appropriate levels of social distancing to be maintained. Train operators and the Department for Transport (DfT) are carrying out passenger research to understand future demand better. This has been supplemented by very useful weekly surveys into passenger behaviours by Transport Focus.

3.9 **Next Phase of Rail Service Operations**

Operators have been asked to prepare for a potential further uplift from the current circa 70% service level in early July and again in September.

3.10 Future pandemic easement measures, including school returns and retail re-openings are likely to be more difficult to manage for the rail industry and the travelling public. We don't yet know how passenger sentiment will alter travel behaviour. Operators report relatively low levels of face-covering usage by current rail users and the industry does not have legal powers to enforce social distancing.

3.11 Challenges around the introduction of new fleet, driver training etc. have in many ways been exacerbated by the Covid outbreak and restrictions - the impacts of which we will need to work on with the operators to fully understand. Alongside this, Northern is expected to shortly complete its 100 Day Plan and Richard George will provide a verbal update on this at the meeting.

3.12 **Medium and Longer-Term Implications for Rail**

The impacts of the pandemic may have longer term implications for the rail sector including in the North of England. Rail services help keep the economy moving and supporting rail services over the coming months and years will underpin the recovering economy, signal that Britain is open for business and help achieve the national decarbonisation goals. A significant proportion of rail demand is from office workers and those who work in service sectors supporting the working week. It is probable that the legacy of successful remote-working will endure, with 'Teams' and 'Zoom' allowing productivity to be maintained without having to make as many journeys. This provides both a challenge and an opportunity. The challenge is that passenger numbers and revenue will be reduced for a period of time. The opportunity, given the ongoing challenges of congestion, air

quality and climate change, is that this 'released capacity' could provide an opportunity to persuade car users to make a shift to rail.

3.13 This will only happen when confidence in travelling on public transport returns, and those who are willing and able to travel by rail do not think services are being reserved for essential travel and key workers. There is some way to go in the easement of restrictions (and potential Covid case reductions) before encouraging the population to use public transport. The picture is likely to remain uncertain for some time, not least because many organisations and businesses are assessing their long-term office strategies in the light of successes (and adverse effects) of remote working. Further, the impact of the pandemic on the economy is likely to suppress travel (both road and rail), so the congestion 'nudge' to encourage car users to rail may have been weakened.

3.14 This makes it all the more important to focus efforts, resources and messaging on the key messages of transport integration and allowing people to make the right travel choice at the right time, particularly incorporating active travel as well as wider travel enablers such as flexible, multi-modal ticketing and contactless journeys.

3.15 Currently, the Government has fully underwritten railway operations - taking full revenue and cost risk for all franchises - at least for the 6 months of the Emergency Measures Agreements (which have replaced conventional franchise agreements for the period). Northern Trains Ltd (Northern) is already under government ownership although it will work to the same principles. There will be significant pressure to control and minimise costs in the light of red revenue streams, possibly exacerbated by lower passenger inclination to travel in crowded environments.

3.16 Recovery from the pandemic in the medium and long term relies entirely on passengers feeling confident about using services. Restoring and maintaining this confidence will be a delicate balance between reassuring people that their safety concerns are being addressed, whilst being realistic about the risks of travelling.

4. Recommendations:

4.1 That the report is noted.

4.2 That the Board considers inputs from the rail industry, the TUC and Transport Focus.

List of Background Documents:

There are no background papers to this report.

Required Considerations

Equalities:

Age		No
Disability		No
Gender Reassignment		No
Pregnancy and Maternity		No
Race		No
Religion or Belief		No
Sex		No
Sexual Orientation		No

Consideration	Comment	Responsible Officer	Director
Equalities	A full Impact assessment has not been carried out because this is a paper for information only	Salim Patel	David Hoggarth

Environment and Sustainability

	No

Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out because this paper is for information only.	Salim Patel	David Hoggarth

Legal

	No

Consideration	Comment	Responsible Officer	Director
Legal	There are no direct legal implications to Transport	Julie Openshaw	Dawn Madin

	for the North identified in this paper.		

Finance

	No

Consideration	Comment	Responsible Officer	Director
Finance	The paper highlights the financial impacts of Covid-19 particularly as a result of reduced passenger revenue. Financial risk on rail services is borne by the DfT.	Gareth Sutton	Iain Craven

Resource

	No

Consideration	Comment	Responsible Officer	Director
Resource	There are no direct human resource implications to Transport for the North identified in this paper.	Stephen Hipwell	Dawn Madin

Risk

	No

Consideration	Comment	Responsible Officer	Director
Risk	There are new risks highlighted in this paper relating to the impact on rail services from the Covid-19 crisis. These have been included in the relevant risk register.	Salim Patel	David Hoggarth

Consultation

	No

Consideration	Comment	Responsible Officer	Director
Consultation	A consultation has not been carried out because the paper is for information	Salim Patel	David Hoggarth

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Transport for the North Board – Item 5

Subject:	Economic Recovery Plan (ERP)
Author:	Owen Wilson, Major Roads Strategy Manager
Sponsor:	Peter Molyneux, Major Roads Director
Meeting Date:	Thursday, 11 June 2020

1. Purpose of the Report

1.1 This report seeks the feedback and endorsement of the Board on a proposal to write to the Secretary of State for Transport making the case for accelerated transport investment in the North, as a central part of an Economic Recovery Plan (ERP).

2. Executive Summary:

2.1 The impact of the Coronavirus Pandemic looks likely to result in the sharpest economic slowdown in living memory.

2.2 It is unclear as to when life will be able to start to return to some form of normality, or 'new normality', in the UK, but already it seems clear that the economy, health and wellbeing of citizens will have suffered a seismic shock.

2.3 As social distancing restrictions start to be lifted there will be an urgent need to stimulate economic activity, boosting business confidence and supporting jobs.

2.4 Using the evidence from work on the Investment Programme that TfN has developed with partners, the North is in a strong position to put forward an urgent and compelling case for accelerated delivery of transport infrastructure and other investment. A well-planned stimulus should provide an immediate economic boost and lay the foundations for the long-term advancement of a sustainable economy, including levelling up of economic disparity across the UK.

2.5 TfN can draw upon evidence from work on sequencing the Northern Investment Programme, Long Term Rail Strategy, from the NPR programme and from input into Network Rail and Highways England delivery programmes.

2.6 However, given the need for a rapid economic stimulus the ERP should not be constrained to just considering schemes in the Investment Programme and TfN will work with partners in identifying proposals for other schemes that could be mobilised quickly and make the most of opportunities as they arise.

2.7 Although Government has yet to announce proposals for an Economic Recovery Plan (ERP), or when that would be agreed, we need to ensure the North is prepared to make a strong case for accelerated investment and therefore propose to prepare a Transport ERP for consideration at TfN Board in July.

2.8 Board members are asked for their views on whether TfN should write to the Secretary of State setting out the work that is underway on the ERP, and on the key messages the North should put across to Government at this time.

2.9 Attached with the letter, we can also identify a list of 'quick win' schemes that have already been submitted to the DfT for consideration. These could include SRN, MRN, Large Local Majors, rail or ticketing interventions.

2.10 This report briefly sets out the process by which TfN plans to develop, with partners, a realistic but ambitious package of transport interventions.

3. Recommendation:

3.1 The Board is asked to:

a) Endorse TfN's proposal to develop a proposed Economic Recovery Plan, for accelerated investment in Northern Transport schemes

b) Endorse the proposed timetable for developing the plan and seeking support from TfN Board

c) Endorse writing to the Secretary of State, seeking development and implementation funding for a number of "quick wins" schemes and interventions.

4. Background:

4.1 A strong case for early investment will need to demonstrate clear alignment with strategic objectives, including delivery of a more resilient and sustainable transport network, and critically strong evidence of the benefits of, and feasibility of accelerated delivery.

4.2 Transport interventions identified within the Strategic Development Corridor (SDC) Programme have very recently been assessed using the

qualitative sequencing framework endorsed at TfN Partnership Board in January 2020. TfN will work with partners, building upon the evidence in the sequencing report to identify potential accelerated 'early delivery' schemes. This list of schemes will need to be both realistic and ambitious.

4.3 Given the need for a rapid economic stimulus the ERP should not be constrained to just considering schemes in the Investment Programme. For example, interventions that could be mobilised quickly and have lasting benefits might include, 'spend to save' initiatives, including: -

a) Investment in decarbonising transport
b) Greater digital connectivity
c) Improving the flexible ticketing offer for public transport customers
d) Major maintenance programmes, particularly where improving transport reliability and resilience
e) Taking forward aspects of the Long-term rail strategy hitherto not well advanced by the industry and
f) Investment to support rail services and recovery from the current crisis.

There could also be opportunities to propose funding for up-front development work, for example where there are evidence gaps in meeting the conditional outputs in the Long-Term Rail Strategy.

4.4 In order to maintain a consistent approach, we propose to use the key principles of the Sequencing Framework to consider schemes put forward for the Economic Recovery Plan (ERP), and to use the same four-point qualitative assessment principles used for the SDC sequencing. However, TfN will need to be flexible in its approach if Government ask for investment priorities sooner than the proposals set out below.

4.5 The qualitative sequencing framework applied a three tiered approach to assessing schemes in the Investment Programme up to 2050. The work on the ERP is focused on short to medium term scheme delivery, and can therefore be streamlined to a two tier assessment. The proposed assessment framework and qualitative assessment principles, which has been agreed with Executive Board, are attached as appendix 1.

4.7 Given the sense of urgency the streamlined assessment we are proposing for the ERP should include the following key principles:

a) Engagement and shared thinking with LTAs, HE, NR and DfT
b) Taking into account rapid changes in travel patterns and behaviours and how transport networks need to adapt to that change

c) The need to be ready to operate at scale and pace to deliver benefits
d) The importance of long term 'sustainability' of schemes linked to the economic recovery, including active travel and decarbonisation of motorised transport
e) Opportunities for 'spend to save' initiatives, including digitisation and broadband, (including for the more rural areas.) and schemes to support efficiencies in rail operations.

4.8 The work will require engagement and candid feedback from TfN Partners. This is a process that has already worked for the SDC work, and in 2019 worked very well, when identifying and short-listing highway schemes for the TfN Major Road Network (MRN) Regional Evidence Base.

4.9 Should Board members agree it would be appropriate to write to the Secretary of State, setting out the work that is underway on the ERP then with the letter we would propose setting out principles for the ERP and identifying a list of 'quick win' schemes.

Our proposed principles are that the ERP should:

a) Stimulate economic activity, supporting key sectors of the construction industry and generating jobs.
b) Focus on delivery of 'no regrets' schemes, delivering immediate and longer-term benefits.
c) Reflect the challenges of Covid-19, particularly for public transport, and include investment to support recovery of the transport network.
d) Recognise the opportunity to embed sustainability in to how we plan and deliver transport in the North, and more widely. For example, supporting investment in Active Travel, in new lower Carbon technologies and in improved digital connectivity.

- Part funding 1Gb/s fibre in less populated areas as recommended by the National Infrastructure Assessment to allow all communities to be able to work flexibly and helping reduce the need to make journeys.
- To fund active travel on a sustained year in year out basis to embed the opportunity for modal shift away from cars
- To part fund fast charging EV technology in less populated areas to ensure early EV adoption is not held back by
- To back technology trials such as hydrogen trains, battery trains and HGV decarbonisation to pathfind new approaches.

e) Be co-produced, led by TfN working in partnership with our constituent partner organisation
f) That major schemes already in government processes, including road schemes in RIS2 such as the A66 and A63, and rail schemes such as the Transpennine Route Upgrade and the Central

Manchester Corridor, are progressed with all reasonable speed.

4.10 Potential 'quick win' schemes, could include SRN, MRN, Large Local Majors, rail or ticketing interventions.

Examples are:

a) New River Tees Crossing
b) A34 Cheadle MRN scheme
c) A500 dualling (Meremoor Moss – M6 J16)
d) Tyne Bridge & Central Motorway MRN scheme
e) RIS3 Programme schemes moved forward to RIS 2 (e.g. A1 upgrade Doncaster – Darrington / A64 Hopgrove)
f) Comprehensive availability of 'flexible season tickets' (offering volume discounts for irregular travellers) on rail across the North
g) Equipping all stations in the North with EMV[1] enabled Platform Validators and/or EMV gate upgrades as appropriate to allow smart flexi-season tickets to be rolled out further and as preparation for greater use for future contactless travel
h) Introduction of capped contactless travel on all light rail/metro systems in the North
i) Expansion of the scope of TfN's Open Data Hub to make available information that increases passenger confidence in using public transport, for example, data on seating capacity and crowdedness.
j) Strategic rail interventions e.g. investment in rolling stock and stations such as Darlington Station.
k) Bringing forward aspects of committed schemes in the Rail Industry Enhancements Pipeline such as schemes to address congestion at key hubs and improve reliability across the North.
l) Accelerating partner promoted rail schemes, such as the Cumbrian Coast Line and Middlesbrough Station.
m) Developing and implementing quick win reliability/ journey times projects on rail aimed at reducing the long-term costs.

5. Conclusion and next steps

5.1 Through working together as 'One Voice' the North is in a strong position to put forward an urgent and compelling case for accelerated delivery of transport infrastructure.

5.2 TfN is in a unique position to coordinate development of an Economic Recovery Plan for the North, has started initial work so that we are ready to table a fully worked up ERP proposal for consideration at TfN Board in July.

[1] Europay, Mastercard, Visa (EMV) is a standard for credit cards and bank cards providing the technology used to authenticate card and smartphone/smart watch transactions.

6. Options Considered:

6.1 Not applicable at this stage as there are no options to be considered.

7. Considerations:

7.1 The proposal to write to the Secretary of State and the approach to developing an Economic Recovery Plan (ERP), as detailed in this report.

8. Preferred Option:

8.1 That Board endorse the proposal to write to the Secretary of State and to develop an Economic Recovery Plan (ERP), within the timescale set out in this report.

9. Appendices:

9.1 SDC Phase 2 documents:

1. Proposed ERP assessment framework

List of Background Documents

TfN Qualitative Sequencing Report

Required Considerations

Please confirm using the yes/no options whether or not the following considerations are of relevance to this report.

Equalities:

Age	~~Yes~~	No
Disability	~~Yes~~	No
Gender Reassignment	~~Yes~~	No
Pregnancy and Maternity	~~Yes~~	No
Race	~~Yes~~	No
Religion or Belief	~~Yes~~	No
Sex	~~Yes~~	No
Sexual Orientation	~~Yes~~	No

Consideration	Comment	Responsible Officer	Director
Equalities	An Impact assessment has not been carried out as this report is seeking endorsement for the approach to developing the ERP	Owen Wilson	Peter Molyneux

Environment and Sustainability

~~Yes~~	No

Consideration	Comment	Responsible Officer	Director
Sustainability / Environment	Sustainability / environmental risks and opportunities will be considered at a high level, using a qualitative assessment to develop the ERP.	Owen Wilson	Peter Molyneux

Legal

~~Yes~~	No

Consideration	Comment	Responsible Officer	Director
Legal	TfN Legal Team has confirmed there are no obvious specific legal implications. TfN Board has power to make the recommended decision.	Julie Openshaw	Dawn Madin

Finance

~~Yes~~	No

Consideration	Comment	Responsible Officer	Director
Finance	The Finance Team has confirmed that at this stage there are no immediate financial implications for TfN.	Gareth Sutton	Iain Craven

Resource

~~Yes~~	No

Consideration	Comment	Responsible Officer	Director
Resource	TfN HR Team has confirmed at this stage there are no resource implications.	Stephen Hipwell	Dawn Madin

Risk

Yes	~~No~~

Consideration	Comment	Responsible Officer	Director
Risk	A risk assessment will be carried out when work on the ERP commences and any key risks will be included in	Haddy Njie	Iain Craven

	the corporate risk report.		

Consultation

~~Yes~~	No

Consideration	Comment	Responsible Officer	Director
Consultation	The ERP will be developed through engagement with TfN partners. As work has yet to commence there has been no consultation at this stage.	Owen Wilson	Peter Molyneux

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Assessment Objectives

Proposed interventions will be assessed using the following criteria.

Table 1

Ref	Tier One Assessment Criteria – against core objectives and assessment of deliverability Notes: • Tier One assessment would be applied to all proposals. • Primary focus is on deliverability of schemes within proposed time period. • Assessment will stop at tier one if schemes are considered undeliverable by 2025 or for proposals on development work, by 2026/27.	Rating (4-point)
ST1	Does the intervention align with the STP vision and objectives?	
ST2	To what extent is there a risk that the intervention could act in opposition to any of the applicable STP policy positions?	
EC1	Does the intervention help support higher productivity, greater local and /or a more balanced northern economy, and greater net employment within the North?	
SU1	Would delivering the scheme support TfN and Government commitments for decarbonisation of transport?	
Deliverability Assessment Criteria		
AC1	Is the intervention anticipated to attract transport user, business user and political support, based on the nature of the intervention?	
AC2	Is the level of disruption which may be caused by the construction of the scheme likely to be acceptable to customers?	
DL1	To what extent is the scheme proposal in as much detail as is currently understood, constructible and viable. (**Assessed based on the proposed delivery time frame to start on site before 2024/25 & for development work 2026/27)**	
DL2	Are there significant external influences which could affect the viability or delay the scheme progressing (including DCO requirements)?	
DE1	Is there any inter-relationship between this intervention and another scheme which may not be in place, where this intervention should only be delivered after another in completed, in order to achieve the best outcomes?	
DE2	Is there any inter-relationship between this intervention and another scheme which may not be in place, where this intervention can only be delivered after another in completed, due to the technical dependencies between schemes?	
Potential outcomes of tier one assessment, aligns with core objectives and is: • **Deliverable by 2025 – proceed to tier two** • **Proposal is for accelerated development work, deliverable by 2026/27- proceed to tier two** **Not aligned with core objectives and/or not deliverable – remove from proposed programme of schemes**		

Ref	Tier Two Assessment Criteria – more detailed assessment (only applied to schemes that progress from Tier One)	Rating (4-point)
ST3	Does the intervention address a significant current or future problem on the major transport network in terms of performance and/or resilience?	
ST4	Does the intervention present opportunities to support local strategies to support growth which will be in place by **2025 (for development work 2026/27)** (e.g. spatial and economic plans). How dependent are these on improved transport connections?	
ST5	Does the intervention align with national infrastructure schemes and priorities, which are expected to be in place by **2025 (for development work 2026/27)?**	
ST6	Does the intervention support the movement of freight, international connectivity, UK trade and investment?	
ST7	Does the intervention present opportunities for investment to align with the development of new technologies and/or complementary behaviour change programmes?	
ST8	Does the intervention present opportunities to improve the resilience of the north's transport network?	
EC2	Does the intervention help support higher productivity, through reductions in the cost of travel for businesses and/or increased economic agglomeration?	
EC3	Does the intervention help support greater local investment and/or a more balanced Northern economy?	
EC4a	Does the intervention help support greater labour market participation, and/or greater net employment within the North?	
EC4b[1]	Does the intervention have an immediate impact on increasing employment and at what scale e.g. 5-10 jobs, 10-50 jobs, 50+ jobs.	
SU2	Does the intervention have the potential to contribute towards improving conditions in areas where air quality is a significant concern?	
SU3	Could the scheme contribute towards a more inclusive, and better integrated sustainable transport network, including enhancing the potential for multi-modal journeys and active travel?	
SU4	Are there any potential environmental constraints identified which could stop the scheme being delivered before **2025 (for development work 2026/27)?**	
AF1	What is the scale of the whole life capital and operating costs? (Low / Medium / High / Very High)	
AF2	Is the scheme affordable during the period **2020-2025 & for development 2020-27** when considered as an individual intervention?	
	Tier two assessment to be used to gather further information on schemes, and to help develop a credible, but ambitious programme aligned with STP objectives and principles of the Northern Charter.	

[1] This is an additional criteria not used for SDC2 sequencing, but would provide useful data to support a bid for Economic Recovery Plan funds.

Assessment Principles

Consistent with the SDC sequencing proposed schemes will be assessed against the tier one and tier two criteria using a qualitative four – point scale, following with the principles set out in table 2(To be used for schemes proposed for accelerated delivery by 2024/25) & 3

Table 2 - Assessment Principles

Objectives	Acceptability	Technical Feasibility – scheme delivery		Dependencies	Rating
Strongly supports objective	Strong user, business or political support	No third-party interfaces or statutory planning requirements identified at this stage	Scheme is constructible and viable before **2024/25**, with no associated risk	Scheme is not technically dependent on another scheme.	
Aligns with objectives	Some user, business or political support	Limited interfaces identified, with third parties likely to endorse proposals. No statutory planning requirements expected	Marginal risk, mitigation possible within usual structures	n/a	
Limited or negligible contribution to the objective	No/limited user, business or political support	Many third-party interfaces, but with clear definition. Potential for conflict but expected to be manageable. Statutory planning likely	Some significant risk, mitigation possible	Scheme is dependent on at least one of scheme, which is considered more than likely to be completed by 2025	
Potential hinders the objective	Likely to be opposed by some users, businesses or politicians	Significant and complex interfaces, across multiple third-party partners and organisations. High likelihood of conflict and need for negotiation. Statutory planning more than likely	Significant risk, no identifiable mitigation strategy at this stage	Scheme is dependent on at least one of scheme, for which delivery by 2025 is less than certain	

Table 3 - Assessment Principles (Scheme feasibility / development only, and deliverable by 2026/27) – this is for assessment of proposals for accelerated work on business case development, for example this could include funding for onsite survey work.

Objectives	Acceptability	Technical Feasibility – scheme development		Dependencies	Rating
Strongly supports objective	Strong user, business or political support	Early feasibility work would have a strong likelihood of accelerating delivery of schemes	Scheme is constructible and **viable 2026/27,** with no associated risk	Scheme is not technically dependent on another scheme.	
Aligns with objectives	Some user, business or political support	Early feasibility work would potentially accelerate delivery of schemes	Marginal risk, mitigation possible within usual structures	n/a	
Limited or negligible contribution to the objective	No/limited user, business or political support	Early feasibility work would have little or no impact on bringing forward delivery of schemes	Some significant risk, mitigation possible	Scheme is dependent on at least one of scheme, which is considered more than likely to be completed by 2026	
Potential hinders the objective	Likely to be opposed by some users, businesses or politicians	Early feasibility work would have no impact on bringing forward delivery of schemes	Significant risk, no identifiable mitigation strategy at this stage	Scheme is dependent on at least one of scheme, for which delivery by 2026 is less than certain	

Transport for the North Board – Item 6

Subject: Future Road Investment

Author: Owen Wilson (TfN) / Philip Andrews (DfT)

Sponsor: Peter Molyneux, Major Roads Director

Date: Thursday 11 June 2020

1. Purpose of the Report:

1.1 This report provides an update to the Board on plans for Investment on the Strategic Road Network (SRN) and Major Road Network (MRN) in the North.

2. Executive Summary:

2.1 On 11 March 2020 Government published its second Road Investment Strategy (RIS2). This is a five-year plan (2020-2025) setting out plans for investment in the Strategic Road Network, managed by Highways England.

2.2 Funded through the National Roads Fund (NRF) RIS2 sets out plans for £27.4Bn investment in England over the next five years. This includes £11.9Bn for Operations, maintenance renewals and business costs, £14.12Bn for enhancements, £0.87Bn for designated funds and 0.47Bn to fund work preparing for RIS3.

2.3 Eighteen schemes are identified in the North as being scheduled for delivery by 2025.This includes completion of schemes developed in RIS1 and committed RIS2 schemes. RIS2 includes three Smart Motorway upgrades, which will be reviewed and developed in accordance with Government's 'Smart Motorway Safety Evidence Stocktake and Action Plan.'

2.4 Follow up announcements have recently been made on two of the major RIS2 investments in the North.

a) On 23rd May Highways England announced the preferred route for dualling the remaining single carriageway sections of the A66 between Penrith and Scotch Corner. The scheme has been supported by TfN throughout the development stages, and we will continue to liaise with Highways England as work progresses. The dualling scheme has support from more than 90% of the 670 respondents to consultation.

b) On 29th May DfT gave final approval to the A63 Castle Street improvement scheme in Hull. The project, which is set to cost £355 million, is expected to take around five years to complete.

2.4 There is one additional scheme, M6 J33, to be delivered by Highways England, which will be funded through the Housing and Infrastructure Fund (HIF).

2.5 Highways England has specific Designated funds available for schemes that support Environment and Wellbeing, Users and Communities, Innovation and Modernisation and Safety and Congestion. Each of the designated funds is operated directly by Highways England. The total value of the funds in RIS2 is £870M.

2.6 There are nine schemes in the North identified as part of a RIS3 pipeline and these will attract development funding over the next 5 years, to be ready, subject to decisions on value for money, to go into construction during RIS3 (2025-2030).

2.7 Whilst total traffic volumes are greatest on the Highways England Strategic Road Network (SRN) only accounts for 2% of the road network in the North. The start and finish of almost all journeys lie beyond the strategic road and rail transport networks and require integration with local systems and other modes such as local public transport (including light rail, bus rapid transit, underground metro and local bus services), walking and cycling, as well as the use of the local road network.

2.8 In 2018, following work by TfN and partners the Department for Transport published Investment Planning Guidance for the MRN. Where the MRN forms a second tier of economically important roads, connecting the SRN to major population centres, ports, airports, transport interchanges, enterprise zones and other important centres of economic activity. Given the importance of the MRN, upgrades to the network can attract 85% funding from DfT.

2.9 In July 2019, Partnership Board endorsed TfN's Regional Evidence Base, identifying sixteen prioritised MRN schemes, which could be delivered by 2025. These are in addition to two MRN schemes accepted into an early win MRN programme in 2018. The current status of these schemes is shown in table 1, point 3.22.

2.10 TfN is also continuing to work with Local Highway Authority partners on supporting work on highway schemes in existing programmes prior to 2019. These include schemes bidding for Large Local Majors (LLMs) funding and HIF.

3. Background information

3.1 Road Investment Strategy (RIS2)

RIS2 will produce a wide range of benefits for millions of people and thousands of businesses and public services who use and depend upon the strategic road network (England's motorways and most important A roads). It will provide a multitude of improvements to people's lives in the north, including through enhanced performance, reliability and safety of the region's roads. The investment plan contains schemes that will deliver improved reliability and reduced congestion rates in the north, which will in turn boost the economy and unlock new jobs and housing. These schemes, all of which are in TfN's STP, are listed in Appendix 1.

3.2 RIS2 also confirms that a number of schemes in the North will be developed for potential inclusion in a future RIS. These projects, all of which are in TfN's STP, are listed in Appendix 2.

3.3 In addition, RIS2 will fund completion of northern schemes where development commenced in RIS1 and construction continues during the second Road Period (from 2020-2025). These are included in Appendix 3 for reference.

3.4 RIS2 is about much more than the investment plan. It is a major commitment to keeping the busiest roads – the arteries that are essential to businesses and jobs – in working condition. Many of these roads are now fifty years old, and DfT/HE are taking action now to make sure that a maintenance backlog doesn't build up. This means:

a) Investing over £1bn in keeping bridges, viaducts and tunnels safe.
b) Renewing 1,000 miles of safety barrier – the equivalent of a building a fence from Middlesbrough to London every year.
c) Starting to replace outdated concrete pavement from the early days of the motorway network.

3.5 The intention is to catch problems before they become serious; and apply quicker, smaller fixes that can be done when the roads are quiet. Roads will run better, with fewer disruptions and fewer potholes.

3.6 In recent years severe weather conditions have had significant impacts on roads in the north of England, meaning that a larger share of this money will be spent on strategic roads in the north. Many of the bridges and barriers destined for replacement are in the North, including for example the Allerdene Bridge in Gateshead.

3.7 Meanwhile, disruption associated with extreme weather incidents will be reduced during the second road period, as RIS2 will fund the replacement of the existing fleet of gritting trucks and snowploughs,

ensuring that our roads can keep up with the demands placed upon them by extreme weather conditions.

3.8 RIS2 will also fund the operation of the SRN, ensuring that over 1,000 traffic officers continue to patrol key sections of it, including all smart motorways. This will help ensure that the network is safe and well-maintained.

3.9 RIS2 will unlock significant economic growth and housing. It is aligned with the Housing and Infrastructure Fund to maximise such growth through road investment. This will help tackle the country's housing shortage while facilitating more employment opportunities and improved connectivity for freight to transport goods more reliably and swiftly. This includes support for the planned growth across the north, including around Leeds, Doncaster, Newcastle, Manchester and Cumbria.

3.10 Sensitivity to the environmental impacts of the SRN is also a key aim of RIS2. It includes a £345m Environment and Wellbeing designated fund, ring-fenced to improve environmental outcomes from the SRN. For example, in the first RIS, designated funds were used towards the restoration of Penshaw Monument, a Grade I listed replica Temple of Hephaestus in Athens, a site of significant historic and cultural importance which attracts over 60,000 visitors per year.

3.11 There is also a £169m Users and Communities fund, which will support the creation of better walking and cycling facilities around the network and improve accessibility to public transport where it intersects with the SRN, helping to give people more choice in how they reach their destinations. For example, designated funds from the first RIS are being used to restore the Keswick to Threlkeld trail, a popular walking path in the Lake District that was severely damaged during Storm Desmond in 2015, providing a route for tourists and the local community. Nearly £4m is being invested through these funds to repair three bridges across the River Greta, along with a 200m stretch of the path.

3.12 The broad performance of both the SRN and Highways England will be measured and targeted through a performance specification. This sets out the Department's expectations for how the SRN and Highways England should perform during the second road period.

3.13 The Department also recognises the importance of roads managed by local authorities (local roads), the smooth performance of which is vital to the shorter everyday journeys that people make. They are also important in connecting people to the strategic roads managed by Highways England through RIS2. That is why in addition to the funding being provided via RIS2, the Government is investing substantially in the north's local road network.

3.14 For example, DfT are providing £40m towards a £70m scheme in Sunderland to provide a new road from the recently completed New Wear Bridge into the city centre, £16m to East Riding to help fund upgrades to the main local roads in the area, and £24m to upgrade the lowest standard of roads linking villages to the wider road network in North Yorkshire.

3.15 Over the current five-year funding period DfT are also providing the following funds to local authorities to maintain and improve road networks in the north, itemised regionally as follows:

North East:

- £301m for road maintenance
- £112m for integrated block which LAs can use for small scale improvements such as junctions and safety schemes.

Yorkshire and Humberside:

- £548m for road maintenance
- £196m for integrated block which LAs can use for small scale improvements such as junctions and safety schemes.

North West:

- £702m for road maintenance
- £260m for integrated block which LAs can use for small scale improvements such as junctions and safety schemes.

3.16 There is also a National Productivity Investment Fund (NPIF) which aims to address pinch points on local roads by improving key junctions and traffic management, and in doing so improve safety, journey times and local economic growth. Some of these projects are partly funded by housing developers to unlock more housing.

3.17 Examples of these projects include:

The Darlington Growth and Enterprise Zone Connectivity Scheme **-** The Department is providing £3.37m for Darlington Borough Council to deliver this project at a total cost of £4.85m. This will improve a key Tees Valley route from the A66 to Central Park Enterprise Zone, which will enable people and businesses to access this economically important hub more reliably. It is expected to be completed in spring 2020.

A61 London Road / Broadfield Road improvement **–** DfT is providing £3.36m towards a £4.82m scheme led by Sheffield City Council to improve junctions and widen parts of the route along the A61 corridor, complementing improved bus infrastructure and enhanced highway maintenance. This is expected to be completed in summer 2020.

3.18 Investment in the Major Road Network

3.19 TfN and partners first developed the concept of a Major Road Network (MRN) for the North in 2016/17, agreeing an MRN for the North, based upon the most economically important roads connecting important economic centres throughout the North.

3.20 TfN partners are progressing work on a substantial number of investment schemes on the MRN. These are primarily capital investments in the locally managed road network with improved provision for public transport, active travel and general traffic. Delivering a range of benefits including better local air quality and reducing the impact of traffic on local communities and the built environment.

3.21 In July 2019 Partnership Board endorsed the TfN Regional Evidence Base, identifying sixteen prioritised MRN schemes which could be delivered by 2025. These are in addition to two MRN schemes accepted into an early win MRN programme in 2018.

3.22 The estimated total value of the eighteen schemes is £770M, with a DfT contribution of £630M. Table 1 summarises the current status of the schemes.

Table 1 – Major Road Network Schemes in Regional Evidence Base (REB)

Scheme Name	Promoting Authority	Current Status
York A1237 phase 1	York CC	DfT funding to progress FBC
A595 Grizebeck	Cumbria CC	Progressing OBC
A595 Bothel	Cumbria CC	Progressing OBC
Kendal Northern Link rd.	Cumbria CC	SOBC completed
A1079 Dualling	East Riding BC	Progressing SOBC
A582 Dualling	Lancashire CC	DfT funding to progress OBC
The Rocket Junction	Liverpool CC	DfT funding to progress OBC
Blyth Relief Road	Northumberland CC	OBC completed
Durham Northern Relief Road	Durham CC	OBC completed
Sunderland Transport Corridor	Sunderland CC	Progressing OBC
Tyne Bridge & Central Motorway	Newcastle & Gateshead Councils	DfT funding to progress FBC & delivery
Shalesmoor Gateway	Sheffield CC	Waiting on a decision on OBC

A689 Wynyard	Stockton & Hartlepool Councils	DfT funding for OBC
A34 Cheadle	Stockport BC	DfT funding for OBC
Wigan East-West	Wigan	Waiting on a decision on OBC
A650 Tong Street	Bradford CC	Progressing OBC
Dawsons Corner Junction & Stanningley Bypass	Leeds CC	OBC completed
York A1237 phase 2	York CC	Progressing SOBC

Notes:

- SOBC – Strategic Outline Business Case
- OBC – Outline Business Case
- FBC – Full Business Case

3.23 Road schemes in the local infrastructure pipeline prior to the announcement on National Roads Funding are summarised in table 2. Some of these have funding confirmed and are progressing to delivery, whilst several schemes are in development and have yet to secure a DfT funding commitment. Estimated cost of these schemes is £720M, with £450M secured.

Table 2 – Major Road Network Schemes in pipeline prior to REB

Scheme Name	**Promoting Authority**	**Current Status**
A1079/A164 Jock's Lodge junction	East Riding Borough Council	DfT funding to progress FBC & delivery
A500 Cheshire	Cheshire East Council	OBC completed – waiting for DfT decision
Carlisle Southern Relief Road	Cumbria CC	Housing Infrastructure funding – progressing FBC
A59 Kex Gill	North Yorkshire CC	OBC completed – waiting for DfT decision
Middlewich Eastern Bypass	Cheshire East Council	DfT funding to progress FBC & delivery
Warrington West Relief Road	Warrington Council	DfT funding to progress FBC & delivery
Tees Crossing	Tees Valley Combined Authority	OBC completed – waiting for DfT decision. TVCA engaging with Highways England on a transition plan.
Darlington Northern Link Rd.	Tees Valley Combined Authority	Progressing OBC – scheduled for completion Jan 2021
Sheffield Innovation corridor	Sheffield City Region	Progressing OBC

3.24 TfN is working with partners to monitor progress on the development and delivery of highway improvements schemes on the SRN and MRN,

with reporting through the Major Roads Group.

4. The role of roads in delivering an inclusive and sustainable North

4.1 With 66% of all journeys by car, and 79% of freight moved by road haulage[1], roads have an essential role in supporting economic activity, access to goods and services and quality of life.

4.2 Road transport is also by far the largest emitter of greenhouse gases, totalling 98% of carbon emissions from domestic transport, and 23% of total UK greenhouse gases ($MtC0_{2e}$)[2]. How we plan and use our roads in the future will also be critical to achieving the NetZero greenhouse gas emissions target for 2050.

4.3 The position set out in the Strategic Transport Plan is being reinforced by the Northern Transport Charter work that makes clear that reducing greenhouse gas emissions from the transport network, at a pan-Northern and a local level, is key priority

4.4 TfN welcomed Governments decision to bring forward the date for phasing out of the sale of diesel/petrol vehicles and are keen to work with Government and our partners to meet the key challenges in delivering the move to zero carbon transport. For example, we would like to see greater clarity and a strong evidence-based approach to delivering electric vehicle charging infrastructure and to bringing forward cleaner technologies for Heavy Goods Vehicles. And to ensure that all areas of the North have access to infrastructure supporting decarbonisation of transport.

4.5 On 27th March 2020 Government set out plans for development of a Transport Decarbonisation Plan (TDP), setting out in detail '*what government, business and society will need to do to deliver the significant emissions reduction needed across all modes of transport, putting us on a pathway to achieving carbon budgets and net zero emissions across every single mode of transport by 2050*.'

4.6 As reported at TfN Board in March 2020, TfN aims to work with partners and other Sub- national Transport Bodies to agree policy positions on decarbonisation which we will use to provide statutory advice to central government to influence DfT's emerging transport decarbonisation plan. Also, to ensure decarbonisation criteria are embedded in the appraisal of our Investment Programme and Assurance Framework.

[1] DfT Transport Statistics, Table TSGB0401, Domestic freight transport, by mode, goods moved (billion tonne kilometres) 2018

[2] Source: BEIS (2019) 2017 Greenhouse Gas Emissions

5. Recommendation:

5.1 That the report be received.

6. Options Considered:

6.1 Not applicable as there are no other options to be considered.

7. Considerations:

7.1 None.

8. Appendices:

8.1 Appendix 1 - RIS2 schemes in the North of England

8.2 Appendix 2 - Future RIS Pipeline

8.3 Appendix 3 - RIS1 schemes for completion during RIS2

Appendix 1 – RIS2 schemes in the North of England

North East and Yorkshire & Humberside:

A66 Dualling: This is a flagship scheme in the RIS2 investment plan, representing an investment of over £800m in dualling the A66 from Scotch Corner to Penrith. This is the first new dual carriageway across the Pennines since 1971. First promised in 1946, government is now making the commitments needed to get the job done. The improved A66 will be a key route both for freight, and for tourism, and will underwrite the local economy.

Upgrading the Newcastle-Gateshead Western Bypass: Authorities had talked about widening the Newcastle/Gateshead western bypass since the early 2000s. The first RIS started work adding an extra lane; RIS2 continues the job. Other work in Gateshead will improve the junctions south of the Tyne Tunnel, removing the last roundabouts and providing better access to manufacturing sites in Sunderland.

Linking up the A1: RIS1 finished the motorway link to Newcastle. RIS2 will finish work to link up the existing sections of dual carriageway north of Morpeth and Alnwick, so that there is one continuous, high-quality road.

North West:

Manchester: the RIS commits to improving the Simister Island interchange, so that traffic no longer needs to turn off the motorway and back on. This will mean Manchester's ring road is finally a proper ring.

Access to Liverpool Port: a new link road connecting Liverpool port to the motorway network, without traffic having to go through a built-up area.

Appendix 2 - Future RIS Pipeline

RIS2 features a pipeline of schemes in the North that will be developed for potential inclusion in a future RIS, as follows:

North East:

RIS2 also confirms that the **A19 North of Newcastle Junctions** will be developed for potential inclusion in a future RIS. There remain two roundabouts on the A19, both of which stand in the way of local growth plans. Highways England will examine the case for removing both.

Yorkshire and Humberside:

A1 Doncaster to Darrington: Upgrading the A1 in Yorkshire to motorway standard, improving the notoriously congested Doncaster bypass and replacing the outdated stretch of dual carriageway between Doncaster and the M62. Coupled with improvements in the Midlands, this would create a 'Yorkshire bypass', allowing long distance traffic to stay off the M1 and improve conditions around Sheffield, Barnsley, Wakefield and Leeds.

Lofthouse interchange: Replacing the junction between the M1 and M62. Surveys suggest that substantial maintenance will be needed soon, and we will use the opportunity to significantly increase the capacity of the junction.

M1 Leeds Eastern Gateway: Upgrading the connection between the new Leeds orbital road and the M1, to support local growth and housing

A64 Hopgrove: dualling the A64 north of York

New M1 improvements: filling in the gaps in the upgraded M1, so there is a consistent four-lane highway linking Huddersfield and Leeds to Sheffield and Leicester.

North West:

Manchester ring road: More work will be done to develop an ongoing programme of improvement for the M60, fixing problem junctions and helping keep traffic moving on the North West's busiest road.

Trans-Pennine routes: further work will continue looking at how best to boost Trans-Pennine capacity, both on the route to Sheffield and north of the M65.

Appendix 3: RIS1 schemes for completion during RIS2

RIS2 will fund completion of numerous schemes in the North where development commenced in RIS1 and construction continues during the second Road Period (from 2020-2025):

North East

A1 Birtley to Coal House	A19 Testos junction
A19 Norton to Wynyard	A1 Morpeth to Ellingham
A1 Scotswood to North Brunton	A19 Downhill Lane junction improvement

Yorkshire and Humberside

M621 Junctions 1-7	A63 Castle Street
A61 Westwood Roundabout	

North West

A585 Windy Harbour to Skippool	Mottram Moor Link Road & A57 Link Road
M6 Junction 19	A5036 Princess Way

Required Considerations

Please confirm using the yes/no options whether or not the following considerations are of relevance to this report.

Equalities:

Age	~~Yes~~	No
Disability	~~Yes~~	No
Gender Reassignment	~~Yes~~	No
Pregnancy and Maternity	~~Yes~~	No
Race	~~Yes~~	No
Religion or Belief	~~Yes~~	No
Sex	~~Yes~~	No
Sexual Orientation	~~Yes~~	No

Consideration	Comment	Responsible Officer	Director
Equalities	An Impact assessment has not been carried out as this report is for information only.	Owen Wilson	Peter Molyneux

Environment and Sustainability

~~Yes~~	No

Consideration	Comment	Responsible Officer	Director
Sustainability / Environment	A full impact assessment has not been carried out because this report is for information only.	Owen Wilson	Peter Molyneux

Legal

~~Yes~~	No

Consideration	Comment	Responsible Officer	Director
Legal	*TfN Legal Team* has confirmed there are no legal implications.	Julie Openshaw	Dawn Madin

Finance

~~Yes~~	No

Consideration	Comment	Responsible Officer	Director
Finance	TfN Finance Team has confirmed there are no financial implications.	Gareth Sutton	Iain Craven

Resource

~~Yes~~	No

Consideration	Comment	Responsible Officer	Director
Resource	TfN HR Team has confirmed there are no resource implications.	Stephen Hipwell	Dawn Madin

Risk

Yes	~~No~~

Consideration	Comment	Responsible Officer	Director
Risk	A risk assessment has not been carried out as this report is for information only.	Haddy Njie	Peter Molyneux

Consultation

~~Yes~~	No

Consideration	Comment	Responsible Officer	Director
Consultation	A consultation has not been carried out because this report is for information only.	Owen Wilson	Peter Molyneux

Transport for the North Board – Item 7

Subject: Northern Powerhouse Rail Update

Author: Dominic Gibbeson, NPR Business Case Lead

Sponsor: Tim Wood, Northern Powerhouse Rail Director

Meeting Date: Thursday 11 June 2020

1. Purpose of the Report

1.1 To update on the Northern Powerhouse Rail (NPR) programme, including:

a) The development of the NPR Strategic Outline Case (SOC); and
b) An introduction to the development of initial phasing scenarios for the delivery of the preferred network.

2. Executive Summary:

2.1 Transport for the North (TfN) is continuing with the development of the structure and content of the NPR Strategic Outline Case (SOC) to the rephased NPR programme, for submission to TfN Board in March 2021. Initial drafts of each of the five cases are in development – the Strategic and Management case initial drafts have been shared with Partners and initial drafts of the Commercial, Financial and Economic cases will be shared over the coming months. Further information on progress is contained in section 3 of this paper.

2.2 In order to reach a preferred phasing strategy for the SOC, we are developing four delivery phasing scenarios, including a Preferred Phasing Scenario. This will be presented to TfN Board for agreement in November 2020 and to DfT's Investment Board for comment ahead of the SOC submission in March 2021. The approach to the development of these four phasing scenarios is set out in section 4 of this paper.

3. Programme Update:

3.1 Following endorsement of the NPR Programme rephasing at the TfN Board on 29 April 2020, due to resource constraints in the current pandemic, the programme team is working to re-baseline the schedule. The rephased timeline of key TfN Board dates for NPR and the correlating recommendations and materials which will be taken to each Board is contained in Appendix 1.

4. SOC Programme Progress:

4.1 A revised Strategic Outline Business Case – known as the Strategic Outline Case (SOC) – is currently being developed and will be presented to Government in early 2021 with the aim of securing ongoing government commitment, long-term development funding and a mandate to progress the development of NPR to the next stage.

4.2 The SOC team has made positive progress on the development of the SOC, working closely with the co-client and Partners to produce and agree initial content.

4.3 In March 2020, the SOC team developed initial skeleton drafts (i.e. section headings, broad narrative and structure) of each of the five cases (Strategic, Economic, Commercial, Financial, Management) of the SOC. The purpose of developing the skeleton drafts was to:

a) Create a clear structure for each case setting out the main areas of content to be included within each case
b) Begin developing a strong narrative across each of the five cases
c) Highlight where we need to make key decisions on the overall approach and highlight areas for further work and development
d) Engage Partners and other relevant stakeholders ahead of undertaking detailed drafting of the cases.

4.4 The skeleton drafts were provided to Working Group members and discussed with Partners at the Working Group meeting on 26 March 2020.

4.5 Following feedback on the initial skeletons, the SOC team has begun developing initial drafts of individual cases, utilising currently available information and highlighting further work and gaps to be completed through future versions. To date, initial versions of the following cases have been shared with Working Group:

a) Strategic Case: An initial draft Strategic Case, as well supporting documents (Transformational Growth and Strategic Alternatives reports) were shared with Partners on 22 April 2020 for comment. A positive discussion took place on these documents on the Working Group call on 29 April 2020, leading to further updates and revisions based on Partner feedback
b) Management Case: An initial draft Management Case was shared with Partners on 14 May 2020 for comment and further detail provided at the NPR Working Group on 21 May 2020.

4.6 Over the next few months, initial versions of the Commercial, Financial and Economic cases will be developed and shared with the Working Group – allowing full visibility of early drafting and providing opportunity for wider input and review.

4.7 Following this working level development process, and creation of additional input – in particular through the Sift process – version 1 of all five cases of the SOC will be shared with TfN Board ahead of the September Board meeting.

5. Phasing Development Approach and Process:

5.1 In order to reach a preferred phasing strategy for the SOC, TfN is developing four delivery phasing scenarios, including a **Preferred Phasing Scenario**. The preferred scenario will be agreed by the co-client with Partners involved throughout the development process. It will be presented to TfN Board for agreement in November 2020 and to DfT's Investment Board for comment ahead of the SOC submission in March 2021.

5.2 The phasing scenarios will set out:

a) An initial version of the proposed projects (collectively referred to as the NPR Project Breakdown Structure) to deliver the NPR Preferred Network; and
b) A proposed order and sequence in which to deliver these projects.

5.3 The approach to creating the phasing scenarios is based on developing a robust evidence base against six pillars identified as key constraints/factors to develop the phasing scenarios for SOC. The six pillars are:

1. Consents
2. Expenditure profile
3. Supply chain capacity
4. External dependencies
5. Customer disruption/integration
6. Benefits realisation.

5.4 TfN is undertaking an iterative approach, where in Iteration 1 and 2 base information is being gathered for each pillar independently of the other pillars– for example as part of pillar 1 the team is collating information on potential consenting approaches and as part of pillar 2 bringing together financial information.

5.5 Through Iteration 3 the team will bring together the information from all pillars to develop, test and refine potential phasing scenarios (i.e. proposed order of projects) for discussion with members and other relevant stakeholders.

5.6 The team is currently commencing Iteration 2 and have begun the process of developing the potential projects for the NPR 'Project Breakdown Structure'.

5.7 The approach of splitting delivery into a number of defined projects provides options for NPR to accelerate delivery where possible, taking account of different level of consents which may be required for different elements of individual corridors. For example; if an entire corridor is progressed as a single construction project, and if one section of it requires a development consents order (DCO), but other sections could be progressed under potentially quicker consents processes, those sections would be held until a DCO is granted and funding for the whole project is released. However, if projects are defined in a more granular way, we could seek funding at different times and construction need not be delayed.

5.8 The team has undertaken initial Partner engagement through the Working Group on our approach to deliver the phasing scenarios and are currently developing a plan for wider member engagement over the summer in order to test and receive feedback on our proposed phasing scenarios.

5.9 The initial version of NPR Project Breakdown Structure will be presented to TfN Board in September 2020.

6. Conclusions:

6.1 The SOC programme is progressing and work continues to develop the five cases, ensuring Partners have the opportunity to input throughout development, through to submission of the final SOC to TfN Board in March 2021.

6.2 Work is underway to develop a Preferred Phasing scenario, for inclusion in the SOC, which meets key constraints whilst seeking opportunities for early delivery of infrastructure and associated benefits.

7. Recommendations:

7.1 Members are asked to **note**:

a) Progress on the SOC through development of the structure of the five cases; and
b) The approach to development of the potential NPR phasing scenarios.

ENDS

Required Considerations

Equalities:

Age	Yes	**No**
Disability	Yes	**No**
Gender Reassignment	Yes	**No**
Pregnancy and Maternity	Yes	**No**
Race	Yes	**No**
Religion or Belief	Yes	**No**
Sex	Yes	**No**
Sexual Orientation	Yes	**No**

Consideration	Comment	Responsible Officer	Director
Equalities	A full Impact assessment has not been carried out at this stage of development.	Stephen Sutcliffe	Tim Wood

Environment and Sustainability

Yes	**No**

Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out at this stage of development.	Stephen Sutcliffe	Tim Wood

Legal

Yes	**No**

Consideration	Comment	Responsible Officer	Director
Legal	The process includes Board approval for the Business Case.	Julie Openshaw	Dawn Madin

Finance

Yes	**No**

Consideration	**Comment**	**Responsible Officer**	**Director**
Finance	"The NPR Programme operates within a fixed budget envelope. The funding required to carry out this work has been committed by the DfT".	Gareth Sutton	Iain Craven

Resource

Yes	**No**

Consideration	**Comment**	**Responsible Officer**	**Director**
Resource	The NPR Programme operates within a fixed budget envelope. Should there be any agreed changes in funding or delivery timescales, thereafter, any resultant resourcing implications would be worked through, with any resulting issues identified and reported as necessary for further consideration.	Stephen Hipwell	Dawn Madin

Risk

Yes	No

Consideration	**Comment**	**Responsible Officer**	**Director**
Risk	Risk assessments continue to be carried out and can be found in the risk register.	Haddy Njie	Iain Craven

Consultation

Yes	No

Consideration	Comment	Responsible Officer	Director
Consultation	A suitable consultation has been carried out with Transport for the North partners.	Stephen Sutcliffe	Tim Wood

Appendix 1 – Rephased NPR programme – SOC development and decision-making timeline

TfN Board Meeting Date	TfN Board Recommendations BASELINE	TfN Board Recommendations REPHASED	Materials
11 Jun 2020	• **Note** NPR progress and emerging outcomes • **Agree** scope and outline of SOC refresh	• **Note** NPR progress and phasing approach	SOC skeleton, case storyboards and key messages, including supporting documents
29 Jul 2020	• **Agree** shortlist of corridor options to be progressed (Phase 1) • **Agree** the current preference on these corridors. • **Agree** the aggregation of these corridor preferences into the current preferred network, subject to network-wide tests. • **Note** SOC 1st Partial Draft	• **Agree** scope and outline of SOC refresh	Outline of SOC refresh

TfN Board Meeting Date	TfN Board Recommendations BASELINE	TfN Board Recommendations REPHASED	Materials
17 Sep 2020	• **Agree** shortlist of corridor options on any remaining corridors (Phase 2) • **Confirm** current preferred network. • **Agree** current preferred phasing plan • **Note** SOC 2nd Partial Draft	• **Agree** shortlist of corridor options to be progressed (Phase 1) • **Agree** the current preference on these corridors. • **Agree** the aggregation of these corridor preferences into the current preferred network, subject to network-wide tests. • **Note** SOC 1st Partial Draft	For each corridor in phase 1: • Recommendations following evidence appraisal of options (sift workshops) on these corridors against the NPR objectives • Sift Workshop observations on the relative merits and disbenefits of each. SOC 1st partial draft
18 Nov 2020	• **Note** SOC Near Final Draft • **Advise** on essential changes to support approval	• **Agree** shortlist of corridor options on any remaining corridors (Phase 2) • **Confirm** current preferred network. • **Agree** current preferred phasing plan • **Note** SOC 2nd Partial Draft	For any corridors in phase 2: • Recommendations following evidence appraisal of options (sift workshops) on each corridor against the NPR objectives • Up to 4 potential NPR phasing plans for the current preferred network. SOC 2nd Partial draft
14 Jan 2021	• **Agree** SOC • **Agree** submission of SOC • **Agree** Statutory Advice • **Agree** strategy/ handling.	• **Note** SOC Near Final Draft • **Advise** on essential changes to support approval	• SOC Near Final Draft • Schedule of changes requested by TfN Board and response
10 Mar 2021	Not applicable	• **Agree** SOC • **Agree** submission of	• Schedule of changes requested by TfN

TfN Board Meeting Date	TfN Board Recommendations BASELINE	TfN Board Recommendations REPHASED	Materials
		SOC to government • **Agree** Statutory Advice • **Agree** comms strategy and handling.	Board and response • SOC Final Draft • Draft Statutory Advice • Draft publication and comms strategy

Transport for the North

Monthly Operating Report April 2020



Contents

Introduction	**Page**
Summary from the Chief Executive	3
Programme Summary	
Northern Powerhouse Rail (NPR)	4-5
Integrated & Smart Travel (IST)	6-7
Strategic Development Corridors (SDCs)	8-9
Major Road Network (MRN)	10
Strategic Rail	11-13
Operations Summary	14-17
Financial Performance	
Financial Update	18-19
Activity Dashboard	20
HR Update	21
KPIs (Key Performance Indicators)	22-24
Annex A:	
The Impact of COVID-19 on Programmes	25-28

Introduction
Summary from the Chief Executive

As in the previous month, and in common with the rest of the UK economy, COVID-19 and the associated lockdown measures have significantly impacted TfN's programme of work. TfN staff continued to work remotely throughout April and at this stage we envision this continuing for the foreseeable future, subject to emerging government advice. Where appropriate, engagement with stakeholders and partners has continued through remote working. TfN is monitoring COVID-19 related absences, which are currently at a low level.

The Strategic Rail team is focused on COVID-19 related work and recovery planning. The team has been working with local authorities, the Rail North Partnership, DfT, Network Rail, Northern and TransPennine Express with discussions being successful and productive. Operators have used this work to help adjust timetables to better reflect the flow of key workers. Other work by the Strategic Rail team, such as that around future demand and capacity, will be adjusted to reflect the post-COVID position.

All teams are supporting the work on the economic recovery plan (ERP), being led by Peter Molyneux. No announcement has been made about a medium term economic stimulus programme but given the economic challenges being faced we believe such action remains likely. The focus in the ERP is on quick wins where construction could start within the next four years.

Work has started on the Integrated Rail Plan submission, due to be submitted to the National Infrastructure Commission by the end of May. While the submission is an important first step the work over the summer and early autumn leading up to any decisions being taken remains key. We await confirmation from DfT of how they will approach the decision making process.

The NPR team has worked to re-phase the programme, and this has then been shared with TfN Board and other groups within TfN. There is significant ongoing work to prepare for the sifting workshops due to take place over the summer.

The IST team, like other programmes at TfN, has been impacted by COVID-19. Phase 1 has progressed through remote working where possible, and Train Operating Companies have put plans in place for onsite works to be implemented once lockdown restrictions will allow them to resume.

The sequencing of the TfN Investment Programme has continued successfully, relying heavily on joint working with officers from across the North. The updated Investment Programme will be presented at TFN's Board meeting in June for discussion and feedback, before being brought back at a future meeting for approval.

Northern Powerhouse Rail (NPR)

Monthly Summary

In the period, the review of COVID-19 programme impact has been completed and the re-phased programme agreed by NPR Programme Board and the TfN Board. The final submission of the Strategic Outline Case (SOC) is now scheduled to be presented and reviewed by the TfN Board in March 2021. The NPR team continue to look for opportunities to accelerate work in individual corridors to support the earlier delivery of benefits.

Final funding arrangements for NPR have still to be agreed by DfT. This has led to slight delays to certain procurements and recruitments in readiness for FY20/21 delivery. The NPR team is currently mitigating impacts associated with this.

AFTER MONTH END NOTE: TfN has now secured funding approval for those elements of planned activity that contribute to the delivery of the sifting process and the preparation and approval of the SOC. This is a welcome step forward. Funding for activity associated with preparatory work in relation to post-SOC work has not been approved and it is intended by the department that this will be reviewed in June.

Activity Update

Transport Analysis, Modelling and Economics (TAME)

The Northern Rail Modelling System (NoRMS) Iteration 1b was completed to programme and handed to the RMAP for application to support "sifting" of options to achieve a preferred NPR network. A further iteration of NoRMS is under development to inform the SOC and is on target to meet programme needs with risks being carefully managed. A further iteration of NELUM (North Economics and Land Use Model) was delivered in April 2020 and benefits are being modelled ahead of "sifting".

Infrastructure

Network Rail (NR) is supporting the NPR programme in the re-baselining of the Sequence 4 delivery programme in line with the agreed re-phased approach. Although this now reflects the effects on working practices created by the pandemic, the schedule still remains challenging.

Mitigations are currently being developed to ensure decision-making on the programme, including sifting, phasing and preferred network is done in line with the timescales agreed.

Cost reviews with NR remain a challenge with NR unable to share infrastructure costs with co-clients until fully assured costs can be released to support "sifting"; we have pressed NR at co-client level to provide far greater visibility and this is under review at senior NR level.

Business Case

The development of the NPR Strategic Outline Case (SOC) is progressing well with early drafts of Cases being shared for comment at a working level. The phasing and SOC activity continue to be delivered on schedule.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
COVID-19 Pandemic **Issue:** The COVID-19 pandemic has disrupted the NPR programme baseline. Deliverables and decision points are to be rephased in FY20/21.	Programme review completed last period. Further detailed reviews underway, looking at impacts to TfN and NPR programme team, supply chain, DfT programme team and Partners.	1 and 2
Sequence 4 remit delivery **Risk:** Delay in agreement to scope clarification to pre-sequence 5 activity with DfT, which forms part of the contracted Sequence 4 scope and that focus on programme readiness for OBC delivery inc. ability to accelerate.	Conversations are ongoing between TfN & DfT as agreement between co-clients on pre-sequence 5 activity is key in NPR remaining aligned to delivery targets set out in NPRs SOBC. Quick agreement will support in mobilisation of Delivery Partner organisation and wider supply chain and enhance TfN's ability to respond to the Prime Minister's challenge of accelerating Man-Leeds.	1 and 2

Programme and look ahead

The final sifting dates for each NPR corridor are below. The dates are based on the latest information available. The programme environment remains challenging given the current COVID-19 crisis, status updates will continue to be given in this report.

NPR Corridor	Final Sifting Date
Liverpool – Manchester	30 June 2020
Manchester – Leeds	24 July 2020
Routes - Hull	10 August 2020
Sheffield - Leeds	10 August 2020
Manchester – Sheffield	28 August 2020
Leeds – Newcastle	28 August 2020

Integrated and Smart Travel (IST)

Monthly Summary

The past month has seen good progress with the Disruption Messaging Tool (DMT) which is now live and in use with three Combined Authorities and a number of private sector public transport information service providers. We also completed a draft Strategic Outline Case (SOC) for a series of local smart travel projects, gaining approval from TfN Board to submit to DfT, and started the next phase of development of the Fares Data Build Tool (FDBT). There have been some challenges too, mainly from Covid 19 which has delayed the deployment of flexi-season products on some Northern services, and the installation of platform validators. Finally, our intention to introduce contactless ticketing on rail continues to be impacted by delays in the publication of the Williams Report.

Activity Update

Phase 1: (Smartcards on Rail) This project has been impacted by delays in the procurement, supply and installation of Platform Validators (PVals), partly as a consequence of Covid-19. Software development for the Merseyrail PVals is also delayed (although essential functionality is planned to be available by October 20). As a result, the project has been delayed by 2 months to January 2021 compared to the KPI date of November 2020. This new date assumes that plans now in place to recommence elements of the work put on hold because of Covid-19 are adhered to. Delayed activity on Phase 1 has led to underspend of £0.73m, contributing the significant majority of an IST programme in month underspend of £0.82m.

Phase 2: (Public Transport Open Data) MerseyTravel started using the Disruption Messaging Tool in late April, joining TfGM (Transport for Greater Manchester) and WYCA (West Yorkshire Combined Authority). Nexus have reset 'go live' to May**.**

Following go live of the Open Data Hub (ODH) last month, a developer quickly started adding disruptions data to their platform for customers to use. Work continues to encourage use by other developers.

Work to develop further the prototype of FDBT (Beta-private) started in early April and is on schedule. Covid19 has impacted on the recruitment of testing volunteers from bus companies. The number recruited is less than ideal. We are discussing with the Government Digital Service whether they consider this to be adequate. The Gateway Review, carried out with DFT, concluded that the tool continues to meet a market need. Discussions with the DfT concerning the mechanics of handover are being initiated.

Phase 3: (Contactless on Rail): TfN is working with DfT on a paper which sets out the North's proposal to accelerate the national roll out of contactless on rail – against a backdrop of waiting for DfT to publish the William's Review. IPDC will be provided with a verbal update on our work on 15 June. There are ongoing

discussions with the Rail Delivery Group and TOCs to understand their positions and to seek opportunities for collaboration.

Phase 4: (Local Smart Schemes) Progress updates on the SOC were submitted to TfN Executive Board and at Scrutiny Committee in early April. The SOC was presented to the TfN Board on 29 April, which approved submission, subject to authorisation of the final version by TfN's Chief Executive, to the DfT investment committee in June. The SOC will be considered by IPDC on 29 June.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
Phase 1 – Risk: While the resumption of civils work at Merseyrail and Northern stations is due at the end of May, COVID-19 may cause delays on the completion of the roll-out of platform validators. In addition, Northern PVal hardware deliveries from China to the UK are now being expected to be fully received in August 2020 (shipments were originally expected in March 2020).	The IST programme continues to engage with TOCs regularly to understand risks and issues which may arise. Northern supplier for PVal hardware has been asked to consider partial/batched delivery of hardware.	3
Phase 2 – Risk: DfT may not or may delay taking long-term ownership of the FDBT (Fares Data Build Tool) or there may be extra cost for TfN as there may not be agreement on the acceptance criteria/and whether the toll has achieved this**.**	To agree with DfT the acceptance criteria, clarity around GDS expectations in the context of COVID_19 and handover process and timeline within the project budget.	4
Phase 3 – Risk: The DfT's roll-out plan for Contactless on Rail may not align with IST proposals and as a result, contactless ticketing may not be rolled out in the North as an early part of a national programme as agreed at TfN Board.	To submit a paper to DfT proposing a way forward for Contactless on Rail in the North in June.	5
Phase 4 – Risk: Funding for the Phase 4 proposal may not be secured either because it is not approved by DfT's investment committee or reallocated elsewhere to support COVID-19 recovery strategies.	There is close working with DfT to respond to challenges and understand emerging Department responses to COVID-19	

Programme and look ahead

Phase 1

- TfN internal governance approval of the MerseyRail PVAL plan.
- TransPennine Express completion of StarMobile (on board retailing) is in User Acceptance Testing. It cannot be deployed because of COVID-19 impacts.
- Northern progressing consents and approvals for the installation of PVALs

Phase 2

- MerseyTravel and Nexus to 'go live' with the DMT.
- DMT social media messaging capability delivered by the supplier.

Phase 3

- Develop scope of a proposal for Phase 3 in the North.
- Stakeholder engagement with Rail Fares Policy and Williams Review Team

Phase 4

- Strategic Case to be reviewed by DfT's Centres of Excellence in May to support the assessment by DfT's investment committee in June.
- Develop governance arrangements with DfT and details of Expression of Interest process with LTAs.

Strategic Development Corridors (SDCs)

Monthly Summary

This month's work has focused on finalising the proposed update of the Investment Programme (Executive Board 14 May 2020 and Board 11 June 2020) and identifying proposed schemes to be included in an Economic Recovery Plan.

Activity Update

During this month TfN has:

- Shared the final draft of the 'sequencing report' with Partners at the Strategic Oversight Group, for final feedback by 5 May 2020. This report details how we developed three sequencing options for the Investment Programme. This will be discussed at Executive Board (14 May 2020) and Board (11 June 2020).
- Continued to develop the scope of works and a suitable programme for the Investment Programme Benefit Analysis (IPBA), including the application of four future scenarios that can test the adaptability of our work. Developed a draft shortlist of proposed interventions, to be agreed with partners, that could be accelerated for delivery as part of an Economic Recovery Plan. The outputs of the Strategic Development Corridors, Investment Programme update, Long Term Rail Strategy and the Major Roads Report are being used as an evidence base for this work.

- Aside from the challenge of co-ordinating engagement with Partners during the current lockdown, we are continuing to mitigate critical risks, including the development of innovative transport and economic models, to allow the procurement of the benefits analysis commission to start Summer/Autumn 2020.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
Innovative Modelling **Risk:** The IPBA project relies on a set of innovative models to provide evidence for the North's business case but they require thorough testing and assurance. If the models are not ready on time, there is a risk that we might not meet the Business Plan commitments and the sequencing outputs may have low assurance.	- To include a 4-week familiarisation period in the programme so consultants will have time to try out the new models. - The modelling team are to provide monthly high-level updates on the progress of model development. - Review timescales and the programme, on a monthly basis, thus allowing more time for the models to be sufficiently tested on NPR and thereby provide consistency and integration between the NPR and the business case for the North.	10

Delivery changes to the STP essential schemes **Risk**: Uncertainty at this stage on how and when mega-projects such as MNWQ, TPT and NPR are delivered as these are 'STP essential' schemes and central to the SDC reference case. There is a risk that the delivery dates for MNWQ, TPT and NPR may change, which will have an impact on the reference case assumptions.	Review the reference case at the beginning of the benefits analysis commission programme; the reference case could be changed to 2040 OR the three strategic studies could be removed/amended from/in the reference case. Continue to communicate the risk clearly to stakeholders to manage expectations. Complete a decremental analysis to measure the impacts of any changes to the delivery of these schemes against the whole Investment Programme.	10

Programme and look ahead

- A report on the three sequenced options will be submitted to TfN Board at its meeting on 11 June 2020.
- During May, the team will engage with TfN's Partners to develop the Economic Recovery Plan. We are reaching out to partners to identify potential accelerated interventions that could help boost the North's economy.

Major Road Network (MRN)

Monthly Summary

TfN continues to work with its Partners to monitor the progress of the Major Road Network and Large Local Major interventions. We are also working closely with Highways England to have a greater engagement and collaboration in the development of Road Investment Strategy 3.

We have asked Highways England and Partners to provide evidence of the impact of COVID-19 on travel behaviours and patterns.

Activity Update

- TfN is reviewing the final development report for the package of anonymised mobile device data for the Major Road Network. This data provides TfN and its partners with travel pattern evidence to support business cases for investment.
- The Major Roads Report has been finalised but will be updated in Spring 2021 following the completion of TfN's Decarbonisation work.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
Negative Perceptions **Risk:** Due to the environmental and sustainable impacts of traffic and congestion, road schemes may not get the investment needed to deliver the Strategic Transport Plan.	To develop a road map to sustainability, including the road network and multi-modal integration. To work with TAME to demonstrate the impact of road investment and the positive impacts of behaviour changes. Review the change in travel behaviours and patterns following COVID-19.	6

Programme and look ahead

- TfN and Highways England will submit a report to June Partnership Board to update Members on future road investments.
- Using the outputs of the Strategic Development Corridors programme, TfN is working to identify potential interventions for early delivery, should a stimulus budget be part of the government's Economic Recovery Plan following COVID-19.

Strategic Rail

Monthly Summary

The operational focus is on supporting COVID-19 related work and recovery planning. The joint working between Transport for the North (TfN), the Department for Transport (DfT), the Rail North Partnership (RNP) and the train companies has been successful and productive as has the work through the North of England Contingency Group made up of Local Authorities, Northern and TransPennine Express (TPE) and Network Rail. Operators have made a number of adjustments to their timetables to better reflect key worker flows informed by this work.

TfN is now leading a piece of work with Partners on future demand and capacity requirements and this will be adjusted to reflect the new post-COVID position.

At the time of writing, operators were preparing a 'key worker plus' increase in the level of services in readiness for pending government advice on any changes to travel restrictions. They were working through operational arrangements through the industry's national bodies – including the Rail Delivery Group. The Rail North Committee met (virtually) on 12 May to consider the challenges facing the rail industry (including the financial impact of the pandemic on rail and on passenger confidence and demand). There are opportunities for TfN to positively support the recovery and help promote sustainable transport.

Activity Update

TfN continues to work closely with the DfT and Network Rail on investment plans across the North of England including schemes to address congestion hotspots in Central Manchester and at Leeds. A focus in Q1 of 2020/21 is on supporting TfN's work on the Integrated Rail Plan for the North and the accompanying National Infrastructure Commission work.

It is understood that the refreshed Outline Business Case (OBC) for TRU was recently approved by the DfT's Investment, Projects and Delivery Committee (IPDC) in April. We understand the IPDC was asked to support a baseline OBC programme for partial electrification and, in parallel, also endorse further development work for a full electrification option which also considers the gauge clearance options for freight in more detail. We understand Ministerial and Treasury approval is now being sought to release funding for further design and development work in 2020.

The team is also working on developing the business case for journey time improvements across the North by reducing the cost of development and delivery of such projects. Network Rail is being engaged to undertake a six-route study using a new process and a Strategic Outline Business Case (SOBC) will be produced in early 2021.

A revised Blake Jones action plan was considered at the Rail North Committee on 12 May and the team continues to liaise with the DfT regarding funding for the additional resources that are required.

Risks

Risk/Issue Summary	Summary of Mitigating Measures	KPI
The long-term effect of COVID-19 on viability of Franchises. Risk: There is a risk that the demand for rail may take a significant amount of time to recover to pre-COVID 19 levels, impacting on the future of investment decisions which might affect TfN's ability to achieve its ambition for the North of England.	1. TPE, along with other franchises, is under a Management Contract initially until September 2020 when it will be reviewed by DfT. 2. TfN is working with RNP and industry to support the recovery including looking at future demand. 3. TfN is working with the industry to try and influence future investment decisions.	9
Treasury Investments and the COVID-19 Pandemic. Risk: At the national and strategic level, given that the Treasury is pouring its attention and resources into the economy to deal with the pandemic, it is likely that the Department may review the funding and scope available for infrastructure projects in the future leading to schemes which do not align with TfN strategy.	1. TfN is developing an economic recovery plan, making the case for continued investment in the North. 2. TfN will input into decision-making by giving statutory advice where appropriate, or through input to RNP. .	9
DfT Reprioritisation and the Williams Review. Risk: It is evident that the coronavirus pandemic has led to central government and in particular, the Department for Transport to re-prioritise their focus and resources in responding to the pandemic. This has led to the delay in the publication of Williams Review. Government may choose to focus on centrally deliverable initiatives such as franchise delivery, and not on devolution. As a result, this may not align with the strategy of members and would require a wider response from TfN	1. TfN will continue to make the case for reform that supports the North's ambitions.	9
TfN TRU Statutory Advice **Risk:** The next phase of Network Rail's development and design work is unable to support TfN aspirations for the north trans Pennine rail corridor as identified in our statutory advice issued in September 2018. Moreover, it inhibits the ability of TRU to form part of a broader, coherent rail investment strategy for the north as identified in statutory advice issued in January 2020.	The Strategic Rail team and RNP continue to work together to support Network Rail in producing an investment plan that meets passengers' needs and expectations through delivery in full of the outcomes set out in the TRU remit. TfN continues to stress to DfT and Network Rail the importance of delivering W10/12-gauge clearance to support container traffic across the Pennines and help increase the number of freight paths. Through the Manchester recovery Task Force and directly with DfT, TfN continues to press the case for adequate investment in Manchester. TfN continue to stress to DfT the importance of developing a parallel option to the OBC which better serves the North.	

Programme and look ahead

- Support, monitor and help shape the industry response to the COVID-19 outbreak.
- Continue preparations for the Williams Review White Paper publication and link this to the implementation of the Blake Jones Action Plan.

- Continue to monitor industry plans to minimise the disruption from the first phase of the TransPennine Route Upgrade construction.
- Working through the Rail North Committee and Board, respond to industry proposals for mitigating cross-Manchester performance issues.
- Work through the new arrangements for the Northern franchise to ensure the best passenger outcomes are delivered.

Operations Summary

Monthly Introduction

Operational focus for April included: working with the DfT to confirm the provision of funding for Northern Powerhouse Rail; starting work on the response to the call for evidence on the integrated rail plan; strong communications in support of keeping travel safe; putting in place mechanisms to hold formal meetings digitally; having a review by Arup of the modelling (TAME) workstream; and preparing for the next Members Working Group on the Northern Transport Charter.

Other work included supporting the economic recovery plan while also working on research projects associated with the Northern Powerhouse Independent Economic Review, progress on the implementation of Modern.Gov governance and meeting management software (Legal), and reprogramming work around the development and application of the Analytical Framework due to COVID-19 (TAME).

Activity Update

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

Stakeholder Engagement & Communications

- The Stakeholder Engagement & Communications Team has been externally focused on supporting the key messages around travel across the North, including promoting the correct use of public transport and discouraging non-essential journeys. Supporting our chairing of the North of England Contingency Group, the team has ensured that Members have been kept appraised on a weekly basis of ongoing discussions and considerations across the rail network.
- Elsewhere, continuing to support TfN in successful remote working, internal communications efforts have been increased with a focus on wellbeing and morale, and ensuring teams remain productive and supported throughout.
- The team is in discussion with DfT regarding a Memorandum of Understanding on communications and engagement linked to the core Grant Funding Agreement. This has included clarification on interpretation of restrictions and working practices between the two organisations. Discussions on both the core grant funding agreement and the comms and engagement MOU are ongoing.

Finance & Procurement

- Work has continued with the Department to address funding issues for the NPR programme, with commitment gained to additional lines of activity since the last reporting date, but further effort is required to finalise appropriate funding cover of 20/21 activity. TfN is also engaging

with the Department to finalise Grant Funding Agreements more generally. This work enabled a number of major NPR tender exercises to be completed with contract awards made.
- Officers have reviewed and contributed to the development of the IST Phase 4 Strategic Outline Case.
- Financial Year 2019/20 was closed with work commencing on the development of the financial accounts.
- The procurement of remote working equipment continues to support TfN's operational resilience.
- Further work between Finance, Procurement, TAME and NPR officers has been undertaken to improve the early identification of requirements that require funding, commissioning and contracting.

Legal & Democratic

- A virtual Board consultation meeting was held on 29 April. Whilst this was not in public, it is anticipated that future meetings, including Rail North Committee (12 May) Scrutiny Committee (14 May) and Board (11 June) will be held as full public virtual meetings.
- The modern.gov software system (to streamline our governance and meeting management arrangements and which is used by a number of constituent authorities) is about to be installed (installation has been slightly delayed due to remote working of the supplier) and training dates have been diarised during May and June; these have been tailored so as to be delivered online, so will take slightly longer than anticipated. Following training, and a period to enable officers to establish familiarity with the system, a pilot roll out of an internal meeting is anticipated, followed by a public meeting later in the year. Further details and expected dates will be shared with partners in future monthly reports.

Strategy & Policy

- Work continues on the Northern Transport Charter with officers drafting a paper to outline the principles which will support the Charter's ambition for TfN to champion an inclusive and sustainable North. Officers also provided an update to Scrutiny Committee on the work to date and roadmap to completion (KPI 12 & 16).
- Developing a functional policy framework to support the development of TfN's decarbonisation strategy remains a key priority for the team and our Partners. To support this, we arranged a presentation from Bob Moran, Head of Environmental Policy at DfT to our April Strategic Oversight Group (SOG) to provide an update on their work to develop a transport decarbonisation plan (KPI 11).
- Progress on the Integrated Rail Plan for the North and Midlands has continued. A draft response to the National Infrastructure Commission has been shared with officers for comment and will be agreed with Members

before submitting by the end of May. Work is underway on the next phase of work to feed into the NIC's work later in the summer.
- Internal review of the draft Assurance Framework is under way and it will be presented to the Board in line with progress on updating the Investment Programme alongside the Strategic Development Corridor activity for approval (KPI 10).

Economics & Research

- The focus of the team has been on supporting the economic recovery plan whilst completing a number of ongoing research projects as part of the Northern Powerhouse Independent Economic Review Programme. The team are reviewing the initial outputs from those projects which will inform the work on the Northern Transport Charter and will be informing the review of the HMT Green Book on appraisal currently underway.

TAME (Technical Assurance, Modelling & Economics)

- The Head of Data, Modelling and Appraisal, left TfN at the beginning of May. A plan for filling this vacancy is developed and existing senior members of the TAME team will provide interim leadership. The next steps will be informed by a review of the TAME work programme and team structure currently being carried out by Arup.
- A significant reprogramming exercise has been undertaken to account for the impact of the COVID-19 pandemic and the related re-phasing of the NPR programme on the delivery of TAME's Analytical Framework. The reprofiling of the NPR delivery milestones in response to Covid-19 has relieved some of the pressure on the TAME programme and enabled a revised integrated programme between NPR and TAME to be developed. Some risks to delivery remain, particularly where vacancies are creating short-term resource constraints, but work is ongoing to identify appropriate mitigations to de-risk the programme. This will be informed by the Arup review. The new integrated programme is due to be finalised by mid-May.
- Procurements and contract extensions that are essential to delivery of the NPR SOC have been prioritised and are being processed at an accelerated rate with support from the NPR team. Other procurements are temporarily on hold until the Arup review has concluded.
- A new NPR Corridor Sift team made up of TAME officers and consultants has been established to ensure delivery of outputs for the six NPR corridor sift workshops. This includes provision of rail benefits from the Northern Rail Modelling System (NoRMS) and transformational land-use benefits from the Northern Economy and Land Use Model (NELUM). Further development of NoRMS, NELUM and the new TfN Future Travel Scenarios continues in the background and is now planned for completion by the end of July so that final versions of the tools can feed into the SOC. This additional development is required to provide the full picture of NPR benefits and to set the Analytical Framework up for the requirements of TfN's Northern Transport Charter.

- Development of TfN's new Northern Highway Assignment Model (NoHAM) is planned to restart in May 2020 following a pause due COVID-19 related absence of key consultants. Meanwhile the refreshed version of the Great Britain Freight Model (GBFM) is nearing completion. NoHAM will be used to estimate the multi-modal impacts of NPR and as part of TfN's Investment Programme Benefits Analysis (IPBA, formerly referred to as SDC2b Quantitative). The GBFM will help understand the multi-modal freight impacts across road, rail and maritime and the freight factors external to the transport investment. The freight analysis using the GBFM will provide an evidence base to support NPR, the IPBA, the Decarbonisation Pathways and Future Travel Scenarios.
- Analytical work on TfN's Decarbonisation Pathways has now commenced following the sharing of a key dataset from DfT to inform the work. The main output of this work will be a Carbon Tool to provide more detailed insight into current transport emissions in the North and what new policies are required to meet TfN's long-term carbon targets.

Risk/Issue Summary	Summary of Mitigating Measures	KPI
Delay in the Development and Application of Analytical Frameworks (EFS) Risk: Last period, we reported that the COVID-19 pandemic led to absence of key personnel, delaying the development of the External Forecasting System (EFS). This caused subsequent delivery delay in other programmes such as NPR network testing and NoRMS Tranche 3b. Whilst risks remain, mitigating action has been taken to reduce the risk in this period.	TAME has reduced the scope of work required to provide a minimum-viable version of the EFS for the NPR SOC. Work has also been undertaken to identify the suitable resources to complete the programme. In addition, the team continues to work with PMO and procurement teams closely to reduce any unnecessary delay. There is continued close working relationship with the NPR and IPBA programme teams to ensure the quality and planning are up to date.	14
Delays to Delivery Due to New Resource Constraints Risk: The departure of the Head of Data, Modelling and Appraisal has created additional responsibilities to the newly appointed Assurance Manager and Analyst Manager. There is an urgent need to fill in their original roles to lead on the model development and application tasks. Whilst plans have been put in place to rapidly find additional resources to help, there is a residual risk that this process takes longer than anticipated and this has a knock-on impact on the availability of senior TAME officers to complete work for TfN's programmes.	TAME has been working closely with Procurement, HR and Finance to find a solution to rapidly address the resource gap. A provisional solution has been found, which could be implemented by the end of May. There is continued close working relationship with the NPR and IPBA programme teams to ensure the impact of these resourcing issues is reflected in the programme. For the longer term, the Arup review will seek to identify areas in which the TAME programme can be descoped without impacting significant on the quality of outputs.	14

Financial Performance

Financial Update

Summary
Expenditure incurred in April: £4.01m
Variance to April monthly budget: £0.92m underspend

Headlines

- TfN's financial position after Period 1 shows a number of material over and underspends against the budget adopted in March, largely reflecting COVID-19 related issues
- Whilst parts of the organisation have been able to deliver activity at or ahead of budget, those that involve construction or asset installation have slipped.

Programmes:

- In April there were two material variances, with underspend in the Integrated and Smart Travel programme driven by previously reported issues with the Phase 1 ITSO on Rail project, and expenditure ahead of budget on the Network Rail contract within the NPR programme.

Integrated & Smart Travel:

- Programme wider underspend of £0.82m (58%) in the month
  Phase 1
  - The ITSO on Rail scheme continues to incur underspend, with an in-month shortfall of £0.73m, accounting for 89% of the programme-wide underspend.
  - Phase 1 underspends have been reported since Autumn 2019 as the contracting undertaken by the northern train operating companies continued to fall behind schedule.
  - The delivery of platform validator machines and other pieces of field equipment, largely manufactured in China, were then delayed due to quarantine measures as COVID-19 spread in Quarter 4.
  - Whilst equipment has now been received in the country, lockdown measures have impacted upon the ability of contractors to gain access to sites to install equipment.
  - It is likely that activity and expenditure will continue to slip until working restrictions are eased.

  Phase 2/3/4 and Programme Team

- The other phases of the IST programme are cumulatively underspent by £0.08m, largely reflecting lower than forecast external support costs.

Northern Powerhouse Rail

- The NPR programme incurred expenditure below budget by a net £0.02m (4%):
  - This reflects £0.39m of expenditure ahead of budget on the Network Rail contract as activity continues to accelerate to the conclusion of the Sequence 4 activity.
  - Overspend against this contract was offset by underspend on a number of key contracts (£0.26m) and recruitment activities (£0.14m) that were deferred until the Department for Transport was in a position to commit funding.
- At the time of writing discussions were ongoing with the Department to secure funding for the programme's full range of activity. Whilst in-principle agreement has been reached for the majority of activity, funding letters that would enable TfN to contract for all outstanding contracting are still to be agreed.

Strategic Development Corridors (SDC)

- A minor overspend of £0.02m was incurred in the month, as activity planned for Quarter 4 of the prior year slipped into the new year.
- Activity on the major Quantitative project is not now expected to begin before Quarter 2.

Operations:

Rail Operations

- A cumulative underspend of £0.08m accrued in April across the Rail North Partnership and Strategic Rail teams.
- This principally reflects vacancy underspend, in part as budgeted posts for the Blake Jones implementation were held awaiting funding commitment from DfT.

Operational Areas

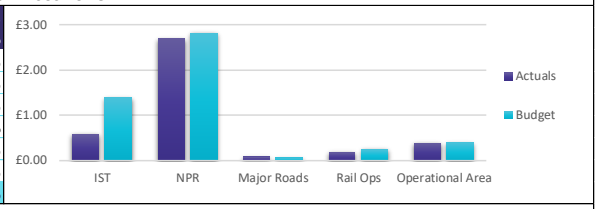
- Net expenditure across the operational areas resulted in an immaterial underspend of £0.03m.
- Cost incurred in pivoting TfN to full remote working have been relatively low at c. £0.01m.

Activity Dashboard

TRANSPORT FOR THE NORTH					PERIOD	1	ARPIL
FINANCE DASHBOARD					BUDGET CYCLE	FISCAL	2020/21

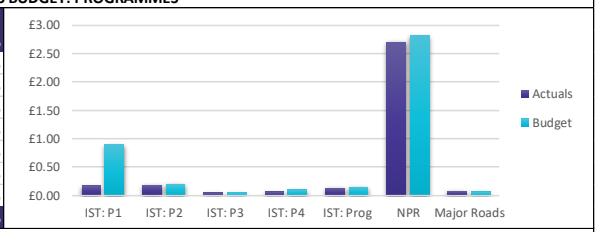
PERIOD ACTUALS VERSUS BUDGET

	Actuals £m	Budget £m	Var. £m	Var. %
Integrated and Smart Ticketing	£0.58	£1.40	£0.82	58%
Northern Powerhouse Rail	£2.70	£2.82	£0.12	4%
Major Roads	£0.08	£0.06	-£0.02	-43%
Programmes	**£3.36**	**£4.27**	**£0.91**	**21%**
Rail Operations	£0.18	£0.25	£0.08	30%
Operational Areas	£0.37	£0.40	£0.03	8%
	£3.91	**£4.93**	**£1.02**	**21%**



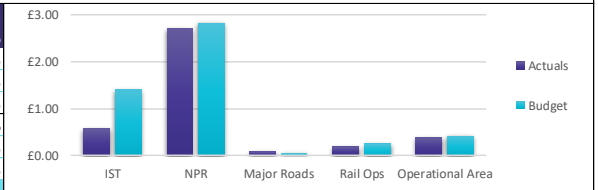
PERIOD ACTUALS VERSUS BUDGET: PROGRAMMES

	Actuals £m	Budget £m	Var. £m	Var. %
IST: Phase 1	£0.17	£0.90	£0.73	82%
IST: Phase 2	£0.18	£0.19	£0.02	8%
IST: Phase 3	£0.05	£0.06	£0.00	7%
IST: Phase 4	£0.06	£0.10	£0.04	42%
IST: Programme	£0.13	£0.15	£0.02	15%
Northern Powerhouse Rail	£2.70	£2.82	£0.12	4%
Major Roads	£0.08	£0.06	-£0.02	-43%
	£3.36	**£4.27**	**£0.91**	**21%**



YEAR TO-DATE ACTUALS VERSUS BUDGET

	Actuals £m	Budget £m	Var. £m	Var. %
Integrated and Smart Ticketing	£0.58	£1.40	£0.82	58%
Northern Powerhouse Rail	£2.70	£2.82	£0.12	4%
Major Roads	£0.08	£0.06	-£0.02	-43%
Programmes	**£3.36**	**£4.27**	**£0.91**	**21%**
Rail Operations	£0.18	£0.25	£0.08	30%
Operational Areas	£0.37	£0.40	£0.03	8%
	£3.91	**£4.93**	**£1.02**	**21%**



FUNDING YEAR TO DATE

Funding Stream	Actuals £m	Budget £m	Var. £m	Var. %
TDF - Rail	£2.62	£2.74	£0.12	4%
IST - Capital and Revenue	£0.58	£1.40	£0.82	58%
Core Grant	£0.58	£0.66	£0.07	11%
Rail North Grant & Contributions	£0.11	£0.11	£0.00	0%
TDF - Roads	£0.00	£0.00	£0.00	-
Trading Income	£0.02	£0.03	£0.01	33%
	£3.91	**£4.93**	**£1.02**	**21%**

FUNDING FORECASTS TO OUTTURN

	Actuals £m	F/cast £m	Var. £m	Var. %
TDF - Rail	£2.62	£59.00	£56.37	96%
IST - Capital and Revenue	£0.58	£15.78	£15.20	96%
Core Grant	£0.58	£11.62	£11.03	95%
Rail North Grant & Contributions	£0.11	£1.30	£1.19	92%
TDF - Roads	£0.00	£0.00	£0.00	-
Trading Income	£0.02	£0.36	£0.34	95%
	£3.91	**£88.05**	**£84.14**	**96%**

HR Update

Human Resources Update

Salaried Establishment as at **6 May 2020**

Established/Transition Posts

Area	Established Posts (Over 2 years)	Transition Posts (Up to 2 Years)	Total
CEO/Chair	2 (1.17 FTE)	-	2 (1.17 FTE)
Support Services	30 (29.32 FTE)	5 (5.00 FTE)	35 (34.32 FTE)
Operational & Delivery	94 (93.18 FTE)	41 (46.00 FTE)	136 (135.18 FTE)
Total Establishment	**126 (123.67 FTE)**	**46 (46.00 FTE)**	**172 (169.67 FTE)**
Strength (in post)	108 (106.35 FTE)	25 (25.00 FTE)	133 (131.35 FTE)
Appointed (start date pending)	7 (7.00 FTE)	3 (3.00 FTE)	10 (10.00 FTE)
Active/Pending Recruitment	3 (3.00 FTE)	2 (2.00 FTE)	5 (5.00 FTE)
Vacant – On-hold	8 (7.32 FTE)	16 (16.00 FTE)	24 (23.32 FTE)

Agency Resource - Covering Vacant Posts

Area	Posts (FTE's)
Support Services	3 Post (2.12 FTE)
Operational & Delivery	2 Posts (2.00 FTE)
Total	**5 Posts (4.12 FTE)**

Consultancy Resource - Covering Vacant Posts

Area	Posts (FTE's)
Support Services	0 Post (0.00 FTE)
Operational & Delivery	1 Posts (1.00 FTE)
Total	**1 Posts (1.00 FTE)**

HR Metrics – 2020/21 Year to Date

Corporate Sickness Level (Inc. Covid-19 related sickness): Covid-19 related Sickness Level:	**3.4%** **1.1%**
Employment Policy Application:	**0%**
Employee Turnover (Voluntary Leavers):	**0.75%**
% of Employees from an Ethnic Minority Background:	**14%**
% of Employees declaring a Disability:	**9%**
Gender Mix - % of Female Employees: % of Male Employees:	**33%** **67%**

KPIs
Key Performance Indicators

Transport for the North's Key Performance Indicators (KPIs) are outlined in the published Business Plan for 2020-21. The below table outlines the programme and organisational KPIs and provides a summary of the year end position.

Key

Achieved	
On Track	
In Progress	
Delay	
Delay – beyond this year end (BTYE)	

Area	KPI	Detail	Progress	Status
Corporate	1	**Agree with Government the phasing and prioritisation of the Integrated Rail Plan for High Speed North. December 2020**	In Progress	
			Initial work underway with NIC on a Rail Needs Assessment by end of May. Further work being commissioned. Timetable and TfN role in IRP process remains unclear.	
Northern Powerhouse Rail	2	**Agree and submit Strategic Outline Case to Government. January 2021**	Delay	
			The SOC timeline has been rephased due to the impacts of COVID-19. The rephased SOC timeline was approved at NPR Programme Board on 16 April 2020 and at TfN Board on 29 April 2020. The next step is to complete a re-baselining activity of the programme for the SOC submission in March 2021. The NPR programme environment remains challenging given the current COVID-19 crisis, status updates will continue to be given in this report.	
Integrated and Smart Travel	3	**Complete the delivery of the Integrated and Smart Travel on Rail Project (Phase 1). November 2020**	Delay	
			Northern is on track to complete delivery in November 2020. MerseyRail plan to roll out their own products by October 2020 and capability for national products to be brought forward at a future date, is planned to complete by January 2021. COVID-19 impact may detrimentally affect the completion date as currently on site works cannot progress. The RAG status is now showing as Amber, as the KPI was published prior to the outbreak of COVID-19. We're therefore showing a slight delay.	
	4		On Track	

Integrated and Smart Travel		**Complete the delivery of Phase 2 of the Integrated and Smart Travel Programme (informed customers). March 2021**	The phase is currently on track to meet the KPI. DMT and ODH are live and being rolled out to LTAs and developers. Further enhancements to DMT will be delivered during the course of the year. FDBT has completed the first stage of development (alpha) and the protype is being developed in the second stage (beta private)
Integrated and Smart Travel	5	**Agree a plan for the delivery of contactless payments on rail, in collaboration with the DfT and Rail Delivery Group (Phase 3). December 2020**	On Track Discussions continue with DfT and RDG (Rail Delivery Group). A paper outlining the North's proposals to accelerate contactless on rail in the North is being developed with the DfT sponsor team for submission the the June meeting of DfT's investment committee.
Major Roads	6	**Agree and approve the Transport for the North Major Roads Report. March 2021**	In Progress The technical report has been completed and the Major Roads Report will be updated following the completion of the Decarbonisation workstream.
Strategic Rail	7	**Implement the recommendations in the Blake Jones review. June 2020**	In Progress The Blake Jones Action plan will be implemented subject to the outcome of the 12 May Rail North Committee meeting.
Strategic Rail	8	**Develop a TfN response to the Williams Review. Within three months of publication**	On Track A response to the Williams Review will be developed within three months of its publication; the date of which is yet to announced.
Strategic Rail	9	**Support the industry and Rail North Partnership in the response to and recovery from COVID-19, including a strong focus on the needs of passengers and businesses, together with the short-term investment needed to support the recovery. March 2021**	In Progress Strategic Rail is proactively supporting the industry through the crisis and recovery, for example through the North of England Contingency Group. A plan to support the economic recovery both by investment in infrastructure and services is being developed.
Strategic Development Corridors	10	**Update and refresh the TfN Investment Programme, based on an agreed Assurance Framework and using the outputs of the SDC Qualitative Sequencing process. September 2020**	On Track A report on the three sequenced programme options will be submitted to Board on 11 June 2020.
Strategy	11		In Progress

		Develop a decarbonisation strategy for approval by the TfN Board and ensure that this is embedded in TfN's Investment Programme Assurance Framework. March 2021	Work continues at pace on TfN's decarbonisation strategy. Some of the milestones within the work programme presented to board in March have shifted slightly due to programme delays elsewhere at TfN but these are manageable and we are confident the March 21 timescale is still achievable.
Strategy	12	**Develop an inclusive and sustainable growth framework that will sit alongside the Strategic Transport Plan and ensure that this is embedded in TfN's Investment Programme Assurance Framework. March 2021**	Not Started This KPI doesn't start until KPI 16 has been completed, this is because as part of the Northern Transport Charter we are working with members to identify the principles of an inclusive and sustainable North.
Strategy	13	**Develop a freight strategy for approval by the TfN Board and ensure that this is embedded in TfN's Investment Programme Assurance Framework. March 2021**	On Track There is a report going to the next TfN Scrutiny meeting on 14 May 2020 and work is in progress.
Modelling and Analysis	14	**Complete and deploy the Analytical Framework throughout TfN's programmes. March 2021**	Delay There have been delays to delivery and deployment of the Analytical Framework due to a number of resourcing factors, including staff absence due to COVID-19 and staff leaving the organisation. Delays are being managed in partnership with the TfN programmes.
Organisation	15	**Develop and provide a Spending Review Submission to Government. At date set by HMT**	On Track Waiting for confirmation when the Comprehensive Spending Review will take place.
Organisation	16	**Develop and adopt the Northern Transport Charter. June 2020**	In Progress Work continues on the Northern Transport Charter with officers drafting papers to present to the next members working group which has been rescheduled from March to June as a result of COVID-19. This unexpected delay will have a knock-on effect to the completion of the project, as things stand we aim to present a final version to the July or September Board for endorsement.

Annex A
The Effects of the COVID-19 Pandemic on Programmes

A focused risk assessment has been undertaken to understand the impact of the pandemic on TfN's programme objectives and delivery. This exercise has either identified additional challenges, or has exacerbated the severity of some pre-existing risks, as detailed below.

Northern Powerhouse Rail (NPR)

Risk Effects of COVID-19	The pandemic has disrupted the NPR programme baseline and long-term delivery profile. The **Strategic Outline Case (SOC)** consists of several inputs including the outcome of the sifting workshops that were due to be held over the summer.
Cost Impact	The NPR team is confident that whilst there will be scheduling impacts, the programme will operate within its original budget.
Schedule Impact	The government lockdown and social distancing restrictions have introduced **challenges into the original timeline** and as a result the scheduled submission of the SOC in January 2021 has been **re-baselined** to **March 2021**.
Other Impact	There is an opportunity to utilise the additional time to mitigate the implications of the pandemic across the programme.

Integrated and Smart Travel (IST)

Phase 1 (Smartcards on Rail)

Risk Effects of COVID-19	The most recent pre-COVID completion date for this project was November 2020. This date included contingency which has now been exhausted due to delays in civil works and the supply of PVals. Whilst the resumption of civils work at Merseyrail and Northern stations is due at the end of May, COVID-19 may cause further delays on the completion of the roll-out of platform validators
Cost Impact	There is currently no indication that there will be a significant cost increase as a result of Covid-19. However, further work with regard to cost impacts is ongoing. It should be noted that there remains contingency within the Phase 1 budget that would be available to cover any increases in cost that might arise.
Schedule Impact	Live testing will not start until **June 2020**. The Northern Pval hardware from China is now expected in **August 2020**.

	With the partial lifting of COVID-19 movement restrictions, civils work has recommenced ready for the delivery of the PVal heads. Back office work (software development and testing) has continued on schedule. Delays are being mitigated through working collaboratively and in parallel with Northern and Merseyrail through weekly updates with a focus on delivery. TfN is also confirming the shipping arrangements for hardware delivery from both suppliers. Overall the programme is delayed 2 months from the KPI date**.** and is now expected to complete in **January 2021**. The January delivery date includes the full completion of project delivery, including the Merseyrail "Phase 2" National Rail smart products which are needed for longer term compatibility with the rest of the network. However, no TOC has plans to use these on the Mersyrail PVals. However, customer facing products are on course for availability in October 2020.
Other Impact	N/A

Phase 2 (Fares Data Build Tool)

Risk Effects of COVID-19	The use of buses has declined significantly, creating severe financial difficulties for the bus companies with the result of staff members who are essential to the implementation and roll-out of Phase 2 being furloughed. This will **potentially impact** on our ability to achieve **GDS approval** and therefore, unless DfT are minded to reduce compliance with GDS standards preclude the intended novation of the contract to DfT in due course. The team does not believe that the other elements of Phase 2 – Disruption Messaging and the Open Data Hub – will be significantly impacted by Covid-19. Although developer engagement with may be slowed because of COVID-19, but no cost impact is anticipated at this time.
Cost Impact	If the GDS standards are not fully met, remedial work would be required. If this were not completed before the current budget is exhausted (forecast for December 2020), then each week of delay will cost **£24.5K.** This is a total of £19K supplier cost plus £5.5K TfN cost per week.
Schedule Impact	The team is scheduled to complete the GDS assessment in August and handover to DfT in **December 2020**. If there is insufficient user research participation, this could delay the GDS assessment by an **estimated six weeks**.
Other Impact	As noted about, the reduced level of operator participation in user research could result in the project not meeting GDS requirements. This would make it very difficult to novate the contract to the DfT in the future, as is currently intended.

A paper setting out the North's plans for acceleration of availability of contactless ticketing (Phase 3) is being developed for submission to DfT's investment committee in June. The Phase 4 SOC was submitted to the DfT in mid-May, with an

intended response date of end-June. The impact of COVID-19 will be built into the project schedule as the work is taken forward.

Investment Programme Benefits Analysis (IPBA)

Risk Effects of COVID-19	We understand that a number of consultants have asked staff to take pay cuts to reflect the reduced workload during the pandemic. This may result **in supply chain issues.** In addition, the team is currently focused on the TfN response to the pandemic, and in particular the need to support the case-making for TfN's **Economic Recovery Plan.** In the event that the supply chain issues become a reality, it is also likely to affect **TAME's direct consultants** which could impact on the development and application of the Analytical Framework. The impact on the AF will have a **knock-on effect** on the **IPBA**.
Cost Impact	There is currently no reason to believe that the work cannot be completed within the original budget. In the event that the risk occurs, it is likely that **additional costs** will be required to procure alternative modelling and technical expertise in the labour market, although this may be mitigated if TfN is able to directly engage those affected.
Schedule Impact	There is a risk of delay to the procurement of consultants, and /or that a reduced number will bid – reducing the choice available to. However, the work is not due to start until **September 2020** and currently this is not considered a sufficiently serious risk for the schedule of work to be delayed.
Other Impact	N/A

Strategic Rail

Risk Effects of COVID-19	Covid-19 has further delayed publication of the **Williams Review**.
Cost Impact	The TfN budget did not include any costs for activity arising from the Williams Review – rather it noted that any such activity would need to be funded from additional sources.
Schedule Impact	**TfN's response** to the Williams Review has been delayed. The extent of the delay could impact on TfN's ability to respond **as resources** had been allocation to do this in Q1. Resources will now need to be prioritised from other activities when the review is published.
Other Impact	The government may choose to focus on centrally deliverable initiatives such as the reform of rail franchising as all rail operations are under Emergency Management Arrangements or Operator of Last Resort. Further

	devolutionary powers could be delayed for rail operations until growth and revenue return to pre-COVID levels.

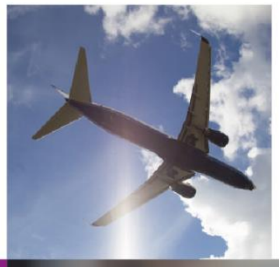
Transport for the North
2nd Floor
4 Piccadilly Place
Manchester
M1 3BN

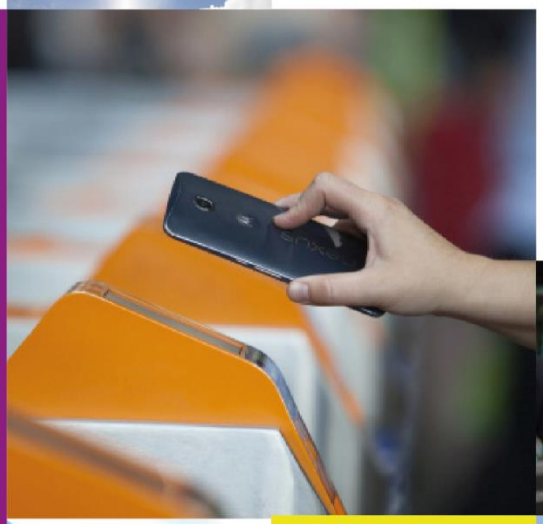
Transport for the North
Ground Floor
West Gate
Grace Street
Leeds
LS1 2RP

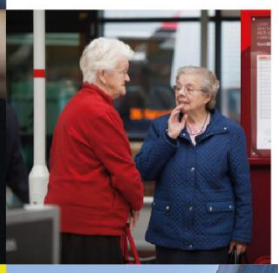
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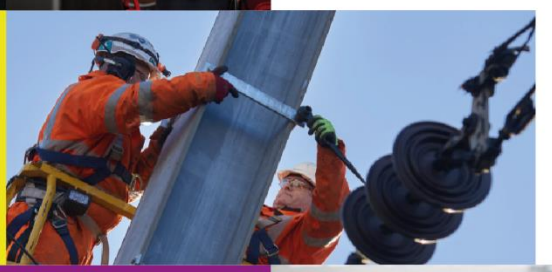
TRANSPORT FOR THE NORTH













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Transport for the North Board – Item 9

Subject: Financial Outturn 2019/20

Author: Gareth Sutton, Financial Controller

Sponsor: Iain Craven, Finance Director

Meeting Date: Thursday 11 June 2020

1. Purpose of the Report:

1.1 This report details the financial position of TfN as at the outturn of financial year 2019/20.

1.2 The report details expenditure against the base budget, and the three reforecasts of that budget over the course of the year.

1.3 The report shows the use of resource over the course of the year, and the unapplied grants and contributions that can be used in future periods.

1.4 Finally, the report presents the unaudited balance sheet position.

2. Executive Summary:

2.1 Over the course of financial year 2019/20, TfN incurred expenditure of £46.82m.

Summary

2.2 The majority of this expenditure was incurred in TfN's revenue and capital programme areas (£39.26m/84%), with £7.63m (16%) incurred in TfN's operational areas.

Total Net Expenditure	Outturn £m	Outturn %
Revenue Programmes:		
Northern Powerhouse Rail	£27.89	60%
Major Roads	£1.43	3%
Integrated & Smart Ticketing	£5.36	11%
	£34.68	**74%**
Capital Programmes:		
Integrated & Smart Ticketing	£4.55	10%

Rail Operations	£1.86	4%
Operational Areas	£5.73	12%
	£46.82	

2.3 Reflecting TfN's role as a strategy and commissioning organisation, the majority of this expenditure was incurred on professional services (£25.64m) and people related costs (£9.30m). TfN's inability to recover VAT added £5.77m to its costs:

Cost Category	Outturn £m	Outturn %
Professional Services	£25.64	55%
Employee and Agency	£9.30	20%
VAT	£5.77	12%
Grants Awarded	£3.78	8%
Consumables & Supplies	£1.14	2%
Accommodation	£0.56	1%
ICT and Communications	£0.47	1%
Travel	£0.17	0%
	£46.82	

2.4 This expenditure was resourced principally from grant and contributions, with some income generated from contracts where TfN provides services for partner bodies.

Funding	£m
Revenue Resource	
Core Grant	£8.72
Transport Development Fund - Rail	£26.94
Transport Development Fund - Road	£0.01
Rail North Grants and Contributions	£1.19
Integrated & Smart Ticketing Grant	£5.36
Contract Income	£0.05
	£42.27
Capital Resource	
Integrated & Smart Ticketing Grant	£4.55
	£46.82

Variance to Budget

2.5 TfN's budget for the year was adopted by the Board in February 2019. This budget had been developed as part of the organisation's business planning exercise and was periodically revised at the end of each

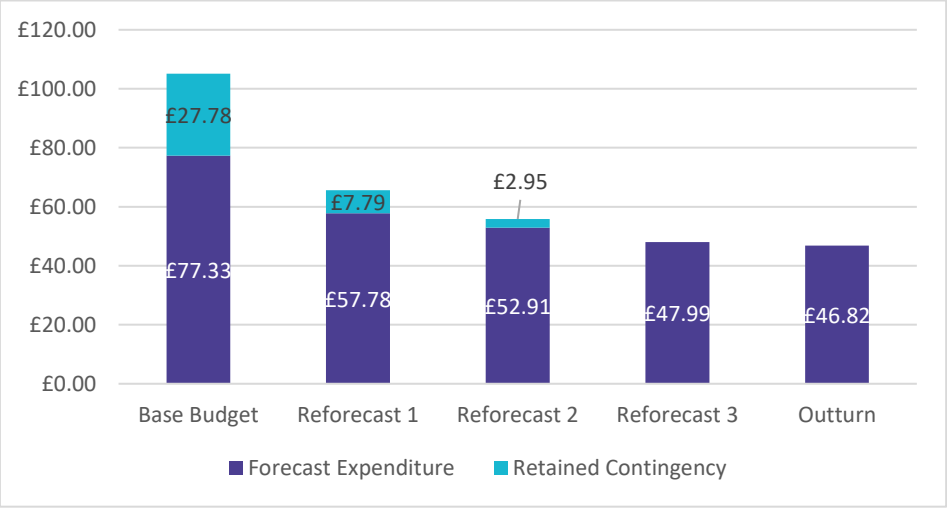
quarter to ensure financial planning remained aligned to the latest delivery profiles.

2.6 Financial reporting throughout the year has been dominated by the cancellation of the Phase 3 ABBOT scheme within Integrated and Smart Travel programme.

2.7 Principally, the cancellation of the planned capital development led to a major reduction in the capital programme whilst, conversely, the switch to the development of alternative options led to higher than originally forecast revenue costs:

Total Net Expenditure	Outturn £m	Opening Budget £m	Variance £m
Revenue Programmes:			
Northern Powerhouse Rail	£27.89	£29.75	£1.86
Major Roads	£1.43	£2.57	£1.14
Integrated & Smart Ticketing	£5.36	£3.28	-£2.08
	£34.68	**£35.60**	£0.92
Capital Programmes:			
Integrated & Smart Ticketing	£4.55	£33.00	£28.45
Rail Operations	£1.86	£1.92	£0.06
Operational Areas	£5.73	£7.19	£1.46
	£46.82	**£77.71**	**£30.89**

2.8 As the year progressed, better delivery planning information became available which, along with completed procurement exercises, gave better cost and timing information. This allowed the budget to be revised and ensured that at outturn TfN's actual expenditure was better aligned to its forecasts:



Carry-forwards

2.9 Throughout the year, underspends have arisen from savings generated from vacancy management, activity being reduced, and efficient procurement of goods and services.

2.10 Slippage of activity has also pushed costs associated with that activity out of the financial year and into future periods.

2.11 Known activity slippage and cost-savings were fed into the business planning process for 2019/20 to enable resource to be deployed to support future activity.

2.12 Over the final quarter of the year, further slippage and cost savings were identified which changes the profile of expenditure in 2019/20 and the resource available in grants unapplied and reserves.

2.13 As at the financial year-end, slippage of c. £4.47m was identified in the programme areas, principally within the IST programme (£3.10m) and the NPR programme (£1.37m). IST programme slippage can be resourced from existing funding envelopes, whilst approval has been gained from the DfT to use 2020/21 funding envelopes to resource slipped NPR activity.

2.14 Should it be forecast that the budget ceiling will require adjustment to accommodate the expenditure, a request will be made to the TfN Board to approve the carry forward of this expenditure and associated resource. The requirement for such carry forwards will be considered as part of the Revision 1 budget reforecast exercise.

2.15 As at the financial year-end, slippage in the Operational Areas totalled £0.35m against the Revision 3 budget.

2.16 Requirements for carry forwards will be considered as part of the Revision 1 budget reforecast exercise, which will be provided to the Board in July.

3. Programme Area Analysis

3.1 TfN's programme areas account for the majority of its expenditure and consist of both capital and revenue activity.

3.2 Over the course of the year there were major developments in TfN's programme areas:

- The Phase 1 ITSO on Rail scheme fell behind schedule as train operator company procurement exercises were delayed and then affected by the COVID-19 restrictions.

- The Phase 2 Customer Information scheme saw its Disruption Messaging Tool go-live in March 2020, with a number of LTAs amongst the first adopters.
- The Phase 3 ABBOT Integrated and Smart Travel procurement was paused in July 2019 and then cancelled in January 2020.
- Over Quarter 4 of the year the scheme was split into two new but aligned spheres of activity, assessing how a 'Smart on Rail' scheme and support for local schemes could deliver on the former scheme's original objectives.
- The NPR programme advanced towards the delivery of its Strategic Outline Case (SOC) with significant sifting work undertaken.
- The Strategic Development Corridor programme saw the completion of the qualitative workstreams, though the quantitative element was deferred to 2020/21.

3.3 Programme area activity is inherently more sensitive to delivery hurdles, such as gateway approval processes and partner performance, than the operational areas which have more stable activity and expenditure profiles.

3.4 As at the financial outturn TfN's programme areas had incurred expenditure of £39.23m, significantly below the opening base budget forecast of £68.60m.

Integrated & Smart Travel Programme (IST)

3.5 The opening budget reflected a programme consisting of three phases of activity and encompassed both revenue and capital activity.

3.6 The opening base budget for the IST programme stood at £62.46m across its three phases. However, of this value £26.18m (42%) was contingency, consisting of optimism bias, qualified risk assessment and inflation adjustments. This contingency would only be called upon if required. This gave a net best estimate of cost for the programme of £36.28m that has been used for reporting purposes throughout the year.

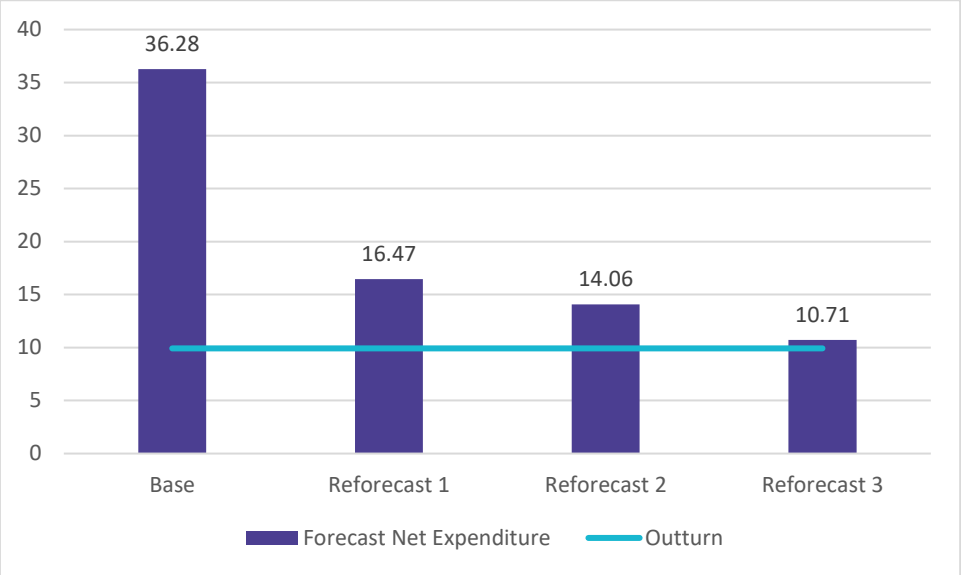
3.7 The IST programme was particularly sensitive to change in both the cost and pace of activity as there were significant technological, stakeholder, supply-chain, and approval challenges to overcome in the year.

3.8 As at the year-end the programme has incurred total expenditure of £9.91m. This placed the programme £26.37m below the opening net budget:

Budget Cycles >	Base £m	R1 £m	R2 £m	R3 £m
Net Budget	**£36.28**	**£16.47**	**£14.06**	**£10.71**

Outturn	**£9.91**	**£9.91**	**£9.91**	**£9.91**
Variance	**£26.37**	**£6.56**	**£4.15**	**£0.80**

3.9 The above table highlights that as the year-progressed, forecasts of programme expenditure were revised down to realign to the latest delivery profiles developed by the project teams:



3.10 Underspends were incurred across all of the phases. Phase 1 (ITSO on Rail) underspent against the opening net base budget by £1.66m, and against the net Revision 3 budget adopted in Quarter 4 by £0.61m:

Budget Cycles > Phase 1	Base £m	R1 £m	R2 £m	R3 £m
Net Budget	**£5.68**	**£6.59**	**£6.00**	**£4.63**
Outturn	**£4.02**	**£4.02**	**£4.02**	**£4.02**
Variance	**£1.66**	**£2.57**	**£1.98**	**£0.61**

3.11 Underspends in the Phase 1 area principally reflect slippage in the implementation of field ticketing components, such as mobile ticketing devices and platform validators. Purchasing of these items is managed through the northern train operating companies (TOCs) as part of their franchise obligations, with TfN providing grant support. Over the course of the year it has been reported that this activity had fallen behind schedule, with delays exacerbated by COVID-19 restrictions in Quarter 4.

3.12 The project remains ahead of the national ITSO on Rail scheme, and work is underway with the TOCs to determine how field equipment can be implemented in a safe way given ongoing restrictions around station concourses and sites. The project remains on course to deliver within budget.

3.13 Phase 2 of the programme is the smallest of the three phases and seeks to improve passenger access to journey time and disruption information. Over the year, Phase 2 workstreams have advanced towards completion with the Disruption Messaging Tool going live to users in March 2020.

3.14 By the end of the financial year, Phase 2 had underspent against the base budget by £0.20m:

Budget Cycles > Phase 2	Base £m	R1 £m	R2 £m	R3 £m
Net Budget	**£2.28**	**£2.65**	**£2.21**	**£2.20**
Outturn	**£2.08**	**£2.08**	**£2.08**	**£2.08**
Variance	**£0.20**	**£0.57**	**£0.13**	**£0.12**

3.15 It is forecast that the residual Phase 2 work streams will complete in 2020/21, with systems and tools being passed to LTAs and the DfT for ownership. The project remains on course to deliver within budget.

3.16 The major forecast development for the programme in 2019/20 was the expected move into procurement for the Phase 3 ABBOT contracts. These contracts would allow for the major capital delivery element of the scheme: designing and implementing the back-office infrastructure that would facilitate the multi-modal, multi-operator ticketing system that would give the Northern public-transport user a similar ticketing experience to that enjoyed in London's integrated transport system.

3.17 As has been reported extensively over the course of the year, in order to move into the procurement phase at significant expense to the public-purse, TfN required greater confidence around major bus-operator support beyond that which it had already received. However, during Spring 2019 it became apparent that the major bus-operators were no-longer willing to commit to support the scheme in its proposed form.

3.18 In July 2019 the TfN Board took the decision to implement an 'active-pause'. This halted all development activity whilst efforts were made to identify a route forward with the operators. However, by January 2020, with no resolution forthcoming, the TfN Board took the decision to cancel the current scheme and instead concentrate on two new but aligned workstreams. These would develop proposals to support a 'Smartcard on Rail' system for the North whilst bringing forward local

schemes that could deliver the original objectives of the Phase 3 scheme.

3.19 The pause and then cancellation of the scheme significantly impacted upon the capital programme, with no capital expenditure incurred in-year. However, conversely, the work undertaken throughout the year fell to be resourced from revenue grant, which led to higher than originally forecast revenue expenditure.

3.20 TfN has worked closely with the DfT during the year to manage these issues. Principally, the DfT has supported TfN through the award of new revenue grant to meet those higher costs and new revenue grant to resource the development of 'Smartcard on Rail' and local scheme proposals, whilst collaborative work has reviewed how the existing IST programme envelope could be used to support capital development activity associated with those new proposals into the future.

3.21 TfN reflected the major movement on the capital programme after Quarter 1 when the first reforecast of the budget was performed. This removed over £21m from the Phase 3 budget. Over the course of the year the budget has been adjusted, reflecting the deeper than forecast expenditure reductions caused by a halt on all contractual expenditure beyond urgent requirements over the summer, and lower than forecast development costs for the two new schemes:

Budget Cycles > Phase 3	Base £m	R1 £m	R2 £m	R3 £m
Net Budget	**£25.69**	**£4.49**	**£3.23**	**£2.39**
Outturn	**£2.37**	**£2.37**	**£2.37**	**£2.37**
Variance	**£23.32**	**£2.12**	**£0.86**	**£0.02**

3.22 The DfT has advanced TfN sufficient resource to develop the 'Smartcard on Rail' and local scheme proposals to initial gateway review with the DfT's investment committee, scheduled for May/June 2020. Should the schemes proceed through those gateways new resource will be made available to TfN.

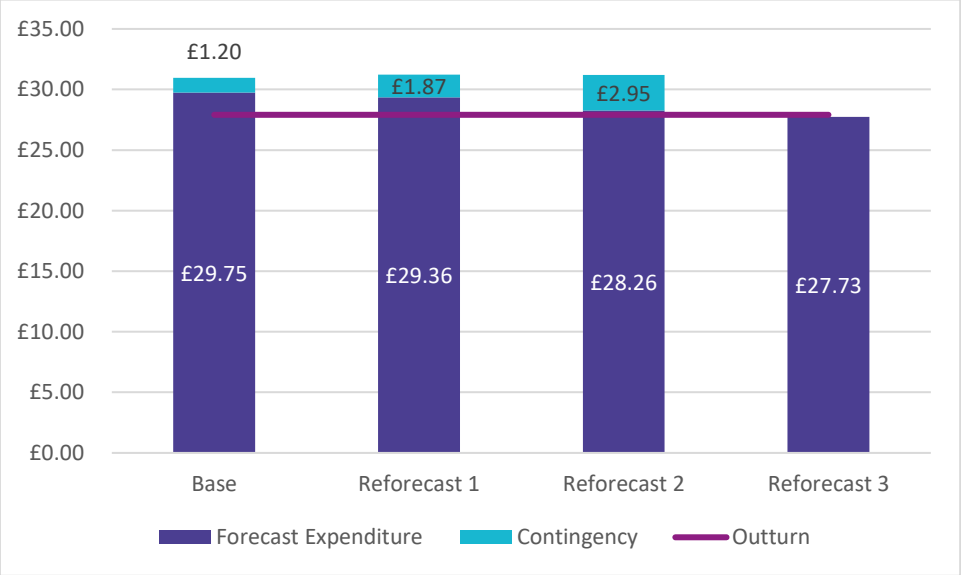
3.23 Reflecting wider uncertainty and sensitivity to timescales, the DfT has also advanced TfN a general revenue grant to allow it to manage its fixed and employee costs.

Northern Powerhouse Rail (NPR) Programme

3.24 Over the course of the year the NPR programme has continued to advance towards submission of its Strategic Outline Case, with significant amounts of resource and effort deployed to route and station sifting exercises.

3.25 During 2019/20 the programme incurred expenditure of £27.89m. This consisted of its Core Grant funded staffing and related costs, and professional services – principally through contracting with Network Rail – funded from DfT awarded Transport Development Fund (TDF) grant.

3.26 As the year has progressed the NPR budget has fluctuated. Mid-year expenditure forecasts provided by Network Rail fluctuated materially, precipitating the need to hold higher than planned amounts of contingency reserve to mitigate potential adverse variances. Conversely, planned activity to be undertaken by TfN's analysis and modelling teams has been delayed across a number of commissions leading to contract underspend.



3.27 At the financial year-end the NPR programme had underspent against the opening net base budget by £1.86m but overspent by £0.16m against the Revision 3 budget:

Budget Cycles > Northern Powerhouse Rail	Base £m	R1 £m	R2 £m	R3 £m
Net Budget	**£29.75**	**£29.36**	**£28.26**	**£27.73**
Outturn	**£27.89**	**£27.89**	**£27.89**	**£27.89**
Variance	**£1.86**	**£1.47**	**£0.37**	**-£0.16**

3.28 Overspend against the Revision 3 forecast reflects a net position. Network Rail contract costs were significantly over forecasts provided in March 2020, leading to an overspend of £0.38m for Quarter 4. This was partially offset by modelling team underspends. Reflecting the need to manage adverse variance the DfT had advanced sufficient grant resource to TfN to manage the overspend.

3.29 TfN has secured approval for slipped modelling activity to be rolled forward into the new financial year and be resourced from TfN's 2020/21 TDF allocation.

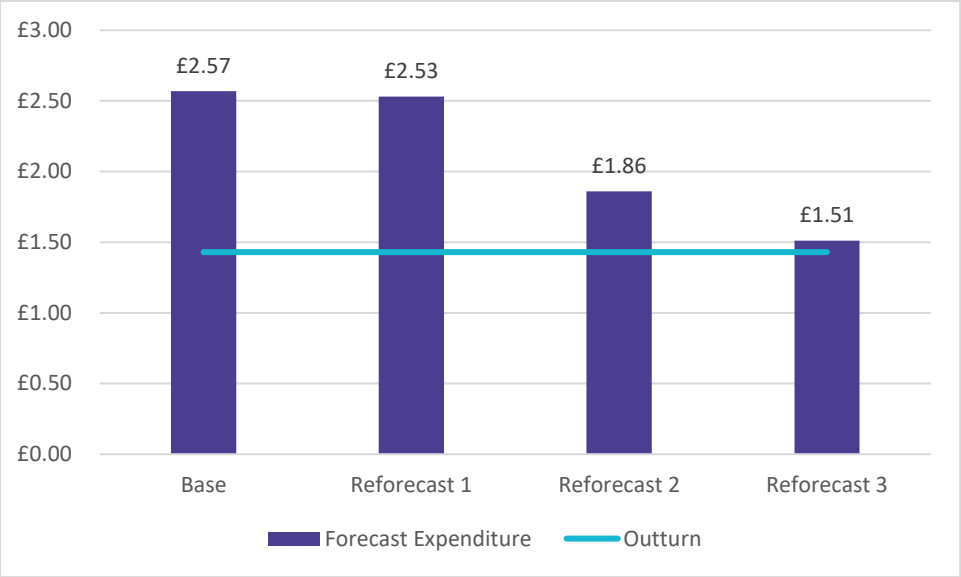
Strategic Development Corridors

3.30 The SDC programme budget was set at £2.57m with sufficient resource to complete the 'qualitative' and 'quantitative' elements of the programme. The qualitative elements reflect the seven initial corridor studies, whilst the quantitative element covered the means and method of analysing how interventions could be sequenced in the most efficient manner.

3.31 This activity does not attract discrete grant funding, so is resourced from TfN's general Core Grant resource.

3.32 Over the course of the Strategic Programme Outline Cases were completed for each corridor, but the major piece of work around sequencing the proposals was first delayed and then deferred out of the year in its entirety.

3.33 Despite the absorption of some slippage from the prior year, the delays to the quantitative element of the programme have meant that programme expenditure has continuously been revised down:



3.34 At the end of the financial year the programme had incurred expenditure of £1.43m, placing it behind the opening budget by £1.14m:

Budget Cycles > Strategic Development Corridors	Base £m	R1 £m	R2 £m	R3 £m
Net Budget	**£2.57**	**£2.53**	**£1.86**	**£1.51**

Outturn	**£1.43**	**£1.43**	**£1.43**	**£1.43**
Variance	**£1.14**	**£1.10**	**£0.43**	**£0.08**

3.35 Underspends almost entirely reflect the deferment of the sequencing work, with some staffing underspend. Resource has been made available within the 2020/21 budget to complete this activity.

Rail Operations

3.36 The Rail Operations budget resources the work Rail North Partnership Team and the Strategic Rail Team. Both these teams support TfN in discharging its statutory responsibilities for overseeing the northern rail franchises.

3.37 Budgets for both teams largely resource staffing and operational overhead costs, so are relatively stable. Some professional services resource is also afforded to the Strategic Rail Team.

3.38 The expenditure of the Rail North Partnership Team and the Strategic Rail team is resourced from a direct grant from the DfT to meet some of the costs of the RNP team; contributions provided from the Rail North authorities; Rail Grant passported through from the northern combined authorities; and c. £1m of contribution from TfN's Core Grant. TfN also provides services to a number of TfN partners on a 'cost' basis.

3.39 At outturn the two teams had incurred expenditure of £1.86m, leading to an immaterial underspend for the year of £0.06m.

Operational Areas

3.40 TfN's core operations areas cover the back, front, and middle office teams familiar to any public body. They include the teams that allow TfN to discharge its statutory obligations towards good governance and the sound-stewardship of public funds, along with the policy and strategy teams that help shape TfN's activity and its commitment to evidenced-based decision making, and the communications and engagement teams that allow TfN to speak with one voice on behalf of the North.

3.41 The Operational Areas are generally funded from TfN's un-restricted Core Grant, though where permissible TfN recharges the costs of support functions into programme grant streams.

3.42 The opening base budget for these teams stood at a net £7.19m for the year after forecast recharges into programmes of £2.00m.

3.43 Over the course of the year savings have been generated due to staffing vacancies and the removal of activity that was deemed unnecessary as the year progressed. Savings were also generated from procurement efficiencies and the deferment of some significant pieces of activity within the Economic Appraisal function as other priorities displaced capacity. Conversely, these underspends will be offset, in part, by a lower than forecast recharge into the IST programme (£1m) reflecting the significantly reduced activity in that area.

3.44 By the financial year-end, the Operational Areas had incurred expenditure of £5.73m, placing them behind the base budget by £1.46m and the Revision 3 budget by £0.29m.

Operational Areas	Base Budget £m	Outturn £m	Var. £m	Revision 3 £m	Outturn £m	Var. £m
Leadership	£0.27	£0.31	-£0.04	£0.33	£0.31	£0.02
Finance	£1.23	£1.01	£0.22	£1.01	£1.01	£0.00
Business Capabilities	£3.72	£3.24	£0.48	£3.33	£3.24	£0.09
Programme Management Office	£0.39	£0.20	£0.19	£0.26	£0.20	£0.06
Strategy & Policy	£3.58	£1.91	£1.67	£2.21	£1.91	£0.30
	£9.19	**£6.67**	**£2.52**	**£7.14**	**£6.67**	**£0.47**
Recharges	-£2.00	-£0.94	-£1.06	-£1.12	-£0.94	-£0.18
	£7.19	**£5.73**	**£1.46**	**£6.02**	**£5.73**	**£0.29**

Reserves & Grants Unapplied

3.46 At the year-end TfN had not applied all the grants that had been received over the course of the year to expenditure. Dependent on the conditions placed on those grants, TfN holds unused allocations as either:

- Grants received in advance
  - Noting that there are restrictions on these grants that mean they may have to be returned to the Department for Transport if not used
- Grants Unapplied
  - This is a reserve for capital grants where conditions of use have been met but the resource has not yet been applied to meet expenditure
- Earmarked Revenue Reserves
  - This is a reserve for revenue grants that may only be applied to specific expenditure where conditions of use have been met but the resource has not yet been applied to meet expenditure
- General Fund Reserves

- This our general reserve where revenue grant without restrictions on usage is held - in practice, this is where we hold unused allocations of our Core Grant.

3.47 As at the year-end, unapplied grants held in this manner are as follows:

	2019/20 £m
Revenue Grants Received in Advance	
- Transport Development Fund – Road	£0.01
	£0.01
Usable Reserves	
Capital Grants Unapplied	
- Integrated & Smart Ticketing Phase 1 Grant	£0.30
- Integrated & Smart Ticketing General Grant	£3.69
	£3.99
General Fund Revenue Reserves	
- Core Grant	£6.46
- Devolved Powers (Earmarked)	£0.50
- Integrated & Smart Ticketing Grant (Earmarked)	£0.94
	£7.90
Total Usable Reserves	**£11.89**
Total Resource	**£11.90**

3.48 These grants will be applied to expenditure in 2020/21 and future accounting periods where possible or be returned to the DfT if the grant conditions require us to do so.

3.49 The Core Grant allocations held in our General Fund Reserve provide the basis for our medium-term financial plan, enabling both a gradual draw on that resource to support key development aspirations and underpinning our risk mitigation around our sensitivity to financial shock.

3.50 The 2020/21 budget was set with a draw on reserves of £1.39m. Since that budget was set there is c. £0.34m of further slippage. This leaves an adjusted available Core Grant reserve of £4.73m.

Balance Sheet

3.51 As at the financial year-end, TfN's un-audited balance sheet recognised these grants and reserves, along with other items such as TfN's capital investment in intangible assets via the IST programme, and working capital.

3.52 The balance sheet also includes several items required to be shown under international accounting standards, including a provision for untaken leave, and specific accounting around pensions liabilities.

3.53 The balance sheet can be summarised as follows:

Balance Sheet 2019/20	£m		£m
Assets		**Reserves**	
Cash & Equivalents	£19.31	Unusable Reserves	
Intangible Asset	£3.53	Absence Reserve	£0.16
Receivables	£0.60	Capital Adjustment Account	-£3.53
	£23.44	Pension Reserve	£6.08
Liabilities			**£2.71**
Provisions	-£0.13	Usable Reserves	
Grants Received in Advance	-£0.01	Capital Grants Unapplied	-£3.99
Pension Liability	-£6.08	Earmarked Revenue Grants	-£0.94
Payables	-£8.05	Devolved Powers Reserve	-£0.50
	-£14.27	General Fund Reserve	-£6.46
			-£11.89
Net Assets	**£9.17**	**Reserves**	**-£9.17**

4. Conclusion:

4.1 This report details the financial performance of TfN at the outturn of financial 2019/20.

4.2 The report notes that budgets have been revised over the course of the financial year to realign financial forecasts with the latest delivery profiles received from project teams.

4.3 The report further notes the underspend against these budgets and associated impact on reserves and grants unapplied.

4.4 The report notes that where possible grant received but not applied will be held and used to resource expenditure in the new financial year, but some unapplied balances may have to be returned.

5. Recommendation:

5.1 Note the potential for carry-forwards of resource to be made at the July Board when the Revision 1 budget reforecast is presented.

List of Background Documents:

There are no background papers to this report.

Required Considerations

Equalities:

Age	~~Yes~~	No
Disability	~~Yes~~	No
Gender Reassignment	~~Yes~~	No
Pregnancy and Maternity	~~Yes~~	No
Race	~~Yes~~	No
Religion or Belief	~~Yes~~	No
Sex	~~Yes~~	No
Sexual Orientation	~~Yes~~	No

Consideration	Comment	Responsible Officer	Director
Equalities	A full Impact assessment has not been carried out because it is not required for this report.	Gareth Sutton	Iain Craven

Environment and Sustainability

~~Yes~~	No

Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out because it is not required for this paper.	Gareth Sutton	Iain Craven

Legal

Yes	No

Consideration	Comment	Responsible Officer	Director
Legal	The legal implications have been considered and are included in the report.	Julie Openshaw	Dawn Madin

Finance

Yes	~~No~~

Consideration	Comment	Responsible Officer	Director
Finance	The financial implications have been considered and are included in the report.	Gareth Sutton	Iain Craven

Resource

~~Yes~~	No

Consideration	Comment	Responsible Officer	Director
Resource	TfN HR Team has confirmed there are no resource implications.	Dawn Madin	Dawn Madin

Risk

~~Yes~~	No

Consideration	Comment	Responsible Officer	Director
Risk	A risk assessment has been carried out and the key risks are included in the report.	Haddy Njie	Iain Craven

Consultation

~~Yes~~	No

Consideration	Comment	Responsible Officer	Director
Consultation	A consultation has not been carried out because it is not required for this report.	Gareth Sutton	Iain Craven

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