

Transport for the North Board Agenda

Date of Meeting	Wednesday 27 September 2023
Time of Meeting	10.30 am
Venue	Brigante Suite, Hilton Leeds City, Neville Street, Leeds, LS1 4BX

Filming and broadcast of the meeting

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Item No.	Agenda Item	Page
1.0	Welcome & Apologies (3 minutes) The Chair to welcome Members and the public to the meeting. Lead: Chair	
2.0	Declarations of Interest (2 minutes) 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. Lead: Chair	
3.0	Minutes of the Previous Meeting (5 minutes) To approve the minutes of the meeting held on 22 June 2023 (including updates on agreed matters as appropriate) and to consider the Quarterly Monitoring Report. Lead: Chair	3 - 24
4.0	Trans Pennine Trains: Next Steps (45 minutes) Robin Gisby in attendance to present to the Board TransPennine Train's proposals for the future of the franchise. Lead: Darren Oldham, Mayor Burnham, Robin Gisby.	25 - 28
5.0	Rail North Committee Update (15 minutes) To consider the update following the Rail North Committee on 13 September; and receive an update on the	29 - 64

	Transpennine Express 100 day plan. Lead: Darren Oldham, Mayor Burnham, Robin Gisby.	
6.0	Strategic Transport Plan Update (45 minutes) To receive a summary of the key issues arising from the consultation on the draft Strategic Transport Plan. Lead: Katie Day/Lucy Jacques	65 - 92
7.0	Annual Governance Statement, Statement of Accounts and Audit Opinion 2022/23 (10 minutes) To consider and approve the Annual Governance Statement and 2022/23 accounts. Lead: Paul Kelly, Graham Bell	93 - 200
8.0	Governance Update (5 minutes) To consider the update on a number of governance issues. Lead: Julie Openshaw	201 - 208
9.0	Corporate Risk Register and Risk Management Strategy Report (10 minutes) To consider the corporate risk register. Lead: Paul Kelly	209 - 220
10.0	Date and Time of Next Meeting The next meeting will be held on 14 December 2023 10.30am - 1pm Holiday Inn Manchester.	

Transport for the North Board Minutes

Thursday 22 June 2023

Holiday Inn Manchester

Present:

Lord McLoughlin (Chair)

Attendee

Cllr Sam Corcoran
Cllr Denise Rollo
Mayor Andy Burnham

Cllr Mark Ieronimo
Cllr Rupert Swarbrick
Cllr Tim Mitchell
Mayor Oliver Coppard

Cllr Hans Mundry
Cllr Neil Hughes
Cllr Peter Kilbane

Local Authority

East Cheshire
Cumberland;
Greater Manchester Combined
Authority;
Hull;
Lancashire;
North Lincolnshire;
South Yorkshire Mayoral Combined
Authority;
Warrington;
Westmorland and Furness;
York;

Rail North Authorities Attendees

Cllr Tom Smith

Lincolnshire;

Local Enterprise Partnership (LEP) Attendees

Alyson Armett
Mark Rawstron
Helen Simpson
Peter Kennan

Cumbria LEP
Lancashire LEP
York and North Yorkshire LEP
Sheffield City Region LEP

Partners in Attendance:

Nick Bisson
John Henry
Andy Rhind
Adam Simmons
Rob McIntosh
Neil Holm
Hannah Lomas

DfT
DfT
DfT
National Highways
Network Rail
Network Rail
Network Rail

Officers in Attendance:

Name	Job Title
Martin Tugwell	Chief Executive
Matt Smallwood	Connected Mobility Manager
Gary Rich	Democratic Services Officer
Katie Day	Director of Strategy, Analysis and Communications
Paul Kelly	Finance Director
Julie Openshaw	Head of Legal
Owen Wilson	Head of Major Roads
Peter Cole	Principal Environmental and Sustainability Officer
Darren Oldham	Rail and Road Director
David Hoggarth	Head of Strategic Rail

Item No:

1. Welcome & Apologies

- 1.1 The Chief Executive welcomed Members to the meeting. Apologies were noted from Cllrs Lynn Williams, Miller, Gannon, Swinburn, Kemp, Hinchcliffe and Wharmby as well as Mayors Rotherham, Driscoll and Brabin and Houchen. Apologies were also received from Alexandra Batey, Jo Lapin and Asif Hamid.
- 1.2 The Monitoring Officer informed Board that because the meeting required one further Member to be present to achieve a quorum of Members on numbers, the meeting could continue for the time being as a Chief Executive's Consultation Call. She added that on the arrival of a further Member the meeting would then only be likely to be inquorate on the weighted votes requirement. At that point, if necessary, she advised the Board to consider suspending this element of the quoracy requirement. She further advised that the election of the Chair and Vice Chairs be deferred until later in the meeting once quoracy had been achieved.
- 1.3 Board was content to continue in the way advised by the Monitoring Officer. The Chief Executive handed the meeting over to the Chair of the Board.

The Chair informed the Board that the consultation on the Strategic Transport Plan (STP) had begun, and an update would be given later in the meeting. He reminded the meeting that key points from the consultation would be shared with the Board in September for initial discussion and steer, with the final draft scheduled to come to the Board in December for approval.

2. Appointment of Chair and Vice Chairs

- 2.1 The meeting was inquorate at the outset, this item was taken between Item 7 and Item 8 on the printed agenda by which time 10 voting members were present. As the weighted votes element of quoracy was

still not met, the Board agreed to suspend the voting element contained in paragraph 23.51 in accordance with paragraph 23.6 of the Constitution. The motion was moved by Cllr Mundry and seconded by Cllr Swarbrick and supported by Board without opposition.

- 2.2 The Chief Executive invited nominations for the Chair. Mayor Burnham nominated Lord McLoughlin, and this was seconded by Cllr Mundry.
- 2.3 The Chair invited nominations for the Majority Group Vice Chair. Cllr Mundry proposed Cllr Gittins and this was seconded by Mayor Coppard.
- 2.4 The Chair then invited nominations for the Minority Group Vice Chair. Cllr Mundry proposed Cllr Swarbrick and Cllr Ieronimo seconded this.

Resolved:

- 1) That Lord McLoughlin be appointed as Chair of the Transport for the North Board and Partnership Board for the 2023-24 Municipal Year
- 2) That Cllr Gittins be appointed the majority Vice Chair of the Transport for the North Board and Partnership Board for the 2023-24 Municipal Year
- 3) That Cllr Swarbrick be appointed the minority Vice Chair of the Transport for the North Board and Partnership Board for the 2023-24 Municipal Year.

3. Declarations of Interest

- 3.1 There were no Declarations of Interest.

4. Minutes of the Previous Meeting

- 4.1 The minutes of the meeting of the Transport for the North Board held 23 March 2023 were considered.
- 4.2 Cllr Ieronimo stated that he was in attendance, and this had not been recorded in the minutes.
- 4.3 The Chair asked the Director of Strategy, Analysis and Communications to update the Board on the STP consultation.
- 4.4 The Director of Strategy, Analysis and Communications explained that following the Board's consideration of the draft plan at its March meeting, the STP has been published in May for the statutory 12-week public consultation. She explained that a few minor amendments had been made to it prior to publication to reflect the comments made at the Board's March meeting. She then went on to outline the variety of ways in which stakeholders and the public can take part in the consultation.

Resolved:

That, subject to the inclusion of Cllr Ieronimo's attendance, the minutes of the Transport for the North Board held on 23 March 2023 be approved as a correct record.

5. TransPennine Route Upgrade Programme

- 5.1 Members received the report and presentation from the Programme Director, Mr. Neil Holm, who highlighted the key points in his presentation.

- 5.2 The Chair referred to the reference to access plans set out in the presentation. He noted that between 2024 and 2027 there are a number of blockades planned, but the number drops dramatically from 2028, and enquired as to is the reason.

Mr. Holm explained that this reflects that the works associated with electrification between Stalybridge and Huddersfield are yet to be finalized; blockades will be required between 2028-31 and will be confirmed in due course.

The Chair enquired about the apprenticeships, specifically where recruitment will come from, and where the training is taking place.

Mr. Holm explained that it is being delivered from a mix of sources including Network Rail and other industrial partners, including the two large alliances which are part of the programme and who have their own apprentice work streams. Training providers are looking at how they can offer experience with more than one company. Training will be done either through internal training or through local colleges.

- 5.3 Mr. Kennan welcomed the progress on the freight gauge clearance in South Yorkshire. He was pleased that TfN is being active on the issue of making the case for investment that supports rail freight and reinforced the importance of this continuing. Other members were supportive of Mr. Kennan's comments.

- 5.4 Cllr Hughes referred to the Stalybridge to Huddersfield section of the line and enquired if any consideration had been given to temporarily relaying the third and fourth tracks on this section.

Mr. Holm stated that there are no such plans due to a combination of the scale of works that would be required and the difficulty in gaining access given the other works required as part of the programme.

- 5.5 Mr. Mark Rawstrone expressed his support for capturing the scale of social value generated by the programme and asked how much expenditure is dedicated through local supply chains.

Mr. Holm replied that it is at least 25% of spend is locally sourced but emphasised that efforts continue to increase this. He added that there is also a significant amount of local employment. He commented that economic value amounts to £4.3 billion across the life of the project. He also highlighted that there is a wellbeing measuring tool which examines the impact on lives.

Resolved:

- 1) That the presentation be noted
- 2) That the Board endorses the importance of work to consider the integration of future infrastructure and timetabled passenger and freight services across the North of England and requests that a separate presentation on this work from Network Rail is arranged for Transport for the North Board Members

- 3) That Board supports the next steps for the TRU business case which is a major milestone for the project as it seeks a decision to deliver and secure the funds required for delivery
- 4) That the Board supports the funds being identified to enable design and delivery of high gauge clearance to support connections to East and West Coast ports and inland freight terminals off the TRU core.

6. NPR Co-Sponsorship

- 6.1 Members received the report from the Head of Strategic Rail who highlighted the key points within the report.
- 6.2 Mr. Bisson confirmed that Ministers are happy to meet regularly with the Chair of the Board and a small delegation of Members to there is a mechanism for the Board and Ministers to maintain an on-going dialogue as the programme moves forward: it was noted that this would address a concern raised by the Board in its previous consideration of the Sponsorship Agreement. Mr. Bisson stated that the Department was also keen to address concerns raised by TfN in relation to information sharing with its constituent authorities. He further stated that the Department is keen to continue working with TfN to ensure that the co-sponsorship model evolves in the light of experience in order to ensure it delivers for both sides.

Mr. Bisson provided a more general update on the current position on NPR. He thanked the TAME team for the on-going work they have done in supporting the DfT develop the business case. He informed the Board that internal assessment of the business case was taking place within Government and he anticipated a wider conversation with stakeholders later in the autumn.

- 6.3 Mayor Coppard raised the issue of the loss of connections between Sheffield and Manchester, and more specifically connectivity to/from Manchester Airport. He restated the urgency for the Leeds Study Terms of Reference to be published explaining that the wait has been over a year and that the delay in being able to move forward is impacting on development, growth and investment.

The Chief Executive suggested that Members might consider asking the Chair to write to the Secretary of State, emphasising the impact that the delay is having. He also suggested that this would give the opportunity to flag the importance of other related matters such as electrification of the Midland Main Line.

- 6.4 Cllr Hughes enquired whether progress had been made in identifying corridors outside of those included in the Integrated Rail Plan.

The Head of Strategic Rail explained that a lot of work was done as part of the NPR full business case, and whilst some of it needs updating, there have been some new opportunities that have presented themselves. This work is being formulated and will be presented to the Officer Group in July.

- 6.5 The Chief Executive advised the Board that as a consequence of what was before the meeting, he considered the concerns raised at the last Board meeting had been resolved.

Resolved:

- 1) That the Board endorses the NPR co-sponsorship Memorandum of Understanding.
- 2) That the Chair write to the Secretary of State pressing for the publication of the Leeds Study Terms of Reference and stressing the importance of Midland Main Line electrification.

7. Road Investment Strategy

- 7.1 Members received the report from the Head of Major Roads who outlined the key points within the report. Members also received a presentation from Mr. James Henry (DfT) and Mr. Adam Simmons (National Highways).
- 7.2 The meeting became quorate at 11.20.
- 7.3 The Chair asked whether it is still a requirement of the Department for all new schemes to be make provision for the needs of cyclists.
- 7.4 Cllr Hughes welcomed the commitment of National Highways to work with partners to ensure integration of the Strategic Road Strategy with local major road strategies.
- 7.5 Members raised a number of issues relating to roads in their constituent areas.
- 7.6 Mayor Coppard raised concerns about the deferral of A1 upgrade being moved from RIS 3 to RIS 4 as well as concerns around the resilience of TransPennine routes, some of which (Snake Pass) are the responsibility of Local Transport Authorities, but which serve strategic purposes.
- 7.7 Mayor Burnham expressed concern that projects are being delayed and moved into later RIS periods. He was particularly concerned that the work on the M60 junctions 8-18 Manchester North-West Quadrant study, which he described as the road equivalent of Castlefield Corridor, is being delayed until the 2030s. He commented that the delay on this work will have a big impact on the rest of the North.
- 7.8 Ms. Helen Simpson raised the issue of the A64 and echoed Mayor Burnham's concerns about the impact on businesses and communities of delaying schemes, as well as the adverse impact arising from the overuse of competitive funding.
- 7.9 Cllr Mundry expressed concerns about the rising costs of schemes and how this impacts on the North, noting that the North always seems to be at the back of the queue for everything, including rail, resulting in more traffic on the roads.
- 7.10 Mr. Rawstron supported a focus on smaller road schemes noting that they can have a disproportionality significant beneficial impact at a local level, specifically the economic impact.

He also made a strong case for rural areas and how roads are so important to their residents, due to the lack of other alternatives. He asked that these are not downgraded at the expense of other priorities.

7.11 Cllr Rollo supported the need for a stronger emphasis on rural areas. She requested a more explicit response to the consultation was required with a focus on the need to improve journey times and the reliability of the network.

7.12 Mr. Kennan emphasised that it is Transport for the North and not Transport in the North. He explained that there are key roads that we have no control over and highlighted the fact that Sheffield to Manchester are the worst connected city pair in Europe. He suggested that these roads should get greater attention from a Transport for the Northpoint of view.

7.13 The Head of Major Roads addressed a number of comments and stated that as reported to Board in March, priorities amongst Strategic Road Network schemes have been categorised based upon analysis of the need for an intervention. TfN continues to engage with National Highways on inputting to planning for investment through the RIS programme.

He informed the Board that as yet there had been no announcement on the budget for RIS3. TfN will continue to make the case that investment in the SRN is a critical asset, one requiring investment to maintain the existing network, improve safety, reliability and resilience.

On the issues raised by Members from rural areas he agreed to reflect comments made in updating and finalising TfN's response to the SRN Initial Report. He highlighted the on-going work of TfN in supporting plans for the A66 dualling.

On the proposals for Manchester North West Quadrant (MNWQ) he explained that Transport for the North has been pushing for more information from the DfT and National Highways as to the current status of the MNWQ proposals. He explained that it is his understanding that National Highways has been asked to develop a package of improvement options that could be delivered over two or three RIS periods, however TfN has not yet been sighted on the outcome of that work.

7.14 Mayor Burnham suggested that when the Department returns with its proposed work for the North that the Board examines this in greater detail. Additionally, he suggested that the cost of the proposed schemes for the North be compared against the costs of schemes in other areas of the country, and that if the Board feels TfN is not getting enough funding, then this should be challenged, as should the prioritisation of the schemes.

The Chair agreed with Mayor Burnham's suggestion and stated that in order to make the decisions around prioritisation then the data would need to be available around pinch points and delays which he believes is publicly available.

- 7.15 The Chief Executive reminded Board that the Northern Powerhouse Independent Economic Review update is being used as part of the foundations of the Strategic Transport Plan. He explained that this shows that public investment per head in the North is still significantly below that of the South East and this is shown by the continued gap in GDP between the North and the rest of the country.
- 7.16 In response to the question on cycling Mr. Simmons stated that when schemes are developed cycling and walking are part of thinking.
- On the issue of modal shift he explained they have done a lot of work with Network Rail on things such as multi modal freight studies.
- Mr. Henry welcomed Members' comments on prioritisation and explained that they will continue to liaise with the Treasury on the RIS 3 budget.

Resolved:

That the Board agrees to the proposed timetable and governance for finalising Transport for the North's response (which will take on board comments made by the Board).

8. Connected Mobility Strategy

- 8.1 Members received the report of the Connected Mobility Manager who outlined the key elements of the report and his presentation.
- 8.2 Cllr Swarbrick welcomed the work being done and particularly the positive impact that this will have for rural areas. He stated that he was looking forward to moving from the strategy to activity.
- 8.3 Whilst welcoming the report, Mayor Burnham urged caution. He highlighted the previous attempt at integrated ticketing and explained that it stalled because it was not linked to reform of public transport. He stated that not "holding the fare box" for different modes can result in difficulty in achieving the ambition of integration.
- 8.4 Cllr Mundry suggested that the ambition should be to buy one ticket to a destination where the price includes all modes of transport with the suggested best route.
- 8.5 Cllr Corcoran stated that as an area on the outskirts of Greater Manchester an integrated ticketing system would be valuable for his area.
- 8.6 The Chair observed that a more substantive item on buses will be reported to the September Board meeting and will be integrated into the next TfN conference as well.
- 8.7 Mr. Roy Newton explained that one of the major issues for businesses in his area is recruitment of employees and a key barrier is a lack of public transport as an alternative to the car for accessing employment opportunities. He would like to see some innovative thinking on self-sustaining models for public transport services.

Resolved:

That subject to any agreed amendments, the Board approves the publication of the Connected Mobility Strategy.

9. TfN Decarbonisation Priority Activities Update

- 9.1 Members received the report from Principal Environmental and Sustainability Officer who highlighted the key points within the report.

Resolved:

That the report be noted.

10. Rail North Committee Update

- 10.1 Members received the report from the Head of Strategic Rail.
- 10.2 The Chair invited Mayor Burnham as Chair of Rail North Committee to update Board on the last meeting.
- 10.3 Mayor Burnham explained that both main operators are now under the Operator of Last Resort (OLR). He stated that this move provides an opportunity for rail in the North to be reshaped. He then informed Board that the discussion at RNC was focused on making the case for the railways that the North, arguing for infrastructure investment across the North.

On Operator Business plans for 2024-25 he stated that close scrutiny needs to be maintained to ensure that cuts do not have disproportionate impact on local communities. On the issue of infrastructure, the RNC welcomed the Ministerial announcement on the package of support at Manchester Victoria, although the Committee had noted that 'package C' has been removed which included the building of platforms 15 and 16. Rail North Committee is concerned at these developments and considered that platforms 15 and 16 need to remain on the table until alternative to 'package C' has been developed.

Regarding connectivity between Manchester and Sheffield he stated that the RNC agreed this needs to be a greater focus and TfN needs to be doing more about it.

Mayor Burnham placed on record his appreciation of the incremental improvements that have been made on Northern.

On TPE, he noted that progress has already been made subsequent to it being taken on by OLR, with an agreement signed between TPE and ASLEF on rest day working. He believed that the progress that has been made would not have been without the leadership of Rail North Committee and Members of the Board.

- 10.4 Cllr Hughes highlighted the impact of rail works during Bank Holidays which impacts on the tourist and leisure industry in the area.

On the issue of disruption at weekends to leisure travel Mr. McIntosh explained that their ways of working are changing and that Network Rail has trialed doing works during the week instead.

Resolved:

- 1) That Board notes the feedback from the Rail North Committee including discussions with the Operator of Last Resort, and Interim Managing Director of TransPennine Express (TPE) who will report back on their initial work in September
- 2) That the Board endorses the further work on Statutory Advice to the Secretary of State on Manchester to ensure that the industry moves at pace to clearly set out an infrastructure solution to facilitate growth and connectivity needed in the North.

11. Communications and Engagement Strategy

- 11.1 Members received the report from the Director of Strategy, Analysis and Communications who highlighted the key parts of the report.
- 11.2 Mayor Coppard raised the issue of lack of diversity and gender balance represented at Board and whilst recognising the framework that determines the Board membership, he encouraged everyone to endeavour to achieve a better balance. He requested that TfN executive look at ways in which some of these issues can be addressed.
- 11.3 Mr. Kennan stated that the strength of TfN is that it has both business and political representatives in same organisation and requested that when quotes are given that the business perspective is also represented.
- 11.4 Mr. Rawstron requested that in all communications should reference transport infrastructure improvement as a driver and enabler of economic growth as this adds legitimacy to everything that is said.

Resolved:

That the report be noted.

12. Governance Report

- 12.1 Members received the report from the Head of Legal Services who outlined the key parts of the report. She also highlighted an amendment to the report on the number of votes allocated to Cumberland and Westmorland and Furness. Consequently recommendation 2.1.3 allocates two votes to each authority.

Resolved:

- 1) That Board notes and approves the membership of the Board and of Committees for the forthcoming year as set out in Appendix 1
- 2) That the Calendar of Meetings be approved (noting that these may be subject to change where necessary after consultation with the relevant Committee Chairs)
- 3) That the votes formerly allocated to Cumbria County Council on Transport for the North Board and General Purposes Committee be reallocated as 2 to Cumberland Council and 2 to Westmorland and Furness Council, and that the 40 weighted votes formerly allocated to Cumbria County Council on Rail North Committee be reallocated as 13 votes to Cumberland Council and 27 to Westmorland and Furness Council

- 4) That Board delegates authority to General Purposes Committee to make the required appointments to Independent Member vacancies on Audit and Governance Committee.

13. Date and Time of Next Meeting

Wednesday 27 September 10.30am 2023 venue Hilton Hotel Leeds City, Brigante Suite

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Meeting: Transport for the North Board
Subject: Chief Executive's Update on Matters Arising
Author: Martin Tugwell, Chief Executive
Meeting Date: Wednesday 27 September 2023

1. Purpose of the Report:

- 1.1 For the Chief Executive to update the Board on matters arising.

2. Update

- 2.1 Whilst there are no substantive matters arising from the previous meeting, the Board should be aware of the following:
- **HS2/NPR** – there has been considerable speculation in recent days about the future of HS2. TfN's agreed position has been that transformation of the North and realisation of its economic potential is contingent upon investment in its transport infrastructure. The draft Strategic Transport Plan restates the agreed Board position: namely the importance of delivering both HS2 and Northern Powerhouse Rail in full.
 - **TfN 'Offer'** – the TfN executive has been working with partners across the North and nationally to develop what has become known as the 'TfN Offer'. Our funding settlement letter this year identified a few areas where the Department for Transport asked us to develop ways of sharing the technical work and tools developed by TfN more widely. This also included developing tools that could be shared with other STBs. The 'TfN Offer' sets out the material and tools that is available from TfN. It has been shared with TfN partners, national bodies (including the DfT) and the other STBs. Reaction has been positive (as it was throughout its development).
 - **Engagement with DHLUC** – the TfN Strategy team is working with DHLUC to showcase the capabilities and capacity of TfN's evidence base. Reaction from DHLUC has been very encouraging and discussions continue.
 - **House of Commons Transport Select Committee** – after having attended the Committee's Inquiry into the new National Networks National Policy Statement just prior to the summer recess, submissions have been made to the next two Committee Inquiries: the Future of Data, and Strategic Transport Objectives
 - **Buses** – following the positive discussion at the September Partnership Board, the TfN executive is developing a more substantive paper for this Board's consideration: the ambition is to have this ready for the December meeting.
 - **Party Conferences** – TfN will be in attendance at the Liberal Democrat, Conservative and Labour conferences this autumn.

3. Quarterly Operating Report

- 3.1 The TfN Executive produce a Quarterly Operating Report (QOR) the purpose of which is to provide an update on progress against the milestones set out in the Business Plan. The QOR is presented to and discussed at the Audit and Governance Committee as part of their regular cycle of meetings. It is also being provided to this meeting for information, having previously been circulated to members separately. It is attached to this update as Annex 1 to provide greater visibility and allow the Board to ask questions of the Chief Executive.

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Quarterly Operating Report

August 2023



1 Chief Executive's Introduction

- 1.1 Updating the Strategic Transport Plan (STP) is front and centre of the business plan and we were pleased to launch our 12-week consultation on the Plan in May, which involved teams from right across the organisation. We've already had lots of interest and feedback on the draft document and remain on course to seek approval for the final version from our Board later in the year. The plan will be supported by our advice to the Government on its implementation.
- 1.2 In the re-shaping and re-positioning of TfN we wanted to ensure that TfN developed its 'offer' in support of our partners. Developing our offer has focused on drawing on the evidence base and growing analytical capability and how to provide access to it. It is also good to be able to report progress on this activity including continued support for the NPR business case and initial work on updating our Future Travel Scenarios. TfN's Board has also agreed the Connected Mobility Strategy which re-positions TfN's role in integrated ticketing, information and in supporting partners with bus initiatives.
- 1.3 The North continues to face a number of risks including the future funding for the delivery of the transformational infrastructure schemes we need and, of course, ongoing challenges with the delivery of the North's railways. Rail North Partnership has continued to be at the forefront of this, navigating TransPennine Express into Operator of Last Resort and focusing on their recovery plan to get things back on track.
- 1.4 We have re-formatted our quarterly report as part of the reshaping of TfN. The revised version is focussed around reporting on progress in meeting the milestones set out in our 2023/24 business plan. That is supported by more succinct functional reports and complemented with the standard updates on people and finance. I hope you find this format more readable and informative, but we would welcome any feedback on the format.

2 Progress Against Business Plan Milestones

BP1: Consult on revised Strategic Transport Plan - Summer 2023

- 2.1 A statutory 12-week consultation for our second Strategic Transport Plan officially was launched on 26 May 2023, including a virtual consultation room to provide feedback and comments.
- 2.2 First consultation workshop held in June 2023, a further two in July 2023 and a virtual workshop are planned. Collectively over 150 attendees registered. Further engagement with STP2 in July 2023 including Transport for the North's citizens' panel (Northern Transport Voices).
- 2.3 TfN colleagues are attending partner meetings and events to present the STP, and given stakeholders the opportunity to feedback, including politicians, Chambers of Commerce, and business groups.

A meeting of our All-Party Parliamentary Group was held on 19 July 2023 to brief the North's MPs on our plan and seek their support.

BP2: Publish Connected Mobility Strategy – Summer 2023

- 2.4 The Connected Mobility Strategy was endorsed by the Scrutiny Committee and on 22 June 2023 the TfN Board agreed to it being published - scheduled for mid-August 2023.
- 2.5 Work was completed on identifying the Connected Mobility support to partners using DfT additional funding and reports being published and disseminated more widely amongst partners.

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

- 2.6 Work against this milestone is progressing through the consultation on the draft STP, which is on programme.

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

- 2.7 Policy position papers on Rail Reform have been developed and the Rail Reform Programme Board has been re-established: this is being used to develop the North's proposition linked with the rail reform agenda.

BP5: Provide Annual STP Action Plan – March 2024

- 2.8 Work has begun on Transport for the North's modelling and evaluation framework, specifically on the development of a dashboard to monitor progress of the STP2 against agreed metrics. A first iteration of the dashboard will be presented to partners in October 2023.

BP6: Update Future Transport Scenarios – March 2024

- 2.9 The requirements for the 2023-24 update to Transport for the North's Future Travel Scenarios have been finalised and will go out to tender July 2023.
- 2.10 Transport for the North is engaging with National Highways and DfT on Road Investment Strategy pipeline studies, including work following the announcement on TransPennine Connectivity, as well as the A19 North of Newcastle, and a programme of smaller regional schemes.

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

- 2.11 A draft of the Strategic Rail Report was published in May as part of the supporting documents for the draft STP consultation: responses will be reviewed as part of the work associated with the analysis of responses to the STP consultation.

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

- 2.12 The Department for Transport (working with National Highways) published RIS 3 documents for consultation, including Connecting the Country, SRN initial report and route strategies. Transport for the North drafted the regional response, which has been reviewed by local Partners outside of a formal meeting given the shortened timeframe within which to respond.
- 2.13 TfN completed a series of one-to-one meetings with Local Partners to complete a mid-year review of the Major Road Network and Large Local Major schemes previously identified by TfN as being priorities to be completed 2020-2025. Outputs will be used in a workshop with DfT and scheme promoters, 5 July 2023, to inform an action plan.

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

- 2.14 At Transport for the North's Executive Board, the executive discussed areas of opportunity for support to Partners in their development of Bus Service Improvement Plans. An example of the support possible is through an update of Transport for the North's Public Transport Model and development of a regional policy position.

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

- 2.15 TfN has developed a brochure which sets out the technical offer to partners, including creation of a depositary of our 'off the shelf' data and evidence. Brochure also set out how TfN could help scope specific policy workshops on key

topics such as place based planning and demand management, as well as setting out what is possible to be developed using our analytical tools. We expect to publish the brochure to partners in September.

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

- 2.16 Analytical tools being further developed in order to support partners included Quantified Carbon Reduction (QCR) tool, Clean Mobility Visions (CMV) tool and existing Electric Vehicle Charging Infrastructure (EVCI) and Bus Service Improvement Plan (BSIP) tools.

3 Functional Reports

Strategy and Analysis

Progress in Quarter 1

- 3.1 The focus this quarter has been on the STP consultation as set out above. Other progress is set out below.
- 3.2 Engaged with Transport for the North's Analytical Advisory Group, Strategic Oversight Group and Executive Board. We engaged by LEP geography a total eight sessions and over 120 attendees.
- 3.3 The economic scenario modelling work **for the Northern Powerhouse Independent Economic Review (NPIER)**, setting the new transformational vision of the economy of the North in 2050, was completed and published as a supporting document alongside the STP2 consultation.
- 3.4 Working with partners, a series of local economic profiles outlining the key Northern assets to support the economic narrative have been produced and are being developed and agreed through a series of partner workshops.
- 3.5 Connected Communities Strategy, developed from the earlier research work on **Transport-Related Social Exclusion (TRSE)**, was published alongside the draft STP2 consultation in May 2023.
- 3.6 TRSE tool developed with partner feedback, working on version 3.
- 3.7 Research undertaken on impact of the current cost of living challenge on those experiencing TRSE, and two workshops have been held. The intention is to publish this work in the next quarter.
- 3.8 Completed the first three months of research with the **Northern Transport Voices (NTV)** public panel. Topics covered have included surveys to understand consumer attitudes to last mile deliveries and electric vehicles, plus diary-based exercise to understand the challenges of rural travel.
- 3.9 Findings from NTV published shortly, further fieldwork planned.

Priorities for Quarter 2

- 3.10
- The STP will remain the focus with obtaining and incorporating feedback into the document
 - Related to the above consideration will be moving to how best to commence the implementation of the strategies and actions emerging from the STP.

Rail and Roads

Progress in Quarter 1

- 3.11 TransPennine Express was transferred to the Operator of Last Resort in May and Transport for the North has continued to support work to stabilise and improve performance in the short term.

- 3.12 Work has continued on monitoring and reporting on train performance and operator recovery plans, supporting RNP and partners.
- 3.13 The Transport for the North June 2023 Board endorsed a number of recommendations in support of the Transpennine Route Upgrade (TRU) and restated its support for the project as part of the next steps for the TRU business case.
- 3.14 TRU completed major works and construction of a new station at Morley. Transport for the North chaired a meeting of the TRU Stakeholder Forum and continued to lead first and last mile work.
- 3.15 TfN input to the Train Operator Business plans for 2024/25 (Northern and TPE) was provided, including Transport for the North priorities for the year ahead.
- 3.16 Providing information and observations into the various timetable options analysis work now being undertaken for the predicted post 2025 travel demand scenarios.
- 3.17 Technical input into the development of Business Cases for improvements at Manchester Piccadilly, Manchester Airport and Manchester Oxford Road through continued work on implementing outputs from Manchester Task Force (MTF).
- 3.18 The Major Roads team contributed to developing TfN's response to the National Networks National Policy Statement consultation, in partnership with the Strategy team.
- 3.19 TfN finalising Electric Vehicle Charging Infrastructure (EVCI) Phase 3 enhancements, and working with Government agencies to obtain data sets, test outputs, and support Local Transport Planning guidance.
- 3.20 EVCI methodology roll out to other STBs begun starting with Transport for the South-East (TfSE). Cost and time savings from obtaining all Regional Traffic Models and associated data from National Highways. Midlands Connect likely next STB in line, dependent on their highways modelling. Transport for the North mapping way forward for remaining STBs to inform actions in 2024.
- 3.21 EVCI Phase 4: the team is currently finessing the scope and reviewing internal capabilities and partnership opportunities with a view to launching procurement during summer.

Priorities for Quarter 2

- 3.22
 - Finalisation of revised Statutory Advice on Manchester rail priorities for September 2023 Rail North Committee
 - Re-establishment of Rail Reform Programme Board
 - Responding to the consultation on proposed Ticket Office Closures
 - Progressing the Connected Mobility Strategy programme with a focus on providing support for Transport for the North partners through the 'Hub' - a support service to assist LTAs developing new ticketing initiatives.
 - TfN response to SRN Initial Report consultation to be submitted to Government
 - TfN response to Connecting the Country, Route Strategies and Environmental Sustainability Strategy to be submitted to National Highways
 - Appoint supplier for work to update TfN Future Travel Scenarios
 - Inception for Transport for the North's Public Transport Model development
 - Delivery of EVCI roll out to TfSE.

TAME (NPR contract)

Progress in Quarter 1

- 3.23 Final economic tests on the Northern Powerhouse Rail (NPR) Strategic Outline Business Case (SOBC) delivered on programme.

- 3.24 Recruitment round finished with three new appointments to the TAME: additional capacity provided by this will be focused largely on delivering Transport for the North service 'offer' to partners.
- 3.25 Development of master programme of work completed its first iteration: to be used in managing resource available in support of required TAME activity.

Priorities for Quarter 2

- 3.26
- Working with DfT to understand next phases of the NPR programme
 - Commencing roll out of analytical products to sub-national transport bodies
 - Commencing support to LTA's with decarbonisation analysis and evidence for Local Transport Plans.

Rail North Partnership

Progress in Quarter 1

- 3.27 Northern Service Agreement - The Northern Team is focussed on closing out enforcement action following a series of year-end non deliveries by NTL and working to improve the operator's reporting and programming capabilities. Discussions are ongoing to reintroduce Dales services.
- 3.28 TPT Service Agreement - The new TPT operator (the name used by the Operator of Last Resort for the previous TPE service) is bedding in, with a new MD and changes to the senior team. The Team has been overseeing the operator's Recovery Plan and scanning ahead to likely changes to the timetable – such as Newcastle to Edinburgh improvements, including those driven by other operators (such as LNER on East Coast); they are also considering the trains to operate when leases end in May 24. Commercial discussions are ongoing to close out the contract with FTPE – a high effort, high value piece of work.
- 3.29 Transpennine Route Upgrade - the team are finalising the TRU services element this year (we receive circa £50m p.a. direct funding in the "Delivery Partner" set-up between NR and TPE/T), as well as helping integrate passenger services fully into the TRU "Enterprise Model" and drive forward the procurement of new rolling stock.
- 3.30 Planning and Procurement Programme - this function is leading input into the Northern Services Review and near-medium term TT development, as well as the replacement of hundreds of life-expired "I5x" trains; looking ahead to the replacement of the TPE and NTL contracts – an opportunity to set the course of the operations for the coming decade; leading discussions on TPE's new rolling stock; looking forward to the formal commencement of Business Planning 2024/5, and commercial "scorecards" can extend in to our public-sector operators; taking forward discussions on the Northern Driver Training Academy.
- 3.31 Stakeholder and Comms has been working through the MoU between RNP and the new Northwest Business Unit which approach will then be rolled out to the NE and potentially Yorks; we have been dealing with the correspondence – including FoI - from the TPT transfer and new timetable etc, as well as stakeholder reactions to ongoing cost constraints on grow-back.
- 3.32 Finance - the team is focussed on keeping NTL and TPT to their collective budget – (NTL came in with an accuracy of 99+% to forecast), whilst TPT has been moved across from the commercial operator to the public-sector OLR. Finance elements of in-year and annual planning are hugely demanding on the team and the industry – with the challenge only likely to grow into 2024/5.

Priorities for Quarter 2

- 3.33
- Moving TPT into a stable operational position
 - Clarity and sign off on Timetables able to run for both operators into 2024

- Continuation of Business Planning process including engagement with RNC members
- Progress on Rolling Stock Replacement.

Communications and Engagement

Progress in Quarter 1

- 3.34 Liaison with TRU Comms to ensure information flow between the programme and TfN Comms is working so that risks and opportunities to be captured.

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

- 3.35 Drafted and disseminated media lines on the termination of the TPE contract and its transfer to OLR; on the proposals to close ticket offices; issued regular dashboard updates to RNC members on performance; provided updates where necessary on key select committees, parliamentary statements and pertinent media stories.

Liaison with DfT comms re: Manchester Castlefield Corridor investment and attendance at photocall and subsequent push out on social media.

Priorities for Quarter 2

- 3.36
- Organise a Community Rail event to convene those groups across the North at a TfN hybrid event to ensure this key stakeholder group is covered off and that any risks and opportunities are captured
 - Finalise an NPR Comms Plan as to how we plan to engage with the forthcoming SOBC and DfT consultation and how partners can play a role in feeding into this
 - Support TfN presence at party conferences to ensure that TfN's profile is promoted and key stakeholders at the conferences can engage with our communications team
 - Refresh the TfN NPR pages, with updates on our co-sponsor role and key milestones in the project
 - Planning for new year events including, TfN annual conference, Convention of the North, and others
 - TfN Comms to hold the chair of the STB Comms Group for 2023/4.

4 People and Finance

Established Permanent/Fixed-term Posts

4.1	Area	Permanent Posts (Over 2 years)	Fixed-term Posts (Up to 2 Years)	Total Establishment
	CEO Office	2 (2.00 FTE)	-	2 (2.00 FTE)
	Support Services	19 (19.00 FTE)	-	19 (19.00 FTE)
	Operational & Delivery	49 (48.84 FTE)	-	49 (48.84 FTE)
	DfT Data Services (Hosted)	24 (23.79 FTE)	-	24 (23.79 FTE)
	Rail North Partnership (Hosted)	14 (14.00 FTE)	3 (3.00 FTE)	17 (17.00 FTE)
	Total Establishment	108 (107.63 FTE)	3 (3.00 FTE)	111 (110.63 FTE)
	Strength (in post)	90 (89.63 FTE)	2 (2.00)	92 (91.63 FTE)

Appointed (start date pending)	8 (8.00 FTE)	-	8 (8.00 FTE)
Active/Pending Recruitment	4 (4.00 FTE)	1 (1.00 FTE)	5 (5.00 FTE)
Vacant – On-hold	6 (6.00 FTE)	-	6 (6.00 FTE)

HR Metrics – 2023/24 Year-to-Date:

4.2	Corporate Sickness Level:	1.5%
	Employee Turnover (Voluntary Leavers):	2.1%
	% of Employees from an Ethnic Minority Background:	15%
	% of Employees declaring a Disability:	22%
	Gender Mix - % of Female Employees:	37%
	% of Male Employees:	63%

Finance

4.3

TRANSPORT FOR THE NORTH FINANCE DASHBOARD		PERIOD BUDGET CYCLE		Q1 BASE BUDGET		2023/24	
YTD ACTUALS VERSUS BUDGET - BY ACTIVITY							
	Actuals £m	Budget £m	Var. £m	Var. %			
Hosted services							
NPR Programme Closure	£0.05	£0.06	£0.01	12%			
DfT Analytical Support	£0.97	£1.36	£0.39	28%			
Rail North Partnership	£0.39	£0.43	£0.04	9%			
	£1.41	£1.84	£0.43	23%			
Operational areas							
Rail and Roads	£0.51	£0.55	£0.03	6%			
Strategy, Policy and Communication	£0.66	£0.74	£0.08	11%			
	£1.17	£1.29	£0.12	9%			
Business support							
	£0.55	£0.58	£0.03	4%			
	£3.13	£3.71	£0.57	15%			
YTD OPERATIONAL & BUSINESS SUPPORT EXPENDITURE - BY COST TYPE							
Actuals							
							
	Actuals £m	Budget £m	Var. £m	Var. %			
Staff	£1.24	£1.36	£0.12	9%			
Staff support	£0.08	£0.06	-£0.02	-34%			
Business infrastructure	£0.17	£0.21	£0.04	19%			
Professional services	£0.15	£0.18	£0.02	14%			
VAT	£0.08	£0.08	£0.00	-1%			
	£1.72	£1.88	£0.16	8%			

- 4.4 Total expenditure YTD is £3.13m, £0.57m (15%) below base budget.
- 4.5 The underspend is mainly due to DfT Analytical Support (within Hosted Services), partly due to vacancies in the team but primarily because of the delay in agreeing the workplan for the year. An update is expected mid-July 2023.
- 4.6 From an operational and business support perspective, staff underspends are the key driver resulting from delays in recruitment. Any savings to date are being monitored and where possible, mitigated through reallocating to new opportunities/new priorities as they arise.
- 4.7 Budget virements approved to date total £0.4m with 51% relating to discretionary spend, 38% on staffing (interims, extensions, promotions) and the remainder on business infrastructure.

August 2023

Meeting: Transport for the North Board
Subject: Trans Pennine Trains: Next Steps
Author: David Hoggarth, Head of Strategic Rail
Sponsor: Darren Oldham, Rail and Road Director
Meeting Date: Wednesday 27 September 2023

1. Purpose of the Report:

- 1.1 To provide an update on TransPennine Trains' Recovery Plan.
- 1.2 Robin Gisby, the Chief Executive of the Government's Operator of Last Resort operating company (DOHL) will present an update to the Board.

2. Recommendations:

- 2.1 That the Board considers and comments on the progress with turning round TransPennine Express to improve the level of service for passengers in the North whilst maintaining the long-term ambition.

3. Main Issues:

- 3.1 TransPennine Express is the intercity operator for the North and is of strategic significance in terms of supporting economic growth and developing East-West markets ahead of the introduction of Northern Powerhouse Rail. It also provides key links to Manchester Airport and supports a wider range of business, leisure, commuter and educational travel flows.
- 3.2 Following a prolonged period of poor performance TransPennine Express (TPE) was transferred by Government to the Operator of Last Resort (OLR) on 28 May 2023, since when the focus has been to ensure as smooth a handover as possible while continuing to stabilise the business. The new business is called TransPennine Trains Ltd (TPT), but it continues to use the TransPennine Express trade name for its operation. TPT's Managing Director (Chris Jackson) attended the Rail North Committee meetings in June 2023 and September 2023. He outlined the work to create a stabilisation plan and the three priorities for the business:
 - 1. Get the trains running on time
 - 2. Re-set relationships (with staff and stakeholders)
 - 3. Deliver the Transpennine Route Upgrade.
- 3.3 The first positive action was to agree a new Rest Day Working (RDW) agreement with ASLEF. Following further negotiation over local disputes, RDW was reinstated on 4 July 2023, and became a feature in daily rosters from 24 July 2023. Since that date, operational performance has shown a significant recovery, with very low P-Coding (planned cancellations) and on the day cancellations. However, as RMT and ASLEF continue the national pay dispute, on strike days and ASOS days, the operational performance is still fragile.
- 3.4 TPT has been working through a 100-day plan of initiatives intended to relaunch the business. As discussed with Rail North Committee they are proposing three immediate actions in order to restore reliability and stability to services.

- Temporary amendments to the timetable from December 2023 to deliver improved punctuality and confidence for customers
- Develop plans to (re)introduce stable and reliable services as early as December 2024, or sooner
- Temporarily withdraw the Nova 3 rolling stock (class 68 locomotives and mark 5a carriages) from the December 23 timetable to simplify and stabilise the service provision.

In addition, from early 2024 TPT will introduce:

- Promotional fares and marketing to win back passengers.

- 3.5 Rail North Committee has supported TPT in the need to re-set the business and fundamentally tackle the training backlog that has built up (and which the temporary timetable reduction is designed to address). Members focussed on the need for clear criteria for restoring the full timetable at the earliest possible opportunity. The Committee was also clear that further discussions were needed on the long-term future of the Nova 3 rolling stock and that a plan for restoring capacity needs to be in place. These discussions will continue with Rail North Partnership and the Committee over the coming weeks.
- 3.6 In tackling the short-term issues, Committee Members were also clear of the importance of the longer-term ambition needing to be rediscovered so that TPT can continue to play the strategic role envisaged. Accordingly, TPT have developed a prospectus for transformation. The key initiatives include:
- New trains and depots to deliver the outputs of the TransPennine Route Upgrade (TRU)
 - New connectivity and service optimisation to realise the opportunities of TRU
 - Station transformation working with local partners.
- 3.7 Robin Gisby will present a further progress update to the Board and there will be an opportunity for Board members to ask questions.

4. Corporate Considerations

Financial Implications

- 4.1 There are no direct financial implications to Transport for the North arising from this report.

Resource Implications

- 4.2 There are no direct resourcing implications to Transport for the North arising from this report.

Legal Implications

- 4.3 Any apparent legal implications are covered within the report.

Risk Management and Key Issues

- 4.4 Transport for the North has two relevant corporate risks which are being actively managed - 309 'viability of future train services and future investment decisions' and 311 'future timetables'.

Environmental Implications

- 4.5 This report does not constitute or influence a plan or programme which sets the framework for future development consents of projects listed in the Environmental Impact Assessment (EIA) Directive and therefore does not

stimulate the need for Strategic Environmental Assessment (SEA) or EIA. Passenger rail has an essential part to play in achieving our decarbonisation objectives within Transport for the North's Decarbonisation Strategy, particularly around reducing private car vehicle mileage.

Equality and Diversity

- 4.6 There are no equality or diversity issues arising from the report.

Glossary of terms, abbreviations and acronyms used

a) TPE	TransPennine Express
b) TRU	TransPennine Route Upgrade
c) RMT	National Union of Rail, Maritime and Transport Workers
d) ASLEF	The Associated Society of Locomotive Engineers and Firemen
e) OLR	Operator of Last Resort
f) TPT	TransPennine Trains Ltd
g) DOHL	Department for Transport OLR Holdings Ltd

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Meeting: Transport for the North Board
Subject: Rail North Committee Update
Author: David Hoggarth, Strategic Rail Director
Sponsor: Darren Oldham, Rail and Road Director
Meeting Date: Wednesday 27 September 2023

1. Purpose of the Report:

- 1.1 To provide the Board with feedback on the matters discussed at the Rail North Committee Consultation Call on 13 September 2023.

2. Recommendations:

- 2.1 That the Board:
1. Notes the feedback from the Rail North Committee including discussions with TransPennine Trains Ltd on their recovery plan
 2. Endorses the response to the Ticket Offices Closure proposal attached as Appendix 1
 3. Agrees the updated Statutory Advice (to the Secretary of State) on Manchester Congestion issues as set out in Appendix 2.

3. Main Issues:

TransPennine Trains Recovery Plan Outcomes

- 3.1 The Committee considered a presentation from Chris Jackson of TransPennine Trains Ltd (TPT). This Board will have received a further update from Robin Gisby under a separate agenda item.

Ticket Office Consultation

- 3.2 On Wednesday 5 July 2023, train operators launched the consultation on station ticket office closures under the Rail Delivery Group's Ticketing and Settlement Agreement. Originally the consultation was open for 21 consecutive days (5-26 July 2023) but was then extended to 1 September 2023. Under the arrangements associated with the Rail North Agreement, Transport for the North has an additional period to submit its response to the Secretary of State. It is proposed that Transport for the North will submit its response in early October.
- 3.3 The Committee agreed to formally object to the proposal to close ticket offices in the North on the basis that:
- The consultation process is flawed
 - The proposals will have a detrimental impact on the North and will have a particularly adverse effect on more vulnerable groups
 - The proposals do not have a strong business case and are therefore poor value for money.
- 3.4 The consultation response proposes an alternative way forward by addressing the need for future retailing to evolve as part of a wider ticketing and stations reform programme in a way that works for the North. This would be undertaken in the context of integrating stations more fully with their local communities and making rail travel more attractive and accessible.

- 3.5 The Committee agreed the Transport for the North overall response and asked that the following points should be incorporated into the final version:
- Given the poor state of accessible infrastructure in the North, the loss of staffing at stations will lead to a loss of confidence therefore the starting point for reform should be no reduction in the staffing hours at stations ahead of any discussion on future deployment of staff
 - Members were concerned that recruitment to fill current ticket office vacancies was not being carried out, particularly if this leads to ticket offices being closed on occasions because of the lack of available staff: action is needed in the short-term to protect against this
 - Some integrated tickets, such as those between Northern services and Metrolink in Manchester, are only available from a ticket office and therefore closing ticket offices without investment to maintain availability of such products could reduce integrated travel
 - To highlight that where third-party funding was committed to enhance station facilities (not limited to only the ticket office) operators should not be considering closing ticket offices e.g., Darlington, Middlesbrough and Sunderland stations.

The final consultation response (incorporating these amendments) is provided as Appendix 1 to this report.

Rail Accessibility

- 3.6 In the context of the planned closure of ticket offices members were particularly concerned about the poor state of accessibility of stations across the North. The report (and associated Station Enhancements document) highlighted that less than half of all stations across the North meet the desirable level of step free access to all parts of the station. The report also highlighted significant gaps in a range of facilities to support equal access to stations.
- 3.7 It was agreed to establish a Task Force to make progress on addressing this issue by considering particular hotspots and priorities to be developed into an action plan for consideration at a future meeting of the Committee.

Rail North Partnership Operational Update

- 3.8 The Committee heard from Tricia Williams the Managing Director Designate for Northern. She highlighted the strong growth experienced by Northern (14% predicted compared to the previous financial year), positive reductions in ticketless travel and work the industry was doing to prepare for Autumn. It was noted that growth on Northern represented real growth relative to pre-COVID levels. Members raised questions around cancellation levels in the North East and gaps in service and capacity in West Yorkshire.

Future infrastructure and Service Changes

- 3.9 With several major rail investment schemes being delivered in the North over the coming decades, there is a need to ensure these are coordinated to maximise the benefits and avoid unintended consequences of schemes not effectively integrating with each other or the existing network. An exercise is being undertaken, working with the industry, to map out in totality those schemes which are in development and delivery through to the mid-2040s (incorporating Transpennine Route Upgrade, HS2, Northern Powerhouse Rail, Trilink, Manchester and North West Transformation Programme, etc.). This can then be used to identify gaps where further investment is required to integrate schemes or meet the service requirements necessary to enable the strategic ambitions of the North to be realised.

- 3.10 An immediate priority for Transport for the North is the resolution of issues in the Manchester area which serve as a major limitation on the rail network across the whole of the North. Through the Manchester Task Force and Manchester and North West Transformation Programme significant investments have been identified, developed and delivered in recent years, however more is needed with services still limited by the lack of infrastructure. The December 2022 timetable traded connectivity on some routes in favour of improved performance and reliability. Whilst this has stabilised services, if rail services are to effectively support economic growth and decarbonisation further investment is required.
- 3.11 Transport for the North has previously submitted Statutory Advice to the Secretary of State which at the time specified interventions to be delivered to support an improved level of service and connectivity. Since this advice was produced, the industry working in collaboration through the Manchester Task Force, has reviewed and refined the proposals for the Manchester area, developing a series of interventions split across configuration states which will address long standing issues with the infrastructure whilst looking to prepare the network for other schemes arriving in the area.
- 3.12 It is therefore recommended that Transport for the North revises its Statutory Advice in recognition of the developments by the industry and has strengthened its approach. Rather than specifying which interventions are needed, the revised advice sets out the outcomes which are needed for the North, which include the ability for the network to accommodate the level of services required to meet customer demand, improved performance and reliability on par with those across the national network, and a commitment that local services will not be compromised to make way for new services on HS2, Northern Powerhouse Rail or other major schemes. The Board is asked to endorse the revised Statutory Advice for Manchester for submission to the Secretary of State for Transport.

Operators' Business Planning

- 3.13 The Committee agreed the priorities to inform the train operator business planning process for 2024/25. The Working Group (which met in August 2023) had highlighted that the focus for operators should be on building back demand and confidence, addressing social exclusion and improving accessibility.

Rail Strategy and Rail Reform

- 3.14 The paper highlighted the Committee's desire to maintain a focus on the growth agenda, building on the strong growth back experienced in the North. Growth is at the heart of the draft Strategic Transport Plan objectives and feedback was highlighted from the recent public consultation. Points included the need to reflect the full spread of train operators and investment across the North and addressing affordability issues. It was agreed that a Rail Outlook document would be developed which would include identifying how the North could act as 'guiding minds' for the industry and pilot some of the rail reform outcomes in the absence of Great British Railways.

4. Corporate Considerations

Financial Implications

- 4.1 There are no financial implications for Transport for the North as a result of this report.

Resource Implications

- 4.2 There are no direct resourcing implications as a result of this report.

Legal Implications

- 4.3 There are no apparent legal implications for Transport for the North. Contract management of the train operators is undertaken by the Rail North Partnership in accordance with the DfT's contractual mechanisms.

Risk Management and Key Issues

- 4.4 This paper does not require a risk assessment, however, risks relating to the future of rail services were highlighted in the Committee meeting. A risk has been included on the Transport for the North Corporate Risk Register in relation to the future viability of rail services and Transport for the North's future role.

Environmental Implications

- 4.5 This report does not constitute or influence a plan or programme which sets the framework for future development consents of projects listed in the Environmental Impact Assessment (EIA) Directive and therefore does stimulate the need for Strategic Environmental Assessment (SEA) or EIA. Any infrastructure proposals to improve the capacity and reliability of the system will be subject (where appropriate) to EIA Screening, conducted by Network Rail as part of the consenting process for those projects.

Equality and Diversity

- 4.6 Closure of rail station ticket offices will have a disproportionate impact on vulnerable groups who are more reliant on face-to-face contact to purchase tickets, particularly customers with disabilities and those most impacted by transport related social exclusion. This is highlighted in Transport for the North's response.

Consultations

- 4.7 There are no specific consultations required as part of this report.

5. Background Papers

- 5.1 None.

6. Appendices

- 6.1 Appendix 1. Ticket Office Consultation Response
6.2 Appendix 2. Statutory Advice on Manchester Area Congestion.

Glossary of terms, abbreviations and acronyms used

a) TPT	TransPennine Trains
b) STP	Strategic Transport Plan

Ticket Office Closures Consultation Response

September 2023



Ticket Office Closures Consultation Response

Transport for the North

Updated: 15th September 2023

1. Executive summary

1.1 Transport for the North (TfN) objects to the proposal to close ticket offices in our region on the basis that:

- The consultation process is flawed;
- The proposals will have a detrimental impact on the North, and will have a particularly adverse effect on more vulnerable groups; and
- The proposals do not have a strong business case and are therefore poor value for money.

1.2 We suggest an alternative way forward involving:

Addressing future retailing as part of a wider ticketing and stations reform programme in a way that works for the North. This would be undertaken in the context of integrating stations more fully with their local communities and making rail travel more attractive and accessible.

1.3 We accept that the way people buy tickets is changing, although the proportion of people using ticket offices in the North is higher than the national average, with about one-sixth of tickets purchased at ticket offices as compared to one-eighth nationally. This change should provide an opportunity to evolve the way tickets are sold and to develop the role of staff at stations. However, we are very clear that the availability of ticket offices is, for many people, much more than just about buying a ticket (for example providing information and assurance as well as enhancing safety and security). We therefore object to these proposals partly on the grounds that the overall number of hours during which our stations will be staffed will be considerably reduced (as explained in paragraphs 3.6 and 3.8 below). In particular, it is imperative that there is no reduction in staffing hours in the short term, whilst the end state and any appropriate mitigation measures are considered. There should likewise be no reduction in the recruitment of new staff for stations, as otherwise reduced staffing may become unavoidable regardless of its undesirability.

- 1.4 Railways in the North have been particularly adversely impacted in recent years including, of course the covid pandemic but also a range of North-specific issues: infrastructure failures, the fundamentally flawed 2018 timetable change, consistent performance failings driven by congested infrastructure, and the more recent driver training issues. If the North is to rebuild demand and drive mode shift to hit decarbonisation targets, we need to win back, attract, and retain new customers. We have seen strong growth in leisure markets post-covid, and these are the very groups that most need the reassurance of staff and easy-to-use ticketing to make them repeat users, thereby supporting our investment in rail, spending money on fares and taking congestion off the roads.
- 1.5 Lessons from Transport for London show that a properly designed evolution of ticketing would involve a substantial programme of planned reform to the core customer proposition and retail offering, within which changes to ticket offices would be the final element. A key element of improving ticketing is the roll out of Pay-As-You-Go ticketing (prevalent in London and the South East). To date progress on this has been slow, with so far, the Government's only firm commitment being to a pilot as part of the Greater Manchester Trailblazer.
- 1.6 In terms of the wider modernisation of the customer offering at stations, TfN has been engaged on a "Stations as a Place" initiative for some time and we are confident such a programme would be the right way to evolve the customer offering – how tickets are purchased, and people use stations. Given this, TfN was surprised and concerned that a national consultation was launched on a country wide ticket office closure plan in isolation of any wider programme or the necessary pre-requisites.
- 1.7 We believe that the consultation process undertaken by the train operators was fundamentally flawed. There has been insufficient time (even with the extended deadline) to fully assess all the information provided separately by Train Operating Companies and there are major gaps and inconsistencies in the information provided. For example, basic ticket sales data has not been provided consistently for all operators. Operators (including Northern) have added several pieces of information during the consultation period (including the significant Equality Impact Assessments) which inevitably means the quality of responses has been limited. The inconsistency of formats and information makes it extremely challenging to consider the overall impact across the North.
- 1.8 From the information provided there are major inconsistencies across the North as operators have acted independently, in contrast to the principle of a 'guiding mind', joining up and simplifying the railway. For example, Crewe is a major existing hub for the North and will take on added importance when HS2 is delivered, but it is proposed it will lose its ticket office completely. Nantwich – just five miles from Crewe – will retain its ticket office as it's operated by Transport for Wales.

- 1.9 We have not seen the business case for the change. However, our assessment of the proposals as presented to Rail North Partnership is that they will have a detrimental impact on the North and are poor value for money. In particular our analysis – using the same recognised industry tools that TfN, the Department for Transport and Treasury utilise to assess rail programmes like this – suggests that when the adverse revenue impacts of loss of ticket offices are considered these will significantly offset the cost savings the operators are seeking to make in a matter of a few years, delivering poor value for money in the medium-to-long term.
- 1.10 Our assessment is also that the proposals will have a disproportionate adverse impact on the North, as the significant reduction in staffing hours proposed by Northern (a 59% reduction) is in complete contrast to the national messaging about moving staff from behind the glass to help customers. In large parts of the North they will only be helping customers for very limited periods, and there will be a marked reduction in staffing on Sundays which is incompatible with the need to serve the growing leisure market. Making existing staff more accessible (and flexible to changing demand and special events) could have benefits for customers and staff alike, but this model is undermined by the level of reduction in staff hours actually proposed. Some train operators have meanwhile confirmed that their staff will not sell tickets on the platforms, so they are not a substitute for those lost from ticket offices.
- 1.11 Furthermore, our assessment is that there is a disproportionate impact on vulnerable groups who are more reliant on face-to-face contact to purchase tickets, particularly customers with a disability and those most impacted by transport-related social exclusion (who often pay with cash or vouchers). At the moment, approximately 75% of journeys across the North both start and end at a station with a ticket office, but this will drop to circa 20% with these proposals; this will impact vulnerable groups the hardest.
- 1.12 This concern is exacerbated by the late Equality Analysis (from Northern), coupled with the fact that there are a significant number of identified mitigations across all 131 stations where the ticket offices are proposed to close, but with no identified funding or confirmed programme for delivery. This means that they can't be relied upon as effective mitigations, as it's not confirmed that they will actually be implemented.
- 1.13 The North already suffers from a legacy of very poor accessibility at stations (for example 59% of Northern stations have ramps considered poor standard or do not provide step free access across the whole station) and this adds to the problem. For example, at Mossley station, there is step-free access from the station car park to the Manchester-bound platform, but no step-free access to the Huddersfield-bound platform.
- 1.14 As stated above, we do recognise that the way people buy tickets is changing and, in some circumstances, there may be better ways of providing this service to customers other than via a ticket office. However,

we don't accept the case has been made for the wholesale closures of ticket offices and staffing reductions ahead of any other elements of an integrated programme of retail and associated reform.

- 1.15 We have therefore published two policy position statements alongside this Ticket Office Consultation response setting out how we think ticket retailing and fares should evolve in the North of England. These statements are framed around identifying 'what good looks like' before any wholesale change to at-station retail and set out the specific outcomes or tests against which proposals would be measured.
- 1.16 We would welcome a conversation with government to jointly develop an alternative programme of change and enhancement to the customer experience that reflects changing trends, protects vulnerable users, and contributes to a growing market for rail in the North.
- 1.17 We more than ever see the need to make the most of stations as community assets and drive greater integration with local places and communities, including looking at new ownership and usage models. With this in mind, we believe that operators should especially reconsider the closure of ticket offices where considerable third-party funding has recently been invested in station enhancements (e.g. at Darlington, Sunderland and Middlesbrough), so as not to undermine these improvements.

2. The consultation process

- 2.1 TfN has consulted with our partners to request their views in relation to the consultation process itself, as well as the content of the proposals. Our partners gave a common view that the original consultation timescale and then short notice extension does not inspire confidence or trust that receiving, analysing, and making changes based upon consultation responses form a substantive part of this exercise by the Train Operating Companies (TOCs).
- 2.2 The consultation was viewed as ill-timed, given the significant lack of customer confidence in the rail system following the longstanding performance issues and regular short notice cancellations. It has also been initiated at a time where there should be a strong focus to restore confidence in rail services, looking to increase customer numbers and industry revenue.
- 2.3 Despite the regular strategic stakeholder engagement that TOCs undertake, the rail industry chose not to directly discuss the detailed proposals with TfN, Local Authorities or stakeholder forums, and hence stakeholders were not given the ability to input at an earlier stage of assessing and proposing alternative options to closure.

- 2.4 For any future proposals, TOCs will commit to meaningful dialogue with TfN and other transport authorities, in order to discuss plans on a case-by-case basis, as the current wholesale closure approach doesn't adequately consider local requirements.
- 2.5 The short timescales from when the proposals were initially anticipated to the closure of the consultation process also indicates that sufficient time may not have been allowed for truly robust Equality Impact Assessments.

3. Analysis of the proposals

- 3.1 The key points to note, relating to the core Transport for the North area (and excluding the Merseyrail network) are:
- 156 out of our 183 existing ticket offices (over 85%) are planned for closure;
 - Just 27 ticket offices would remain (including just 2 in the North East);
 - One operator (Avanti West Coast) plans to close all its ticket offices, even at major stations; and
 - Staffing hours will be considerably reduced overall (including a 59% reduction in staffed hours at Northern's stations).
- 3.2 TfN is surprised and concerned by the scale and inconsistency of the closures proposed. Critically, Northern are planning to close 131 of their current 149 ticket offices (circa 88%), leading to a situation where fewer than 4% of their stations will have ticket offices (as opposed to 32% at present).¹ Similarly, TransPennine Express intend to retain their existing ticket offices at Huddersfield and Manchester Airport only, whilst closing the other 14 that they currently operate. TransPennine Express also state in their consultation materials that they anticipate Manchester Airport and Huddersfield ticket offices will also close in the future, subject to a separate consultation, which they would expect to launch in Spring 2024 at the earliest.
- 3.3 Avanti West Coast meanwhile plan to close all 12 of the ticket offices which they currently operate in the North, leaving major centres such as Manchester Piccadilly and Stockport without a staffed ticket office.²
- 3.4 At present, there are 578 railway stations in the core TfN area (i.e. the North East, North West and Yorkshire and the Humber regions). Of these, 245 currently have a staffed ticket office; however, this includes 62 stations staffed by Merseyrail, which is not affected by this proposal. Of the 183 stations operated by other TOCs which currently have staffed ticket offices, 156 are planned for closure. In total, TfN has calculated that about 85% (almost 6 out of every 7) of present ticket offices in the North (excluding Merseyrail) will close, leaving just 27 of the current 183.

¹ Northern Trains Limited, *Changes to NTL Ticket Retailing* July 23, July 2023, p. 2

<https://www.northernrailway.co.uk/sites/default/files/2023-07/Retailing%20Summary%20Document.pdf>

² Avanti West Coast, 'Proposed changes to ticket offices', July 2023

<https://www.avantiwestcoast.co.uk/consultation>

- 3.5 TfN also have an interest in a further 39 stations outside our core territory, either because Northern are the Station Facility Operator (20 stations), Northern's services call there (a further 11 stations), or they are geographically part of Sheffield City Region (14 stations). For this wider group of 617 stations, the data relating to ticket office closures (sorted by Station Facility Operator) are as follows:

Table 1: Proposed ticket office closures across TfN's overall area of interest (by Station Facility Operator)

Station Facility Operator	Status of ticket offices at stations				Journeys made to/from these stations (2021-22)				
	Ticket office to be retained	Ticket office to close	No ticket office	Total stations	Ticket office to be retained	Ticket office to close	No ticket office	All stations	Proportion from stations to lose ticket office
Avanti West Coast	0	12	0	12	0	20,224,694	0	20,224,694	100.0%
East Midlands Railway	3	3	25	31	13,909,246	1,640,310	955,620	16,505,176	9.9%
London North Eastern Railway	3	5	0	8	18,651,404	7,003,286	0	25,654,690	27.3%
London Northwestern Railway	0	2	1	3	0	330,012	30,838	360,850	91.5%
Merseyrail	62	0	4	66	58,166,886	0	716,264	58,883,150	0.0%
Network Rail	2	1	0	3	29,727,684	19,581,442	0	49,309,126	39.7%
Northern	17	131	317	465	25,204,190	38,390,886	23,610,220	87,205,296	44.0%
TfW Rail	2	0	7	9	3,563,380	0	453,750	4,017,130	0.0%
TransPennine Express	2	14	3	19	5,216,212	9,044,768	268,574	14,529,554	62.3%
Transport for Greater Manchester	1	0	0	1	390,384	0	0	390,384	0.0%
Total	92	168	357	617	154,829,386	96,215,398	26,035,266	277,080,050	34.7%
Total (excluding Merseyrail)	30	168	353	551	96,662,500	96,215,398	25,319,002	218,196,900	44.1%

3.6 We understand that some stations will initially remain staffed following the closures of ticket offices, but we are extremely concerned that the number of hours during which staff will be available to assist customers will be significantly reduced in most cases. For example, our analysis of the hours during which Northern's staffed stations will have staff present indicates that currently, 75% of these stations are staffed for at least 39 hours per week, whereas following implementation of the proposals, 75% of these stations will be staffed for 40 hours or less.³ Overall, we have calculated that within the narrower definition of the North, Northern currently provide over 10,900 hours (per week) of ticket office staffing across 141 stations,⁴ but this will fall to about 4,500 hours of staffing following the deployment of journey-makers (a reduction of over 59%).

³ Northern Trains Limited, *Changing How We Support Customers at Our Stations: Public Consultation*, July 2023, pp. 14-32

<https://www.northernrailway.co.uk/sites/default/files/2023-07/Public%20Consultation%20Document%20-%20V3.pdf>

⁴ This figure is different from the 140 stations indicated by Table 1 above, as it includes Leeds and Liverpool Lime Street (where Network Rail are the SFO and Northern maintain ticket offices) but excludes Whitby (where Northern are the SFO but North Yorkshire Moors Railway provide the ticket office).

- 3.7 This is a very substantial detriment and in complete contrast to the national messaging about moving staff from out behind the ticket office windows to assist customers. It is clear that under these plans, customers in the North would be left substantially worse off compared to other parts of the country; for example, although Great Western are planning to eventually close all of their ticket offices, 78% of their stations will retain their current hours of staffed operation, as compared to fewer than 3% of Northern's stations.⁵
- 3.8 Examining Avanti West Coast's proposals reveals a similar pattern, with the following reductions in staffed hours during which ticketing support will be available at some of the North West's major stations:⁶

Table 2: Proposed changes to Avanti West Coast's hours of ticketing support (at their six busiest stations on the West Coast Main Line in the North)

Station	Current ticketing hours				Proposed ticketing hours			
	Day(s)	Start	Finish	Total	Start	Finish	Total	Change
Carlisle	Weekdays	05:00	20:00	15	06:00	20:00	14	-1
	Saturday	05:00	20:00	15	06:00	20:00	14	-1
	Sunday	09:00	20:00	11	08:30	18:00	9½	-1½
Crewe	Weekdays	05:30	20:00	14½	06:30	19:00	12½	-2
	Saturday	05:30	19:00	13½	06:30	19:00	12½	-1
	Sunday	08:10	19:00	10:50	07:00	19:00	12	+1:10
Lancaster	Weekdays	05:15	19:45	14½	07:30	16:15	8¾	-5¾
	Saturday	05:15	19:45	14½	07:30	16:15	8¾	-5¾
	Sunday	09:30	20:00	10½	09:00	17:00	8	-2½
Manchester Piccadilly	Weekdays	04:30	22:30	18	06:30	21:00	14½	-3½
	Saturday	04:30	22:30	18	06:30	21:00	14½	-3½
	Sunday	07:00	22:30	15½	07:30	21:00	13½	-2
Preston	Weekdays	05:45	22:00	16¼	06:00	20:00	14	-2¼
	Saturday	04:45	21:00	16¼	06:00	20:00	14	-2¼
	Sunday	08:00	22:00	14	09:30	18:30	9	-5
Stockport	Weekdays	05:10	20:30	15:20	06:30	19:00	12½	-2:50
	Saturday	06:30	19:30	13	06:30	19:00	12½	-½
	Sunday	08:00	19:30	11½	08:00	19:00	11	-½

- 3.9 Although these larger stations will continue to have staff present, the reduced hours for ticketing support is a concern. We especially note that the reduction in hours at weekends at some stations is misaligned with the change in demand patterns seen since the pandemic, which has seen the proportion of journeys made at weekends rise from circa 16% (in 2019) to approximately 21% (in 2022) of the total.
- 3.10 Another issue of concern is that under the current regulations, operators will not need to undertake the same level of formal consultation if they wish to subsequently change the hours at which on-platform staff are

⁵ Blackburn, Hartlepool and Skipton are the only Northern stations where staffing hours will be maintained or increase.

⁶ Avanti West Coast, 'Proposed changes to ticket offices', July 2023
<https://www.avantiwestcoast.co.uk/consultation>

present. The consultation over ticket office closures may effectively be a final opportunity to voice any concerns prior to the establishment of a system whereby significant changes to the passenger experience can occur at short notice without further consultation.

4. Anomalies created by the proposals

- 4.1 A further issue with the ticket office closure proposal is that it has been developed separately by each TOC and has therefore generated a number of clear anomalies. There are many instances where some ticket offices are planned for closure whilst others nearby (at stations with lower footfall) will remain open. The examples cited below are not exhaustive. However, TfN believe that in a supposedly integrated railway network with a measure of centralised planning, the existence of such anomalies indicates a lack of overall strategy.
- 4.2 Perhaps the most obvious is that Manchester Piccadilly (the North's busiest station in 2021-22) would be left without a ticket office by Avanti West Coast's decision to close all of their facilities. This would occur at a time when plans are being developed for Manchester Piccadilly to become the major hub for HS2 in the city from the time that HS2 Phase 2a is completed. The 2nd through 9th busiest stations will all retain their ticket offices, with the next busiest station which is also losing its ticket office (Avanti West Coast's Preston) having less than a quarter of Manchester Piccadilly's footfall. The North's other two stations managed by Network Rail (Liverpool Lime Street and Leeds) will retain ticket offices operated by Merseyrail and Northern.
- 4.3 Railfuture's Yorkshire branch have noted that the whole historic county of Yorkshire (with a population of more than 5 million) will be left with only 8 station ticket offices operated by the mainline TOCs,⁷ plus the ticket office at Whitby (operated by North Yorkshire Moors Railway). Conversely, Merseyrail will retain its 62 ticket offices, almost all of which are located in the former Metropolitan County of Merseyside (with a population less than 1½ million).
- 4.4 In the North East, Hartlepool will be retaining its Northern ticket office, but LNER will be closing their nearby ticket offices at the much busier mainline stations at Darlington and Durham.⁸ In the same area, TPE plan to close their ticket office in the larger town of Middlesbrough, whilst the station at Sunderland is currently undergoing major renovations to a design which includes a ticket office which Northern now no longer need under the proposal to close it. Whitby and Hartlepool will thus be left as the only ticket offices in the whole area between York and Newcastle, whilst the considerable investment which is currently being undertaken at

⁷ Railfuture Yorkshire Branch, *Northern Ticket Office Consultation – Railfuture Yorkshire Response*, July 2023

⁸ Urban Transport Group, *Ticket Office Closures: A UTG Position Paper*, 18th July 2023, p. 2

Middlesbrough and Darlington stations will be undermined by their loss of staffed ticket offices.

- 4.5 Table 3 below shows the fate of all the current ticket offices in the North East region, with additional information on current ticket sales for those stations operated by Northern. It demonstrates that although there is a rationale behind the retention of Hartlepool, as it enjoys a high proportion of sales at the ticket office and using cash, it serves far fewer passengers than the stations at Darlington, Durham, and Middlesbrough, which will lose their ticket offices:

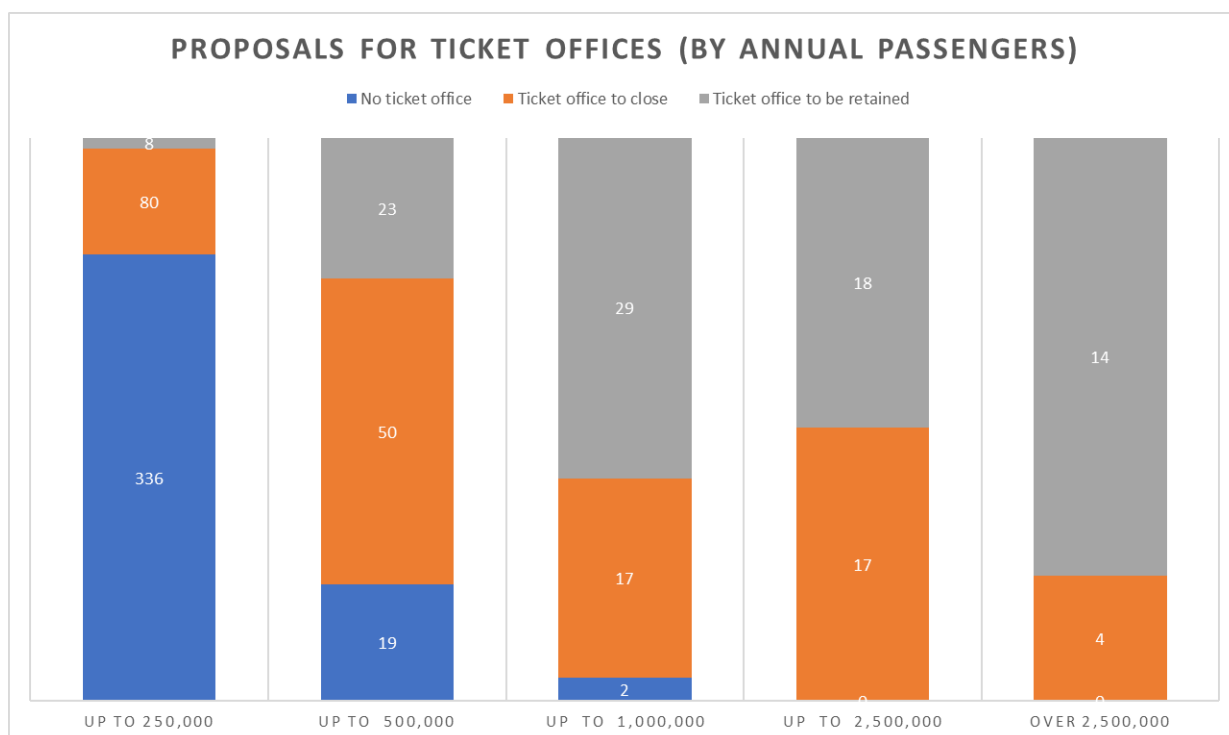
Table 3: The impact of the proposed changes on existing ticket offices in the North East

Station	Total journeys	Station Facility Operator	Ticket office status	Proportion of ticket sales (2023 Q2)				Payment at station		Weekly staffed hours	
				Digital	On train	Ticket office	Ticket vending machine	Cash	Other (non-card)	Current	Proposed
All Northern Trains Limited stations	87,205,296	Northern		65%	4%	16%	8%	18%	13%	10,921	4,502
Alnmouth	285,882	Northern	Closing	88%	0%	6%	1%	16%	2%	50	49
Hartlepool	529,630	Northern	Retained	74%	1%	16%	5%	33%	6%	64	83
Hexham	286,802	Northern	Closing	70%	2%	13%	11%	20%	2%	57	21
Morpeth	402,772	Northern	Closing	89%	1%	2%	2%	22%	4%	37	33
Redcar Central	343,542	Northern	Closing	77%	6%	8%	5%	29%	7%	42	20
Sunderland	385,822	Northern	Closing	78%	1%	9%	3%	24%	9%	75	39
Berwick-upon-Tweed	589,866	LNER	Closing								
Darlington	2,075,056	LNER	Closing								
Durham	2,092,432	LNER	Closing								
Middlesbrough	1,210,906	TransPennine Express	Closing								
Newcastle	7,040,072	LNER	Retained								
Thornaby	443,608	TransPennine Express	Closing								

- 4.6 TPE states that where a customer cannot purchase a product online or from a Ticket Vending Machine (TVM) at their TPE station, they will be able to purchase the product from another station that has a ticket office; for Hull customers this will be York (journey time of 1 hour 11 minutes for a direct service) or Doncaster (with the fastest journey time of 49 minutes) as all intermediate station ticket offices are proposed to close.
- 4.7 Similar anomalies are found across TfN's wider territory. For example, Northern are retaining a ticket office at Glossop, whilst Avanti West Coast are proposing to close theirs at nearby Stockport, which has almost 5

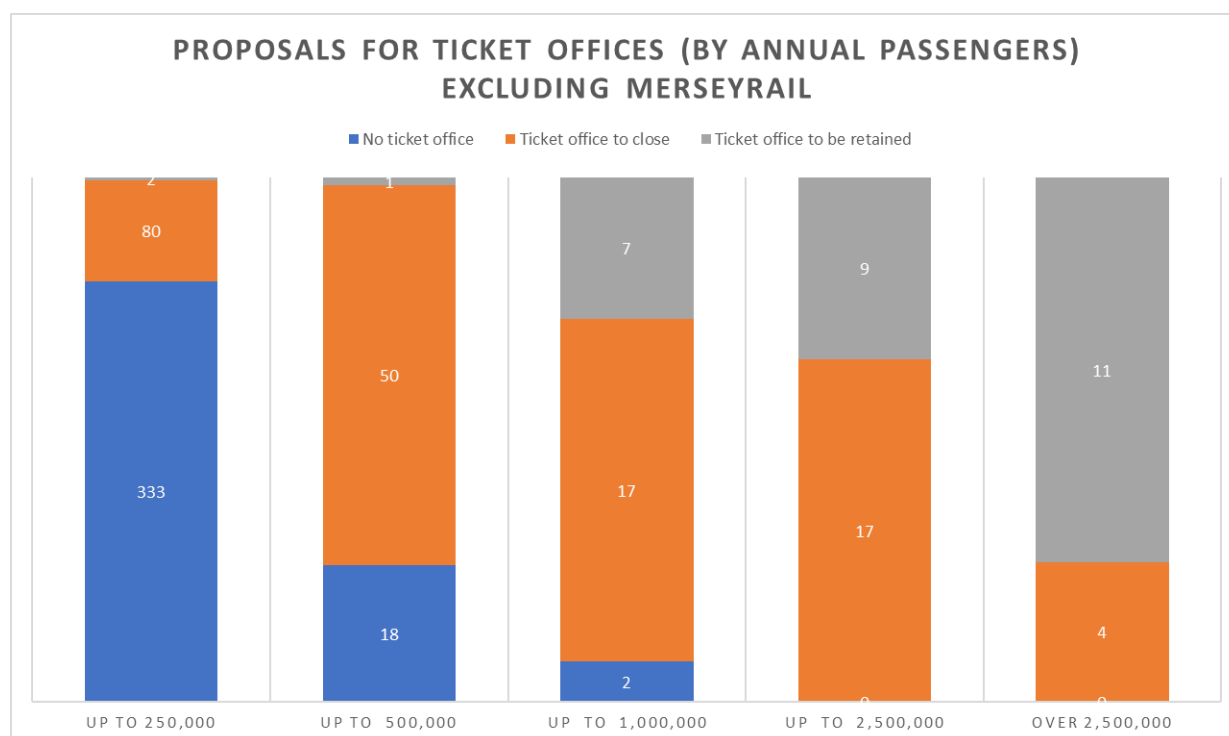
times the footfall. The graphs below illustrate how there will not be a high correlation between the footfall at stations and whether they retain a ticket office, with stations being closed or remaining open at all levels of usage across the North.

Figure 1: Proposals for ticket offices (by footfall at stations) across TfN's overall area of interest



- 4.8 This same pattern of anomalies is still visible, though to a lesser extent, even if Merseyrail's stations are removed from the data, as shown in the chart below. Station ticket offices will remain open at Runcorn East and Whitby despite an annual footfall of under a quarter of a million, whereas (in addition to the aforementioned Avanti West Coast stations) the following stations with an annual footfall of over one million will lose their ticket offices: Barnsley, Bradford Forster Square, Darlington, Dewsbury, Durham, Halifax, Hull, Keighley, Meadowhall, Middlesbrough, Shipley and Wakefield Westgate.

Figure 2: Proposals for ticket offices (by footfall at stations) across TfN's overall area of interest (excluding Merseyrail stations)



5. Strategic alignment and the impact on customer demand

- 5.1 Transport for the North is of the view that the proposals for a programme of ticket office closures and staffing hours reductions are not aligned with our Strategic Transport Plan and aspirations for the North's railway in a number of ways. Furthermore, we believe that the proposals impede the objectives for the rail industry laid out in the government's own *Great British Railways White Paper*.
- 5.2 An aspiration common to many rail industry stakeholders is to encourage modal shift from private road transport to rail (and other modes of public transport). The Department for Transport (DfT) White Paper which arose from the Williams Rail Review stated that "To support a green recovery, railways need to encourage a shift away from planes, cars and lorries, become the best option for long-distance travel and improve the whole journey experience."⁹ Similarly, TfN's recent *Strategic Transport Plan* also repeatedly cites the importance of encouraging modal shift from private road transport to more sustainable modes (such as active travel and

⁹ DfT & Williams Rail Review, *Great British Railways: The Williams-Shapps Plan for Rail*, CP423, 20th May 2021, p. 89
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/994603/gbr-williams-shapps-plan-for-rail.pdf

public transport) in order to facilitate both decarbonisation and decongestion.¹⁰

- 5.3 Transport for the North's *Future Travel Scenarios* forecasts, which underpin our long-term planning, indicate that we anticipate the number of passenger rail journeys to increase by at least 78% by 2050 (from the pre-pandemic 2019 baseline).¹¹ This forecast relates to our "Digitally Distributed" scenario, which anticipates commercial and residential growth to be concentrated in suburban areas which are relatively difficult to serve with public transport. In the more radical "Urban Zero Carbon" scenario, in which it is assumed that housing and economic development are concentrated in cities, it is forecast that the number of car journeys made in 2050 would be 6% lower than in 2019, whereas the number of rail journeys would be 193% higher. Our plausible scenarios therefore vary from a near doubling to a near tripling of rail passenger journeys by 2050. These scenarios are based on fundamental economic, demographic and technological factors that are expected to change over the coming decades, so are not undermined by short-term trends.
- 5.4 In this context, anything which reduces the attractiveness of rail travel to the public is misaligned with our strategy and expectations. The industry's *Passenger Demand Forecasting Handbook* (PDFH) specifically identifies the presence of a staffed ticket office as a factor which attracts demand, with a significant uplift over the presence of TVMs only. The impact varies depending on the purpose of the journey being made, and between urban and rural stations, but the Rail Delivery Group's (RDG) research indicates that closing staffed ticket offices would have a measurable impact.¹² This aligns with the many reasons suggested by industry stakeholders and partners as to why closing ticket offices could reduce demand, including:
- Customers prefer to discuss the ticketing options with another person. This is felt to be a particular issue for older customers and those with reduced mobility where ticket offices provide an "anchored location" for customers to access valuable travel information, help and reassurance, as well as tickets;
 - Customers sometimes wish to purchase a ticket from an origin station other than the one at which they are located, which is not possible at all TVMs;
 - Proposals to attract customers to the railway can depend on making the railway station a hub of the local community, with the co-location of local businesses and mobile working facilities. Closing

¹⁰ Transport for the North, *Strategic Transport Plan: Draft for Consultation*, May 2023, pp. 26, 30-32, 57, 71, 81, 87, 122

https://transportforthenorth.com/wp-content/uploads/TFN_StrategicTransportPlan_Master_web_V3.pdf

¹¹ Transport for the North, *Future Travel Scenarios: Adaptive Planning to Deliver Our Strategic Vision in an Uncertain Future*, Dec. 2020, pp. 59-77

https://transportforthenorth.com/wp-content/uploads/TfN_Future_Scenarios_Report.pdf

¹² Passenger Demand Forecasting Council, *The Passenger Demand Forecasting Handbook*, Rail Delivery Group, Dec. 2017, Version 6.0, p. B8/4

<https://www.raildeliverygroup.com/files/Publications/pdfc/PDFH6/PDFH6B8Stations.pdf>

the tickets offices and reducing the hours staff are present will reduce the human presence and undermine such strategies;

- Some models of TVM fail to meet the needs of customers with disabilities, e.g. blind or partially sighted customers, where the touchscreen of the TVM is not capable of providing tactile inputs. Furthermore, many people with lifelong hearing impairments struggle to read written English (and thus may find it difficult to use TVMs without assistance) but can communicate with a person who is physically present. In many cases the inability of the TVM to meet the needs of customers with disabilities was highlighted in the Equality Impact Assessment associated with their development and installation, with a staffed ticket office highlighted as a mitigation;
- Ticket office staff can sell tickets to those who prefer or must use cash (e.g. the unbanked). The closure of ticket offices is likely to make purchasing rail tickets with cash much more difficult with customers being required to obtain a 'promise to pay' from the TVM and then purchase the ticket on the train. This will exclude people who wish to make advanced purchases (often better value than buying a ticket on the day of travel) by cash and therefore has the potential to hit the most vulnerable in society hardest, including where inequalities exist such as the unemployed, those on a low income, and those with low educational attainment;
- TVMs will not necessarily offer the full range of tickets that can be purchased at a staffed ticket office. In particular, the types of fare that may not be as easily available include combined rail and Metrolink tickets, which will impede the sort of integrated travel by multiple modes of public transport that we wish to encourage;
- Mobile staff (as is proposed as a mitigation to ticket office closures) across different areas of a station could in theory be situated a very long way from customers needing assistance, posing a particular problem for those with reduced mobility. This would be exacerbated for stations with long platforms relying on a road overbridge for inter-connection (such as Cross Gates near Leeds), where at present the ticket office is at least a central focal point;¹³ and
- TVMs are often located outside (and are therefore exposed to the elements) which can lead to unreliability. In the event of a TVM being out of order, passengers are supposed to seek out the conductor immediately on boarding the train, but this may not be easy on a crowded service.

5.5 Many of these factors underly the demand uplift that the industry associates with provision of a staffed ticket office. Applying the demand adjustment factors from the PDFH to journeys made from stations in the core TfN area would indicate that, compared to a baseline of the number of journeys made between April 2021 and March 2022, approximately 1.3 million journeys annually would be deterred as a result of the proposed

¹³ e.g. Geoffrey North, 'Ticket Office Staff Are Important on Railways', *Yorkshire Post*, Wed. 26th July 2023, p. 12

ticket office closures. This comprises circa 60 thousand fewer business journeys, 570 thousand fewer commuter trips, and approximately 710 thousand fewer leisure or other journeys, with a net revenue loss of approximately £17.7 million per year.

- 5.6 TfN appreciate that the current PDFH guidance was produced in 2017, and that cultural and technological changes since then are likely to mean that this figure of £17.7 revenue loss from ticket office closures is just an order of magnitude estimate now. However, due to the reduction in staffing hours at many stations, we do not believe that this loss can be significantly compensated for by an increased staff presence on platforms. The PDFH research and modelling indicates that an even higher impact on business and leisure/other demand would be generated by the reduced presence of staff on the platform at some stations, especially in rural areas.¹⁴ As little information has been provided about current on-platform staffing, it is not possible to estimate impact of these changes.
- 5.7 Furthermore, this analysis may underestimate the revenue loss arising from the closure of ticket offices, due to the impact of losing ticket offices at both ends of the journey on ticketless travel (both intentional and unintentional). Passengers may be more likely to board a train without having bought a ticket, and on busy trains or those without gangways through the whole vehicle, they may not encounter a guard from whom a ticket can be purchased.
- 5.8 TfN therefore expect that the operational cost savings realised by the closure of ticket offices and reduced staffing hours at some stations will be significantly offset by the reduction in revenue that will result from deterring some journeys. As these lost journeys relate to some extent to customers' desire for the reassurance of staff presence, and this human factor is unlikely to change in future, the financial loss resulting from this will grow in future as underlying rail demand grows due to decarbonisation, population or economic growth, and potentially further urbanisation.
- 5.9 TfN therefore believe that closing ticket offices and significantly reducing the typical staffing hours at our region's stations will undermine the objective of encouraging modal shift to rail, and is therefore misaligned with our *Strategic Transport Plan*, our partners' aspirations, and the Williams Rail Review. It could also represent poor value for money in itself due to the revenue loss described above.

¹⁴ Passenger Demand Forecasting Council, *The Passenger Demand Forecasting Handbook*, Rail Delivery Group, Dec. 2017, Version 6.0, p. B8/4

6. The needs of vulnerable users and non-users

- 6.1 A very important aspect of our objection is the impact that these changes will have on particularly vulnerable categories of rail users. This is explored in depth in Section 7 below, relating to transport-related social exclusion (TRSE). However, we note that the scale of the impact of the changes on those who would prefer to travel when staff will be available at fixed points at both the origin station and destination will be enormous. Furthermore, it should be noted that this detrimental impact will be additional to the poor current state of accessibility at the North's railway stations, with approximately half of our stations lacking good step-free access to all areas, and accessibility-related facilities being judged poorer than elsewhere in the country.
- 6.2 Older and disabled customers are particularly reassured by a staff presence at both ends of their journey, and this is currently the case for most rail journeys made in the North. As shown in Table 1 above, at present in the North, 88% of journeys start or end (excluding the Merseyrail area) at stations with a ticket office, indicating that about three-quarters of all journeys are between two stations with ticket offices. The implementation of these proposals would reduce the proportion of journey starts or ends in the North at stations with a ticket office to just 44%, which suggests that the proportion of journeys between two stations both enjoying a ticket office would drop to about one-fifth.
- 6.3 The potential significance of this has been highlighted during the recent performance problems, especially the high number of cancellations experienced by TransPennine Express services. Ticket office staff at stations such as Mossley and Greenfield have been invaluable in providing assistance to customer (especially those from vulnerable groups) when train cancellation rates have been as high as 33%. Ticket office staff can give advice on alternative options and connections to other modes of transport, including selling add-on bus tickets (e.g. local "explorer" tickets). Staff have also been able to request additional stops in train services to cover for cancellations, and request that connecting bus services be held when trains are late. All these benefits of staffed offices at both ends of a journey can be lost if ticket offices are closed, as well as more obvious benefits such as help with boarding and alighting. It should also be noted that safety and information features such as public address systems and CCTV are often locally controlled and could be lost if ticket office staff are withdrawn.
- 6.4 We also note that, at those stations where it is proposed that on-platform staff will be present, it is often the case that they are scheduled to be deployed at peak hours. We are not certain that this is the most appropriate use of resources, as those passengers most in need of assistance may be least likely to travel at the peaks. This issue needs further research.
- 6.5 The huge fall in the proportion of journeys between two stations with a ticket office, from circa 75% to about 20%, will impact not only those vulnerable users who feel reassured by a staff presence, but anybody who

wishes to purchase an unusual ticket type,¹⁵ who has difficulty using a TVM, or who needs to pay using cash.¹⁶ The scale of this change is further illustrated in Table 4 below, which shows that of fifty of the most common rail journeys made in the North, the number which don't benefit from a ticket office at both ends will increase from just one to thirty-five:

Table 4: The impact of the proposed ticket office closures on the most frequent rail journeys in the North (excluding purely Merseyrail routes)

Rail journey		Ticket office at both ends of the journey?	
Station A	Station B	Now	Future
Bingley	Leeds	✓	✗
Bolton	Manchester Piccadilly	✓	✗
Bolton	Manchester Victoria	✓	✓
Cheadle Hulme	Manchester Piccadilly	✓	✗
Chester	Liverpool Lime Street	✓	✓
Chesterfield	Sheffield	✓	✗
Crewe	Manchester Piccadilly	✓	✗
Darlington	Newcastle	✓	✗
Dewsbury	Leeds	✓	✗
Durham	Newcastle	✓	✗
Glossop	Manchester Piccadilly	✓	✗
Guiseley	Leeds	✓	✗
Halifax	Leeds	✓	✗
Hazel Grove	Manchester Piccadilly	✓	✗
Heaton Chapel	Manchester Piccadilly	✓	✗
Horsforth	Leeds	✓	✗
Huddersfield	Leeds	✓	✓
Huddersfield	Manchester Piccadilly	✓	✗
Huddersfield	Manchester Victoria	✓	✓
Huyton	Liverpool Lime Street	✓	✗
Ilkley	Leeds	✓	✗
Keighley	Leeds	✓	✗
Leeds	Bradford Forster Square	✓	✗
Leeds	Bradford Interchange	✓	✓
Leeds	Manchester Piccadilly	✓	✗
Leeds	Manchester Victoria	✓	✓
Leeds	Sheffield	✓	✓
Leeds	Shipley	✓	✗
Leeds	Wakefield Kirkgate	✗	✗
Leeds	Wakefield Westgate	✓	✗
Leeds	York	✓	✓
Liverpool Lime Street	Manchester Piccadilly	✓	✗
Liverpool Lime Street	Manchester Victoria	✓	✓
Liverpool South Parkway	Liverpool Lime Street	✓	✓
Macclesfield	Manchester Piccadilly	✓	✗
Manchester Airport	Manchester Piccadilly	✓	✗
Manchester Oxford Road	Wigan Wallgate	✓	✓

¹⁵ Data from Northern indicates that the types of product which are not as easily available without a ticket office include monthly seasons, national and local railcards, excess fares, seat reservations, changes to advance purchase tickets, sleeper reservations, refunds, platform tickets, and cycle reservations.

¹⁶ The Financial Conduct Authority (FCA) estimates that 1.1 million adults in the United Kingdom do not have a bank account and are therefore completely reliant on cash.

Rail journey		Ticket office at both ends of the journey?	
Station A	Station B	Now	Future
Manchester Piccadilly	Warrington Central	✓	✗
Manchester Victoria	Warrington Bank Quay	✓	✗
Manchester Victoria	Wigan Wallgate	✓	✓
Newcastle	York	✓	✓
Preston	Manchester Piccadilly	✓	✗
Rochdale	Manchester Victoria	✓	✓
Sheffield	Manchester Piccadilly	✓	✗
St. Helen's Central	Liverpool Lime Street	✓	✓
Stalybridge	Manchester Piccadilly	✓	✗
Stalybridge	Manchester Victoria	✓	✗
Stockport	Manchester Piccadilly	✓	✗
Stoke-on-Trent	Manchester Piccadilly	✓	✗
Wilmslow	Manchester Piccadilly	✓	✗

6.6 Another area of concern is that these changes may impede attracting new customers to the railway. There are many implications of the expected significant increase in rail demand over the next three decades, especially when it is generated by modal shift from private road transport. TfN's *Future Travel Scenarios* would entail attracting customers who do not currently travel by rail to do so, and we will therefore need to be aware of the needs of people who are currently non-users of rail. Evidence presented as part of the Williams Rail Review indicated that some of the priorities of non-users are similar to those of current rail customers, such as the desirability of improved punctuality and reliability, cheaper fares, and more certainty of obtaining a seat.¹⁷

However, there is additional evidence which indicates that current non-users may be deterred from rail travel by a number of other factors. Research undertaken for Transport for Greater Manchester (TfGM) has looked at the reasons why some people who potentially could use public transport choose not to (the so-called "rejecters" and "not nows").¹⁸ TfGM have examined methods of changing public attitudes and providing small incentives ("nudges") to overcome any barriers to these potential customers choosing rail.

6.7 TfGM's research during 2021 indicated that only 9% of the general public in Greater Manchester outright rejected the idea of using the railways, whereas 55% were occasional users or "dabblers" (travelling by rail at least once per year but less than once per week). Only 11% were frequent rail travellers, whilst 26% were "not nows" who were open to using the railways but had not done so in the previous year. Encouraging the "dabblers" and "not nows" (together comprising 81% of TfGM's public) to use rail more often is thus the key to generating modal shift.¹⁹

¹⁷ Transport Focus (for Williams Rail Review), *Barriers to Travel: How to Make Rail More Attractive to Infrequent and Non-Users*, April 2019, p. 13

<https://www.transportfocus.org.uk/publication/williams-rail-review-barriers-travel-make-rail-attractive-infrequent-non-users/>

¹⁸ Transport for Greater Manchester, *Sales Funnel 2021: Have We Got Moves for You (19th April - 14th June 2021)*, Slide 5

¹⁹ *Ibid.*, Slide 7

- 6.8 Since the previous year had coincided with the first year of the pandemic, it may be expected that concerns about personal safety on public transport would be heightened. The presence of staff at a stable point (such as a ticket office) could be hypothesised as a factor which could ameliorate such concerns. TfGM's research discovered that the major factor preventing "not nows" who could reasonably use the train from doing so was an unspecified "preference for another type of transport" (cited by 64%).²⁰ This may be related to safety concerns, but there was no direct evidence presented by TfGM that this was the case. Clearer evidence relating to this issue comes from TfN's research into transport-related social exclusion (TRSE).

7. Transport-related social exclusion (TRSE)

- 7.1 TfN have conducted extensive research on transport inequalities in the North of England, with a particular focus on the issue of TRSE. This provides an in-depth evidence regional base on the unmet transport needs of the diverse population groups and areas of the North, and the consequences of this. TfN have published a research report²¹ and England-wide data tool setting out this evidence, as well as *Connecting Communities*,²² our strategy for achieving a more effective, equal, and inclusive transport system for the North.
- 7.2 Some of our research directly concerns the issue of safety. Our latest TRSE survey asked respondents to rate whether they had experienced "Feeling unsafe when travelling by bus, tram, and rail", with a score of zero indicating "not at all" and ten indicating "to a great extent". The mean response for various demographic groups was:

Table 5: Perceived lack of safety on the public transport network

Group	Mean score	Group	Mean score
Not disabled	3.8	Disabled	5.4
Male	4.1	Female	4.4
Not a carer	3.9	Carer	5.0
White British	4.3	Ethnic minority	4.5

- 7.3 A more recent survey of TfN's citizens' panel drew 190 responses from various demographic groups. Of these respondents, 64% replied that they feel safer when there are staff present at a railway station, and 42% believed that the ticket office closure proposals would deter them from future rail travel. These findings can be made available in a separate report.

²⁰ *Ibid.*, Slide 13

²¹ TfN, *Transport-Related Social Exclusion in the North of England*, Sept. 2022

<https://transportforthenorth.com/wp-content/uploads/Transport-related-social-exclusion-in-the-North-of-England.pdf>

²² TfN, *Connecting Communities: The Socially Inclusive Transport Strategy for the North of England*, April 2023

https://transportforthenorth.com/wp-content/uploads/Connecting-Communities_SociallyInclusiveTransportStrategy_April-2023.pdf

- 7.4 Other aspects of TfN's research have focused on the wider impact of transport-related social exclusion. 3.3 million people in the North of England live in areas in which there is a high risk of social exclusion because of issues with the transport system. These are areas in which there is a combination of poor access to key destinations with the transport options available, significant transport inequalities, and multiple forms of deprivation. This issue is relatively more present in the North than in rest of England, with 21.3% of the population of the North living in areas with a high risk of TRSE, compared with 18% of the population of the rest of England.
- 7.5 Across the North, TRSE is most concentrated in post-industrial towns and smaller cities, in communities on the peripheries of our major conurbations, and in coastal areas. These areas have often faced a combination of fragmentation and decline of the public transport options available, entrenched poverty and poor health outcomes, and increasing levels of car dependency and forced car ownership. In these areas and across the North in general, people with disabilities and long-term health conditions, those on low incomes and in insecure work, and those with caring responsibilities are particularly likely to be affected.
- 7.6 TfN's evidence on transport and social exclusion is the first and, to date only, systematic regional examination of this issue across the transport system. We are therefore well placed to comment on the social impacts of the proposed changes to train station ticket offices, set out in the consultation. On the basis of this evidence, the proposed changes are a significant cause for concern. However, the likely level of impact is different across the two substantive elements proposed.
- 7.7 **Element One: That staff currently working in ticket offices work instead in visible and accessible locations elsewhere in train stations.** The principle of making station staff more visible and accessible in stations is a generally sound one from a TRSE perspective. Currently, ticket offices are not universally located in the most visible areas of stations, and do not always meet Network Rail's Accessible Station Standards. Whilst there is room for improvement in the accessibility of some ticket offices on the network, they are home to key features which assist customers with disabilities which would not be provided if the same staff were 'roaming' or 'floor walking' at the station.
- 7.8 While supporting this general principle, our evidence suggests that the relocation of staff from ticket offices to other locations within stations must be balanced against the vital need for consistency. Having no fixed location for staff within a station area – and instead relying on users to find staff if they require assistance – would likely pose particular challenges for customers who are blind or partially sighted, particularly if staff are not immediately identifiable.
- 7.9 It is also important to note that the Office of Rail and Road (ORR) Accessible Travel Policy requires operators to identify a station meeting

point. In most cases, this is the ticket office, noting it is often located close to the station entrance, and presents a fixed, staffed location for customers to make themselves known to staff, and access the help and support they need. It is noted that alternative arrangements could be established to fulfil this purpose and is recognised that the right balance between flexibility and consistency of staff locations will vary across different station environments, and the best way to achieve a balance would be full and meaningful co-design of locations between operators and potential customers. It is difficult to see how this could be achieved in the context of a blanket closure of ticket offices across a large number of stations.

- 7.10 **Element Two: A large reduction in staff hours and staff availability to customers across train stations in the North.** The data released by train operating companies as part of the consultation indicates a large reduction in staffing hours at the vast majority of currently staffed stations across the North. In the case of stations operated by Northern for example, TfN's analysis of these data indicates a 58% reduction in total weekly staffed hours, with 34 stations experiencing a reduction of 80% or more. Our evidence indicates that this will have a significant and disproportionate impact on those affected by TRSE.
- 7.11 The lack of staff at many rail stations in the North already represents a major challenge for many populations affected by TRSE. For some, it is entirely prohibitive of their use of the station, while for others it contributes additional stress, complexity, and uncertainty. Consequently, the number of unstaffed stations currently in the network should be seen as an argument against further reductions, rather than a justification for the proposed changes.
- 7.12 Our evidence demonstrates that the largest of these negative impacts is likely to fall on customers with disabilities, older customers, and those with long-term health conditions. Surveys, interviews, and focus groups that TfN have conducted with these populations demonstrate that they are already much more likely to face safety concerns, difficulties boarding trains, difficulties in accessing information, and additional cost constraints when using the public transport system in the North. A lack of staff presence can be a significant contributor to these issues, particularly where other support arrangements fail due to delays and disruption. Transport for All have published some research relating to the particular issues that the ticket office closures will pose for older and disabled customers.²³
- 7.13 TfN's evidence also indicates that carers, women, and ethnic minority communities are also likely to face disproportionate negative impacts from the reduction in staff hours proposed due to safety concerns in unstaffed station environments. Carers and those from ethnic minority communities are also more likely to face additional barriers to accessing the right ticketing and information required to complete their trip without station

²³ Transport for All, *Briefing for MPs on Ticket Office Closures*, July 2023

staff present. This does not necessarily mean tickets are purchased from station staff, but staff remain vital to their journey experience.

- 7.14 Those on low incomes and insecure work are also likely to face disproportionate negative impacts from the reduction in station staff. These populations are more likely to rely on cash rather than card or mobile payments, are less likely to regularly use rail services in general and are more likely to face digital exclusion some or all of the time. They are also more likely to face significant cost constraints on their transport choices, meaning that they are more exposed to delays or disruption in their journey. Staff presence at stations can therefore be vital in ensuring these users can adapt to delays and disruption.
- 7.15 In summary, the evidence available to TfN indicates that the proposed changes in ticket office and station staffing will likely increase the level and risk of social exclusion because of transport issues in the North, with a particular increase in risk and exposure for customers with disabilities. The general principle of making staff more visible and accessible to customers is sound. However, this requires careful consideration and co-design of solutions with customers and prospective users, based on local contexts. Furthermore, the significant reduction in staff hours at most stations proposed will have a direct and disproportionate impact on populations already at a high risk of TRSE, adding to the barriers to using rail already associated with a large number of unstaffed stations in the North. In particular, it is expected that there may be an increase in the fear of crime among those with a protected characteristic (e.g. gender, ethnicity, age, sexuality) who already experience increased anxiety about their safety on the railway network, and this will be perceived as discriminatory.

8. Connected Mobility Strategy

- 8.1 TfN's Board approved a Connected Mobility Strategy for the North in June 2023. It will be published in September. The strategy covers all modes of transport and aims to make travel in the North more seamless, convenient, and affordable. It sets out 30 strategic and collaborative outcomes for the region.
- 8.2 One of the main themes of the strategy is the future of ticketing. We want to reform and innovate how people pay for their journeys and stay connected to places. This means having fares that are fair, flexible, and relevant for customers. It also means having better integrated journey planning and personalisation for when things go wrong.
- 8.3 Ticket offices remain a visible point for customer enquiry, support in purchases from a complex range of fares, and for customers who cannot access digital systems, and this will not diminish until broad stroke retail and fares reform is delivered. The priority should be in delivering these reforms to organically reduce the support needed from ticket offices, or indeed station staff, and ensure resource is preserved only for passengers who need in-person support at stations.

- 8.4 Alongside the response TfN is publishing two policy positions under the connected mobility strategy on fares reform and rail retail, and these set out what “good looks like” in those contexts. We believe these should be delivered and achieved before any fundamental change in the availability of at-station customer support and retail. More details can be found in our recent *Connected Mobility Policy Position Statements*.²⁴
- 8.5 This would see simplification (at least at point of purchase) of fares, integration with local zonal structures for seamless onward travel and pay as you go infrastructure, be it tap and cap or mobile based, in place before any changes to ticket offices and staffing arrangements are considered. Likewise modernised retail should be in place to prioritise personalisation, provide automatic support in the event of disruption and offer easier ways for customers to book, manage and adjust customer assistance – this would be under the principle of improving the information offer for customers. More details on this area can be found in our recent report *Developing the Information Offer for Customers*.²⁵

9. Proposed way forward

- 9.1 TfN accept that with the deployment of new technology and changes in customers’ approach to buying tickets in recent years, there is merit in holistic changes to on-station staffing and a case for a phased change in ticketing arrangements over the longer term. However, any changes must be viewed in the wider context of station facilities and the passenger experience. TfN’s recent *Strategic Rail Report* noted that “only 48% of the 600 stations in TfN’s area of interest have step-free access to all areas. At the present rate of progress, the “Access for All” programme will not rectify this until the early years of the next century.”²⁶ As it is for customers with disabilities who are most affected by ticket office closures, progress must be made on addressing their needs before major changes are made.
- 9.2 In terms of the customer experience that will be delivered at stations across the North, TfN view is that that the attributes below constitute “what good looks like”. These should therefore be the norm before any major change to station ticketing:
- **Accessible & inclusive:** This means maintaining a range of ticketing options, from easily identifiable staff at stations providing enhanced support, to self-service machines and various digital platforms;
 - **Seamless multi-modal integration:** Rail products and retail are integrated with local ticketing structures, particularly in urban areas, to enable seamless onwards travel, either with account-based ticketing or “Pay as You Go”;

²⁴ Transport for the North, *Connected Mobility Policy Position Statement: Rail Retail & Ticket Media in the North of England*, August 2023

²⁵ Transport for the North, *Connected Mobility: Developing the Information Offer for Customers*, August 2023

²⁶ Transport for the North, *Strategic Rail Report*, May 2023, p. 41

https://transportfornorth.com/wp-content/uploads/Strategic-Rail-Report-2023_Final_v3.pdf

- **Personalised & convenient:** Account-based ticketing should enable the provision of tailored offers, discounts, and services based on individual travel patterns, thereby reducing perceived complexity. Pay as You Go and contactless payment methods should be widely accepted, ensuring quick and smooth journeys through stations; and
 - **Robust support & infrastructure:** Customers should feel confident that if they encounter problems or need assistance, support is readily available through a broad spectrum of accessible formats, including station staff, help points, social media and phone.
- 9.3 TfN's view is therefore that major reform to station ticketing arrangements should only be consulted upon and implemented after effective and comprehensive measures have been introduced towards improving the accessibility and inclusivity of our region's railway network, through investment in our stations and use of the latest technology. Even then, changes should only be made on a case-by-case basis, rather than through a broad policy change rolled out in a top-down manner.
- 9.4 TfN also believes that the reform of stations and ticketing should take account of the fact that stations can play a vital role in their local communities by being a focus for voluntary groups. Research published by the Community Rail Network in 2020 indicated that both youth groups and associations for older people can be centred around stations and add social value to their locality.²⁷
- 9.5 In conclusion TfN proposes that as an alternative to these inappropriate proposals for ticket office closures, the North continues to work with train operators and stakeholders to develop a "Stations as a Place" programme which seeks to modernise retailing and other station facilities and embed stations as part of the community. Implementation of such a programme will require investment to support the change and ultimately generate greater revenue and reduce ongoing subsidy requirements.

²⁷ Community Rail Network, *Looking to the Future: An Exploration of Youth Engagement in Rail*, July 2020

<https://communityrail.org.uk/wp-content/uploads/2020/07/Youth-engagement-report-final.pdf>

cf. Transport Focus & Great Western Railway, *Age and the Train: How Younger and Older People Use the Train*, June 2020

<https://d3cez36w5wymxj.cloudfront.net/wp-content/uploads/2020/06/09105909/Age-and-the-train-How-younger-and-older-people-use-the-train-travel.pdf>

10. Appendix

10.1 As mentioned previously, TfN's area of interest can be defined in various ways, so to assist with any inter-regional comparisons, the data from Table 1 has been disaggregated into two sub-tables. In Table 6 below, the data on ticket office closures is given just for the stations within the three standard regions of the North East, North West and Yorkshire & the Humber:

Table 6: Proposed ticket office closures in the 3 Northern regions (by Station Facility Operator)

Station Facility Operator	Status of ticket offices at stations				Journeys made to/from these stations (2021-22)				
	Ticket office to be retained	Ticket office to close	No ticket office	Total stations	Ticket office to be retained	Ticket office to close	No ticket office	All stations	Proportion from stations to lose ticket office
Avanti West Coast	0	11	0	11	0	17,922,526	0	17,922,526	100.0%
East Midlands Railway	1	0	13	14	7,205,884	0	171,558	7,377,442	0.0%
London North Eastern Railway	3	4	0	7	18,651,404	6,547,142	0	25,198,546	26.0%
London Northwestern Railway	0	2	1	3	0	330,012	30,838	360,850	91.5%
Merseyrail	62	0	4	66	58,166,886	0	716,264	58,883,150	0.0%
Network Rail	2	1	0	3	29,727,684	19,581,442	0	49,309,126	39.7%
Northern	16	124	305	445	24,615,234	37,052,712	22,884,402	84,552,348	43.8%
TfW Rail	2	0	7	9	3,563,380	0	453,750	4,017,130	0.0%
TransPennine Express	2	14	3	19	5,216,212	9,044,768	268,574	14,529,554	62.3%
Transport for Greater Manchester	1	0	0	1	390,384	0	0	390,384	0.0%
Total	89	156	333	578	147,537,068	90,478,602	24,525,386	262,541,056	34.5%
Total (excluding Merseyrail)	27	156	329	512	89,370,182	90,478,602	23,809,122	203,657,906	44.4%

10.2 Meanwhile, Table 7 below gives the data on ticket office closures for those stations which are technically in Midlands Connect's area of interest, but in which TfN take an interest either because Northern are the Station Facility Operator, Northern call services at these stations, or they are located in Sheffield City Region:

Table 7: Proposed ticket office closures in TfN's wider territory (by Station Facility Operator)

Station Facility Operator	Status of ticket offices at stations				Journeys made to/from these stations (2021-22)				
	Ticket office to be retained	Ticket office to close	No ticket office	Total stations	Ticket office to be retained	Ticket office to close	No ticket office	All stations	Proportion from stations to lose ticket office
Avanti West Coast	0	1	0	1	0	2,302,168	0	2,302,168	100.0%
East Midlands Railway	2	3	12	17	6,703,362	1,640,310	784,062	9,127,734	18.0%
London North Eastern Railway	0	1	0	1	0	456,144	0	456,144	100.0%
Northern	1	7	12	20	588,956	1,338,174	725,818	2,652,948	50.4%
Total	3	12	24	39	7,292,318	5,736,796	1,509,880	14,538,994	39.5%



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Dear Sir

Transport for the North's Statutory Advice for Manchester

Alongside the £96Bn commitment to the delivery of the Integrated Rail Plan, significant investment is being made to improve the North's current rail network delivering much needed infrastructure to supporting service changes, enabling faster, more reliable journeys, helping the North to grow.

However, despite this investment, there is more to do to fill the gaps and effectively integrate major schemes with each other, and the current network.

This letter highlights where Transport for the North feel further investment is needed and makes recommendations for how the industry should approach this work.

Context

An effective, efficient rail network in the North is fundamental for connecting people to jobs, health, education, and leisure opportunities, connecting businesses to each other and employees, and allowing the efficient movement of goods and services.

As a sub national transport body our role is to advise Government on the priorities for investment in the North's transport system, informed by our local knowledge, expertise, evidence, and with a particular focus on connecting places across the North.

The evidence base upon which Transport for the North has prepared its revised Strategic Transport Plan is clear: investing in the transformation of the North's connectivity is a necessary condition for realising its economic potential, improving social inclusion, and reducing transport's environmental impact.

Major investments are planned, including the vitally important Transpennine Route Upgrade and HS2, however the constraints on the current rail network, particularly in the Greater Manchester area, continue to be a significant blocker to providing a reliable service for customers today, and unless addressed, will prevent these major schemes from realising their full intended benefits, dampening down the envisaged transformation of rail services across the North for both passengers and freight.

Manchester Task Force

The creation of the Manchester Task Force has enabled progress to be made in addressing some of the long-standing constraints in the Greater Manchester area by bringing together the industry and partners. In this regard, the Manchester Task Force acts as an exemplar of the benefits of a collaborative approach and as such could be used elsewhere to inform the rail reform agenda ahead of the formal establishment of Great British Railways.

The work undertaken by the Manchester Task Force to date has led to the introduction of the December 2022 timetable as a temporary solution to help stabilise services following the issues of the May 2018 timetable change and has delivered improved levels of performance. The changes have brought stability,

but at the cost of reduced connectivity between key towns and cities of the North which must only ever be considered an interim solution until much needed new infrastructure is delivered.

The recent announcement of £72.3m toward delivery of the next phase of infrastructure improvements in Manchester is welcomed, and serves as a strong commitment from the Department to address the issues in Greater Manchester, helping to address yesterday's problems, but it is clear that further substantial investment is needed, and at speed if we are to continue to restore services and successfully prepare the network for the changes to come.

Demand for Rail

The importance of the North's rail services is reflected in the strength and pace of the recovery post pandemic. Notwithstanding changes in travel patterns and disruption resulting from industrial action, revenues have returned, as has growth, and with it crowding and performance issues.

The evidence underpinning our revised Strategic Transport Plan establishes the need to plan for and deliver significant growth in use of the rail network across the North if we are to deliver agreed economic, environmental, and social outcomes, including the legal requirement to achieve carbon net zero.

To achieve the modal shift and decarbonisation it remains necessary to plan for significant expansion of the rail offer beyond existing commitments already made by Government in the Integrated Rail Plan. This includes the need to further address constraints within the Greater Manchester area that are not addressed by those commitments.

Current infrastructure development plans do not address this level of ambition, and are still predicated on the restoration of services, rather than equipping the network for growth. As such, additional investment in the Greater Manchester area and at the North's other key major rail hubs will be required to realise the full benefit of major schemes alongside accommodating future local and regional growth.

We accept that at times, there may be a need for compromise to balance disruption, cost and resources, but any compromise of train services should always be the last resort, and where this is the case, we ask that the Department and industry engage us in meaningful discussion to determine the best approach to be taken. However, we must be clear, the North has already compromised with the introduction of the December 2022 timetable, and we do not feel it acceptable for local and regional services which the people of the North rely upon to be compromised in this way again.

An Outcome Focused Approach

It is clear that there is no one single solution to the issues in Greater Manchester, and that a series of interventions are needed, but what is currently missing is a clear plan which effectively brings together the work of the Manchester and North West Transformation Programme (MNTP) with the other major schemes destined for region, including HS2, Transpennine Route Upgrade

and Hope Valley upgrade, and which incorporates upcoming rolling stock changes, resources, and skills.

This plan is desperately needed, and should be predicated on delivering four key outcomes:

1. **Increasing Capacity on the Castlefield corridor** enabling trains to operate reliably through the Castlefield corridor, accommodating current service levels, restoring absent services, incorporating Transpennine Route Upgrade services, and increasing the provision for freight. The Castlefield Corridor should remain designated as congested infrastructure until the point at which the available capacity meets service requirements.
2. **Delivering reliable train service performance**, specifically ensuring that performance through central Manchester consistently achieves the national average for T-3, T-15, and for cancellations as a minimum, providing a dependable service for all.
3. **Restoring and improving rail connectivity to/from Manchester Airport** to the rest of the North, including rail access to/from Sheffield, Bradford, Chester, and North Wales, ensuring these are protected throughout the introduction of major schemes to the region, with no service regressions or downgrading of capacity or connectivity.
4. **Providing the capacity for growth** to accommodate the increase in passenger and freight services that are required to achieve agreed economic, environmental, and social outcomes as set out in the revised Strategic Transport Plan, realising the benefits of the major schemes coming to the region, particularly the Transpennine Route Upgrade and the associated high gauge works, transforming east-west freight connectivity.

Furthermore, it is Transport for the North's recommendation that to achieve these outcomes, the following activity is required:

1. An on-going commitment by the Department for Transport to the work of the Manchester Task Force and with it the Manchester and North West Transformation Programme, appropriately funded and resourced, and to expand its terms of reference include the development of options for infrastructure enhancements to effectively integrate committed major schemes alongside the growth of local services.
2. Support for the development of the 'Blueprint for the North' by Transport for the North and its partners, in collaboration with industry. We would ask that the Department for Transport adopts and maintains this as the mechanism by which the need for future improvements is identified on a collaborative basis, incorporating interventions to effectively integrate major schemes into the existing rail network. This is likely to include the timely development and delivery of solutions for Manchester Piccadilly and Stockport area, alongside key activities which support the realisation of

service changes, including service planning, rolling stock changes, recruitment, and training.

3. A commitment from the Department for Transport to work with Transport for the North and its partners to use the Blueprint to drive forward the required pipeline of investment in the Manchester area, at pace, which is managed and delivered as a co-ordinated programme, integrating both track and train.
4. Acknowledgement of the extent to which the need to address capacity issues in/around Stockport and Manchester Piccadilly is required to enable the committed outcomes for the Hope Valley Upgrade to be realised, additional local rail services to be introduced, and to maintain operation of existing local rail services during the construction phase of HS2 Phase 2B.
5. Based on the evidence available it is arguable that the Stockport area should be formally identified as congested infrastructure in advance of normal process, thereby affording time for measures to be taken to address foreseen capacity issues in this area ahead of the operation of High-Speed services.
6. The Department for Transport to ensure that it formally seeks, in a timely way, the views of Transport for the North and its partners when choosing how to balance and address the interdependencies between Transpennine Route Upgrade, Northern Powerhouse Rail, HS2 and services on the rest of the North's rail system.

The Manchester Task Force demonstrates the added value of collaborative working in the manner advocated as part of the Government's Rail Reforms. It shows that it is possible to develop viable and affordable solutions and to oversee their implementation in a practical and pragmatic way. The benefits of this collaborative model will be promoted for other network congestion hotspots that have impacts across the North including Leeds, Sheffield and York.

The evidence base is clear that continuing to prioritise the need to address the remaining constraints in the Greater Manchester Area is not only critical to the successful delivery of committed investments, but to enabling agreed outcomes for the North to be realised.

Transport for the North remains committed to working with the Department for Transport, through the Manchester Task Force and Manchester and North West Transformation Programme, with a view to delivering these recommendations.

This letter supersedes Transport for the North's statutory advice in respect of the Greater Manchester rail network submitted in February 2020.

Yours faithfully,

Meeting: Transport for the North Board
Subject: Strategic Transport Plan Update
Author: Lucy Jacques, Principal Policy & Strategy Development Officer
Sponsor: Katie Day, Director of Strategy, Analysis and Communications
Meeting Date: Wednesday 27 September 2023

1. Purpose of the Report:

- 1.1 To provide an overview of the outcomes of the statutory consultation on our second Strategic Transport Plan (STP).
- 1.2 To seek steers from TfN Board on where revisions should be made to the STP to address consultation feedback.

2. Recommendations:

- 2.1 It is recommended that the TfN Board:
 - a) Notes the outcomes from the statutory consultation, summarised in section 3, and the detail provided in Appendix 1.
 - b) Provides a steer on areas of the STP to guide its revision post consultation, set out in section 4.
 - c) Notes the arrangements for finalising the STP ahead of TfN Board in December, set out at section 5.

3. Main issues:

- 3.1 TfN has a statutory duty to produce a STP on behalf of the North of England. Its purpose is to set out, based on robust evidence, the strategic ambitions for transport, specifically pan-regional infrastructure priorities and issues that are common to partners where there is efficiency in tackling them regionally. Following Board's approval in March 2023, a 12-week statutory consultation took place between May and August 2023. An independent Integrated Sustainability Appraisal (ISA) and Habitats Regulation Assessment (HRA) was also prepared and consulted on and will be revised post consultation and provided alongside the final STP.
- 3.2 The purpose of the consultation was to seek views and comments on the draft plan, enabling us to refine and improve it ahead of adoption as statutory advice to the Government. Equally, it provided an opportunity for early dialogue to inform thinking on implementation and interventions to deliver the STP.
- 3.3 We deployed a mixture of methods to engage stakeholders throughout the consultation period, including extensive promotion via our digital channels and news media. In total we received **649** responses (compared to 563 when we consulted on the first STP) which can be further broken down as:
 - a) **97** responses to our virtual consultation room
 - b) **144** attendees at the TfN led virtual and face to face workshops, taking place in Manchester, Leeds and Newcastle
 - c) **32** responses from statutory consultees
 - d) **53** responses from other groups such as local charities and user groups.
 - e) **220** responses to our STP citizens panel activities
 - f) **94** other written responses from members of the public, for example emails and letters

g) **9** MPs from the region attended our All-Party Parliamentary Group (APPG) session in Whitehall.

- 3.4 TfN officers also attended and presented at 22 partner events including sessions with chambers of commerce, local enterprise partnerships, environmental and public health stakeholders, local transport authority committee and member briefings. In total we had 32 responses from our statutory consultees including strong representation from our local transport authority partners.
- 3.5 All the feedback received from the consultation has been analysed and coded to draw out themes and key considerations. This paper summarises the substantive feedback points where Board's steer is now necessary, ahead of revising the draft STP. Appendix one provides a more detailed overview of the consultation feedback across the various interactions described above.
- 3.6 While some areas of the STP likely require amendment/adjustment overall, the STP vision and strategic ambitions were accepted. However, there was a desire for greater detail on the priority schemes, investment portfolio and policies needed to deliver it. It is important to remember that the STP is intended to set the long-term ambition for the North's transport system. It is a strategy to guide policy making, national and local planning, and investment, rather than provide the specific delivery details. We have therefore considered the consultation feedback within that context and purpose.
- 3.7 Subject to Board views, we continue to engage with partners to discuss how we respond to feedback and seek views on implementation proposals. We will provide early advice on implementation alongside the final version of the STP in December.

4. Revisions required post consultation:

- 4.1 There are several overarching themes that have emerged that we need to consider in further detail ahead of revising the STP, specifically:
- a) Level of ambition across our strategic outcomes and metrics
 - b) Environmental benefits beyond decarbonisation
 - c) Affordability of transport for users
 - d) How to enable mode shift/behavioural change
 - e) Better articulation of the challenges in rural areas
 - f) Strengthening the case/narrative on roads, strategic rail, freight & logistics and international connectivity
 - g) Greater recognition of the importance of bus and coaches
 - h) Further detail on how the plan will be delivered.

We have grouped these areas together for the Board to consider:

- A. Strategic outcomes
- B. 'Right share' and 'vision zero' metrics
- C. Potential amendments to the STP
- D. Areas for further work.

(A) Strategic outcomes

- 4.2 Overall the STP vision was supported, with indications it would help local plan and strategy development. Our three strategic ambitions (economic growth, decarbonisation of surface transport and reducing transport-related social exclusion (TRSE)) were also supported. Some debate was had as to whether one was more important than the other, but the consensus was all three mattered equally.
- 4.3 There was broad support to close the productivity gap, but with acknowledgement that it was contingent on investment in transport infrastructure to address connectivity, especially a well-functioning public transport system. We therefore intend to maintain the '**improving economic performance**' ambition as it is,

which is underpinned by the Northern Powerhouse Independent Economic Review (NPIER). Further, we are working with partners on how the NPIER ambitions can be achieved – beyond transport – given the need to align investment and policy levers to achieve transformative growth.

4.4 Our decarbonisation ambition – which was new to the STP this time – was welcomed, with feedback recognising a mixture of interventions and investment is needed. While decarbonising our road fleet is necessary, encouraging modal shift to public transport was critical, including the revenue funding to enable the transition. We therefore intend to maintain our ambition to '**rapidly decarbonise surface transport**' as it is and will use our update of the TfN Decarbonisation Strategy next year to review our baseline position and consider any policy gaps.

4.5 The **Transport Related Social Exclusion (TRSE)** strategic ambition is also new to the STP this time and has been seen as a welcomed addition through the consultation. Our TRSE ambition includes two outcomes:

- Reduce the number of people in the North living in areas with a 'high' risk of TRSE by 1,000,000 by 2050
- Reduce the number of people in the North living in areas with a 'highest' risk of TRSE by 370,000 by 2050.

This needs to be set in the context that currently there are 3.3 million people (21%) of the North's population living in areas of high risk of social exclusion due to poor transport accessibility.

4.6 Some of the feedback received questioned whether these outcomes were ambitious enough and whether we should look to go further; including some suggestions to even "eradicate" TRSE in the North by 2050. TfN officers have carefully considered this feedback and re-looked at the evidence underpinning the proposed outcomes.

4.7 We know that TRSE cannot be solved by connectivity improvements alone. The NPIER has demonstrated that a range of policy levers and investment must be aligned within places to enable sustainable growth. Our evidence showed that to achieve the 1 million TRSE reduction, the North's major cities (and connections to outlying towns) would need an integrated transport system that offered the choices, reliability, frequency, and ticketing options similar to London. And alongside, there must also be investment in other public policy areas to correct the regional deprivation gap and stimulate economic growth.

4.8 The NPIER demonstrates the scale of investment, beyond transport, needed just to achieve parity (per capita) with public spending in London and the devolved nations. And we would need to align transport investment and wider public policy changes/funding if we are to achieve a faster reduction in TRSE. This is where a growth strategy for the North of England focused on growth and building upon our prime and enabling sectoral capabilities may be helpful.

4.9 Given this wider context, and the need for our strategic outcomes in the STP to be credible, we recommend we maintain the current ambition. The four determinants, below, that underpin the ambition already provide a sound basis to level up with the rest of England and we can keep these under review via our STP monitoring and evaluation arrangements:

- a) That the proportion of the population at high or very high risk of TRSE in the North should be no higher than the rest of England, across our diverse area types
- b) That the size of the population at high or very high risk of TRSE should not increase as the total size of the population increases
- c) That no area type should see an increase in the proportion of the population at a high or very high risk of TRSE

- d) That the decarbonisation of the transport system and the introduction of new transport technologies should reduce inequality and improve inclusion.

(B) 'Right share' and 'vision zero' metrics

- 4.10 The draft STP proposed a set of "right share" metrics. The purpose of these is to reflect the change in the North's transport system that is required if we are to achieve the strategic outcomes, and therefore help us measure progress in the transition over the period to 2050. The metrics set out in the draft STP are:
- a) The share of trips made by public transport increases to 15% by 2050 (currently 7%)
 - b) The share of trips made by active modes increases to 36% by 2050 (currently 27%)
 - c) There is zero overall regional increase in private car vehicle mileage on the North's Road network to 2045, against a baseline of 78.2 billion in 2018
 - d) Double rail's share of freight carried to 17% by 2050, measured as tonne km (currently 8.5%).

In addition, the draft STP also proposed we adopt a metric focused on reducing the number of people killed and seriously injured in traffic incidents to zero by 2050. This was originally included to address feedback received from our local transport authority partners (while preparing the draft plan) to include an ambition focused on safety.

- 4.11 Feedback received from the consultation, particularly from some of our more urban local transport authority partners and environmental stakeholders, questioned whether 'right share' metrics should be more ambitious. We utilised our citizens panel (known as 'Northern Transport Voices', which reflects the public demographic across the North) to explore in depth their perception of the 'right share' metrics for mode shift to active travel and public transport. This provided some useful insight, as ultimately these targets will only be achieved if there is associated behavioural change by the public.
- 4.12 On average, the majority of citizens panel (56%) respondents felt that the pan-Northern right share metrics were set at about the right level, although some argued that they are too ambitious (due to the current poor state of active travel and public transport provision). Others suggested they were not ambitious enough (due to the speed of climate change and the need to act). Panel members also questioned their deliverability. This was due to: (a) entrenched preferences for private car use; (b) the significant financial investment required to provide convenient and good quality active travel and public transport options, which would enable greater choice to the public; (c) that the metrics may be less or more achievable depending on the nature of a place, e.g. if an area was particularly affected by TRSE.
- 4.13 On the latter, the rationale for pan-regional metrics is to express we need to achieve as a collective, rather than expecting them to be achieved everywhere equally. We recognise that achieving significant mode shift in rural areas, for example, could be more difficult than achieving changes in city regions (where public transport opportunities may be greater). By working pan-regionally, we can accommodate those differentials in achieving our strategic ambitions.
- 4.14 The **public transport and active travel mode shift metrics** are taken from the TfN Future Travel Scenario (FTS) that achieves the greatest emissions reductions; Urban Zero Carbon (UZY). The rationale is that UZY provides us with a fully modelled set of modal targets that we know gets us close to achieving our decarbonisation and social inclusion ambitions.
- 4.15 In relation to **car vehicle mileage metric**, TfN's Decarbonisation Strategy does indicate the level of commitment required to achieve near zero surface emissions by 2045. This right share metric is more ambitious than that required by that

strategy. It is also more ambitious in terms of managing car vehicle mileage than the Committee on Climate Change's 6th Carbon Budget Balanced Pathway (which sees +3% by 2030 and +10% by 2050 on 2019 levels). While we have not yet modelled the carbon implications of this car vehicle mileage target, the rationale for the increased level of ambition in the STP is that it represents the minimum we require to achieve our health, wellbeing and inclusion outcomes.

- 4.16 It is appropriate to retain the 'right share' metrics as part of the STP as they will help us monitor progress in achieving the strategic outcomes. We are already reviewing our FTS, and intend to update the decarbonisation strategy by 2025, which give us the opportunities to test their validity and carbon implications from these STP metrics. If needed, we can then strengthen and/or adjust them accordingly (subject to Board's agreement), all the while keeping them under review via our monitoring and evaluation framework. However, in the meantime, we can offer the Board two options to address the immediate STP feedback:
- a) Retain the public transport, active travel and private vehicle mileage right share metrics as they are, with the caveat that they may change following work planned to update both TfN's FTS & Decarbonisation strategy; OR
 - b) Merge the public transport and active travel metrics into a 'sustainable modes' category and present this alongside the car metric. Note this is similar to how some of our TfN partners have presented their own metrics and would then show an aspiration for a 51% sustainable, 49% car split by 2050.

On balance, we recommend option (b). This is because it aligns to how many of TfN's local transport partners have presented their own metrics and offers greater flexibility to meet the outcomes/needs within a place, while still expressing our pan-regional (collective) ambition for modal shift.

- 4.17 The **freight mode shift metric** was calculated as a midpoint between our four FTS. To be more ambitious we could align the target with UZC which means an increase in mode share to 24%. However, given we have already aligned the other 'right share' metrics with the UZC scenario we do need to be cautious in doing so for all mode share targets as it may seem that we are promoting one of the FTS scenarios above the others. Alternatively, we could opt to treble the mode share of freight. This would mean setting a metric of 25.5 % by 2050. This is different to, but not far off, the UZC mode split scenario and would align to the Rail Freight Group's calls as part of their response to DfT's future of freight consultation.
- 4.18 On balance, we recommend that increasing the ambition for freight mode shift would be helpful. Our evidence base (via the FTS) supports such an adjustment. It also aligns to industry feedback and recognises the scale of the economic opportunity (and challenge to decarbonise), if the right capacity, infrastructure, and regulatory environment can be created to increase rail's share of freight.
- 4.19 Consultation responses - particularly members of the public - questioned whether the metric for '**vision zero: reduce the number of people killed and seriously injured in traffic accidents to zero by 2050**' should be accelerated. They suggested setting a target for 2030 or 2040 instead.
- 4.20 TfN officers have reviewed the evidence around this and there are two notable targets other organisations have set which we could look to consider:
- National Highways has set a safety target that states "By 2050, we aim for no one to be killed or seriously injured while travelling on or working on our network." TfN's definition of the Major Road Network (MRN) in the North encompasses both the Strategic Road Network (SRN) managed by National Highways and major road network routes, owned and managed by local highway authorities

- London has set a target of 2041 to eliminate all deaths and serious injuries from its transport network, which is accompanied by an action plan that outlines the profile/location of accidents and other targets relating to mode shift and safety. While this is admirable, we need to recognise that the North's geography differs markedly to London's and therefore setting a target for the North that aligns to London is unlikely to be appropriate.

4.21 On balance, we recommend that we maintain our 'vision zero' metric as it stands. Safety has been a theme drawn out in the consultation and with partners over recent months, so it is appropriate for the STP to set an ambition. But we will keep this metric under review, and if our monitoring indicates a change should be considered, we will bring advice to Board to accelerate delivery.

(C) Potential amendments to the STP

4.22 There are several areas of the STP that the consultation has identified we need to revisit over the coming weeks to strengthen the text before seeking adoption. These include:

- Greater recognition of the role played by buses and coaches**, drawing on the work that has already started with our partners to build the evidence base and improve data/analysis to aid planning
- Better articulating that the environmental benefits we seek are wider than just decarbonisation**, including more emphasis on biodiversity net gain, air quality and the enhancements to the built and natural environment
- Making a stronger case for freight**, including more of our existing evidence, including reference to the opportunities that inland waterways present
- Simplify the messages around our FTS**, more clearly articulating how they inform our strategy and policy development
- Sense check our narrative on international connectivity**, to ensure we are presenting a fair and balanced view (in line with our agreed policy position) in light of feedback from both environmental stakeholders and airports that is conflicting in nature
- Review our presentation of the Policy and Place Framework**, specifically the opportunity to reduce detail within the STP itself and/or whether to provide this as a separate (supporting) document; and to address feedback from the citizens panel on the policies reflected within the Framework to aid local transport planning.

4.23 There are also specific areas within the **Strategic Rail** section, which require review given consultation feedback, including:

- Advocacy of specific schemes or priorities:** respondents took the opportunity to highlight and promote specific smaller scale schemes they argue should be contained within the revised STP. While we will look to review the text to better articulate the importance of pan regional priorities, it is our recommendation that the specific scheme details need to sit as part of the Strategic Rail Report. The latter is being updated post consultation in parallel to the STP timeline and will be a supporting document. Further, the wider work within TfN's Strategic Rail team on a 'blueprint' for the North is also an opportunity to address this feedback
- Greater focus on existing rail services is needed:** improved coverage of rail network, decreased journey times, more regular services, rural train routes, extended service time and more focus on passenger experience were all points raised by respondents. We intend to strengthen the narrative on all these issues in the STP and the Strategic Rail Report, to ensure we better reflect the role of all rail operators across our region not just TPE and Northern

- c) **Absence of light rail and mass transit systems:** several responses identified the absence of any reference to light rail and metro systems from the STP. We intend to include new text to address this gap, explaining the need for appropriate investment at the local level to support the enhancement of these services and improved integration into the wider transport network.

4.24 Opinions on **roads** were more mixed. It was acknowledged that the STP has shifted the dialogue, recognising the growing importance of: ensuring our existing road networks have resilience to climate change impacts; considering how existing highway space is used (to offer more choice); and continuing to secure enhancements where no other options were available. Feedback, which we intend to address in the roads and local connectivity narratives within the STP, are:

- a) **Mode shift to sustainable transport:** the importance of encouraging modal shift towards more sustainable modes was a key theme through the consultation. Respondents wanted to make public transport a priority by improving its affordability, with more park and ride facilities and better integration. Linked to this it was felt active travel investment and road reallocation to support that should be a priority above new capacity
- b) **Reduce car dependency:** the STP recognises that roads will continue to play a critical role in our transport system, and we need to invest in maintaining that asset. However, to achieve the transformation of the North, we need to improve the choices available for users. That may include re-considering how road space is allocated, and availability & usability of alternative options to private car use where appropriate, for example, improving rail connectivity for inter-city routes, and more options intra-urban for walking/cycling/bus services
- c) **More detail on investment:** respondents highlighted a desire to understand the road priorities in more detail. As is the case with rail, we will look to review the STP text to better articulate some of the strategic priorities already agreed through TfN Board. This will be supported by additional detail already sitting as part of our Major Roads Report which was published in 2021 and/or as part of our more recent recommendations to DfT and National Highways provided in the process of developing the Road Investment Strategy
- d) **Over-reliance on electric vehicles (EVs):** doubts and concerns regarding the reliance on EVs with the STP was expressed. The STP and TfN's Decarbonisation Strategy highlight the essential need for a complementary package of measures to achieve close to zero from surface transport emissions by 2045. We recognise that simply changing the fuel of private vehicles will not be enough to achieve our decarbonisation commitments and will ensure that balance is appropriately reflected.

(D) Areas for further work

4.25 The consultation identified several themes where further work to develop the evidence base may be appropriate, working in slower time with TfN partners:

- 1) Affordability of transport to the user
- 2) Better understanding the 'carrots and sticks' to enable more choice and incentivise the behaviour change necessary for mode shift
- 3) Better articulation of the challenges faced by rural areas
- 4) Providing further detail on how the STP will be implemented.

1) Affordability of transport to the user

4.26 We propose to add some additional text into the STP that draws out why this is important, using our TRSE and cost of living evidence. Beyond that we intend to undertake more work – with our partners – to strengthen the evidence base on this topic, given its complexity. As such, subject to TfN Board support, it is our

recommendation that we look to include this as a new action into table 6.2 of the STP and as a “required action” for TfN, and to incorporate this within our business planning.

2) Behavioural change

- 4.27 Feedback from the consultation recognised the STP’s ambitions will require a shift in user behaviour to more sustainable modes of travel, and that means better public transport options. While our ‘right share’ metrics reflect this, we recognise that behaviour change itself is an area where more evidence is needed to inform policy advice/options. Demand management, digital connectivity and public awareness are all facets that could impact behaviour change and affect mode choices. We intend to work with partners to better understand the drivers and barriers in the first instance and will again capture in table 6.2.

3) Better articulation of the challenges of rural areas

- 4.28 We propose to review the case for change, and policy & place sections of the STP to ensure the challenges are better articulated, drawing on our wider work on rural mobility. In addition, we are currently undertaking some bespoke analysis of our analytical framework to draw together a rural mobility evidence repository, which we can then share with our partners to support their own business case development. This work is due to conclude by March 2024.

4) Implementation of the STP

- 4.29 Many stakeholders, especially our local transport authority partners, have asked for us to provide further detail on how the plan will be implemented and delivered. Specifically, they want to see which schemes/interventions will be prioritised at a pan-regional level. The STP already includes many of the critical pan-regional schemes, but ahead of December Board we expect to work with partners to confirm the key priorities for the short to medium term (what we need to protect that is already committed, and what else we need to advocate for) to ensure these can be reflected within STP implementation advice, ahead of the Spring Budget.
- 4.30 In addition, we will work with partners to better define the short, medium, and long-term deliverables to support the TfN “required actions” (table 6.2). This includes specific work on topics such as decarbonisation, freight and logistics, connected mobility, buses and TRSE. Alongside, we are also preparing advice for the Board on how the transport planning system needs to change and evolve to realise the outcomes in the STP, including opportunities for more devolution (in line with the National Infrastructure Commission’s advice), better joining up across infrastructure policy and investment appraisal reform.

5. Next Steps:

- 5.1 TfN officers will continue to work on the revisions through October ahead of bringing a final STP back through TfN governance in November and December 2023 to seek sign off and adoption.
- 5.2 Once adopted by TfN Board, the final plan will be submitted to the Secretary of State as statutory advice early in 2024. This will be supported by advice on implementation.

6. Corporate Considerations:

Financial Implications

- 6.1 The financial implications related to STP publication and consultation are captured in the 2023/24 budget approved by TfN Board in March 2023.

Resource Implications

- 6.2 The necessary resources to prepare the revised STP to the timeline set out in this report have been identified and agreed, aligned to TfN's Budget & Business Planning Process for FY 2023/24.

Legal Implications

- 6.3 The statutory obligations on TfN under the Local Transport Act 2008 as amended by Cities and Local Government Devolution Act 2016 in preparation of the STP will be kept under review to ensure the STP is legally sound and complies with the legal requirements.

Risk Management and Key Issues

- 6.4 This paper does not require a risk assessment. TfN's Corporate Risk Register includes a risk associated with the revised STP.

Environmental Implications

- 6.5 A full Integrated Sustainability Appraisal (ISA) and Habitat Regulations Assessment was prepared to accompany the revised STP, supported by external expertise. These reports were also consulted upon alongside the revised STP and the findings of which are included in appendix A.

- 6.6 The ISA will document how and where consultation comments on the ISA/HRA have been addressed following completion of the consultation. This will include updated assessments where policies within the STP have been updated in response to the consultation. The revised ISA report will be brought back to TfN Board in December 2023 for approval.

Equality and Diversity

- 6.7 To accompany the revised STP we have undertaken an Equality Impact Assessment as part of the wider ISA, and where possible the findings of these were addressed in the consultation draft. In addition, TfN's Transport Related Social Exclusion workstream will allow TfN and its partners to better understand the distribution and causes of TRSE in the North and will form an important part of the evidence base for the revised STP.

Consultations

- 6.8 As detailed above, the revised STP has undertaken a full statutory 12-week consultation period.

7. Background Papers

- 7.1 N/A

8. Appendices

- 8.1 Appendix 1 – STP consultation outcomes

Glossary of terms, abbreviations and acronyms used (if applicable)

Please include any technical abbreviations and acronyms used in the report in this section. (Please see examples below.) This will provide an easy reference point for the reader for any abbreviations and acronyms that are used in the report.

- | | |
|---------|-------------------------------------|
| a) STP | Strategic Transport Plan |
| b) ISA | Integrated Sustainability Appraisal |
| c) HRA | Habitats Regulation Assessment |
| d) APPG | All Party Parliamentary Group |
| e) TRSE | Transport Related Social Exclusion |

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STP2 Consultation: Headline outcomes

September 2023

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Headline numbers

The STP consultation ran from 25 May – 17 August 2023 inclusive.

In total we received 649 responses, made up of

- **220** responses to our STP citizens panel activities
- **144** attendees at the TfN led workshops, taking place in Manchester, Leeds, Newcastle & virtually
- **97** via our online virtual consultation room
- **94** from members of the public, via emails and letters
- **53** from specific groups such as local charities and user groups.
- **32** / 134 responses from our statutory consultees
- **9** MPs from the region attended our All-Party Parliamentary Group (APPG) session in Whitehall.

TfN officers also presented at **22 partner events** including sessions with chambers of commerce, local enterprise partnerships, environmental and public health stakeholders, local transport authority committees and member briefings.



By 2050 the North of England will have become a thriving, socially inclusive region. Our communities, businesses and places will all benefit from sustainable economic growth, improved health and wellbeing and access to opportunities for all. This will be achieved through a transformed, zero-emission, integrated, safe and sustainable transport system, which will enhance connectivity, resilience and journey times for all users.

Transforming economic performance

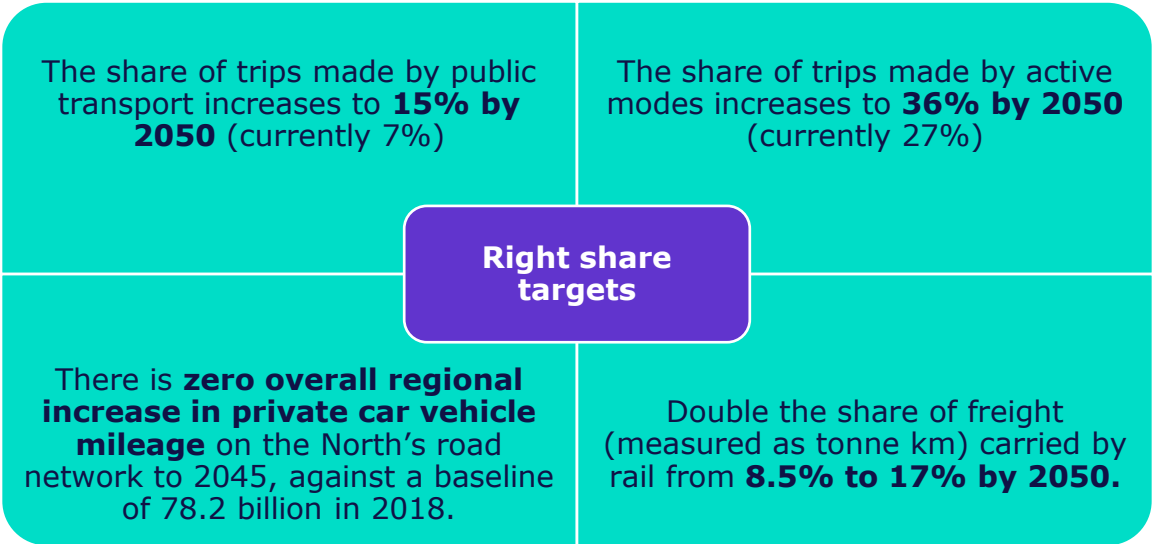
£118bn more GVA by 2050

Decarbonisation of surface transport

Near zero by 2045

Enhancing social inclusion and health

1 million people fewer at risk of TRSE by 2050



Overarching themes

- **Show greater ambition:** both partners and respondents have said the STP should be more ambitious, going further and bringing target dates sooner.
- **Not meeting carbon targets:** respondents are concerned that the STP's modelled Future Travel Scenarios fail to meet TfN's Decarbonisation Targets.
- **Need to consider affordability of transport:** this has been a prominent theme across the consultation.
- **The importance of bus and coaches:** respondents have noted the important role of bus in delivering the strategy and would like to see more detail on policies for buses and coaches.
- **Understand the unique challenges of rural areas:** the STP needs to demonstrate understanding what the impact of policies and targets will be for rural areas.
- **Consider environmental benefits beyond decarbonisation:** consultees highlighted areas such as air quality, bio-diversity net gain and enhancements to the natural and built environment that should be considered.
- **Importance of mode shift / behavioural change:** it is widely recognised that the strategy's aspirations will only be delivered if there is a significant mode shift towards sustainable modes & reallocation of roads to support that.
- **Improvements to public transport:** consultees raised a number of areas for improvements to the existing transport networks, including frequency, reliability, affordability, accessibility and supporting the case for light rail / mass transit.
- **Transport integration:** consultees were clear on the need to integrate modes across the transport system, including fares and timetables.
- **Freight & Logistics:** the STP needs to make a stronger case for freight including multi modal freight hubs and use of inland water ways.
- **Simplify the messaging and talk with one, louder voice:** respondents felt a summary of the STP needs to be more impactful and TfN should communicate this with a louder voice.
- **Engagement and collaboration:** some stakeholders welcomed the collaborative approach to development of the strategy, others felt that more engagement with local communities was necessary.
- **Over-reliance on electric vehicles (EVs):** doubts and concerns regarding the reliance on EVs with the strategy was expressed.
- **Questioning ability to deliver:** consultees have raised questions about how TfN's targets and ambitions will be delivered based on their influence and ability to invest, and the need to provide a detailed action and implementation plan.

Overview by STP chapter and topic area

Topic area	Public consultation (VE Room)				Stat. consultees, partners and other groups		
	Overall agree	Neutral	Overall disagree	Don't know	Overall agree	Neutral	Overall disagree
1. Vision	75% (89)	12% (14)	9% (11)	4% (5)	82% (28)	6% (2)	12% (4)
2a. Economic Performance	71% (70)	10% (10)	7% (7)	11% (11)	74% (25)	15% (5)	12% (4)
2b. Decarbonisation	60% (58)	13% (12)	15% (14)	13% (12)	52% (22)	21% (9)	26% (11)
2c. Social Inclusion & Health	58% (56)	15% (14)	9% (9)	18% (17)	76% (25)	12% (4)	12% (4)
3. User centric & Place Based	90% (64)	4% (3)	4% (3)	2% (1)	69% (25)	19% (7)	8% (3)
4. Outcome focused	71% (41)	10% (6)	16% (9)	3% (2)	50% (3)	17% (1)	33% (2)
5. Overview Transport Strategy	Not applicable				56% (9)	38% (6)	6% (1)
6. Roads	65% (54)	11% (9)	21% (17)	3% (3)	60% (26)	19% (8)	21% (9)
7. Rail	77% (72)	6% (6)	14% (13)	3% (2)	71% (30)	17% (7)	12% (5)
8. I.C.F.L	59% (34)	10% (6)	21% (12)	10% (6)	56% (19)	24% (8)	21% (7)
9. Local connectivity	See slide for details				60% (19)	24% (6)	16% (4)
10. Implementation	See slide for details				50% (18)	33% (12)	17% (6)
11a. ISA	37% (19)	26% (13)	4% (2)	33% (17)	27% (4)	47% (7)	27% (4)
11b. HRA	34% (17)	24% (12)	4% (2)	38% (19)			

Note – We also sought feedback from our citizens panel on the three strategic ambitions, right share targets and policy & place framework with the headline results of those provided later in the deck.

Vision

General support and alignment

Respondents expressed overall support for the vision and suggested it would be useful for their own strategy development. For example, "The vision and three ambitions of this strategy will support County Durham's Vision 2035".

Greater focus on Air Quality, Environment and sustainability

Respondents felt environmental issues were important, with some wanting the plan to go further and consider areas beyond just decarbonisation.

Greater clarity needed

Respondents suggested more information was needed on how the vision would be realised, for example, one respondent felt the relationship between the vision and the interventions was "tenuous".

Greater ambition on mode shift to transport needed

Respondents wanted to see greater ambition on mode share. For example, "to find that "right balance" we wish to see a more ambitious adoption of active travel modes".

Improving public transport

Respondents would like to see a greater focus on improving public transport e.g. higher modal share, larger rail and bus network, improved journey times and frequency of service

A more ambitious vision

Respondents think the timeframe of delivery of the strategy is "too long into the future"

Strategic Ambitions

Consider all together

While individuals and groups had mixed views the general feedback was that the three strategic ambitions should be considered together and not in conflict: “economic performance, decarbonisation, social inclusion and health should not have greater importance than each other, as all are equally as important in achieving prosperity.”

General support and alignment

Partners and stakeholder groups identified alignment between TfN’s ambitions and those of their own organisations, recognised need for multi-agency approach to addressing these challenges.

Greater focus on environment, sustainability and biodiversity

As elsewhere, some respondents highlighted the need to consider issues beyond just decarbonisation.

Economy should be in service to society and the environment

Some also felt that economic performance should be seen as the “means” to better social and environmental outcomes.

Roads: mixed views

Mode shift to sustainable transport

- Encouraging modal shift towards more sustainable modes was a key theme: "Far more needs to be made of achieving modal shift and reducing individuals' personal car miles."
- Respondents wanted to make public transport a priority by increasing its affordability, with more park and ride facilities and through the support of integrated travel.
- Active travel investment should be a priority.

Reduce car usage

- Respondents wanted the strategy to discourage car usage, better urban and transport planning as well as through the reallocation of roadspace.
- Going further, others respondent in support of measures to reduce car usage.
- Other respondents were concerned that the reduction of car usage was not realistic

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Maintenance & resilience of existing assets

Respondents highlighted improvements needed to existing roads in their area, particularly around maintenance.

Support road investment

Partners also highlighted the importance of road investment to the region: The focus on decarbonisation should not detract from the fact that roads will continue to deliver many sustainable forms of transport and will require investment.

More detail on road investment needed

Respondents also highlighted a desire to understand TfN's Road priorities: "the Rail strategy talks about specific investment schemes – this section should also refer to investment, such as the A66 and the MRN/LLM programme."

Other themes

Road space reallocation, importance of roads in rural areas, demand management.

Workshops summary

3 in-person workshops (Manchester, Leeds and Newcastle) and one virtual workshop have been held with stakeholders across the North.

In total, 144 stakeholders have attended the workshops. From these, 90 attended in person and 64 attended the virtual workshop.

Despite the geographical split of the events, the following consistent themes were set forward by stakeholders:

- The STP needs to be more ambitious, going further and delivering target dates sooner.
- **Strengthening our decarbonisation ambition**, defining near net-zero, and including wider environmental aims under this ambition.
- **Affordability** needs to be more prominent.
- **Integration of modes and ticketing** is a key enabler.
- We need **to instigate behavioural change** to secure the mode-shift that will allow us to achieve our wider aims.

- The **STP can play a key role in bringing certainty to the private sector**, by encouraging collaboration between public and private.
- TfN's **approach to social inclusion was strongly supported**, however, **more can be said on accessibility and appraising health and social drivers**.
- **TfN should have a bus and coach strategy**.
- TfN and the STP need to more engaging with communities and travellers. Communicate the plan in a simpler manner – not just focused on transport planners and funders.
- A long-term funding pipeline / settlement is needed. TfN need to prioritise – agreeing their implementation plan between government and LTAs
- TfN are a statutory body and as such government must take notice. TfN should be given greater powers to accelerate and provide certainty in delivery.

Northern Transport Voices (NTV)

Northern Transport Voices is Transport for the North's panel of citizens from across the North who engage with transport-related research via an online research platform. At present the panel comprises 550 members of the general public from across the North of England.

What was the purpose of the Policy and Place Framework survey?

The aim of this short survey was to invite Northern Transport Voices members to review the transport policies identified for their relevant place type within the STP2 Policy and Place Framework and to provide feedback on these policies (such as the extent to which they would support these policies and the reasons why). The survey fieldwork was conducted between 10 July and 2 August 2023.

How many people have engaged with the survey?

190 panel members provided postcode information and therefore were invited to take part. 146 started the survey, however only 101 gave sufficiently detailed responses for their submissions to be used. Two respondents did not provide a response on their view for all the policies presented for their place type, and one respondent did not answer the demographic detail element of the questionnaire.

Which groups or individuals engaged with the survey?

- Ethnic minority backgrounds are underrepresented; however, women make up just over half of the

respondents (54%), those with disabilities were well represented (40%) and there was a reasonable spread by age.

- There is a broad representation across the three ITL1 regions.
- The Large Conurbations place type achieved 62 responses, but the other place types achieved 10 or under, a reflection of the panel itself.

What has been the quality of the responses?

Given the response total and range of policies presented it is difficult to make assertions with any statistical validity, however the qualitative comments have some common themes across the different policy types.

How does engagement compare to other Northern Transport Voices surveys?

The response to the survey overall has been lower than for previous surveys carried out with the panel. This was expected given the need to read through and consider more strategic and forward-looking material compared to previous survey topics, leading to a somewhat higher dropout rate than seen previously.

Overall, strong support for the policies identified for each place type, in total 71% agree (either agree or strongly agree)

Policy packages differed across the nine surveys so it is difficult to identify common threads by policy, but some generalisations can be made from the qualitative responses. All 101 respondents offered some narrative, some were more detailed than others.

How do you think these policies would impact your local area?

- Interventions to improve the provision and reliability of public transport were well received
- Improvements to bus services were seen as a reversal of previous cuts/decline
- Desire to see longer operating hours of public transport and increased service frequency
- Environmental benefits and local clean air were largely seen as positive impacts of policies, including those that reduce car use in favour of viable public transport alternatives
- Health benefits of promoting active travel, e.g. walking and cycling
- Policies that promote safety well received, however there are concerns expressed about the use and further promotion of e-bikes and e-scooters that are currently associated with potentially dangerous riding behaviours
- Concerns about further giving over limited space to active travel, such as cycles lanes, that are largely viewed as underutilised

What do you think the main challenges with delivering these policies would be?

- By far the biggest challenge was that of cost, particularly given the scale of need required to improve current infrastructure, reinstate services and adopt new technology, e.g. EV charging infrastructure
- In terms of mode shift away from cars, the need to change behaviour and get people out of cars was the main challenge identified by respondents, largely due to the lack of a viable/reliable alternative

Is there anything that is important to you that is missing from these policies?

- Respondents felt the policy narratives missed detail on “how” these will be delivered
- There were comments indicating people felt there was a lack of consideration of vulnerable groups, such as those with disabilities, the elderly, and low-income groups
- Some respondents did not appear to fully identify with the place policy, and in the case of visitor destinations that was a sense that the policies were targeted at visitors rather than residents

What was the purpose of the Strategic Ambitions and Right Share Targets survey?

The aim of this short survey was to invite Northern Transport Voices members to rate the three STP2 Strategic Ambitions based on their importance, and to invite their feedback on the medium- and long-term targets for the modal right share at the level of the North as set out in STP2. The survey fieldwork was conducted between 7 – 21 August 2023.

How many people have engaged with the survey?

550 panel members were invited to take part. **207** members opened and started the survey, while **119** fully completed the survey. Demographic data was missing for two of the 119 respondents.

Are there any groups or individuals who have not engaged with the survey?

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Ethnic minority backgrounds are underrepresented, accounting for 3% of responses.

Young people are underrepresented, with respondents aged under 30 years old accounting for 4% of responses.

What has been the quality of the responses?

Given the total number of responses, and the fact the respondents were self-selected among a wider panel, the quantitative findings should be interpreted as indicative, rather than statistically representative of the opinions of the overall population of the North. The qualitative feedback provided as part of the responses is very detailed and allows for some common themes to be identified regarding the attitudes of this respondent group.

How does engagement compare to other Northern Transport Voices surveys?

The response rate for this survey has been lower than for previous surveys carried out with the Northern Transport Voices panel. This was expected given the need for respondents to read through and consider more strategic and forward-looking material compared to previous survey topics, leading to a somewhat higher dropout rate than seen in previous surveys.

Attitudes towards STP2 Strategic Ambitions

- Respondents rated enhancing social inclusion and health as the most important strategic ambition, closely followed by transforming economic performance, then transport decarbonisation. Just under 7% of respondents rated all three ambitions as 'most important'
- **As part of qualitative feedback on the ambitions, many respondents stated that all three ambitions are very important, and that there can be interlinkages and interdependencies between all three ambitions**
- Many respondents highlighted the importance of investing in transport infrastructure and services, particularly in public transport, in order to help achieve all three ambitions
- Improving social inclusion and health was seen as having the potential to have a significant impact on Northern residents' quality of life, particularly for the most disadvantaged residents

Attitudes towards STP2 pan-Northern right share targets

- **61% of respondents agree with the medium-term (2030) pan-Northern right share targets, while 18% disagree**
- **56% of respondents agree with the long-term (2050) pan-Northern right share targets, while 27% disagree**
- On average, the majority of respondents felt that the pan-Northern right share targets were set at about the right level, although some argued that they are too ambitious (due to the current poor state of active travel and public transport provision) and not ambitious enough (due to the speed of climate change)
- Respondents often agreed with the targets in principle, but questioned their deliverability, due to entrenched preferences for private car use and significant financial investment required to provide convenient and good quality active travel and public transport options
- The pan-Northern right share targets were seen as less deliverable/suitable for rural areas, and areas/populations affected by TRSE issues

STP implementation & timeline to adoption

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In parallel to updating the STP following consultation, we are developing a proposal for implementation. The STP (Chapter 6 – Action and Implementation Framework) identifies three areas of focus:

1. Maximising the impact of committed investment in the North with a focus on capacity, resilience and reliability, and support the growth of travel markets crucial for economic, social and environmental transformation. **The STP set out the “required actions” by TfN, which we are refining and developing with partners over the autumn.**
2. Communicating clear road and rail investment and policy priorities for the next two funding periods within the existing funding envelopes. **TfN will engage with partners over the next three months to confirm the short to medium term priorities ahead of next Spring’s Budget (see next slide).**
3. Setting out and agreeing with Government the roadmap for securing the longer-term investment needed in the North, while advocating the need to simplify funding streams and further devolution of decision making and accountability. **The STP included initial ideas for reforms, which we are discussing with partners and will provide advice with the final STP in December 2023.**

- TfN's advice and proposals to improve efficiency and effectiveness of implementation to be provided alongside the STP in December 2023 – will include the pan-regional schemes/investments that are critical to transform the North.
- Public sector fiscal environment remains very challenging, TfN needs to ensure commitments already in national programmes are protected, as well as making the case for additional investment in the short to medium term.
- With a General Election expected next year (and Comprehensive Spending Review to follow), the North must make the strongest possible Spring budget submission.
- TfN Partners have already identified many critical pan-regional schemes, (short, medium and long-term) such as: Northern Powerhouse Rail (in full), HS2, Transpennine Route Upgrade, Leeds Station, A66 dualling, Leamside Line, Midland Main Line Electrification.
- Between now and December, we will work with partners to confirm the short- and medium-term pan-regional priorities, for discussion with the TfN Board in December.
- The STP consultation feedback supports this approach, calling for clarity on the implementation details (e.g. schemes, investment priorities).

w/c 4 Sept

- Partnership Board discussion on approach to STP implementation
- Scrutiny Committee and Executive Board update on consultation findings

During September – full analysis of responses and prepare advice to Board on amends

27 Sept – TfN Board item on consultation findings & seeking steers for amends

October – redrafting/editing of the STP, following Board advice

3 Nov – DfT page turn pre briefing of final STP ahead of December Board

w/c 20 Nov – Scrutiny Committee & Executive Board expected to consider final STP

14 Dec – TfN Board item seeking approval of final STP & implementation proposition

Early 2024 - Publication and launch of STP (subject to Board approval)

Meeting: Transport for the North Board

Subject: Annual Governance Statement, Statement of Accounts and Audit Opinion 2022/23

Author: Paul Kelly, Finance Director

Sponsor: Martin Tugwell, Chief Executive

Meeting Date: Wednesday 27 September 2023

1. Purpose of the Report:

- 1.1 This report requests the Board's approval of Transport for the North's Annual Governance Statement and Statement of Accounts for financial year 2022/23.
- 1.2 The report is supported by an appended report from Transport for the North's independent external auditor that provides an unqualified, clean opinion.
- 1.3 This report should also be considered alongside the Annual Report from the Chair of the Audit & Governance Committee which recommends approval of the Accounts.

2. Recommendations:

The Board is recommended to:

- 2.1 Approve the corporate governance review and the Annual Governance Statement.
- 2.2 Note that Transport for the North's draft statement of accounts was laid open to public inspection for the statutory period without objection being raised.
- 2.3 Note the recommendation in the Annual Progress Report of the Audit & Governance Committee to approve the Statement of Accounts for 2022/23.
- 2.4 Approve the Statement of Accounts for financial year 2022/23.

3. Main Issues:

- 3.1 Under Regulation 6(1) of the Accounts and Audit Regulations 2015 Transport for the North is required to carry out an annual review of the effectiveness of its system of internal controls and to publish a report of the review in its Annual Governance Statement. The Board is required to approve the Annual Governance Statement. The Annual Governance Statement Report is set out within Appendix 1. The Annual Governance Statement is included in the Statement of Accounts at Appendix 6.
- 3.2 In common with partner authorities Transport for the North is required to publish a set of annual Statements of Accounts and an Annual Governance Statement in compliance with statute. Those Accounts are held open for public inspection and formally audited by an external auditor.
- 3.3 Under Transport for the North's constitution the Accounts are reviewed by the Audit & Governance Committee who are then required to offer an opinion to the Transport for the North Board. The Annual Progress Report of the Audit & Governance Committee is included at Appendix 2.
- 3.4 Transport for the North Board, as 'those charged with governance,' are required to approve the Accounts and the Chairman of the Board is required to sign the Statement of Accounts. Under the relevant regulations, the accounts normally have to be completed and approved no later than the 31 July (i.e., within four months of financial year-end). In recognition of the pressures faced by delivering external

audits within this limited timeframe, the approval date for the 2022/23 Accounts has been extended to 30 September 2023. Appendix 5 provides a summary of the production, audit, and scrutiny of the Accounts and concludes by noting the audit completion report from Mazars which offers an unqualified opinion on the Accounts, and the recommendation from the Audit and Governance Committee for the Board to approve the Accounts.

3.5 The Transport for the North Statement of Accounts for 2022/23 are included at Appendix 6.

3.6 The Audit Completion Report of Transport for the North's independent external auditor, which provides an unqualified, clean opinion on that Statement of Accounts, is included at Appendix 7.

4. Corporate Considerations:

4.1 *Financial Implications*

There are no financial implications within this report.

4.2 *Resource Implications*

There are no direct resource implications as a result of the report.

4.3 *Legal Implications*

The legal implications have been considered and are included in the report.

4.4 *Risk Management and Key Issues*

There are no risk implications as a result of this report.

4.5 *Environmental Implications*

A full environmental impact assessment has not been carried out because it is not required for this report. There are no environmental implications within this report.

4.6 *Equality and Diversity*

A full impact assessment has not been carried out because it is not required for this report.

4.7 *Consultations*

A consultation has not been carried out because it is not necessary for this report.

5. Background Papers:

5.1 Audit & Governance Committee 9 August 2023 – Draft Statutory Accounts

5.2 Audit & Governance Committee 15 September 2023 – Year End Statutory Accounts

6. Appendices:

6.1 Appendix 1 – Corporate Governance Review and Annual Governance Statement Report

6.2 Appendix 2 – Annual Progress Report of the Audit & Governance Committee

Appendix 3 – Audit & Governance Committee Terms of Reference

Appendix 4 – Audit and Governance Committee Terms of Reference Activity

6.3 Appendix 5 – Annual Statement of Accounts Report

Appendix 6 – Annual Statement of Accounts Appendix

Appendix 7 – Independent Audit Completion Report

Glossary of terms, abbreviations and acronyms used

a) TfN Transport for the North

Meeting:	Transport for the North Board
Subject:	Appendix 1 - Corporate Governance Review and Annual Governance Statement
Author:	Julie Openshaw, Monitoring Officer
Sponsor:	Paul Kelly, Finance Director
Meeting Date:	Wednesday 27 September 2023

1. Purpose of the Report:

- 1.1 The purpose of this report is for Members to consider the Corporate Governance Review and to approve the Annual Governance Statement.

2. Executive Summary:

- 2.1 Under Regulation 6(1) of the Accounts and Audit Regulations 2015 Transport for the North is required to carry out an annual review of the effectiveness of its system of internal controls and to publish a report of the review in its Annual Governance Statement.
- 2.2 The Annual Governance Statement is set out within the Annual Statement of Accounts at Appendix 6.

3. Discussion:

- 3.1 Under the provisions of the Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 Transport for the North is required to carry out an annual review of the effectiveness of its internal systems of control and to publish a report of that review. This report, the Annual Governance Statement, was published as a draft in August, as required by statute, along with the Statement of Accounts and Narrative Statement.
- 3.2 The system of internal controls is all the measures taken together which Transport for the North has put in place to ensure that it safeguards public funds and delivers value for money. This includes Transport for the North's financial regulations and contract procurement rules which are set out in the Constitution. It also includes the risk management framework through which Transport for the North ensures that risks to its operations are identified and managed.
- 3.3 Throughout the year we have continuously reviewed the policies and procedures that Transport for the North has put in place since its inauguration in relation to procurement, financial management and risk management in order to identify areas for improvement.
- 3.4 In carrying out the annual review, Transport for the North is required to comply with the guidance issued by CIPFA in its guidance "Delivering Good Governance." The guidance sets out eight principles of good governance:
- A. Focusing on the purpose of Transport for the North and the outcomes for the community and creating and implementing a vision for the area.
 - B. Members and officers working together to achieve a common purpose with clearly defined functions and roles.
 - C. Promoting values for Transport for the North and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
 - D. Taking informed and transparent decisions which are subject to effective scrutiny and managing risks.
 - E. Developing the capacity and capability of members and officers to be effective.

- F. Engaging with local people and other stakeholders to ensure robust public accountability.
- G. Having regard to the promotion of sustainable economic growth, and the social and environmental impacts of its proposals.
- H. Having regard for the impact of current decisions and actions on future generations.

3.5 The review assesses to what extent Transport for the North can demonstrate that it has acted in accordance with these principles in carrying out its functions over the year 2022/23.

3.6 The report of the review is set out in the Annual Governance Statement which is included within the 2022/23 Statement of Accounts in Appendix 6.

4. Conclusion:

4.1 The corporate governance review has demonstrated that Transport for the North has an effective system of internal controls and that it has acted in accordance with the principles of good governance during 2022/23. The report of this review is set out in the Annual Governance Statement.

5. Corporate Considerations:

Financial Implications

5.1 There are no financial implications within this report.

Resource Implications

5.2 There are no direct resource implications as a result of the report.

Legal Implications

5.3 The legal implications have been considered and are included in the report.

Risk Management and Key Issues

5.4 There are no risks associated with the content of this report.

Environmental Implications

5.5 A full impact assessment has not been carried out because it is not required for this report.

Equality and Diversity

5.6 A full impact assessment has not been carried out because it is not required for this report.

Consultations

5.7 A consultation has not been carried out because it is not necessary for this report.

6. Background Papers:

6.1 None

7. Appendices:

7.1 Appendix 6 - The Annual Governance Statement is included within the Annual Statement of Accounts.

Glossary of terms, abbreviations and acronyms used:

a) CIPFA *Chartered Institute of Public Finance & Accountancy*

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Meeting:	Transport for the North Audit and Governance Committee
Subject:	Draft Audit and Governance Committee Annual Report to TfN Board
Author:	Graham Bell, Chair of TfN Audit and Governance Committee
Sponsor:	Paul Kelly, Interim Finance Director
Meeting Date:	Friday 15 September 2023

1. Purpose of the Report:

- 1.1 This report updates Transport for the North Board on the work undertaken by the Audit & Governance Committee over the last year.
- 1.2 The report provides a summary on the committee's activity against its terms of reference, and its findings against its areas of scrutiny.
- 1.3 The report concludes with a recommendation for the Board to approve the statutory Statement of Accounts as presented to Board at this meeting.

2. Recommendations:

- 2.1 It is recommended that the Board approve the corporate governance review and the Annual Governance Statement.
- 2.2 It is recommended that the Board notes the recommendation in the Annual Progress Report of the Audit & Governance Committee to approve the Statement of Accounts for 2022/23.
- 2.3 It is recommended that the Board approve the Statement of Accounts for financial year 2022/23.

3. Main Issues/Audit and Governance Committee Progress Report:

- 3.1 The TfN Constitution prescribes the requirement for an Audit & Governance Committee to support Members in their oversight of TfN's affairs. The committee's terms of reference are appended to this report for reference (Appendix 3), but the committee's principal purpose is to provide independent review and assurance to Members on governance, risk management and control frameworks.
- 3.2 At its meeting of 30 June 2022, TfN Board approved the increase of the number of Members of the Audit & Governance Committee from five to six, supported by four Independent Members appointed by an open recruitment process. The committee is chaired by an Independent Member. At the meeting of 14 July 2022, Graham Bell was confirmed as the new Chair of the Committee. Aligned with local authority elections, new elected members were appointed by the Board in July 2023. A recruitment process to fill the final two independent seats was conducted over the summer and was submitted to the General Purposes Committee for approval.
- 3.3 Over the 2022/23 financial year the committee met five times. Meetings have been attended by TfN's internal and external audit providers (RSM and Mazars respectively) and representatives from DfT.

Work Plan

- 3.4 Over the year the committee has agreed a number of standing items that should be brought before the committee by officers. These include:
 - The Corporate Risk Register
 - Financial Reporting

- Constitution Reviews

In addition, the relevant Operating Report is provided to the Committee for consideration. For 2022/23 the frequency of the report was changed from monthly to quarterly.

- 3.5 The committee also requires that instances, or suspicion, of fraud and corruption are reported to the committee directly. No such reports were received in 2022/23.
- 3.6 In addition to this, the committee also approved the internal audit programme of activity. This programme has been designed to provide the committee with the assurance it requires that TfN has implemented a control framework that appropriately manages risk.
- 3.7 The committee has received regular updates from internal audit against this plan, and also updates from external audit as they have progressed the statutory audit.
- 3.8 At the meeting of 9 August 2023, the Statutory Accounts, including the Annual Governance Statement, were presented to the A&G committee.
- 3.9 The committee's activity vis-à-vis its terms of reference is presented in matrix form in Appendix 4.

Internal Audit Activity

- 3.10 RSM was originally appointed as TfN's internal audit provider in 2018 following a competitive procurement exercise and the service provision was extended for two years to cover the period from 2021-23. We are currently going out to tender for the Internal Audit service for the three-year period from 2024-2027.
- 3.11 The committee agreed the audit programme for the year, concentrating on the implementation of core control frameworks.
- 3.12 RSM was able to provide the following level of assurance in these key areas:

Area	Assurance Level			
	Substantial	Reasonable	Partial	None
Payroll	✓			
Risk Maturity (Advisory)				
GDPR (Advisory)				
Equality and Diversity		✓		
Project Management		✓		

In addition, the audit to follow up on the recommendations made by the internal auditor in previous audit reports, identified "good progress" in relation to the follow up actions agreed with management.

- 3.13 The committee is able to provide TfN Board with assurance from these reports that the necessary core controls expected of a public body have been implemented in the areas reviewed.
- 3.14 The committee has tracked progress against agreed management actions throughout the year.

External Audit Activity

- 3.15 Mazars was appointed as TfN's statutory auditor in 2018 via the Public Sector Audit Appointment ("PSAA") process and continued in this role during the year. The PSAA concluded the process of reprocurring a solution for the period from 2023/24 onwards which resulted in the reappointment of Mazars.

- 3.16 Mazars conduct the external audit, as required by statute. This audit considers whether the Statement of Accounts presents a 'true and fair view' of TfN's affairs, and also gives a value-for-money opinion.
- 3.17 The committee has received Progress Reports from officers and Mazars throughout the year regarding progress in relation to the completion of the accounts and their subsequent audit and has reviewed the draft unaudited accounts at its meeting of 8 August 2023. The committee will consider the findings of the external audit process, as conveyed at the A&G meeting of 15 September 2023, when formulating their view on whether the Statement of Accounts should be submitted to the TfN Board for approval.
- 3.18 The committee notes that the process of finalising the Transport for the North accounts has been completed within the deadline of 30 September 2023 and that Transport for the North will use the Board meeting of 27 September 2023 to approve the 2022/23 financial statements in advance of that deadline.
- 3.19 Mazars will only report their audit opinion when they have the pension fund assurance letter from the auditors of the pension fund. However, the committee has sufficient comfort to recommend the accounts to Board for approval.
- 3.20 As part of their audit, Mazars are required to consider whether TfN has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, ie value for money.

Risk

- 3.21 One of the first exercises that the committee undertook when it was first established was to review and approve Transport for the North's Risk Management Strategy. Subsequently, the committee has a standing agenda item in relation to risk.
- 3.22 During the year the committee has regularly reviewed the Risk Strategy and its output and provided feedback with regard to the presentation of the information provided. The committee has also requested the Risk Management Strategy places a specific focus on emerging risks and their effect on the risk register. The emerging risk environment is now a standing item reported within each update.
- 3.23 During the year we introduced a deep dive process around key risks. In November 2022 we reviewed the EVCI risk and at the subsequent meeting we agreed a programme of deep dives for 2023/24.

Next Steps

- 3.24 The work programme for 2023/24 is intended to include the following:
- Consider the outputs produced by the Internal Audit plan;
 - Monitor Transport for the North's risk management activity;
 - Review corporate governance arrangements, supported by an internal audit review, against the Code of Corporate Governance and the good governance framework;
 - Based on the level of change faced by the organisation in the past and the rapidly changing environment going forward, the committee will track progress on delivery against the key budget assumptions;
 - The Committee has requested year on year improvements are considered and, where necessary, formally captured;
 - Continuation of deep dives;
 - Active consideration of committee performance; and
 - Further enhancements to the AGS.

4. Conclusion:

- 4.1 Having reviewed the findings of internal audit and the submissions of officers, the committee can provide assurance to the Board that in the areas reviewed TfN has implemented a sound control framework that appropriately manages risk.
- 4.2 Having reviewed the Statement of Accounts and received representation from officers and external audit, the committee commends to the Board the Statement of Accounts as contained in this pack.

5. Corporate Considerations:

Financial Implications

- 5.1 The financial implications are detailed in the report

Resource Implications

- 5.2 There are no resource implications as a result of the report.

Legal Implications

- 5.3 Legal implications are included in the report.

Risk Management and Key Issues

- 5.4 The risks associated with the audits are detailed in the report.

Environmental Implications

- 5.5 A full impact assessment has not been carried out because it is not required for this report.

Equality and Diversity

- 5.6 A full impact assessment has not been carried out because it is not required for this report.

Consultations

- 5.7 A consultation has not been carried out because it is not necessary for this report.

6. List of Background Papers:

- 6.1 Transport for the North Constitution (latest copy available on TfN website) and Internal Audit Reports to the Audit & Governance Committee (copies available on TfN website).

7. Appendices:

Appendix 3 Audit and Governance Terms of Reference

Appendix 4 Audit and Governance Activity

Glossary of terms, abbreviations and acronyms used

- a) TfN Transport for the North

APPENDIX 3 – Terms of Reference

Audit and Governance Committee (extract from TfN Constitution)

Statement of purpose

The Audit and Governance Committee is a key component of corporate governance providing an independent, high-level focus on the audit, assurance and reporting framework underpinning financial management and governance arrangements. Its purpose is to provide independent review and assurance to Members on governance, risk management and control frameworks. It oversees financial reporting, the Annual Governance Statement process and internal and external audit, to ensure efficient and effective assurance arrangements are in place.

Membership comprises:

- a) six members of the TfN Board (not the Chair, or Vice Chair) appointed by TfN and
- b) four Independent members (to be recruited on the basis of relevant skills)

A representative of DfT (Department for Transport) will be invited to attend meetings.

The Constitution places responsibility on the Audit and Governance Committee 'to oversee the effectiveness of TfN's risk management arrangements.' The Constitution also makes the Finance Director responsible for discharging the functions of the 'responsible financial officer' under the Accounts and Audit (England) Regulations 2015, including ensuring risk is appropriately managed.

Terms of Reference

The core functions of the Authority's Audit and Governance Committee are to:

- a) approve Accounts
- b) recommend Approval of the annual statement of accounts for TfN
- c) governance, risk, and control
- d) review corporate governance arrangements against the Code of Corporate Governance and the good governance framework
- e) review the Annual Governance Statement (AGS) prior to approval to ensure it properly reflects the risk environment and supporting assurances
- f) monitor the effectiveness of arrangements to secure value for money
- g) be satisfied that the assurance framework adequately addresses risks and priorities including governance arrangements in significant partnerships
- h) monitor TfN's risk and performance management arrangements including review of the risk register, progress with mitigating action and the assurance map
- i) consider reports on the effectiveness of internal controls
- j) monitor the anti-fraud strategy, risk-assessment, and any actions.

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APPENDIX 4 – Audit and Governance Activity 2022/23

Terms of Reference Activity	Considered	Comment
Approve Accounts	✓	The Committee has reviewed the Statement of Accounts and received representation from officers and progress reports from external audit.
Recommend Approval of the annual statement of accounts for TfN	✓	The Committee has recommended the approval of the Statement of Accounts to TfN Board.
Governance, risk and control	✓	The Committee commissioned a number of internal audit reports throughout the year around key risks and financial controls. The Committee has further received reports from officers around Constitution reviews, programme and operational performance, and financial reporting. The Committee continues to review these areas as standing items on its agenda.
Review corporate governance arrangements against the Code of Corporate Governance and the good governance framework	✓	The Committee oversaw the annual governance review, receiving a number of progress reports and reviewed and commented on the draft Annual Governance Statement prior to its publication for the statutory public inspection period.
Review the Annual Governance Statement (AGS)	✓	The Committee reviewed and commented on the draft Annual Governance Statement prior to its publication for the statutory public inspection period.
Monitor the effectiveness of arrangements to secure value for money	✓	The Committee notes that effective arrangements for the delivery of value for money are derived from an effective control framework. The Committee has commissioned a number of reports from internal audit over the course of the year to test that framework. Internal audit reports found that substantial and partial assurance could be had from TfN processes. Taken together, these reports give the Committee comfort that TfN has embedded a culture of value for money and implemented processes to ensure that those principles are at the heart of decision making.

Be satisfied that the assurance framework adequately addresses risks and priorities including governance arrangements in significant partnerships	✓	TfN is engaged in two principal partnerships, the Rail North Partnership and, from 1 April 2022, a co-sponsor arrangement for the NPR Programme. The ongoing risks to the delivery of TfN objectives that arise from these partnerships are reflected in the Corporate Risk Register Report, which is a standing item on the Committee agenda.
Monitor TfN's risk and performance management arrangements including review of the risk register, progress with mitigating action and the assurance map	✓	The Committee has received risk register reporting as a standing item over the course of the year. The Committee has also commissioned internal audit to independently assess risk maturity. The Committee requires delivery against internal audit management actions to be reported to it as a standing item to ensure recommendations are progressed.
Consider reports on the effectiveness of internal controls	✓	The Committee approved the internal audit work programme for 2023/24. Internal audit progress is a standing invitee to the Committee's sessions and are required to report on their programme reviews, actions against recommendations, and best practice that could be implemented. The Committee also consider progress reports from external audit which is also a standing item on the Committee's agenda. Representatives from both internal and external audit are present for the entire agenda.
Monitor the anti-fraud strategy, risk-assessment and any actions	✓	A review of the Anti-Fraud and Corruption policy was carried out by the Committee during 2021/22, as part of the consideration of the Annual Governance Statement. The Annual Governance Statement is reviewed by the A&G Committee each year and submitted to the Board for formal approval prior to its inclusion in the Statutory Accounts.

Meeting: Transport for the North Audit and Governance Committee
Subject: Year End Statutory Accounts
Author: Paul Kelly, Interim Financial Controller
Sponsor: Paul Kelly, Interim Finance Director
Meeting Date: Friday 15 September 2023

1. Purpose of the Report:

- 1.1 To present to Audit & Governance Committee (A&G) the draft Statement of Accounts of Transport for the North for consideration and recommendation to the TfN Board.
- 1.2 This is a follow up from the presentation given to A&G on 9 August 2023.

2. Recommendations:

- 2.1 That the committee considers the draft Statement of Accounts and recommends to the TfN Board meeting on 27 September that they be considered for approval.

3. Main Issues:

- 3.1 Unaudited draft accounts were presented to the committee on 9 August 2023. At that meeting it was explained that the external audit was ongoing and there was the possibility of final amendments to the draft accounts.
- 3.2 In addition to a number of presentational and consistency matters, the main update relates to the addition of disclosure of exit packages for all employees (we had previously disclosed for senior employees). For ease of reference, these have been highlighted in the attached accounts.

4. Corporate Considerations:

4.1 Financial Implications

There are no financial implications within this report.

4.2 Resource Implications

There are no direct resource implications as a result of the report.

4.3 Legal Implications

The legal implications have been considered and are included in the report.

4.4 Risk Management and Key Issues

There are no risks associated with the content of this report.

4.5 Environmental Implications

A full impact assessment has not been carried out because it is not required for this report.

4.6 Equality and Diversity

A full impact assessment has not been carried out because it is not required for this report.

4.7 Consultations

- 4.7 A consultation has not been carried out because it is not necessary for this report.

5. Background Papers:

5.1 Audit & Governance Committee 9 August 2023 – Item 5 Draft Statutory Accounts

6. Appendices:

6.1 Appendix 6 Draft Statement of Accounts 2022/23

Glossary of terms, abbreviations and acronyms used	
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a)	A&G	Audit & Governance Committee
b)	TfN	Transport for the North
c)	DfT	Department for Transport

Transport for the North Statement of Accounts 2022/23



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Narrative report

Operational overview and external environment

Our purpose

Transport for the North (TfN) is a statutory body of elected leaders and senior business representatives from across the North. Collectively, our members represent the region's over 15 million citizens and provide 'one voice' for the North on transport matters.

TfN is a symbol of the North's ambition and represents unprecedented collaboration toward a shared goal – to drive inclusive and sustainable economic growth and quality of life. We do this by identifying, making decisions on and planning the strategic transport infrastructure required to deliver an economic step change for the North. One that will leave a lasting legacy for future generations.

On 1 April 2018, after receiving parliamentary approval, we became a statutory body, the first of its kind in England.

The statutory powers that have been granted allow and empower us to:

- Develop and implement a Strategic Transport Plan for the North of England;
- Act as 'one voice' for the North, clearly communicating pan-Northern priorities to the Secretary of State for Transport;
- Coordinate and deliver smart ticketing systems across the North;
- Become a statutory partner in road and rail investment decisions, through the Rail North Partnership ("RNP") and Highways North Board;
- Oversee (jointly with the Department for Transport (DfT)) franchised rail services covering Northern and TransPennine Express ("TPE") franchises;
- Promote highways improvements of Northern significance, with the agreement of Government and relevant local transport and highway authorities; and
- Prioritise investment on the transport network.

Achieving statutory status was a landmark moment for devolution to our region. It ensures that Government is legally obliged to take into account the North's priorities when making transport infrastructure investment decisions.

Vision & objectives

Our vision is of a thriving North of England where world class transport supports sustainable economic growth, excellent quality of life and improved opportunities for all.

We are making the case for strategic transport improvements across the whole of the North, which are needed to drive sustainable and inclusive transformational economic growth to rebalance the UK economy. We are doing this by looking at how poor transport infrastructure is holding back the North's economic potential, to provide an evidence-based case for investment.

By connecting the key economic areas of the North, we will drive growth, improve access to jobs and ensure the North is a great place to invest and live.

Our plan

In February 2019, we published our first Strategic Transport Plan (STP), which outlined our vision for a future transport network that would enable sustainable economic growth across the whole of the North. Using our evidence base and policy positions developed since, we have revised the STP and will consult on the draft over summer 2023. The revised STP reflects not only economic growth ambitions for the North, but also the need to decarbonise our transport network and reduce those in transport related social exclusion. Subject to the outcome of the consultation, we expect to adopt the revised STP by end of 2023, with publication in early 2024.

Governance

Transport for the North is England's only sub-national transport body set up as a statutory public authority, a unique arrangement that sees Northern elected leaders and Local Enterprise Partnerships (LEPs) working together to speak to central government with a united voice.

Our Partnership Board is made up of elected and LEP representatives from all areas of the North, along with the Secretary of State for Transport and representatives from Highways England, Network Rail and HS2 Ltd. This body along with the rest of TfN's governance arrangements allows the North to speak with one voice on the transport infrastructure investment needed to boost the North's economy. The board is chaired by an independent Chair – Lord Patrick McLoughlin.

The Partnership Board provides advice to the main decision-making body: the Transport for the North Board.



Since TfN's inception there have been a number of changes to our governance structure.

Our constituent authorities have increased from 19 to 21 in total, reflecting the creation of the North of Tyne Combined Authority and the North-East Combined Authority (South of Tyne) from the former North-East Combined Authority, and the creation of two new unitary authorities in Cumbria from 1 April 2023.

The Partnership Board was also expanded during 2019/20 to include new representative groups supporting the Board in drawing together a wider spectrum of views and expertise. Three regional Trade Union Council (TUC) representatives have joined the Board along with representatives of environmental, disability, and passenger transport user groups, and further expanded in 2023 to include a representative from the Northern Chambers of Commerce and the Public Health Directors of the constituent authorities.

How we make decisions

We are proud of the fact that we are a membership organisation – led by the North, for the North. All corners of the region are represented on our Board, made up of local politicians and business leaders with an independent Chair. They are joined by representatives from our national delivery partners (Network Rail, Highways England and HS2 Ltd) and work closely with our neighbours in Wales, Scotland and the Midlands.

However, collaboration extends beyond this, and is characterised in the way that we work. Transport and economic officers from across the North work with us day-to-day, taking part in working groups that

have significant input in the ongoing development of our Strategic Transport Plan and associated activities.

Transport for the North Board and committee structure



Business model and performance

TfN is a single-entity organisation, meaning we do not have a group-structure.

Our Business Plan for 2022/23, published in June 2022 due to the need to restructure, set out TfN's Strategic Objectives and commitments for the year. That Business Plan can be downloaded here:

[Business Plan 2022/23 | Transport for the North - Transport for the North](#)

Delivering on our objectives

Our values

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

We make a difference

We do the right thing

We are driven to succeed

We collaborate

Our core behaviours

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

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

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

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

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

Health and safety

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

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

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

Our people: Team TfN

Central to the success of our shared Northern goal is our team. We are proud of the talented, bright minds we attract and retain. Through our values-driven culture and shared goals, our diverse and dedicated employees are quick to adapt to the changing landscape in which we operate. We arm them with the tools and support to do so.

We are now in our fifth year of being an employer in our own right (since gaining statutory status). As such, our comprehensive suite of employment policies are now further developed and embedded and we continue to build our reputation as a best practice employer.

At the heart of this is our People Strategy, an all-encompassing plan that aims to ensure we have the right people, at the right time to deliver our organisational goals. This covers nurturing talent and rewarding our teams, as well as listening to their needs and responding where necessary - all of which are underpinned by our values of making a difference; collaborating; doing the right thing; and being driven to succeed.

This commitment to being among the best was demonstrated by our full membership of Greater Manchester Good Employment Charter – an initiative aimed at developing good jobs and more opportunities for people to progress.

We hold ourselves to the same high standards as our peers across the North. As well as being an accredited Living Wage employer – an expectation of which extends to our supply chain - we are also an agile organisation, adopting family friendly working practices that mean our teams can work in different locations and at flexible times. Such agile and remote working practices mean we attract and retain talent from across the whole of the North. In return, we get the best out of people with a diverse range of backgrounds and experiences. Recognising that everyone has the ability to shape and improve our organisation is a fundamental principle. The importance of our employee voice is enshrined in our established Employee Forum and effective line management. Linked to this is our recognition of UNISON, with whom we regularly collaborate to support our teams regarding working practices and ensuring we always do the right thing.

Building on our status as Disability Confident employer, we have also established a Diversity sub-group – made up of employees - to make sure we reflect, embrace and celebrate the North's differences, and equip our teams to do so in practical ways.

Our TfN vision is based on creating opportunities. It is therefore only right that we hold true to this internally. We have transparent career pathways in place to unlock opportunities and give our people chance to grow with us. This complements the robust evaluation, reward, development and pay practices that nurture individuals in their career progression.

Our resourcing plan

As agreed by our Members and funders, to maximise value for money we continue to minimise our reliance on external consultants' posts, wherever possible. This gives us certainty over resources and the balance of skillsets we can deploy. However, we are mindful of both the length of time needed to fill roles and the funding conditions within which we operate.

Following confirmation of our budget settlement for 2022/23, a cost reduction programme and restructure was implemented in the year that underpins a more sustainable cost base.

Our proposed establishment for 2023/24 is:

	Permanent posts	Fixed term posts	Total posts
Operational:			
Operations	51	1	52
Back office	15	-	15
Total operational and back office	66	1	67
Hosted:			
Rail North Partnership	15	3	18
NPR Analytical Support	25	-	25
Total hosted	40	3	43
Total establishment	106	4	110

TfN's Business Plan outlines how we will mitigate these challenges on our resources, while meeting the ambitions of our partnership. It illustrates the pressing need to work closely with Government in 2023/24 and beyond to re-establish a multi-year funding settlement to support TfN's progression.

Our funding

TfN has no powers to raise money from precepts and levies as most comparator transport authorities do. Instead, almost all of our funding is received in the form of grants from the DfT. This is reflective of the fact that TfN has, in the main, drawn down powers from central government that were previously funded through general taxation.

Each year, the DfT provides a general 'Core' funding grant that enables us to deliver on statutory obligations, to provide good governance and value for money, and fulfil our commitment to evidence-based decision making, whilst also resourcing some development activity. In addition, grant funding is also received in the form of discrete grant ring-fenced to specific areas of activity.

Aside from this 'Core' grant and the Rail North grant that is made available to us to discharge our statutory functions, we earn grant support through bidding into the Department for development resources or passing business case gateway reviews to unlock funding for the delivery projects.

Where ring-fenced grants are unused, any unspent funding at the point that activity is completed will be returned to the DfT. Unused 'Core' grant allocations are taken to reserves and used to fund future period activity, reflecting that there are often timing differences between funding being provided and funding being required.

Risk management

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

Measuring our success in 2022/23

Summary of activity in 2022/23

Throughout the past year TfN has continued to demonstrate our inherent strengths as an organisation. Last year we:

- Implemented revised TfN Operating model with accompanying restructure and cost reduction programme;
- Developed the governance for the NPR co-sponsor board;
- Delivered analytical support programme for the NPR SOBC programme;
- Updated the Northern Powerhouse Independent Economic Review scenarios for the revised STP;
- Finalised the draft STP ready for consultation in summer 2023;
- Launched EV Charging Infrastructure framework and online toolkit;
- Published TRSE research and mapping tool and finalise the strategy for consultation;
- Published the Freight and Logistics Strategy;
- Completed an evidence-based assessment of the need for interventions in the RIS Programme;
- Continued to work as part of the Manchester Recovery Task Force to develop a 'blueprint' that aligns infrastructure and service changes – and then began to apply the experience gained to consideration of issues relating to the East Coast Main Line;
- Continued to work as part of the RNP to ensure that the North's priorities are reflected in the Business Plans of Northern and TPE;
- Worked with partners across the North to define the scope of work for a Connected Mobility Strategy; and
- Worked collaboratively with the six (non-statutory) Sub-national Transport Bodies on issues of common interest.

Qualitative performance

In our 2022/23 Business Plan we set 20 Key Performance Indicators (KPIs) to ensure a culture of accountability and excellence for our organisation and our partners.

The KPIs were developed by:

- Reviewing our strategic, organisational and programme level objectives;
- Understanding the actions needed to deliver those objectives;
- Developing indicators to demonstrate the extent to which our actions are delivering changes; and
- Developing metrics to ensure that the changes can be measured.

We have monitored our performance against these KPIs using a combination of qualitative and quantitative measures. Of the 20 KPIs, 15 were achieved in year. Whilst progress was made on the remaining five KPIs, they were not fully completed in year and have been carried forward into 2023/24. TfN continues to assess the implications of the Integrated Rail Plan for the delivery of KPIs in relation to the Northern Powerhouse Rail programme.

Financial performance 2022/23

Performance against budget

In delivering our activity in 2022/23, we incurred expenditure of £14.84m, which represents a variance of £1.68m against our budget. Our financial performance over the course of the year can be summarised as follows:

	Actual £m	Budget £m	Variance £m
Operational			
Rail and Roads	1.83	2.02	0.19
Strategy, Policy and Communications	2.55	2.77	0.22
Back office	2.63	2.61	(0.02)
Transition	1.04	1.44	0.40
Total operational and back office	8.05	8.84	0.79
Hosted			
Rail North Partnership	1.39	1.60	0.21
NPR Analytical Support	5.01	5.66	0.66
NPR closure costs	0.39	0.41	0.03
Total hosted	6.78	7.68	0.89
Total budget	14.84	16.52	1.68

The variance of £0.79m in operational expenditure is mainly as a consequence of savings on transition costs and as a result of recruitment delays, both associated with the organisational restructuring exercise carried out during the year.

Operational activity is predominantly funded by TfN core grant received from the DfT, supplemented by contributions from partners, and a small amount of income from contracts for services provided to partner bodies and interest on investing activities. In meeting operational expenditure, we applied both grant received in year and grant held in reserves from prior years. The underspend in this area therefore reduced the required draw on reserves in the year, leaving a higher reserve balance at the year-end than budgeted.

Hosted activities are entirely funded through specific ring-fenced grants, which cannot be repurposed for other activities. Underspend in these areas of £0.89m is a result of varying work programmes and staff vacancies.

Reconciliation between outturn and CIES

The following table shows the differences between the management outturn position and those balances shown on the face of the CIES.

Income	£m
Outturn position	(14.84)
Adjustments for:	
Pensions (IAS19)	(0.38) In CIES not in outturn
RNP grant taken to earmarked reserves	(0.07) In outturn not in CIES
Use of core reserves	0.76 In outturn not in CIES
CIES balance	(14.52)

Expenditure	£m
Outturn position	14.84
Adjustments for:	
Pensions (IAS19)	2.24 In CIES not in outturn
Movement on accumulated absence provision	(0.03) In CIES not in outturn
CIES balance	17.05

These variances arise due to differences between how we account for certain items under statute, and how we prepare the accounts under international accounting standards.

These differences principally arise around pensions accounting; the treatment of accumulated employee absence costs; and the treatment of grants received.

Balance sheet movements

	2021/22	Movement	2022/23
	£m	£m	£m
Assets			
Cash & cash equivalents	8.68	(0.53)	8.14
Debtors	1.40	(0.68)	0.73
	10.08	(1.21)	8.87
Liabilities			
Provisions	(0.07)	(0.17)	(0.24)
Grants received in advance	(0.35)	(2.95)	(3.29)
Pension liability	(10.45)	8.89	(1.56)
Creditors	(5.18)	3.66	(1.52)
	(16.05)	9.43	(6.62)
Net assets/ (liabilities)	(5.97)	8.23	2.26

The balance sheet position at 31 March 2023, shows a movement from net liabilities in the prior year, to a net asset position. This is driven by a significant reduction in the pension liability, which is impacted by a range of factors, most notably an increase in the discount rate.

Cash and cash equivalents have reduced as a result of the draw on reserves to fund expenditure in the year and the return of unused grant from prior years to the DfT. This reduction is partially offset by the early receipt of £2.75m of core grant for 2023/24. The balance of creditors has reduced significantly compared to the prior year, reflecting the reduced level of external expenditure.

These movements also affect the reserve balances held by TfN at the year end.

	2021/22 £m	Movement £m	2022/23 £m
Unusable reserves			
Accumulated absence reserve	0.11	(0.03)	0.09
Pension reserve	10.45	(8.89)	1.56
	10.57	(8.92)	1.65
Usable reserves			
Devolved powers earmarked reserve	(0.50)	0.50	-
RNP grant earmarked reserve	(0.03)	(0.07)	(0.10)
General fund reserve	(4.07)	0.26	(3.81)
	(4.60)	0.69	(3.90)
Total reserves	5.97	(8.23)	(2.26)

Unusable reserves, generally held to manage statutory adjustments to general accounting practice, have reduced reflecting the reduced pension deficit.

Usable reserves are uncommitted funds that can be applied to future expenditure. These have reduced reflecting the draw on reserves used to fund expenditure in the year. Amounts previously earmarked by the Board for use in response to changes to devolved powers, have now been released back to the general fund reserve, leaving core reserves at £3.81m.

Looking ahead to 2023/24 and beyond

Our adopted Business Plan for 2023/24 represents the priorities of the Northern leaders who make up our governance and provides direction for our teams. Whilst our STP has a long-term common goal, our vision is underpinned by short, medium and longer-term plans that advance wide-ranging interventions right across the North.

Summary of proposed activity in 2023/24

The investment made in TfN to date has developed a capacity and capability that is technically at the leading edge of strategic transport planning nationally. The 2023/24 Business Plan looks to build on that investment to the benefit of all TfN partners (nationally and regionally). In 2023/24 we will:

- Publish updated Strategic Transport Plan (STP2) for consultation – starting mid-May to August: adoption in December 2023;
- Development of advice on implementation of STP2 – to include consideration of indicative regional funding advice, 5-year funding allocations for all local transport authorities
- Road Investment Strategy – to provide advice to the Secretary of State
- Rail Reform – to seek further devolution (incl sub-regional units, building on the existing Rail North Partnership
- Alignment with other strategic infrastructure – including energy systems and ubiquitous digital connectivity, etc
- Developing the TfN 'offer' to partners (across the North and nationally) – utilising Technical Assurance, Modelling and Economic (TAME) team to support other STB's and LTA's.

Financial planning 2023/24

TfN is subject to essentially the same regulatory framework as its local transport authority and combined authority partner bodies. This framework confers upon the organisation an obligation, a balanced-budget requirement, and also the need to adopt a reserve strategy.

These requirements, together with our relationship with the DfT, set the parameters within which we will manage our operations in relation to funding.

The 2023/24 business planning process identified our key strategic priorities and identified a common 'golden thread' from strategy to delivery. This 'golden thread' ensured that when detailed individual departmental plans were being designed and objectives set, there was a common and coordinated approach to delivery across the organisation. These common goals are what underpin the expenditure profile and budget for 2023/24.

These budgets are underpinned by the reserves strategy, which serves as our back-stop mitigation against financial risk.

Value for money

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

Expenditure and funding

In order to deliver the activity set out in our Business Plan, we have a total budgeted expenditure for 2023/24 of £16.12m. This includes £8.44m of expenditure supporting core operations and £7.68m of expenditure on hosted activities with the associated funding streams as shown below:

Budget by activity	£m	£m	Budget by fund	£m
Operational:			Core grant	7.21
Rail and Roads	2.30		In-year funding (23/24 c/f)	0.03
Strategy, Policy and Communications	3.33		Rail North grant/ Local contributions	0.32
		5.63	Contract income	0.04
Back office		2.81	Use of reserves	0.83
Total operational and back office		8.44	Total operational and back office	8.44
Hosted:			Rail North Partnership grant	0.96
Rail North Partnership	1.62		Rail North grant/ Local contributions	0.40
NPR Analytical Support	5.86		Contract income	0.27
NPR Closure Costs	0.20		NPR/ DfT Analytical support grant	6.06
Total hosted		7.68	Total hosted	7.68
Total budget		16.12	Total budget	16.12

As a Sub-National Transport Body, we are unable to recover VAT on our purchases of goods and services.

Core duties includes operational and support costs. We are subject to the same regulatory environment as local and combined authorities and must discharge our responsibilities as an autonomous body. We must also act in accordance with the Memorandum of Understanding that TfN has with DfT.

TfN will remain almost entirely funded by grants from the DfT. Aside from a £7.21m Core grant funding allocation, we receive funding that is ring-fenced for the purpose for which it has been allocated and in the main can only be drawn down as and when it is required. The updated reserves strategy set out in the 2023/24 Budget report is based upon a year-end General Fund Reserve of £3.7m, created from Core Grant underspends in prior years. It was agreed that £0.8m of this balance be drawn upon in 2023/24 to support the delivery of the business plan activities. This would reduce the reserve levels to £2.9m by the end of 2023/24, with a further reduction in 2024/25 of £0.5m. For the three subsequent years a financial planning assumption of receiving and increase in core grant from £6.5m to £8m (£7.2m to £8.7m including the support for STB's and LTA's) a year for a three-year period has been made. This approach maintains the minimum level of £2m as outlined below in our medium-term financial plan.

The opening reserve position of £3.7m was based on forecast outturn, the actual reserve balance was £3.8m at year end.

Draws upon the General Fund Reserve at this level are unsustainable beyond the medium-term. As inflation increases the amount of the Core Grant that is used to fund employee costs, there will be further pressure to reduce discretionary expenditure.

TfN notes the potential for grants to be increased in future Spending Reviews and as part of that process and through ongoing dialogue with DfT, will continue to press for a revised funding settlement that reflects inflationary pressures and the growing maturity of the organisation's activities and aspirations.

Financial outlook

TfN is almost entirely funded by the DfT. This means that we are particularly sensitive to the government funding cycles and decisions, both in terms of the quantum and the term over which funding is granted.

In January 2023, the core grant for the two-year period to March 2025 was announced at £6.5m with a further £0.71m to support the development of wider STB and LTA capacity and capability giving TfN funding certainty until the end of 2024/25. We are continuing constructive dialogue with DfT on how we can enhance our funding and secure greater certainty of future funding to aid our business planning.

To enable us to continue to deliver our functions as a 'going concern' we are party to a Memorandum of Understanding (MoU) with the DfT which, amongst other things, provides us with sufficient comfort that we can plan on a going concern basis. Furthermore, the MoU commits the Department to an orderly wind-down of our financial affairs should the government make a future decision to either withdraw or reduce our funding allocations.

Our medium-term financial plan

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

As noted above, elements of our funding are ring fenced and can only be drawn down as required. This means our reserve strategy must be managed in conjunction with the use of the annual core grant allocations, as core grant is the only discretionary resource we hold that can fund any and all expenditure.

We have planned ahead based upon a 2022/23 year-end total reserve balance of £3.8m.

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

Statement of Responsibility for the accounts

TfN's responsibilities

TfN is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. In TfN that officer is the Finance Director;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Finance Director's responsibilities

The Finance Director is responsible for the preparation of the Statement of Accounts for TfN in accordance with proper practices as set out in the *CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom* (the Code). In preparing this Statement of Accounts, the Finance Director has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the Code.

The Finance Director has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Finance Director

I certify that the Statement of Accounts gives a true and fair view of the financial position of the organisation at the accounting date and of the income and expenditure for the year ended 31 March 2023.

Paul Kelly
Finance Director
27 September 2023

Chair's Certificate

I certify that the Statement of Accounts for the year ended 31 March 2023 was approved at the meeting of the Board on 27 September 2023.

Lord Patrick McLoughlin
Chair of Transport for the North Board
27 September 2023

Financial statements

Comprehensive income and expenditure statement

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from grants and other income. TfN generates income to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost.

2021/22 As restated			Notes	2022/23		
Expenditure	Income	Net		Expenditure	Income	Net
£000	£000	£000		£000	£000	£000
41,692	(41,437)	255		5,394	(5,394)	0
1,077	352	1,429		-	-	-
1,270	(992)	278		1,668	(1,456)	212
10,019	(714)	9,306		9,298	(625)	8,674
54,058	(42,791)	11,267		16,360	(7,474)	8,886
			Cost of services			
0	-	0		-	-	-
492	(233)	259	11	685	(546)	139
0	(5,908)	(5,908)	12	-	(6,500)	(6,500)
			13			
54,550	(48,932)	5,618	Surplus or deficit on provision of services	17,046	(14,521)	2,525
		(3,557)	27			(10,750)
		(3,557)	Other comprehensive income and expenditure			(10,750)
		2,061	Total comprehensive income and expenditure			(8,225)

Movement in reserves statement

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by TfN, analysed into 'usable reserves' that can be used to resource expenditure alongside income received in year and other 'unusable reserves'. The Statement shows how the movements in year of TfN's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to income for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

2022/23

	General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2022	(4,067)	(531)	(4,598)	-	(4,598)	10,567	5,969
Movement in reserves during 2022/23							
(Surplus) or deficit on the provision of services	2,525	-	2,525	-	2,525	-	2,525
Other Comprehensive Income / Expenditure	-	-	-	-	-	(10,750)	(10,750)
Total Comprehensive Income and Expenditure	2,525	-	2,525	-	2,525	(10,750)	(8,225)
Adjustments between accounting basis and funding basis under regulations (see note 9)	(1,832)	-	(1,832)	-	(1,832)	1,832	-
Net (Increase) or Decrease before Transfer to Earmarked Reserves	693	-	693	-	693	(8,918)	(8,225)
Transfer (to)/from Earmarked Reserves (see note 10)	(434)	434	-	-	-	-	-
(Increase) or Decrease in 2022/23	259	434	693	-	693	(8,918)	(8,225)
Balance at 31 March 2023	(3,808)	(97)	(3,905)	-	(3,905)	1,649	(2,256)

2021/22

	General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2021	(6,166)	(1,781)	(7,947)	(277)	(8,224)	12,132	3,908
Movement in reserves during 2021/22							
(Surplus) or deficit on the provision of services	5,618	-	5,618	-	5,618	-	5,618
Other Comprehensive Income / Expenditure	-	-	-	-	-	(3,557)	(3,557)
Total Comprehensive Income and Expenditure	5,618	-	5,618	-	5,618	(3,557)	2,061
Adjustments between accounting basis and funding basis under regulations (see note 9)	(2,177)	-	(2,177)	185	(1,992)	1,992	-
Net (Increase) or Decrease before Transfer to Earmarked Reserves	3,441	-	3,441	185	3,626	(1,565)	2,061
Transfer (to)/from Earmarked Reserves (see note 10)	(1,342)	1,250	(92)	92	-	-	-
(Increase) or Decrease in 2021/22	2,099	1,250	3,349	277	3,626	(1,565)	2,061
Balance at 31 March 2022	(4,067)	(531)	(4,598)	-	(4,598)	10,567	5,969

Balance sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by TfN. The net liabilities (assets less liabilities) are matched by the reserves held by TfN.

Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'adjustments between accounting basis and funding basis under regulations.'

31 March 2022			31 March 2023
£000	Notes		£000
-	14	Intangible Assets	-
-		Long Term Assets	-
1,405	15	Short-Term Debtors	728
8,677	16	Cash and Cash Equivalents	8,144
10,082		Current Assets	8,873
(5,183)	17	Short-Term Creditors	(1,522)
(68)	18	Provisions	(240)
(346)	8	Grants Receipts in Advance - Revenue	(3,293)
(5,597)		Current Liabilities	(5,055)
(10,454)	27	Pension Liability	(1,562)
(10,454)		Long term Liabilities	(1,562)
(5,969)		Net Assets/ (Liabilities)	2,256
(4,598)	19	Usable Reserves	(3,905)
10,567	19	Unusable Reserves	1,649
5,969		Total Reserves	(2,256)

Cash flow statement

The Cash Flow Statement shows the changes in cash and cash equivalents of TfN during the reporting period. The statement shows how TfN generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. Cash flows from operating activities cover the inflows and outflows from TfN's regular business activities, and do not include investing activities (such as the purchase of assets) or financing activity (such as borrowing and cash management activities). Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery, such as the intangible assets under development. As TfN does not have powers to access credit – such as loans and overdrafts – it does not have cash flows relating to financing activities.

2021/22	2022/23
£000	£000
5,618 Net (surplus) or deficit on the provision of services	2,525
3,726 Adjustment to surplus or deficit on the provision of services for noncash movements	(2,012)
0 Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	169
9,344 Net cash flows from operating activities	682
0 Net cash flows from investing activities	(149)
9,344 Net (increase) or decrease in cash and cash equivalents	533
18,021 Cash and cash equivalents at the beginning of the reporting period	8,677
8,677 Cash and cash equivalents at the end of the reporting period	8,144

Disclosure notes

Note 1 - Expenditure and funding analysis

The Expenditure and Funding Analysis (EFA) Statement shows how annual expenditure is used and funded from resources (principally grants) by TfN in comparison with those resources consumed or earned by the organisation in accordance with Generally Accepted Accounting Practices ("GAAP").

It also shows how this expenditure is allocated for decision making purposes between the TfN management and reporting areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

2021/22 As restated				2022/23		
Net Expenditure Chargeable to the General Fund Balance £000	Adjustments (see note 2) £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000		Net Expenditure Chargeable to the General Fund Balance £000	Adjustments (see note 2) £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
-	255	255	NPR/ DfT Analytical Support	-	-	-
1,250	179	1,429	Integrated and Smart Ticketing	-	-	-
23	255	278	Rail North Partnership	(66)	278	212
8,080	1,226	9,306	Operational Areas	7,428	1,245	8,674
9,352	1,915	11,267	Net Cost of Services	7,362	1,524	8,886
(6,003)	354	(5,649)	Other Income and Expenditure	(6,669)	308	(6,361)
3,349	2,269	5,618	Surplus or Deficit on Provision of Services	693	1,832	2,525
(7,947)			Opening Combined General Fund Balance	(4,598)		
3,349			Plus/less Surplus or Deficit on the General Fund Balance for the Year (Statutory basis)	693		
(4,598)			Closing Combined General Fund Balance	(3,905)		

Note 2 - Note to the expenditure and funding analysis

2022/23

	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Total Adjustments
	£000	£000	£000	£000
NPR/ DfT Analytical Support	-	-	-	-
Rail North Partnership	-	279	(1)	278
Operational Areas	-	1,271	(25)	1,246
Net Cost of Services	-	1,550	(26)	1,524
Other Income and Expenditure	-	308	-	308
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	-	1,858	(26)	1,832

2021/22 As restated

	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Statutory Adjustments	Total Adjustments
	£000	£000	£000	£000
NPR/ DfT Analytical Support	-	287	(32)	255
Integrated and Smart Ticketing	185	9	(16)	178
Rail North Partnership	-	264	(10)	254
Operational Areas	-	1,299	(72)	1,227
Net Cost of Services	185	1,860	(130)	1,915
Other Income and Expenditure	92	262	-	354
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	277	2,122	(130)	2,269

Net Capital Statutory Adjustments – this column adds in amortisation and impairment in the services line.

Net Pensions Statutory Adjustments - Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income.

- For services this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.

- For Other Income and Expenditure – the net interest on the defined benefit liability is charged to the CIES.

Other Statutory Adjustments – reversal of accumulated absence accruals from CIES to the accumulated absence account.

Note 3 - Accounting policies

General principles

The statement of accounts summarises TfN's transactions for the 2022/23 financial year and its position at the year-end of 31 March 2023. TfN is required to prepare an annual statement of accounts by the Accounts and Audit Regulations 2015, which determine the timing of when the statements must be produced. The Statements have to be published before 1st June. The Regulations also require that the accounts be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act. The accounting convention adopted in the statement of accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Going concern basis

TfN accounts for its operations on a going concern basis. This assumes that TfN will continue in operation for the foreseeable future.

TfN is party to a Memorandum of Understanding (MoU) with the Department for Transport that gives it the required comfort that it will continue to receive the necessary funding to discharge its statutory obligations into the future. Furthermore, the MoU commits the Department to an orderly winddown of TfN's affairs should future decisions be made by Government that either end or reduce TfN's funding.

Qualitative characteristics

The usefulness of financial statements is enhanced if they are comparable between similar organisations and between financial years. The Code of Practice promotes comparability by designating the form and content of the financial statements.

Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments is accounted for as income on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in financing and investment income and expenditure for the income that might not be collected.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Prior period adjustments, changes in accounting policies and estimates and errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Operating leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense to the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

Events after the reporting period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period, and the date the Statement of Accounts is authorised for issue.

Two types of events can be identified:

1. Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts are adjusted to reflect such events.
2. Those that are indicative of conditions that arose after the reporting period – the financial statements are not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the financial statements.

Financial instruments

Financial liabilities

Financial liabilities are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at cost and are carried at their amortised cost.

Financial assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. TfN holds financial assets measured at amortised cost. TfN's business model is to hold financial assets to collect contractual cash flows. Financial assets are therefore classified as amortised cost.

Government grants and contributions

Whether paid on account, by instalments, or in arrears, government grants and third-party contributions and donations are recognised as due to TfN when there is reasonable assurance that:

- TfN will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to TfN are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor. Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as liabilities. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

When capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. When it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Overheads and support services

Costs of overheads and support services are charged to service segments in accordance with the authority's arrangements for accountability and financial performance.

Principally, programme areas in receipt of permissive discrete grant will be recharged for the incremental costs of support teams on a calculated basis as agreed by the Finance Director.

Provisions

Provisions are made where an event has taken place that gives TfN a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the authority has an obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the Comprehensive Income and Expenditure Statement.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

Reserves

Specific amounts are set aside as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund. When the expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the (Surplus) / Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

Certain reserves are kept to manage the accounting processes for non-current assets and retirement benefits, and do not represent usable resources for TfN.

Revenue expenditure funded from capital under statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year.

Where TfN has determined to meet the cost of this expenditure from existing capital resources a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the usable reserves of TfN.

Value added tax (VAT)

TfN neither provides services for consideration nor is able to recover the VAT incurred on expenditure. Costs are shown gross of VAT within the relevant service lines on the face of the CIES.

Intangible assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by TfN as a result of past events (e.g. software development) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to TfN.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and TfN will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset.

TfN determines a project to be technically feasible when it has passed an outline business case government approval gateway, or another appropriate review point undertaken by suitably qualified professionals.

Expenditure is capitalised where it can be measured reliably as attributable to the asset and restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise TfN's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by TfN can be determined by reference to an active market. In practice, no intangible asset held by the authority meets this criterion, and they are therefore carried at amortised cost. Where an intangible asset has an indefinite useful life, it shall not be amortised. Instead, it will be reviewed annually for impairment.

An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

Employee benefits

Benefits payable during employment

Short term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to TfN.

An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits

Termination benefits are amounts payable as a result of a decision by TfN to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. They are charged on an accruals basis to the appropriate service segment in the Comprehensive Income and Expenditure Statement at the earlier of when TfN can no longer withdraw the offer of those benefits or when TfN recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by TfN to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-employment benefits

Employees of TfN are enrolled in the Local Government Pension Scheme (LGPS). TfN pays an employer's contribution into the Greater Manchester Pension Fund, which is a fully funded defined benefit scheme administered by Tameside Metropolitan Borough Council.

The liabilities of the Greater Manchester Pension Fund attributable to TfN are included in the Balance Sheet on an actuarial basis using the projected unit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate advised by the actuary as specified in the defined benefit pension scheme note.

The assets of the Greater Manchester Pension Fund attributable to the authority are included in the Balance Sheet at their fair value:

1. quoted securities – current bid price
2. unquoted securities – professional estimate
3. unitised securities – current bid price
4. property – market value.

The change in the net pensions liability is analysed into the following components:

- Service cost comprising:
 - o current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
 - o past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited

to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement

- o net interest on the net defined benefit liability (asset), i.e. net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Remeasurements comprising:
 - o the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the pensions reserve as other comprehensive income and expenditure – actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure.
 - o contributions paid to the TfN pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the pensions reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary benefits

The authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

Note 4 - Critical judgements in applying accounting policies

In applying the Accounting Policies, the authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are as follows:

- As the majority of TfN funding comes from grants awarded by the Department for Transport, a key judgement is whether the grants include conditions or restrictions which impact on the recognition of these grants through the Comprehensive Income and Expenditure Statement.

Note 5 - Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by TfN about the future, or that are otherwise uncertain. Estimates are made taking into account historical experience,

current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

Pension liability

Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the rate at which salaries are expected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. TfN engaged Hymans Robertson LLP as consulting actuaries to provide expert advice as to the assumptions to apply.

The effect on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the Real Discount Rate would increase the defined benefit obligation by £439k. However, the assumptions interact in complex ways; details of the sensitivities are set out in Note 27.

Note 6 - Material items of income and expense

There were no unusual or unexpected items of income and expenditure in the year.

Note 7 - Events after the reporting period

The Statement of Accounts was authorised for issue by the Finance Director 31 May 2023. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 8 - Grant income

TfN is almost entirely funded from grants and contributions. Those values can be recognised in the CIES either on the non-specific income line, or on the services lines. The distinction between the two treatments principally reflects conditions or restrictions on those grants, and whether the grants are for capital or revenue expenditure.

Grants that are restricted to discrete activity are shown on the service lines.

Grant income credited to services

2021/22 £000	2022/23 £000
(41,437) NPR Transport Development Fund	(5,394)
352 Integrated & Smart Ticketing Revenue	-
(809) Rail North Partnership Grant	(962)
- In-year funding	(265)
(17) External Audit - Redmond Review support grant	(16)
(61) Rail North Local Contributions	(62)
(567) Rail North Rail Grant (via Local Contributions)	(584)
(42,539) Total Grant Income Credited to Services	(7,283)
(252) Contract Income - Rail Services	(192)
(42,791) Total Income Credited to Services in CIES	(7,474)

Grants with conditions that may require unused allocations to be returned are shown as grants received in advance as a current liability. Grant received to fund NPR analytical support must be returned to the Department for Transport if not required.

Grant receipts in advance - revenue

2021/22	2022/23
£000	£000
(336) Department for Transport Project Funding	(71)
(10) Trans Pennine Tunnel Traffic Modelling	-
- NPR Transport Development Fund	(467)
- Core grant 2023/24	(2,754)
(346) Total	(3,293)

Grants without restrictions, and capital grants that have either been applied to expenditure or are yet to be applied to expenditure are recognised on the non-specific grant income line. The following note details all grants recognised in this manner:

Grant income credited to taxation and non-specific grant income and expenditure

2021/22	2022/23
£000	£000
(6,000) Core Grant	(6,500)
92 Intergrated & Smart Ticketing Capital	-
(5,908) Total	(6,500)

Note 9 - Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by TfN in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to TfN to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

General fund balance

The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that TfN is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that TfN is required to recover) at the end of the financial year.

Capital grants unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which TfN has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place. TfN no longer holds any capital grant.

2022/23

	General Fund Balance £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments to the Revenue Resources			
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:			
Pension cost (transferred to (or from) the Pensions Reserve)	(1,858)	-	1,858
Holiday pay (transferred to the Accumulated Absences Reserve)	26	-	(26)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to Capital Adjustment Account)	-	-	-
Total Adjustments to Revenue Resources	(1,832)	-	1,832
Adjustments between Revenue and Capital Resources			
Capital expenditure financed from Capital Grants Unapplied	-	-	-
Total Adjustments between Revenue and Capital Resources	-	-	-
Total Adjustments	(1,832)	-	1,832

2021/22

	General Fund Balance £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments to the Revenue Resources			
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:			
Pension cost (transferred to (or from) the Pensions Reserve)	(2,122)	-	2,122
Holiday pay (transferred to the Accumulated Absences Reserve)	130	-	(130)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to Capital Adjustment Account)	(185)	-	-
Total Adjustments to Revenue Resources	(2,177)	-	1,992
Adjustments between Revenue and Capital Resources			
Capital expenditure financed from Capital Grants Unapplied	-	185	-
Total Adjustments between Revenue and Capital Resources	-	185	-
Total Adjustments	(2,177)	185	1,992

Note 10 – Movement in earmarked reserves

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure.

	Balance at 31 March 2021	Transfers (in)/out	Balance at 31 March 2022	Transfers (in)/out	Balance at 31 March 2023
	£000	£000	£000	£000	£000
Earmarked general fund reserves:					
Integrated and Smart Ticketing Revenue Funding Reserve	(1,250)	1,250	-	-	-
Earmarked Devolved Powers Reserve	(500)	-	(500)	500	-
Earmarked RNP Grant Reserve	(31)	-	(31)	(66)	(97)
Total earmarked general fund reserves	(1,781)	1,250	(531)	434	(97)

Note 11 - Financing and investment income and expenditure

This note shows the incidental income generated by holding cash on deposit until it is required to resource expenditure, and also the interest costs associated with pension liabilities.

2021/22	2022/23
£000	£000
492 Interest payable on the net defined benefit liability	685
(233) Interest receivable and similar income	(546)
259 Total	139

Note 12 - Taxation and non-specific grant income

TfN does not have legal powers to raise precepts on the northern tax base and is almost entirely funded from grant resource. Some of this grant resource is discrete to programmes of activity and comes with restrictions on its use. Other grant, such as TfN's Core grant, is awarded without restrictions and is accounted for as 'non-specific' grant.

This note shows the value of non-specific grants and those capital grants not shown on the service lines of the comprehensive income and expenditure statement that have been recognised in year.

2021/22	2022/23
£000	£000
(6,000) TfN Core Grant	(6,500)
92 Integrated and Smart Ticketing Capital Grant	-
(5,908) Total	(6,500)

Note 13 - Expenditure and income analysed by nature

This note analyses TfN's income and expenditure by standardised descriptors. The note highlights that TfN is almost entirely funded from governmental grant and contributions, whilst the costs associated with professional service contracts and programme delivery is shown in 'other service expenses.'

2021/22	2022/23
£000	£000
Nature of Expenditure or Income	
(253) Fees, charges and other service income	(192)
(233) Interest and investment income	(546)
(48,446) Government grants and contributions	(13,783)
10,600 Employee benefits expenses	8,995
43,458 Other service expenses	7,366
491 Interest payments	685
5,618 (Surplus) or Deficit for Year	2,525

Other service expenses includes all professional service costs, accommodation and business infrastructure costs relating to all activities delivered by TfN. Following the restructuring exercise

carried out in the year, employee benefits expenses now make up the largest share of our expenditure, with a reduced level of professional services expenditure.

Note 14 - Intangible assets

TfN accounts for its software and software development as intangible assets.

The intangible assets include both purchased licenses and the costs of internally generated software development. Where assets are operational, they are amortised in line with TfN's accounting policies, with charges commencing in the year after which they become operational.

31 March 2022				31 March 2023		
Assets Under Development	Operational Assets	Total		Assets Under Development	Operational Assets	Total
£000	£000	£000		£000	£000	£000
-	3,482	3,482	Balance at start of year:	-	1,009	1,009
-	(3,482)	(3,482)	Gross carrying amounts	-	(1,009)	(1,009)
-	-	-	Accumulated amortisation	-	-	-
-	-	-	Net carrying amount at start of year	-	-	-
-	-	-	Additions:	-	-	-
-	-	-	- Internal development	-	-	-
-	256	256	Assets that became operational in the year	-	-	-
-	(2,473)	(2,473)	Amortisation for the period	-	-	-
-	2,217	2,217	Disposal	-	-	-
-	-	-	Impairment losses recognised in the surplus/ deficit on the provision of services	-	-	-
-	-	-	Net carrying amount at end of year	-	-	-
-	1,009	1,009	Comprising:	-	1,009	1,009
-	(1,009)	(1,009)	- Gross carrying amounts	-	(1,009)	(1,009)
-	-	-	- Accumulated amortisation and impairment	-	-	-
-	-	-	Total	-	-	-

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the authority. The useful lives assigned to the major software suites used by the authority are:

Useful Life (Years)	Internally Generated Assets	Other Assets
ERP	3	0
Integrated Smart Ticketing	5	0

The note also recognises the development and implementation of TfN's enterprise resource planning (ERP) system asset valued at £1.01m (2022: £1.01m). The ERP system is in use and is shown under the 'operational assets' column. The ERP system asset has been fully amortised.

Note 15 - Debtors

This note shows the value of money owed to TfN and the value of prepayments recognised. Sums due from TfN Partners reflects contributions due from Rail North authorities.

Total debtors include financial assets of £0.56m (2022: £1.21m), which are carried at amortised cost. There is no significant difference between the carrying value and the fair value of these financial assets. There is no significant credit risk in relation to TfN's financial assets.

31 March 2022	31 March 2023
£000	£000
1 Employees	-
1,043 Department for Transport	-
17 Department for Levelling Up, Housing and Communities	-
200 Prepayments	165
144 TfN Partners	543
- Other	20
1,405 Total Debtors	728

Note 16 – Cash & cash equivalents

At any time, we will hold cash in the bank or on deposit. This reflects TfN's reserve strategy to mitigate financial shock, and also inevitable timing differences between grants being received and cash being paid to suppliers and employees. The balance of cash and cash equivalents is made up of the following elements:

31 March 2022	31 March 2023
£000	£000
8,677 Cash and Bank Balances	6,144
- Short Term Investments	2,000
8,677 Total Cash and Cash Equivalents	8,144

Note 17 - Creditors

This note shows the value of obligations to employees and suppliers.

31 March 2022	31 March 2023
£000	£000
(114) Employees	(89)
(20) HMRC	(16)
- Greater Manchester Pension Fund	(218)
(448) Department for Transport	-
Train Operating Companies:	
(62) Arriva Rail North/ Northern Trains Ltd.	-
(51) Transpennine Express	-
(26) Merseytravel	-
TfN Partners:	
(606) Transport for Greater Manchester	(141)
(60) North East Combined Authority	-
(1,229) Network Rail	-
(2,567) Trade Suppliers	(1,059)
(5,183) Total Creditors	(1,522)

Obligations to employees include the accounting value associated with the accumulated absence provision – the financial value of untaken leave as at the financial year-end.

Amounts owed to TfN partners relate to TfN's Manchester office space, which is leased from Transport for Greater Manchester (TfGM).

The table above includes financial liabilities of £1.52m (2022: £5.18m) which are carried at amortised cost. There is no significant difference between the carrying value and fair value of these financial

liabilities. There is no significant market or liquidity risk in relation to these financial liabilities which are all due to mature within 1 year.

Note 18 - Provisions

Provisions reflect the amount set aside for probable, but uncertain, economic obligations. At 31 March 2023 this only included forecast amounts due to settle contractual issues with suppliers.

31 March 2022		31 March 2023
£000	Total Provisions	£000
(68)	Opening Balance	(68)
-	(Increase)/decrease in provision during year	(172)
(68)	Closing Balance	(240)

Note 19 - Reserves

TfN holds both usable and unusable reserves. Usable reserves can be used to fund TfN activities, and some of these may be earmarked to support specific types of activity. Unusable are those reserves that do not contain resource that could be applied to meet TfN's funding requirements. These are largely accounting reserves where the effects of timing differences and statutory overrides of accounting rules are recognised.

Usable reserves

The following reserves can be used to fund TfN activities. The General Fund can be used to fund any activity but the other reserves are to be used only for specific activities.

2021/22	2022/23
£000	£000
(500) Earmarked Devolved Powers Reserve	-
(31) Earmarked RNP Reserve	(97)
(4,067) General Fund	(3,808)
(4,598) Total	(3,905)

The Board in the past earmarked reserve for use in response to changes to devolved powers, this has now been released back to the general fund reserve.

Unusable reserves

The following reserves are unusable for reasons explained below.

2021/22	2022/23
£000	£000
10,454 Pension Reserve	1,562
113 Accumulated Absence Account	87
10,567 Total	1,649

Capital Adjustment Account

The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The account is debited with the cost of acquisition, construction or subsequent costs as impairment losses and amortisations are charged to the

Comprehensive Income and Expenditure Statement. The account is credited with the amounts set aside by the authority as finance for the costs of acquisition, construction and subsequent expenditure.

2021/22 £000	2022/23 £000
- Balance 1 April	-
(2,217) Charges for depreciation and impairment of non-current assets	-
(256) Amortisation of intangible assets	-
185 Revenue expenditure funded from capital under statute	-
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-
2,473	-
185 Net written out amount of the cost of non-current assets consumed in the year	-
Application of grants and contributions from the Capital Grants (185) Unapplied Reserve	-
(185) Capital financing applied in year	-
- Balance 31 March	-

Pension reserve

The pensions reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2021/22 £000	2022/23 £000
11,889 Balance at 1 April	10,454
(3,557) Remeasurements of the net defined benefit (liability)/asset	(10,750)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	2,705
3,436	
Employer's pensions contributions and direct payments to pensioners payable in the year	(847)
10,454 Balance at 31 March	1,562

Accumulated absences account

The accumulated absences account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the account.

2021/22 £000	2022/23 £000
243 Balance 1 April	113
Settlement or cancellation of accrual made at the end of the preceding year	(113)
113 Amounts accrued at the end of the current year	87
(130) Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in year in accordance with statutory requirements	(26)
113 Balance 31 March	87

Note 20 - Cash flow from operating activities

The cash flow from the net surplus/deficit on operating activities includes some items that are not cash based. These items require an adjustment to be made as detailed below which covers the operating surplus or deficit to a cash basis.

2021/22 £000	2022/23 £000
2,217 Impairment and downward valuations	-
256 Amortisation	-
(2,473) Disposal of intangible assets	-
4,948 (Increase)/decrease in creditors	715
900 Increase/(decrease) in debtors	(696)
(2,122) Movement in pension liability	(1,858)
- Other non-cash movements charged to the surplus or deficit on provision of services	(172)
3,726 Total	(2,011)

Note 21 - Cash flow from investing activities

2021/22 £000	2022/23 £000
- Other receipts from investing activities	(149)
0 Net cash flows from investing activities	(149)

Note 22 - Members' allowances

The authority pays an allowance to the Independent Members of its Audit and Governance Committee.

2021/22 £	2022/23 £
2,400 Independent Audit & Governance Committee Members	1,100

Note 23 - Officers' remuneration

Under statutory provisions TfN is required to disclose the remuneration of senior officers. Senior officers include the Head of Paid Service – TfN's principal paid officer – and those officers who report to that post or hold statutory office. TfN also discloses the pay of its chairman as an individual in a position of significant influence.

The remuneration paid to the authority's senior employees was as follows:

2022/23	Salary	Employer Pension Contribution	Taxable Allowances	Professional Memberships	Redundancy Payments
Role	(£)	(£)	(£)	(£)	(£)
Chief Executive (Head of Paid Service)					
<i>Martin Tugwell</i>	154,550	26,892	-	-	-
Chairman (pro-rata)					
<i>Patrick McLoughlin</i>	60,000	-	-	-	-
- <i>Chairman full-time equivalent</i>	225,000				
Rail & Roads Director	20,765	3,613	-	-	-
- <i>Joined 06/02/23</i>					
Strategy, Analysis and Communications Director	15,892	2,765	-	-	-
- <i>Joined 06/02/23</i>					
Rail North Partnership Director	125,435	21,826	-	-	-
Chief Financial Officer (Section 151)	121,475	21,137	-	415	-
Head of Legal Services (Monitoring Officer)	93,360	16,245	-	316	-
Major Roads Programme Director	32,950	4,597	87	362	163,413
- <i>Departed 01/07/22</i>					
Strategic Rail Director	125,435	21,826	379	-	-
- <i>Role removed 31/03/23</i>					
Business Capabilities Director	88,619	13,569	-	-	197,808
- <i>Departed 14/11/22</i>					
Strategy and Policy Director	119,822	20,849	-	-	-
- <i>Departed 31/03/23</i>					

2021/22	Salary	Employer Pension Contribution	Taxable Allowances	Professional Memberships	Severance Payments
Role	(£)	(£)	(£)	(£)	(£)
Chief Executive (Head of Paid Service)					
<i>Barry White - departed 15/05/21</i>	22,056	3,532	-	-	-
<i>Martin Tugwell - joined 02/08/21</i>	102,151	17,774	-	-	-
Chairman (pro-rata)					
<i>John Cridland - departed 27/07/21</i>	18,000	-	-	-	-
<i>Patrick McLoughlin - joined 25/01/22</i>	10,000	-	-	-	-
- <i>Chairman full-time equivalent</i>	225,000				
NPR Programme Director	149,475	21,605	65	343	-
- <i>Departed 31/03/2022</i>					
Major Roads Programme Director	98,808	17,193	254	429	-
Strategic Rail Director	123,510	21,491	204	-	-
Rail North Partnership Director	123,510	21,491	-	-	-
Chief Financial Officer (Section 151)	142,417	24,781	231	82	-
- <i>Departed 16/03/22 (see note)</i>					
Chief Financial Officer (Section 151)	19,995	3,479	-	67	-
- <i>Joined 01/02/22 (see note)</i>					
Business Capabilities Director	128,417	21,491	-	-	-
Head of Legal Services (Monitoring Officer)	91,435	15,910	-	306	-
Strategy and Policy Director	£112,277	£19,536	-	-	-

Note: during February and part of March 2022 there was a short handover period between the departing and incumbent Chief Financial Officer.

TfN is also required to disclose the number of officers whose remuneration is in excess of £50,000. Remuneration is inclusive of salaries and other taxable benefits, but not employer pension contributions. This disclosure is made in bands of £5k and does not include those senior officers detailed above:

2021/22		2022/23
12	£50,000 – £54,999	8
8	£55,000 – £59,999	9
10	£60,000 – £64,999	7
2	£65,000 – £69,999	4
2	£70,000 – £74,999	3
5	£75,000 – £79,999	2
3	£80,000 – £84,999	5
1	£85,000 – £89,999	1
-	£90,000 – £94,999	-
1	£95,000 – £99,999	-
44		39

The numbers of exit packages (for all officers including the senior employees detailed above) with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Exit package cost band (including special payments)	No. of compulsory redundancies		No. of other departures agreed		Total no. of exit packages by cost band		Total no. of exit packages by cost band	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
£0 - £20,000		1	1	2	1	3	17,686	33,897
£20,000 - £40,000			2	5	2	5	48,046	158,064
£40,001 - £60,000	1				1	-	54,223	-
£60,001 - £80,000					-	-	-	-
£80,001 - £100,000			1		1	-	97,100	-
£100,001 - £150,000				2	-	2	-	361,220
Total cost included in bandings and in the CIES							217,055	553,181

The total cost of £553k in the table has been charged to the CIES in the current year.

Note 24 - External audit costs

The fees payable to external auditors in 2022/23 with regard to external audit services carried out by the appointed auditor were £36k (2022: £45k).

Note 25 - Related parties

TfN's Board is made up of elected and Local Enterprise Partnership (LEP) representatives from all areas of the North, along with Secretary of State for Transport and co-opted non-voting representatives from Highways England, Network Rail and HS2 Ltd.

As a result of this governance structure TfN enters into a variety of financial transactions with partner organisations with whom we share common control.

This note seeks to highlight areas where transactions could have potentially been entered other than at arms-length.

Members

TfN's elected members have direct control over TfN's financial and operating policies. Members' interests outside of TfN are recorded in the register of gifts and hospitality maintained by the Monitoring Officer. These interests include positions held by members in other public bodies and private interests.

Material financial relationships between TfN and those bodies are detailed below.

Officers

Officers may be able to influence financial or operational practices. There were no transactions in 2022/23 with bodies in which officers had a pecuniary interest and were able to exercise such an influence.

Funding

TfN is almost entirely funded from the Department for Transport. The Secretary of State for Transport is represented on the Transport for the North Board leading to common control. During the financial year, grants to a value of £16.75m (2022: £48.59) were received from the Department, which combined with the balance of grants received in the prior year made £16.41m of grant available. Of this, £13.12m (2022: £48.25m) was recognised as income in the year, the remaining £3.29m (2022: 0.34m) of unused grant is held as grant received in advance for use in the following financial year.

TfN is the recipient of local funding contributions for its Rail North activities. These contributions are made by the Rail North authorities and amounted to £0.65m (2022: £0.63m) in the year. The northern Rail North authorities are represented on the Transport for the North Board, whilst all authorities sit on the Rail North Committee

TfN is also party to several contracts where it delivers prescribed services for partners. This includes project management work for North Yorkshire County Council and services funded by Network Rail related to the Trans-Pennine Route Upgrade project. In 2022/23 income was recognised to the value of £0.18m (2022: £0.25m).

Expenditure

Over the course of the year TfN was party to several arrangements where partner bodies supplied goods or services to the organisation.

Transport for Greater Manchester (TfGM) is the regional transport executive for Greater Manchester and controlled via Greater Manchester Combined Authority, a TfN Constituent Authority, the mayor of which is a Transport for the North Board member. Throughout the year TfGM has provided elements of information and communications technology and facilities management support to the organisation on a contractual basis, whilst TfN's Manchester based office space is leased from TfGM. In total, TfN incurred expenditure of £0.52m (2022: £0.48m) with Transport for Greater Manchester.

Note 26 - Capital Expenditure and Capital Financing

Following the closure of the Integrated and Smart Ticketing programme, TfN did not incur any capital expenditure in the year.

2021/22	2022/23
£000	£000
- Opening Capital Financing Requirement	-
Capital Investment:	
- Intangible Assets	-
185 Revenue Expenditure Funded from Capital Under Statute	-
185 Total Capital Spending	-
Sources of Finance:	
(185) Government grants and other contributions	-
(185) Total Sources of Finance	-
- Closing Capital Financing Requirement	-

Note 27 - Defined benefit pension scheme

As part of the terms and conditions of employment of its officers, TfN makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, TfN has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Greater Manchester Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of Tameside Metropolitan Borough Council as the administering body. Policy is determined in accordance with the Pensions Fund Regulations.

The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. largescale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

General fund transactions

Comprehensive Income & Expenditure Statement	
Cost of Services	
2021/22	2022/23
£000	£000
Service cost comprising:	
2,963 Current service cost	2,026
211 Past service cost	371
262 Net interest expense	308
3,436 Total charged to Surplus or Deficit on Provision of Services	2,705
Other post employment benefits charged to the Comprehensive Income & Expenditure Statement	
2021/22	2022/23
£000	£000
Re-measurement of the net defined benefit liability comprising:	
(859) Return on plan assets (excluding the amount included in the net interest expense)	(441)
(255) Actuarial gains and losses arising on changes in demographic assumptions	(960)
(2,496) Actuarial gains and losses arising on changes in financial assumptions	(13,342)
53 Actuarial gains and losses arising on changes in other assumptions	3,993
(3,557) Total charged to Other Comprehensive Income & Expenditure Statement	(10,750)
(121) Total charged to the Comprehensive Income & Expenditure Statement	(8,045)
Movement in Reserves Statement	
2021/22	2022/23
£000	£000
(3,436) Reversal of net charges made to the Surplus or Deficit on the Provision of Services	(2,705)
Actual amount charged against the General Fund balance for pensions in the year	
1,314 Employers' contributions payable to the scheme	847

Pensions assets and liabilities recognised in the balance sheet

The amount included in the Balance Sheet arising from the authority's obligation in respect of its defined benefit plans is as follows:

2021/22	2022/23
£000	£000
(23,596) Present value of the defined obligation	(16,661)
13,142 Fair value of plan assets	15,099
(10,454) Total charged to Surplus or Deficit on Provision of Services	(1,562)

Reconciliation of the movements in the fair value of scheme (plan) assets

2021/22	2022/23
£000	£000
10,266 Opening fair value of scheme assets	13,142
- Revaluation of opening fair value of scheme assets	-
10,266 Revised opening fair value of scheme assets	13,142
229 Interest income	377
Re-measurement gain/(loss):	
859 Return on plan assets (excluding the amount included in the net interest expense)	441
1,314 Contributions from employer	847
536 Contributions from employees into the scheme	428
(62) Net benefits paid out	(136)
13,142 Total charged to Surplus or Deficit on Provision of Services	15,099

Reconciliation of present value of the scheme liabilities (defined benefit obligation)

2021/22	2022/23
£000	£000
(22,155) Opening balance at 1 April	(23,596)
(2,963) Current service cost	(2,026)
(491) Interest cost	(685)
(536) Contributions from scheme participants	(428)
Re-measurement gains and losses:	
255 Actuarial gains and losses arising on changes in demographic assumptions	960
2,496 Actuarial gains and losses arising on changes in financial assumptions	13,342
(53) Actuarial gains and losses arising on changes in other assumptions	(3,993)
(211) Past service cost	(371)
62 Net benefits paid out	136
(23,596) Total charged to Surplus or Deficit on Provision of Services	(16,661)

Discretionary post-retirement benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

Transactions relating to post-employment benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge we are required to make is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the general fund via the movement in reserves statement. The following transactions have been made in the comprehensive income and expenditure statement and the general fund balance via the Movement in Reserves Statement during the year.

Local Government Pension Scheme assets comprised

2021/22			2022/23		
Quoted £000	Unquoted £000	Total £000	Quoted £000	Unquoted £000	Total £000
411	-	411	383	-	383
Cash & cash equivalents					
Equity Securities					
1,023	-	1,023	907	-	907
914	-	914	835	-	835
622	-	622	745	-	745
1,374	-	1,374	1,288	-	1,288
701	-	701	756	-	756
702	-	702	1,066	-	1,066
161	-	161	172	-	172
5,497	-	5,497	5,769	-	5,769
Subtotal Equity Securities					
Debt Securities					
525	-	525	602	-	602
-	-	-	-	-	-
226	-	226	361	-	361
390	-	390	449	-	449
1,141	-	1,141	1,412	-	1,412
Subtotal Debt Securities					
Private Equity					
-	929	929	-	1,129	1,129
-	929	929	-	1,129	1,129
Subtotal Private Equity					
Real Estate					
-	509	509	-	587	587
-	509	509	-	587	587
Subtotal Real Estate					
Investment Funds & Unit Trusts					
870	-	870	807	-	807
1,356	-	1,356	1,340	-	1,340
-	-	-	-	-	-
-	-	-	-	-	-
-	762	762	-	1,207	1,207
265	1,491	1,756	368	2,097	2,465
2,491	2,253	4,744	2,515	3,304	5,818
Subtotal Investment Funds & Unit Trusts					
Derivatives					
(89)	-	(89)	-	-	-
(89)	-	(89)	-	-	-
Subtotal Derivatives					
9,451	3,691	13,142	10,079	5,020	15,099
Total Assets					

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

Both the Local Government Pension Scheme and discretionary benefits liabilities have been estimated by Hymans Robertson LLP, an independent firm of actuaries, estimates for the fund being based on the latest full valuation of the scheme as at 31 March 2022.

Financial

Period Ended	31 March 2023	31 March 2022
	%p.a.	%p.a.
Pension Increase Rate (CPI)	2.95%	3.15%
Salary Increase Rate	3.75%	3.90%
Discount Rate	4.75%	2.75%

Mortality

	Male	Female
Current Pensioners	22.0 years	23.5 years
Future Pensioners*	22.6 years	25.6 years

*Figures assume members aged 45 as at the last formal valuation date.

Historic mortality

Life expectancies for the prior period end are based on the Fund's VitaCurves. The allowance for future improvements is shown below:

Current pensioners	Future pensioners
VitaCurves with improvements in line with the CMI 2021 model assuming a long-term rate of improvement of 1.50% p.a.	VitaCurves with improvements in line with the CMI 2021 model assuming a long-term rate of improvement of 1.50% p.a.

Please note that the mortality assumptions used to value the obligations in the employer's closing position are different to those used to value the obligations in the employer's opening position.

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits.

Sensitivity analysis

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, we estimate that a one-year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages). In order to quantify the impact of a change in the financial assumptions used, we have calculated and compared the value of the scheme obligations at the accounting date on varying bases. The approach taken is consistent with that adopted to derive the accounting figures provided in this report, based on the profile (average member ages, retirement ages etc) of the Employer as at the date of the most recent valuation.

The sensitivities regarding the principal assumptions used to measure the scheme are set out below:

Change in assumptions at 31 March 2023	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	3%	439
1 year increase in member life expectancy	4%	666
0.1% increase in the Salary Increase Rate	0%	42
0.1% increase in the Pension Increase Rate (CPI)	2%	404

Note 28 - Leases

TfN has one property held under operating lease comprising the Manchester office. TfN also holds an operating lease for ICT equipment. The minimum lease payments due under non-cancellable leases in future years are:

31 March 2022 £000	31 March 2023 £000
313 Not later than one year	173
142 Later than one year and not later than 5 years	-
455 Total	173

The expenditure charged to the relevant service area within the comprehensive income and expenditure statement during the year in relation to these leases reflects a rent-free period on one of the leases which has been spread over the life of the lease in accordance with the Code. The charge was £0.49m (2022: £0.59m).

Note 29 – Prior Year Adjustment

In 2022/23 TfN adopted a new reporting structure, the new structure has been reflected in the comprehensive income and expenditure statement and the expenditure and funding analysis. The prior year comparatives have been amended as shown in the tables below.

Comprehensive income and expenditure statement

	As previously reported			Restatement	As restated		
	Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
Major Road Programme (Strategic Development Corridors)	1,850	-	1,850	(1,850)			
Northern Powerhouse Rail	41,692	(41,437)	255	(255)			
Integrated and Smart Ticketing	1,077	352	1,429	-	1,077	352	1,429
Rail Operations	3,337	(1,689)	1,648	(1,648)			
Operational Areas	6,102	(17)	6,085	(6,085)			
NPR/ DFT Analytical Support				255	41,692	(41,437)	255
Rail North Partnership				278	1,270	(992)	278
Operational Areas				9,306	10,019	(714)	9,306
Cost of Services	54,058	(42,791)	11,267	0	54,058	(42,791)	11,267

Expenditure and funding analysis

	As previously reported			Restatement	As restated		
	Net Expenditure Chargeable to the General Fund Balance £000	Adjustments £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000		Net Expenditure Chargeable to the General Fund Balance £000	Adjustments £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Major Road Programme (Strategic Development Corridors)	1,747	103	1,850	(1,850)			
Northern Powerhouse Rail	-	255	255	(255)			
Integrated and Smart Ticketing	1,250	179	1,429	-	1,250	179	1,429
Rail Operations	1,237	411	1,648	(1,648)			
Operational Areas	5,118	967	6,085	(6,085)			
NPR/ DFT Analytical Support				255	-	255	255
Rail North Partnership				278	23	255	278
Operational Areas				9,306	8,080	1,226	9,306
Cost of Services	9,352	1,915	11,267	-	9,353	1,915	11,268

	As previously reported				Restatement	As restated			
	Net Capital Statutory Adjustments	Net Pensions Statutory	Other Statutory Adjustments	Total Adjustments		Net Capital Statutory Adjustments	Net Pensions Statutory	Other Statutory Adjustments	Total Adjustments
	£000	£000	£000	£000		£000	£000	£000	£000
Major Road Programme (Strategic Development Corridors)	-	107	(4)	103	(103)				
Northern Powerhouse Rail	-	287	(32)	255	(255)				
Integrated and Smart Ticketing	185	9	(16)	178	-	185	9	(16)	178
Rail Operations	-	427	(16)	411	(411)				
Operational Areas	-	1,030	(62)	968	(968)				
NPR/ DfT Analytical Support					255	-	287	(32)	255
Rail North Partnership					254	-	264	(10)	255
Operational Areas					1,227	-	1,299	(72)	1,227
Net Cost of Services	185	1,860	(130)	1,915	(0)	185	1,860	(130)	1,915

Annual Governance Statement 2022/23

Introduction

This statement provides an overview of how Transport for the North's governance arrangements operate and reports on how they have been reviewed to ensure that they provide an effective system of internal control.

Transport for the North was established from 1 April 2018 by the Sub-National Transport Body (Transport for the North) Regulations 2018 ("the 2018 Regulations"). This is its fifth Annual Governance Statement and its Constitution, policies, procedures, and systems continued to be developed during 2022/23. As a Sub-National Transport Body, Transport for the North's core functions are to prepare a Transport Strategy for the area and to provide advice to the Secretary of State regarding the exercise of transport functions in the area. Other powers devolved to TfN are included in the Regulations. Transport for the North is funded in this work by the DfT.

The Transport for the North Board is made up of the representatives of the 21 (formerly 20) Constituent Authorities in the North (in 2023 following the dissolution Cumbria County Council was dissolved and replaced by Cumberland and Westmorland and Furness, at the same time North Yorkshire County Council was replaced by North Yorkshire Council) who are the voting Members of the Board, together with representatives of the six Rail North Authorities and the Independent Chair of the Partnership Board who are all non-voting co-opted Members on the Board.

The Transport for the North Board has also appointed, as non-voting co-opted members, the representatives of the 11 Local Enterprise Partnerships (LEPs) in the Transport for the North Area and representatives of National Highways (formerly Highways England), Network Rail and HS2. Following the Government's announcement that the central funding of LEPs is to be discontinued, the Board will give consideration in 2023/24 as to how the business voice will continue to be represented moving forward. Transport for the North's governance arrangements are set out in its Constitution. Changes to the Constitution (except for minor amendments which can be made under officer delegated authority), approval of the Budget and Business Plan and adoption of the Strategic Transport Plan are reserved to the Transport for the North Board. Other decisions are delegated to Committees, the Chief Executive, and other senior officers. The Rail North Committee oversees the management of the Northern and Trans Pennine Express rail contracts (including delivery performance) under the Rail North Partnership Agreement with the Secretary of State for Transport. The arrangements under the Partnership Agreement have continued under the revised arrangements which have seen the Northern and Trans Pennine Express contracts (separately) taken over by the Operator of Last Resort (OLR).

The 2018 Regulations also provided for the appointment of a Partnership Board to advise on matters relating to transport in the area. The membership of the Partnership Board now includes representatives from each of Disability UK, the Committee on Climate Change, Transport Focus, the Northern Chambers of Commerce, the Directors of Public Health, three regional TUC representatives and a DfT observer. Transport for the North has a Scrutiny Committee made up of elected Members appointed by the 21 Constituent Authorities whose role is to scrutinise proposals prior to recommendation for approval by the Transport for the North Board and to make recommendations in relation to transport in the area. Transport for the North has a policy of "Scrutiny First" under which the Scrutiny Committee has an opportunity to comment on and advise on issues for decision by the Board before they are made rather than scrutinising decisions which have already been taken.

The Scrutiny Committee decided not to set up specific scrutiny panels but to continue to operate as a full committee.

Transport for the North has also established an Audit and Governance Committee consisting of six elected Members drawn from the 21 Constituent Authorities and four Independent Members, the latter of whom have been publicly recruited on the basis of, relevant skills.

The Committee's role is to provide assurance to the Board on governance, risk management and the internal control framework.

The General Purposes Committee began to meet from February 2022. Its role is to determine matters which are not specifically reserved to Board or delegated to any other Committee or Officer of Transport for the North. It has begun to establish its role and its relationship with Transport for the North Board and other Committees.

During the Covid-19 pandemic, Transport for the North implemented measures to allow remote working and made use of the ability to convene virtual meetings as permitted by legislation. Since easing of the restrictions in June 2021, some of Transport for the North's Boards and Committees have been able to be held in person. Others have continued to be held as Consultation Calls where still necessary to enable the necessary consultation to be carried out by the Chief Executive to exercise his delegated powers. All in-person Transport for the North Board meetings and consultation calls continued to be streamed live to the public.

Following further removal of restrictions, Transport for the North has reverted to holding more meetings in person, particularly where decisions have needed to be made.

1.0 Scope of Responsibility

- 1.1 This Annual Governance Statement demonstrates how Transport for the North has reviewed the effectiveness of its internal systems of control and how it has complied with its adopted Code of Governance in carrying out its functions. It is published in accordance with the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015.
- 1.2 Transport for the North is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. Transport for the North also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.
- 1.3 In discharging this overall responsibility, Transport for the North is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.4 Transport for the North has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework, Delivering Good Governance in Local Government. The Code of Corporate Governance is included in Transport for the North's Constitution and is on Transport for the North's website at <http://www.transportforthenorth.com>.

2.0 Delivering Good Governance in Local Government

- 2.1 The governance framework comprises the systems, processes, culture, and values, by which Transport for the North is directed and controlled and the processes through which it accounts to and engages with the community. It enables Transport for the North to monitor the achievement of its strategic objectives and to consider whether those objectives will lead to the delivery of its goal of transformational economic growth in the North of England, facilitated by improved transport infrastructure.
- 2.2 The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

- 2.3 The system of internal control consists of a number of processes, policies and procedures that have been put in place in order to identify and prioritise the risks to the achievement of Transport for the North's aims and objectives, to evaluate the likelihood and resultant impact of those risks materialising, and to manage them efficiently, effectively and economically.
- 2.4 The governance framework was in place at Transport for the North for the 2022/23 financial year and up to the date of approval of the Statement of Accounts.

3.0 The Corporate Governance Framework

- 3.1 Transport for the North has adopted a Code of Corporate Governance that incorporates Core Principles that align with CIPFA guidance. These are captured in the following table and supported by evidence that demonstrates compliance.

A. Focusing on the purpose of Transport for the North and the outcomes for the community and creating and implementing a vision for the area.
Evidence and Outcomes
Transport for the North's vision is: 'To create a thriving North of England where world class transport supports sustainable economic growth, excellent quality of life and improved opportunities for all.' A new draft Strategic Transport plan (STP2) has been drafted and the TfN Board agreed to issue it for consultation in May 2023. The plan sets out the strategic outcomes for the region and the role that investment in the North's transport system has to play in delivering those outcomes. To assist in this ambition the draft STP2 includes specific 'right share metrics' against which progress will be monitored. The plan sets out a vision for improved connectivity across the wider region and is an ambitious transformational, pan northern strategy that seeks to secure long-term sustainable economic growth in the north. The updated STP2 will be used by the TfN Board to prepare its statutory advice to Government on pan-regional investment priorities for the North. We produce regular reports setting out its targets and achievement against them. The draft STP2 proposes that TfN will prepare and publish an annual report that will draw on the monitoring and evaluation framework set out in STP2. A medium-term financial strategy is prepared and scrutinised by members to ensure it supports the ambition of Transport for the North. Detailed annual budgets are approved and shared with constituent authorities. Annual accounts are produced within 3 months of the year end and an audit opinion on these and on the value for money position is provided by external auditors. Quarterly reports are produced to ensure that members and officers are aware of progress in relation to current projects. The format of these reports is under review to ensure that they remain relevant for their audiences. Other strategies and policy documents are developed by TfN officers working with our partners and after approval by members, are made available on the website. These strategies are all consistent with the overall vision of Transport for the North. We have established officer reference groups and an Executive Board where officers from the constituent Local Authorities across the region have an opportunity to help formulate Transport for the North's policies and proposals at an early stage.

B. Members and officers working together to achieve a common purpose with clearly defined functions and roles.

Evidence and Outcomes

Members and officers work closely together with clear agendas at meetings of the Board and Committees. Agenda setting arrangements are in place with regular meetings between members and officers.

There is a clearly defined planning cycle for future meetings and there is a forward plan in place. Officers attend all committee and board meetings to support the members and provide any advice needed.

Relationships between officers and members are clearly defined and there is a member/officer protocol which is contained in the Constitution.

Schemes of delegation are in place to enable Committees, the Chief Executive, Monitoring Officer and Directors to work together effectively and make decisions in a transparent way.

Statutory officers with the appropriate skills and resources have been appointed and ensure appropriate advice is given on necessary financial and procedural matters.

We have clear Constitutional documents and a committee structure covering all aspects of Transport for the North's activities.

The Partnership Board brings together members, business leaders from the private sector and other appropriate representative groups, to advise on strategic decisions.

Chief officers and chairs of committees and the Board meet regularly to discuss future business and current activities.

The Constitution sets out how Transport for the North operates including standing orders, codes of conduct for officers and financial regulations.

The Constitution is reviewed annually, and internal audit also carry out investigations into selected areas of the organisation as part of an annual programme of work.

A scrutiny committee comprising of elected members from all the constituent authorities, has, within its terms of reference in the constitution, the ability to review any decision made by Transport for the North.

We operate on a 'scrutiny first' basis so that scrutiny committee can examine and influence proposed decisions before they are taken.

Transport for The North is committed to promoting Diversity and Inclusion across all areas of the business, which includes people leading the organisation and people working in it. A Diversity Action group, comprising officer representatives who report into Senior Management Team, which in turn reports to Operating Board, is in place to help promote understanding across the organisation and legal compliance.

C. Promoting values for Transport for the North and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Evidence and Outcomes

Those Members who are elected Members of a Local Authority are expected to adhere to the adopted Code of Conduct of their Local Authority while carrying out their duties in respect of Transport for the North. Other co-opted Members are expected to adhere to the Cabinet Office's Code of Conduct for Board Members of Public Bodies. There have been no complaints received about any members or co-opted members.

We have adopted a Code of Conduct for Officers and a Protocol on Member /Officer Relations, to which all officers are expected to adhere. Serious breaches of these Codes by officers would be investigated under the organisation's disciplinary code. However, no breaches of code or protocol have been reported.

Our induction process for new TfN officers outlines the behaviours and values that are expected from them. The annual appraisal system adopted for TfN officers incorporates the behaviours and values as part of the review process.

We have a zero-tolerance approach to fraud and corruption and have adopted strong Anti-Fraud and Corruption and Whistleblowing Policies. The Whistleblowing Policy was reviewed in a previous Annual Governance Statement. No fraud or corruption has been uncovered in the past year and no whistleblowing complaints have been made. The Anti-Fraud and Corruption Policy is to be reviewed this year.

Members are required to make a declaration of their disclosable pecuniary interests and to declare any disclosable pecuniary interests in the business of the meeting at the start of all board and committee meetings, and to take no part in such business, but to leave the meeting. The minutes of all meetings record any declarations of interest declared.

We have adopted a Code of Practice in relation to Gifts and Hospitality. A register of Gifts and Hospitality is maintained by the Monitoring Officer. Guidance in relation to gifts and hospitality is included in the induction for new employees and ad hoc advice is available and provided as necessary. We have a Monitoring Officer who works with Members and Officers to ensure that we comply with our legal duties and all legal requirements.

The Monitoring Officer has statutory reporting responsibilities in relation to any unlawful decisions or maladministration and has not made any reports in relation to this matter.

The Finance Director as the Section 151 Officer has responsibility for ensuring proper arrangements for financial management and has statutory reporting duties in respect of unlawful expenditure and financially imprudent decision making. The S151 officer has not made any reports. All new officers are subject to a robust induction process and new members are offered an induction to familiarise themselves on our policy and procedures.

The Legal implications associated with agenda items are included in all Board/Committee reports and there have been no challenges to legal advice provided.

D. Taking informed and transparent decisions which are subject to effective scrutiny and managing risks

Evidence and Outcomes

During 2022 Transport for the North's risk management strategy was updated to include the implementation of 5x5 risk matrix and updated scoring criteria, refreshed risk management process diagram, risk appetite statement, how risk is mitigated through mitigation actions, controls and fall-back plans, risk reporting, updated RACI, frequency of risk reviews and criteria of when risk should be escalated to OBT.

A risk maturity audit was undertaken in Sept 2022 by RSM. This was an advisory review with no formal assurance to be provided. It did however conclude that we had clearly established work practices in place and made several recommendations to support ongoing development of the area.

We have a Risk Manager who is responsible for implementing our risk management strategy. The Audit and Governance Committee is responsible for independently monitoring and assessing the adequacy and effectiveness of the risk management framework.

Risk management reviews and updates are performed regularly across all business activities and subsequently reported to internal management, committees and the Board. Any risks are outlined in reports to Board and committees.

We have put in place a strong system of financial governance to manage and control our financial affairs and mitigate the risk of fraud. The Finance Director has overall responsibility for ensuring the effectiveness of internal controls. The Finance Director reports regularly to the Audit and Governance Committee and Board.

We have adopted rigorous procurement approval procedures which ensure that all procurements comply with its contract procurement rules. The Standing Orders and Financial and procurement rules are in the Constitution.

The IT and Information Manager is responsible for ensuring data is collected, stored and used appropriately. This post and that of the Data Protection Officer reports indirectly to the Finance Director who is also the Senior Information and Risk Officer (SIRO).

E. Developing the capacity and capability of members and officers to be effective

Evidence and Outcomes

We seek to ensure all Members and Officers have the necessary skills and training to fulfil their roles. Members receive an induction programme when they are appointed and this is supplemented by specialised training courses where appropriate. Officers are appointed using competency-based job descriptions and their performance against these competencies is regularly monitored and reviewed. A detailed learning and development plan ensures that training needs are met at both an individual and an organisational level.

During 2022, we established a Diversity Action Group formed with senior management team members, to develop a Diversity and inclusion Action Plan.

Mental-Health first aiders have been appointed from members of staff to help and advise any member of staff suffering from mental health issues.

Corporate Induction Guidance includes a thorough initial corporate induction programme for all new officers, with additional information for new line managers.

All new employees are subject to a formal six-month probationary process where performance is assessed alongside the provision of initial learning and development support and guidance.

Key Performance objectives are captured in the online appraisal tool 'PERFORM' and training is delivered via the core curriculum of training.

Members of the Senior Management Team have undertaken leadership training, with this programme also being rolled out to junior and aspiring leaders.

We have incorporated Apprentices into the workforce plan at key points of entry. This is underpinned by strong relationships with Training Providers and internal support via Mentors and Line Managers. Mentors are provided with full training.

We hold regular wellbeing sessions for all employees addressing mental and physical health.

F. Engaging with local people and other stakeholders to ensure robust public accountability

Evidence and Outcomes

Board and Committee Agenda and minutes are available on our website.

Board and committee meetings are open to the public. Meetings of the TfN Board and Rail North Committee are live streamed to enable broader access to them.

The membership of the Partnership Board has been broadened to ensure that it is representative of wider interests, including in relation to the environment and the interests of the travelling public.

Our officers meet regularly with Parliamentarians, Members and officers of other Authorities, representatives of the Welsh and Scottish devolved governments, representatives of business organisations, and other stakeholders. Including attending All Party Parliamentary Groups (APPG) meetings in Parliament, roundtable events, and speaking engagements across the North and the rest of the UK.

We held our annual conference in Newcastle in February 2023. The conference was held as an in-person event and on-line.

We host regular podcasts and webinars which include TfN officers, Board members and other relevant stakeholders. We launched a new Business Matters podcast series in 2022 and hosted a popular series on '5 Ways to Level up the North' series with Board Members.

We have facilitated Northern Evidence Academic Forum meetings, which bring together experts and policy makers on a range of topics linked to our research and policy.

In January 2023 we established a new citizens' panel called "Northern Transport Voices".

We use and promote activities across several channels including LinkedIn, Facebook, Instagram and YouTube.

G. Core Principle

Having regard to the promotion of sustainable economic growth, and the social and environmental impacts of its proposals.

Evidence and Outcomes

The draft Strategic Transport Plan 2 is now out to consultation. At its heart are three strategic outcomes that set out how the vision for the North is manifested in terms of economic, environmental and social outcomes. This is based on evidence provided from our programme of technical research and other reputable sources.

This includes cutting edge elements of the Analytical Framework, ensuring the forecast economic and social impacts of the NPR networks selected by DfT for examination are clearly and strongly articulated.

The findings of the initial Northern Powerhouse Independent Economic Review (NPIER) published in 2016, established a transformational vision for the North's economy by 2050. For STP2, this work has been refreshed and updated to provide a more comprehensive picture of the North's economic opportunities.

Transport for the North's internal Climate Change Group have undertaken a baselining assessment of Transport for the North's internal emissions (Scope 1, 2 and 3) during 2022/23.

In January 2023 we received an allocation of additional DfT funding (for 2023/24 and 24/25) to use our experience in data analytics to lead work on a Common Analytical Framework (CAF) for all STBs. The Analytical Framework reflects Transport for the North's commitment to evidence-based decision making and provides a consistent evidence base to support the decision-making process on the prioritisation of future interventions.

Reports to Board and committees, contain an assessment of the implications of the report in terms of sustainability, environmental impact, and equality impact.

H. Having regard for the impact of current decisions and actions on future generations

Evidence and Outcomes

Consultation with our partners is undertaken during the development of policies, the preparation of responses to consultations and in the drafting of advice to Government, to consider, all views and the potential future consequences of current decisions.

We have established a Scrutiny Committee made up of elected representatives from the 21 Constituent Authorities. It adopts a "Scrutiny First" model so all major decisions are subject to scrutiny before they are presented to the Board enabling Scrutiny Committee to influence the Board's decisions before they are made.

The Committee meets regularly and is supported by officers. It subjects proposals to scrutiny before they are presented to the Board, with the recommendations of the Scrutiny Committee being included in the officer's final report to the Board.

4.0 Annual Review of the Effectiveness of the Governance Framework

The effectiveness of key elements of the governance framework are assessed throughout the year by the Chief Executive and Directors meeting as the Operations Board (OBT), by internal audit and by the Audit and Governance Committee. Significant risks are included in the quarterly Operating Report. Performance in relation to corporate risks is a standing item on the agenda of the Audit and Governance Committee and is reported twice a year to the Transport for the North Board.

5.0 Conclusion

The governance arrangements as described above have been applied throughout this year and up to the date of the Annual Accounts providing an effective framework for identifying governance issues and taking mitigating action. Over the coming year Transport for the North will continue to implement and review the operation of the governance framework to further strengthen its governance arrangements.

Signed

Signed

Chair of the Transport for the North Board
27 September 2023

Chief Executive Officer
27 September 2023

Glossary

ACCOUNTING PERIOD

The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

ACCRUALS

Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because;

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
- The actuarial assumptions have changed

ASSET

An item having value to the authority in monetary terms. Assets are categorised as either current or non-current

- A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock);
- A non-current asset provides benefits to the Authority and to the services it provides for a period of more than one year and may be tangible e.g. a community centre, or intangible, e.g. computer software licences.

AUDIT OF ACCOUNTS

An independent examination of the Authority's financial affairs.

BALANCE SHEET

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

BORROWING

Using cash provided by another party to pay for expenditure, on the basis of an agreement to repay the cash at a future point, usually incurring additional interest charges over and above the original amount.

BUDGET

The forecast of net revenue and capital expenditure over the accounting period.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset, which will be used in providing services beyond the current accounting period, or expenditure which adds to and not merely maintains the value of an existing fixed asset.

CAPITAL FINANCING

Funds raised to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

CAPITAL PROGRAMME

The capital schemes the Authority intends to carry out over a specific period of time.

CIPFA

The Chartered Institute of Public Finance and Accountancy

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The account of the Authority that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from precepts, grants and other income.

CONSISTENCY

The concept that the accounting treatment of like items within an accounting period and from one period to the next are the same.

CONTINGENT ASSET

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's accounts.

CONTINGENT LIABILITY

A contingent liability is either:

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's control; or
- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

CREDITOR

Amount owed by the Authority for work done, goods received, or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of a defined benefits pension scheme's liabilities, expected to arise from employee service in the current period.

DEBTOR

Amount owed to the Authority for works done, goods received, or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

DEFINED BENEFIT PENSION SCHEME

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

AMORTISATION

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Authority's fixed assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

DISCRETIONARY BENEFITS (PENSIONS)

Retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Authority's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

EQUITY

The Authority's value of total assets less total liabilities.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

EXPECTED RETURN ON PENSION ASSETS

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction.

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

GOING CONCERN

The concept that the Statement of Accounts is prepared on the assumption that the Authority will continue in operational existence for the foreseeable future.

GOVERNMENT GRANTS

Grants made by the government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Authority. These grants may be specific to a particular scheme or may support the revenue spend of the Authority in general.

IMPAIRMENT

A reduction in the value of a fixed asset to below its recoverable amount, the higher of the asset's fair value less costs to sell and its value in use.

INFRASTRUCTURE ASSETS

Fixed assets belonging to the Authority that cannot be transferred or sold, on which expenditure is only recoverable by the continued use of the asset created. Examples are highways, footpaths and bridges.

INTANGIBLE ASSETS

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Authority's intangible assets comprise computer software licences.

INTEREST COST (PENSIONS)

For a defined benefit scheme, the expected increase during the period of the present value of the scheme liabilities because the benefits are one period closer to settlement.

INVESTMENTS (PENSION FUND)

The investments of the Pension Fund will be accounted for in the statements of that fund. However, authorities are also required to disclose, as part of the disclosure requirements relating to retirement

benefits, the attributable share of the pension scheme assets associated with their underlying obligations.

LIABILITY

A liability is where the Authority owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

LIQUID RESOURCES

Current asset investments that are readily disposable by the Authority without disrupting its business and are either:

- Readily convertible to known amounts of cash at or close to the carrying amount; or
- Traded in an active market.

LONG-TERM CONTRACT

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one accounting period.

MATERIALITY

The concept that the Statement of Accounts should include all amounts which, if omitted, or mis-stated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.

NET BOOK VALUE

The amount at which fixed assets are included in the Balance Sheet, i.e. their historical costs or current value less the cumulative amounts provided for amortisation.

NET DEBT

The Authority's borrowings less cash and liquid resources.

NON-DISTRIBUTED COSTS

These are overheads for which no user now benefits and as such are not apportioned to services.

NON-OPERATIONAL ASSETS

Fixed assets held by the Authority but not directly occupied, used or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

OPERATING LEASE

A lease where the ownership of the fixed asset remains with the lessor.

OPERATIONAL ASSETS

Fixed assets held and occupied, used or consumed by the Authority in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

PAST SERVICE COST (PENSIONS)

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to retirement benefits.

PENSION SCHEME LIABILITIES

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

PROVISION

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

RELATED PARTIES

There is a detailed definition of related parties in FRS 8. For the TfN's purposes related parties are deemed to include the Authority's members, the Chief Executive, its Directors and their close family and household members.

RELATED PARTY TRANSACTIONS

The Statement Of Recommended Practice requires the disclosure of any material transactions between the Authority and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

REMUNERATION

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits. Received other than in cash. Pension contributions payable by the employer are excluded.

RESERVES

The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Authority. Some capital reserves such as the fixed asset restatement account cannot be used to meet current expenditure.

RESIDUAL VALUE

The net realisable value of an asset at the end of its useful life.

RETIREMENT BENEFITS

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

REVENUE EXPENDITURE

The day-to-day expenses of providing services.

REVENUE EXPENDITURE CAPITALISED UNDER STATUTE (REFCUS)

Expenditure which ordinarily would be revenue but is statutorily defined as capital. Examples of REFCUS include grants of a capital nature to voluntary organisations and back pay expenditure capitalised under Secretary of State Direction.

USEFUL ECONOMIC LIFE (UEL)

The period over which the Authority will derive benefits from the use of a fixed asset.



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Audit Completion Report

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March 2023

September 2023
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Our reports are prepared in the context of the ‘Statement of Responsibilities of auditors and audited bodies’ and the ‘Appointing Person Terms of Appointment’ issued by Public Sector Audit Appointments Limited. Reports and letters prepared by appointed auditors and addressed to the Transport for the North are prepared for the sole use of the Transport for the North and we take no responsibility to any member or officer in their individual capacity or to any third party.

Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales.



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15 September 2023

Dear Committee Members

Audit Completion Report – Year ended 31 March 2023

We are pleased to present our Audit Completion Report for the year ended 31 March 2023. The purpose of this document is to summarise our audit conclusions.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our Audit Strategy Memorandum which we presented on 09 August 2023. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

We would like to express our thanks for the assistance of your team during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 07909 985324 .

Yours faithfully

Signed:

Daniel Watson

Mazars LLP

01

Section 01: **Executive summary**

1. Executive summary

Principal conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2022/23 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include:

- Management override of controls; and
- Valuation of the net defined benefit liability

Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements. Section 7 outlines our work on the Transport for the North (TfN) arrangements to achieve economy, efficiency and effectiveness in its use of resources.

Status and audit opinion

At the time of preparing this report, matters remaining outstanding are outlined in section 2. We will provide an update to you in relation to the significant matters outstanding through issuance of a follow up letter.

Subject to the satisfactory conclusion of the remaining audit work, we have the following conclusions:



Audit opinion

We anticipate issuing an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.



Value for Money

We anticipate having no significant weaknesses in arrangements to report in relation to the arrangements that the TfN has in place to secure economy, efficiency and effectiveness in its use of resources. Further detail on our Value for Money work is provided in section 7 of this report.



Whole of Government Accounts (WGA)

We have not yet received group instructions from the National Audit Office in respect of our work on the TfN's WGA submission. We are unable to commence our work in this area until such instructions have been received.



Wider powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the TfN and to consider any objection made to the accounts. No such correspondence from electors has been received.

02

Section 02: **Status of the audit**

2. Status of the audit

Our work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the outstanding matters detailed below.

Audit area	Status	Description of the outstanding matters
Income Testing		We are awaiting evidence (banks statements and other supporting working papers) in respect of our sample testing of income transactions.
Exit Packages		The draft accounts did not include a note detailing the number and cost of exit packages. We are awaiting a draft note to audit.
Operating Expenditure Testing		We are awaiting evidence (supporting working papers and confirmations) in respect of our sample testing of expenditure transactions.
Pensions		We are awaiting assurances from the Greater Manchester Pension Fund (GMPF) auditor and a response from TfN regarding pensionable pay
Key Business Processes		We are awaiting responses to some queries in respect of our walkthrough testing of debtors and creditors.
Review and closure procedures		Including reviews of completed work, checking the final version of the financial statements and consideration of any post balance sheet events.
Whole of Government Accounts		Reviewing and submitting the Whole of Governments Accounts consolidation schedules. The NAO has not yet issued guidance to auditors



Likely to result in material adjustment or significant change to disclosures within the financial statements.



Potential to result in material adjustment or significant change to disclosures within the financial statements.



Not considered likely to result in material adjustment or change to disclosures within the financial statements.

03

Section 03: **Audit approach**

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3. Audit approach

Changes to our audit approach

We provided details of our intended audit approach in our Audit Strategy Memorandum in July 2022 and have not made any changes to our audit approach since then.

Materiality

Our provisional materiality at the planning stage of the audit was set at £0.341m using a benchmark of 2% of gross operating expenditure at the surplus/ deficit level. Our final assessment of materiality, based on the final financial statements and qualitative factors has remained unchanged.

Use of experts

Management makes use of experts in specific areas when preparing TfN's financial statements. We have also used experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Item of account	Management's expert	Our expert
Defined benefit liability valuation and disclosures	Hymans Robertson Actuary for the Greater Manchester Pension Fund	PWC - commissioned by the National Audit Office

Service organisations.

International Auditing Standards (UK) (ISAs) define service organisations as third party organisations that provide services to TfN that are part of its information systems relevant to financial reporting. We are required to obtain an understanding of the services provided by service organisations as well as evaluating the design and implementation of controls over those services. The table below summarises the service organisations used by TfN and our audit approach.

Items of account	Service organisation	Audit approach
Payroll	Hawsons	We obtained our assurance by understanding the processes and controls that TfN has in place to assure itself that transactions are processed materially correctly. Our testing included substantive sample testing of transactions.

04

Section 04: **Significant findings**

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4. Significant findings

In this section we outline the significant findings from our audit. These findings include:

- our audit conclusions regarding other significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 13 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year;
- any significant difficulties we experienced during the audit; and

Significant risks

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Management override of controls	Description of the risk In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits. How we addressed this risk We addressed this risk through performing audit work over: • Accounting estimates impacting amounts included in the financial statements; • Consideration of identified significant transactions outside the normal course of business; and • Journals recorded in the general ledger and other adjustments made in preparation of the financial statements. Audit conclusion Our work on management override of controls is complete and there are no matters to bring to the Committee's attention.
---------------------------------	--

4. Significant findings

Net defined benefit liability valuation.
£1.562m (£10.545m 2021/22)

Description of the risk

The financial statements contain material pension entries in respect of retirement benefits. The calculation of these pension figures, both assets and liabilities, can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. This results in an increased risk of material misstatement.

The TfN accounts contain material liabilities relating to the local government pension scheme administered by the Greater Manchester Pension Fund (GMPF), which had its last triennial valuation completed as at 31 March 2022

How we addressed this risk

We completed the following procedures:

- We discussed with key contacts any significant changes to the pension estimates. In addition to our standard programme of work in this area, we evaluated the management controls you have in place to assess the reasonableness of the figures provided by the Actuary and considered the reasonableness of the Actuary's output, referring to an expert's report on all actuaries nationally.
- We reviewed the appropriateness of the key assumptions included within the valuations, compared them to expected ranges and reviewed the methodology applied in the valuation. We considered the adequacy of disclosures in the financial statements.
- We carried out a range of substantive procedures on relevant information and cash flows used by the actuary as part of the annual IAS 19 valuation
- We also sought assurance from the auditor of the Greater Manchester Pension Fund

Audit conclusion

Our work is ongoing as we require the pension fund auditor's letter of assurance. We have not identified any material issues to bring to your attention at this stage

4. Significant findings

Qualitative aspects of the TfN's accounting practices

We have reviewed TfN's accounting policies and disclosures and concluded they comply with the 2022/23 Code of Practice on Local Authority Accounting, appropriately tailored to the TfN's circumstances.

Draft accounts were received from TfN on 31 May 2023 and were of a good quality. TfN provided comprehensive working papers which were of a good standard to support the financial statements.

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management.

Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law;
- make an application for judicial review; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2022/23 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such objections have been raised.

05

Section 05: **Internal control recommendations**

5. Internal control recommendations

As part of our audit of the financial statements, we obtained an understanding of internal controls sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to Audit Committee any significant deficiencies identified during the course of our work.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

No significant findings or recommendations in relation to internal controls have been noted as at the date of this memorandum.

Priority ranking	Description	Number of issues
1 (high)	In our view, there is potential for financial loss, damage to reputation or loss of information. This may have implications for the achievement of business strategic objectives. The recommendation should be taken into consideration by management immediately.	0
2 (medium)	In our view, there is a need to strengthen internal control or enhance business efficiency. The recommendations should be actioned in the near future.	0
3 (low)	In our view, internal control should be strengthened in these additional areas when practicable.	0

06

Section 06:

Summary of misstatements

6. Summary of misstatements

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £10k.

Unadjusted misstatements

None identified from our testing.

Adjusted misstatements

None identified from our testing.

Disclosure amendments

We identified the following adjustments during our audit that have been corrected by management:

Cashflow Statement - Net Cashflows from Investing Activities has decreased from £(149k) to £(169k). This difference related to £20k accrued investment income not included in the calculation.

Note 25 Related Parties - The total value of grants received from the Department for Transport was incorrectly disclosed as £15.75m instead of £16.75m.

Exit packages – A new note is being included in the revised Statement of Accounts to disclose the amount and cost of exit packages in line with the requirements of the CIPFA Code.

Other minor presentational and disclosure amendments are included in the revised Statement of Accounts.

07

Section 07: **Value for Money**

7. Value for Money

Approach to Value for Money

We are required to consider whether the TfN has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

- **Financial sustainability** - How the TfN plans and manages its resources to ensure it can continue to deliver its services
- **Governance** - How the TfN ensures that it makes informed decisions and properly manages its risks
- **Improving economy, efficiency and effectiveness** - How the TfN uses information about its costs and performance to improve the way it manages and delivers its services

At the planning stage of the audit, we undertake work to understand the arrangements that the TfN has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

The table overleaf outlines the risks of significant weaknesses in arrangements that we have identified, the risk-based procedures we have undertaken, and the results of our work.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report.

The primary output of our work on the TfN arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. We intend to issue the Auditor's Annual Report within 3 months of the opinion date.

Status of our work

We are yet to complete our work in respect of the TfN arrangements for the year ended 31 March 2023. At the time of preparing this report, we have not identified any significant weaknesses in arrangements that require us to make a recommendation, however we continue to undertake work on the TfN arrangements.

Our draft audit report at Appendix B outlines that we have not yet completed our work in relation to the TfN arrangements. As noted above, our commentary on the TfN arrangements will be provided in the Auditor's Annual Report in within 3 months of the opinion date.

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7. Value for Money

Risks of significant weaknesses in arrangements

In our Audit Strategy Memorandum we reported the risks of significant weaknesses in arrangements that we had identified as part of our planning procedures. Our responses to those identified risks is outlined in the table below.

Risk of significant weakness in arrangements		Financial sustainability	Governance	Improving the 3Es	Work undertaken and conclusions reached
1	Financial Sustainability The Integrated Rail Plan for the North and Midlands, published in November 2021, set out that the arrangements for Northern Powerhouse Rail (NPR) would transition from a co-client hosted by TfN to sole-clienting by the Department for Transport (DfT). The Transport Development Fund (TDF) grant to TfN for the NPR programme therefore ceased as at 31 March 2022. The 40% reduction to Core funding in 2021/22 was mitigated, with the assistance of the DfT, by £1.5 million of recharges into the NPR programme and a release of £2.5 million of TfN reserves. Neither of these options are available in 2022/23 given the change in arrangements. As a consequence, the full impact of the funding reductions now have to be managed in 2023/24 and beyond. This represents a significant risk in respect of financial sustainability	●	○	○	Work undertaken Our work on this risk is underway and we plan to report our findings in our Auditor’s Annual Report following the conclusion of the audit. At this stage, we have no significant weaknesses in arrangements to report. Conclusions We have not identified any significant weaknesses in arrangements at this time but work is still ongoing.

Appendices

A: Draft management representation letter

B: Draft audit report

C: Independence

D: Other communications

Appendix A: Draft management representation letter

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Daniel Watson
1 St Peter Square
Manchester
M2 3DE

Month 2023

Dear Daniel

Transport for the North - audit for year ended 31 March 2023

This representation letter is provided in connection with your audit of the financial statements of Transport for the North for the year ended 31 March 2023 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets ("the Code Update"), published in November 2022 and applicable law.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with Code.

My responsibility to provide and disclose relevant information.

I have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to individuals within Transport for the North you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Interim Finance Director that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information. As far as I am aware there is no relevant audit information of which you, as auditors, are unaware

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Board and relevant committee meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with the Code and International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the financial position, financial performance and cash flows of Transport for the North

Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used by the Transport for the North in making accounting estimates, including those measured at fair value, are reasonable.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- Information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- The amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against Transport for the North have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom. We have complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance

Appendix A: Draft management representation letter

Fraud and error

I acknowledge my responsibility as Interim Finance Director for the design, implementation and maintenance of internal control to prevent and detect fraud and error. I have disclosed to you:

- All the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- All knowledge of fraud or suspected fraud affecting the Transport for the North involving:
 - management and Those Charged With Governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Transport for the North's financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code. I have disclosed to you the identity of Transport for the North's related parties and all related party relationships and transactions of which I am aware.

Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of intangible assets below their carrying value at the statement of financial position date. An impairment review is therefore not considered necessary.

Charges on assets

All Transport for the North's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Ukraine

We confirm we have carried out an assessment of the potential impact of Russian Forces entering Ukraine on Transport for the North and there is no significant impact on the Transport for the North's operations from restrictions or sanctions in place.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code requires adjustment or disclosure have been adjusted or disclosed. Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Going concern

I confirm that I have carried out an assessment of the potential impact of the COVID-19 Virus pandemic on Transport for the North, including the impact of mitigation measures and uncertainties and am satisfied the going concern assumption remains appropriate and that no material uncertainty has been identified.

To the best of my knowledge there is nothing to indicate that Transport for the North will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Annual Governance Statement

I am satisfied that the Annual Governance Statement (AGS) fairly reflects Transport for the North's risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

Unadjusted misstatements

I confirm that the effects of any uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter as an Appendix.

Yours sincerely

Paul Kelly
Finance Director

Appendix B: Draft audit report

Independent auditor’s report to the members of Transport for the North

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Transport for the North for the year ended 31 March 2023, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (“the Code Update”), published in November 2022.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Transport for the North as at 31st March 2023 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Code Update.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities section of our report. We are independent of the Transport for the North in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Finance Director’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Code Update, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Transport for the North’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Finance Director’s with respect to going concern are described in the relevant sections of this report.

Appendix B: Draft audit report

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor’s report thereon. The Finance Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Finance Director for the financial statements

As explained more fully in the Statement of the Finance Director’s Responsibilities, the Chief Financial Finance Director is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Code Update, and for being satisfied that they give a true and fair view. Finance Director is also responsible for such internal control as the Finance Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Finance Director is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Code Update and prepare the financial statements on a going concern basis on the assumption that the functions of the Transport for the North will continue in operational existence for the foreseeable future. The Finance Director is responsible for assessing each year whether or not it is appropriate for the Transport for the North to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Transport for the North, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015, and we considered the extent to which non-compliance might have a material effect on the financial statements.

Appendix B: Draft audit report

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring with management and the Audit and Governance Committee, as to whether the Transport for the North is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Transport for the North which were contrary to applicable laws and regulations, including fraud.

We evaluated the Finance Director's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to list the balances/ classes of transaction where you identified a fraud risk relating to a significant accounting estimate, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Audit and Governance Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit and Governance Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

We are also required to conclude on whether the Finance Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in February 2023.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the Transport for the North's arrangements for securing economy, efficiency, and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Transport for the North has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

Appendix B: Draft audit report

We have not completed our work on the Transport for the North's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in January 2023, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2023.

We will report the outcome of our work on the Transport for the North's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Responsibilities of the Transport for the North

The Transport for the North is responsible for putting in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency, and effectiveness in the use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Transport for the North has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Transport for the North's arrangements for securing economy, efficiency, and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Use of the audit report

This report is made solely to the members of Transport for the North, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Transport for the North those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Transport for the North, as a body, for our audit work, for this report, or for the opinions we have formed.

Appendix B: Draft audit report

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed:

- the work necessary to issue our assurance statement in respect of the [Council]'s Whole of Government Accounts consolidation pack;
- the work necessary to satisfy ourselves that the [Council] has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources.

[Signature]

Page 199
Daniel Watson, Key Audit Partner
For and on behalf of Mazars LLP
The St Peter's Square
Manchester
M2 3DE

DD/MM/2023

Appendix C: Independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.

Appendix D: Other communications

Other communication		Response
	Compliance with Laws and Regulations	We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations. We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.
	External confirmations	We did not experience any issues with respect to obtaining external confirmations.
	Related parties	We did not identify any significant matters relating to the audit of related parties. We will obtain written representations from management confirming that: a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
	Going concern	We have not identified any evidence to cause us to disagree with the Finance Director that Transport for the North will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements. We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.

Appendix D: Other communications

Other communication	Response
Subsequent events	We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework. We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.
Matters related to fraud	We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition to the work performed by us, we will obtain written representations from management, and Audit and Governance Committee, confirming that - they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; - they have disclosed to the auditor the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud; - they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: - Management; - Employees who have significant roles in internal control; or - Others where the fraud could have a material effect on the financial statements; and - they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

Daniel Watson- Director

Mazars

One St Peter Square
Manchester
M2 3DE

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

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Meeting:	Transport for the North Board
Subject:	Governance Report
Author:	Julie Openshaw, Head of Legal
Sponsor:	Martin Tugwell, Chief Executive
Meeting Date:	Wednesday, 27 September 2023

1. Purpose of the Report:

- 1.1 To approve the appointment of two new Independent Members to Audit and Governance Committee.
- 1.2 To sight Board on the work commenced by General Purposes Committee on future development of the Constitution.

2. Recommendations:

- 2.1 That Jo Reed and Richard Thomas be appointed as Independent Members and co-opted onto Audit and Governance Committee for a period of 3 years.
- 2.2 That Board notes the work commenced by General Purposes Committee to consider future development of the Constitution, and notes that recommendations will be presented to Board in due course.

3. Main Issues:

Audit and Governance Committee membership

- 3.1 Audit and Governance Committee forms a vital and integral part of Transport for the North's governance structure and performs an important role, providing an independent, high-level focus on the audit, assurance and reporting framework underpinning financial management and governance arrangements. Its purpose is to provide independent review and assurance to Members on governance, risk management and control frameworks. It oversees financial reporting, the Annual Governance Statement process and internal and external audit, to ensure efficient and effective assurance arrangements are in place.
- 3.2 This Board has increased the number of Members of the Committee to 6 elected members and 4 Independent Members, to ensure quoracy issues are minimised. Five of the elected member positions are currently filled.
- 3.3 Two of the four Independent Member positions are currently vacant, and as outlined in the report to 22 June 2023 Board, a national recruitment process has been carried out in accordance with Transport for the North's adopted recruitment policies and procedures. A significant response was generated, and following a sifting process, interviews took place during July, conducted by the Finance Director and Head of Legal, with the Independent Chair of Audit and Governance Committee also acting as an observer for almost all of the interviews.
- 3.4 On 19 July 2023 Transport for the North's General Purposes Committee received a report on the process and agreed to recommend two candidates, Jo Reed and Richard Thomas for appointment. Their summarised CVs are at Appendix 1. Independent Members are normally appointed for a period of 3 years (which can be reviewed and extended at the end of the term) and it is recommended that the two new members be appointed for this initial period.

Update on General Purposes Committee work

- 3.5 On 19 July 2023 General Purposes Committee also received a detailed report outlining a range of issues which may require revisions to be made to the Constitution.
- 3.6 The report identified 5 key areas that need to be considered as part of the review, namely:
- The implementation of the Strategic Transport Plan
 - Business representation on Transport for the North Board
 - The implications of the Rail Reform Agenda
 - The operation of the Highways North Board
 - The need to set out arrangements for Consultation Calls.
- 3.7 A summary of the reasons for selecting these areas is as follows:
- The preparation of the STP is at the core of Transport for the North's work, and as well as work to update it, work to improve the efficiency and effectiveness of its implementation is also being done. Specifically, consideration is being given to what systemic changes might support implementation, whether strengthening relationships with existing national processes, and whether linkages with other pan-regional significant infrastructure would help support this
 - A strong business voice has been an integral component of Transport for the North from the outset, with LEP Chairs co-opted onto Board and therefore the decision to withdraw central Government funding gives rise to a need to consider what if any alternative arrangements need to be considered; the Constitution allows for former Rail North Authorities to be involved in Transport for the North, and with devolution deals being developed there is a need to consider the implications for Transport for the North's Constitution, including the use of sub-regional groupings for Rail North Committee and General Purposes Committee which may or may not remain appropriate
 - The Government's commitment to reform the rail sector must take into account the current devolution in the North in respect of rail services delivered by Northern and TPE, in addition Rail North Committee has highlighted the importance of services provided by other rail operators being included within in their considerations
 - The Highways North Board is included within the Transport for the North Constitution to reflect the importance of the strong working relationship with both the Department for Transport and National Highways in respect of the processes associated with the Road Investment Strategy. This will continue to be a key relationship moving forward in implementing the Strategic Transport Plan and therefore it is appropriate to ensure that the terms of reference for the Highways North Board continue to be fit for purpose
 - The Transport for the North Constitution was amended in the early days of the pandemic to reflect the temporary change in legislation permitting formal meetings to be held remotely. That temporary change in legislation has now lapsed meaning that formal meetings of Transport for the North once again, must be in person. Use is made of consultation calls held under the powers held by the Chief Executive where in person calls are not possible or practical, to allow delegated power to be exercised. It would timely as part of this review to examine whether there is a need to consider a refinement of the current arrangements as set out in the Constitution.

- 3.8 General Purposes Committee endorsed this approach and will further consider these matters at an appropriate juncture, with recommendations following to Board in due course.
- 4. Corporate Considerations:**
- Financial Implications***
- 4.1 Payments to Independent Members are provided for within Transport for the North's budget.
- Resource Implications***
- 4.2 Independent Members are paid a flat fee of £250 for each meeting attended.
- Legal Implications***
- 4.3 Legal implications are included within the report.
- Risk Management and Key Issues***
- 4.4 Ensuring that the seats on Audit and Governance Committee are filled mitigates the risk of Transport for the North being unable to fulfil its constitutional and legal obligations and supports a wide range of debate enabling robust and carefully considered governance arrangements.
- Environmental Implications***
- 4.5 None.
- Equality and Diversity***
- 4.6 The recruitment process has been carried out in accordance with Transport for the North policies which reflect legislative provisions.
- Consultations***
- 4.7 Following the recruitment process, General Purposes Committee has agreed to recommend the two candidates.
- 5. Background Papers:**
- 5.1 None.
- 6. Appendices:**
- 6.1 Summarised CVs of Jo Reed and Richard Thomas.

Glossary of terms, abbreviations and acronyms used
LEP – Local Enterprise Partnership

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I am a Fellow of the Association of Corporate Treasurers and a confident finance leader with experience in a number of sectors.

Current roles

Associate Director - Treasury

Altair Consultancy and Advisory Services Ltd

Key Purpose support and advise clients across housing and regeneration sectors.

Independent Member Audit & Governance Committee

To be ratified Sept 23 Transport for The North

Key Purpose monitor and comment on activity, policy, and strategy for the TFN statutory body. Including treasury management/strategy, internal/external audit, and governance.

Treasurer and Trustee

Jan 23- current Vegetarian for Life

Key Purpose As treasurer I support the Board of Trustees to ensure the financial viability of the charity and to support appropriate investment of the legacy funds.

Vegetarian for Life was formed with resources from the Vegetarian Housing Association (VHA), it now seeks to support older vegetarians and vegans to maintain their dietary preferences in later life, both at home and in a care environment.

Previous Experience

A career spanning over 30 years covering treasury and finance disciplines across many sectors including social housing, travel, and logistics.

Interim Treasurer

June 2023 – Aug 2023 **Haydock Finance Ltd**

Treasury Manager

Nov 2022 – Current **Octavia Housing and Care**

Treasury Manager

July 2022 – Oct 2022 **Freedom Fibre Ltd**

Assistant Treasurer/Group Treasurer

Jan 2021 – July 2022 **GWSA Ltd / Eddie Stobart Group/ Muller Group**

Treasury Manager

Sept 2018 - Dec 2020 **Onward Homes**

Deputy Head of Finance - Treasury & Business Planning

Feb 2012 - Sept 2018 **RBH Ltd**

Treasury Manager

May 2010 - Feb 2012 **Places for People**

Previous Experience - continued

Treasury Projects Manager

Mar 2008 - Apr 2010 **DWF LLP**

Treasury Manager - FX Risk

Jan 2006 - Jan 2008 **MyTravel Group**

Group Treasury Manager

June 2000 - Dec 2005 **PZ Cussons plc**

1988-2000 Various roles in banking and finance

Professional Qualifications

Diploma - Association of Corporate Treasurers

ACI Diploma – ACI The Financial Markets Association

IAQ - The Chartered Institute for Securities and Investment

Previous Voluntary Roles and Experience

Board Trustee - Greater Manchester Women's Support Alliance June 2020 – June 2021

GMWSA is an umbrella organisation which brings together women's centres across Greater Manchester with a focus on clients who have, or are at risk of, contact with the criminal justice system.

RICHARD THOMAS – CV 2023

Name
Thomas

Richard David Gwylfa

Professional Qualifications

MIIA and QIAL, Member of the Institute of Internal Auditors
MAAT, Association of Accounting Technicians
CIMA part qualified, Chartered Institute of Management Accountants
IISP, Certificate in Information Security Management Principles
CESG Senior Practitioner, Institute of Information Security Professionals.
COBIT 5 and ITIL foundation courses.

Position

Head Of Audit & Risk Management

Employers to Date

March 2023 to date	St Helens Borough Council
May 2019 – March 2023	Manchester City Council
Apr 2015 – May 2019	Her Majesty's Revenue and Customs
Aug 2008 – Apr 2015	Department for Works and Pensions
Jan 2004 – Aug 2008	Wyre Borough Council
Jan 2002 – Dec 2003	Lancaster City Council
Jul 2000 – Dec 2001	Wyre Borough Council
May 1999 – Jul 2000	Morecambe Bay Hospitals NHS Trust
Jul 1997 – May 1999	Lancaster City Council

March 2023 to date

- My responsibilities include internal audit and counter fraud, health and safety, resilience and business continuity, risk management and insurance. I manage 15 staff across these functions.
- My immediate objective is to create capacity and build capability across all these functions, and provide a stable platform from which I can start to improve service provision.
- I have attended the Audit and Governance Committee and set out their work programme and training needs for the year. I work closely with the Chair and the Independent Member, to ensure they and the committee meet their terms of reference and best practice (defined by CIPFA and through the Redmond Review).
- I play a key role in the Councils governance forum, the safety group, and Merseyside resilience forum, and provide audit service to Mersey Waste.

May 2019 – March 2023: Manchester City Council
Deputy Head of Audit & Risk Management

- Providing leadership, directing development and overseeing the delivery of these services to Manchester City Council and Bolton Council, and other key stakeholders.
- Key role in supporting the Head of Service and work with audit managers on collaboration, business planning, workforce development, financial planning and ways of working.
- Support the Head of Service in leading the development and delivery of strategies and associated plans to address risks of fraud and irregularity in line with professional standards
- Influence positive organisational change through audit and risk reporting to stakeholders and through engagement in corporate working groups and boards.
- Support the Head of Service and Section Managers in the leadership and management of Risk and Resilience; Insurance and Claims; and Health and Safety Services that delivery positive outcomes and contribute to the achievement of corporate and partnership objectives.

Apr 2015 – May 2019: Her Majesty's Revenue and Customs Head of IT Audit

- Strengthened the depth and quality of the IT audit service provision.
- Embedding consistency in governing and delivering IT across the organisation
- Supporting a more sophisticated lines of defence strategy to ensure efficiency around assurance over the management of key digital risks
- Maintain IT Internal Audit Plans that focus on the key risks and controls weaknesses facing the Chief Digital Information Officer..

Apr 2014 – Apr 2015: Department for Works and Pensions

- Set up a new security compliance initiative to provide assurance and oversight to the Senior Information Risk Owner and the Executive Team.
- Worked closely with Hewlett Packard engineers and CISCO to re-configure the Firewall and
- My responsibility as Risk, Governance and Security Manager (Aug 2008 > Jan 2012) was primarily to ensure the Finance Director General (DG) compliance with the Department's risk management framework, (policies, principles and practices), to manage high level risks and report these in a timely and accurate manner to the Executive Team and Board. Initiated regular risk discussions at Senior Management Team meetings and facilitated risk assessment workshops.
- Set up a Group Finance's Governance Risk and Assurance Group; a forum for discussion to ensure consistency of approach across Group Finance's business units. I also revised and re-launched the GFD Risk Management Protocol document. I delivered training to business unit Risk Practitioners to ensure that the Group has the requisite competencies to effectively manage risk out in the businesses.

Jan 2004 – Apr 2014: Wyre Borough Council

- Implemented a new Internal Audit Charter that set out my audit objectives and implemented a new audit plan, quickly established a competent and well respected team to deliver the plan, set the Council's risk management framework and managed the Council's insurance portfolio.
- Revised and re-launched the Council's Risk Management Policy and Strategy, rolled out risk management training & workshops to all business units and to the Executive to embed the policy and to create / populate the Risk Registers.
- Instrumental in the successful introduction of an Audit Committee at the Council. Trained its members according to CIPFA best practice.
- Work was recognised and highly commended in the European Risk Manager of the Year Awards for the Best Approach to Risk Management within the Public Sector 2006.

Earlier internal audit career:

Jan 2002 – Dec 2003: Lancaster City Council - Senior Auditor

Jul 2000 – Dec 2001: Wyre Borough Council - Senior Auditor

May 1999 – Jul 2000: Morecambe Bay Hospitals NHS Trust - Senior Auditor

Jul 1997 – May 1999: Lancaster City Council – Trainee Internal Auditor

Other roles

Audit Clerk – Chartered Accountants, Revenues and Benefits Officer, Housing Benefits Officer.

Senior Lecturer – AAT and CAT qualifications for 10 years – various adult colleges.

Meeting:	Transport for the North Board
Subject:	Section 1 Corporate Risk Register and Risk Management Strategy Report
Author:	Daniella Della-Cerra-Smith, Risk Manager
Sponsor:	Paul Kelly, Finance Director
Meeting Date:	Wednesday 27 September 2023

1. Purpose of the Report:

- 1.1 As stated in the risk management strategy, the Board will receive a high-level summary of TfN's risk environment, (section 1 Corporate Risk Register Appendix 1). This report provides the Board with an update on the key organisational risks, which reflect the KPI's, and business objectives outlined in the business plan for financial year 2023/24.
- 1.2 The Audit and Governance Committee's role in relation to risk is included in the broader detail of the Constitution, which is defined below:
- "Audit and Governance Committee is a key component of corporate governance providing an independent, high-level focus on the audit, assurance and reporting framework underpinning financial management and governance arrangements. Its purpose is to provide independent review and assurance to Members on governance, risk management and control frameworks".*
- 1.3 The terms of reference for the Audit and Governance Committee includes the requirement for the Committee to:
- "monitor Transport for the North's risk and performance management arrangements including review of the risk register, and progress with mitigating action".*

2. Recommendations:

- 2.1 TfN Board is invited to:
- note TfN's corporate risks and the updates to the Risk Management Strategy in relation to reporting changes and inclusion of the TfN - Three Lines of defence assurance model.

3. Context:

- 3.1 The format of the CRR has been updated with a focus on all individual corporate risks.

The Corporate Risk Register was presented to the Audit and Governance Committee on 15 September 23. The Audit and Governance Committee have delivered against the terms of reference which included discussions in relation to TfN's risk management practices.

An update to the risk management strategy was given to the Committee to reflect reporting changes. Functional risk continues to be managed at functional levels. In addition, functional risk is now considered individually and holistically at OBT quarterly. The new functional risk report has been produced which shows the risk profile across the organisation and key updates within the quarter. This report is to be presented to OBT (Operations Board – chaired by the Chief Executive) quarterly.

Risk deep dives took place at Audit and Governance Committee in August and September for corporate risk 643 (recruitment and retention of staff) and risk 310 (TfN could have a reduced role in the rail industry following the implementation of rail reform including the role with Great British Railway). There were detailed

discussions with committee members. TfN's Head of Human Resources and Rail Strategy Manager also attended to discuss the risks in more detail.

Risk is a standing item at Audit and Governance Committee meetings and the Corporate Risk Register and Risk Management Strategy have been updated systematically during the year. This is highlighted in the Chair of Audit and Governance Committee report to the Board, which provides assurance for TfN that efficient and effective risk management practice and processes are in place.

- 3.2 Following on from one of the actions identified by RSM as part of the risk maturity audit in September 22, the Risk Management Strategy has been updated to include TfN - Three Lines of defence assurance model. This provides a guide on how responsibilities should be divided and allows TfN to ensure effective controls are in place and managed appropriately. The next step is to review the key corporate risks with owners to ensure the framework is embedded and applied.
- 3.3 Risk workshops have taken place with Directors across TfN and all existing risks and mitigation actions have been reviewed and updated.
- 3.4 The two very high corporate risks are:
- Material variations from the funding Planning assumptions that underpin medium term sustainability
 - TfN could have a reduced role in the rail industry following the implementation of rail reform including the role with Great British Railways.

OBT use their quarterly review of the Corporate Risk Register to track progress against very high corporate risks.

4. Corporate Considerations:

4.1 *Financial Implications*

The financial implications are detailed within individual risks where applicable.

4.2 *Resource Implications*

The resource implications are detailed within individual risks where applicable.

4.3 *Legal Implications*

The legal implications are detailed within individual risks where applicable. Governance processes adopted are explained within the report.

4.4 *Risk Management and Key Issues*

The Corporate Risk Register is part of this report.

4.5 *Environmental Implications*

There are no environmental implications associated with this report. An environmental impact assessment is not required for this report.

4.6 *Equality and Diversity*

A full impact assessment is not required for this report.

4.7 *Consultations*

A consultation has not been carried out because it is not necessary for this report.

5. Background Papers:

- 5.1 The Corporate Risk Register presented as a standing item at each Audit & Governance Committee provide the background papers and context for this report.

6. Appendices:

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Transport for the North

Corporate Risk Register

September 2023

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Section 1 provides an executive summary of TfN's Risk Environment and Emerging Risks, key changes to the register since the last risk review, TfN's 2023/24 milestones and corporate risk dashboard.

Executive Summary

1.1 TfN's Risk Environment and Emerging Risks

- 1.1.1 Recognising the current fiscal environment including the cost of inflation, TfN are closely monitoring funding risks and budget expenditure. There is a risk at functional level to manage and monitor budget assumptions and there is a corporate risk relating to medium term sustainability.
- 1.1.2 TfN received an additional £710,000 of grant funding to deliver the TfN offer. A working group has been established to manage alignment of the individual workstreams across the organisation, as part of this, risks and actions are being considered across TfN. TfN continue to engage with partners across the region to fully scope the offer we can bring to support local transport planning.
- 1.1.3 In September 23, TfN will be relocating the head office space. Risks and actions are being considered in relation to the office move. A working group has been established to discuss progress with the move.
- 1.1.4 TfN continue to monitor the political environment, particularly with the upcoming general election and how this may impact on the delivery of TfN's objectives.

Key Changes to the Corporate Risk Register

- 1.1.5 Risk 299 – TfN's contribution to achieving Decarbonisation - Updated risk wording slightly. TfN's current decarbonation carbon trajectory assumes a reduction to between 1and2% of 2018 surface transport emission levels. The strategy is clear that the North need to get to as close to zero as possible and a net zero target is not appropriate. TfN will be updating the decarbonisation strategy next year, so we will be adjusting and strengthening our decarbonation trajectory as needed.
- 1.1.6 Risk 643 – Recruitment and retention of staff, as discussed as part of the deep dive at the Audit and Governance Committee meeting in August two additional controls have been included in relation to the recruitment process.

- 1.1.7 Risk 876 – Cyber disruption/attacks, an additional control has been included in relation to multifactor authentication.
- 1.1.8 Risk 877 – TfN’s influence on the NPR Programme, has been reassessed and reduced probability current and target due to co-sponsorship agreement and arrangements for engagement forums now in place and DfT have agreed to review connectivity to Bradford. Actions 2481 and 2640 are now complete.
- 1.1.9 Risk 882 – TAME capacity - a new action 2924 has been identified.
- 1.1.10 Risk 881 - Endorsement of STP refresh, action 2500 updated Northern Power Independent Economic Review complete; TfN to produce a summary document which will be presented at partnership board in September. Action 2501 complete as the NPIER scenarios were published with the STP in May.
- 1.1.11 Risk 916 – Funding, delivery of medium-term sustainability, closed two actions (2670 and 2675) as both are duplicates and included within existing controls 2671 and 2673.
- 1.1.12 Risk 999 –Resources for TfN offer– action 2849 updated to develop the brochure and the PID to confirm the plans/trajectory of the TfN offer over 2023/24 and 24/25.

Key Milestones

- 1.1.13 Our key milestones monitor and measure our progress and performance and ensure that we provide value for money. The milestones that we have adopted for 2023/24 are set out below:

Milestone	Detail	Delivery
1	Consult on a revised Strategic Transport Plan	Summer 2023
2	Publish Connected Mobility Strategy	Summer 2023
3	Secure adoption of revised Strategic Transport Plan	December 2023
4	Rail Reform – Issue Proposition for the North	December 2023
5	Provide annual STP action plan	March 2024
6	Update Future Transport Scenarios	March 2024
7	Consult on, and then publish final Strategic Rail Report	March 2024

8	Ensure a strong case is forwarded for recommended RIS investment in the North	March 2024
9	Publish TfN's Bus Policy position.	March 2024
10	Implement an online local public transport data toolkit	March 2024
11	Develop a submission to government that identifies opportunities to build on TfN's technical capabilities	March 2024

Corporate Risk Dashboard

21 Risk factors	0 New risk factors	83 Mitigation actions	58 Ongoing actions	19 Mitigation actions due by 31 Dec 23	5 actions closed in the last quarter	4 New action
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ID	Corporate risks, by highest current score	Current Score	Target Score	Risk Owners
916	Material variations from the funding Planning assumptions that underpin medium term sustainability.	19	19	Finance Director
310	There is a risk that TfN could have a reduced role in the rail industry following the implementation of rail reform including the role with Great British Railways.	19	17	Rail/Roads Director
296	There is a risk of disconnect between TfN's statutory powers/remit and stakeholder expectations.	18	15	Chief Executive Officer
880	TfN are unable to provide the One Voice for the north in relation to strategic transport investment priorities, and policy positions.	18	15	Chief Executive Officer
647	The publication of the IRP has set out the Government's proposals in respect of NPR, TRU and HS2: it also sets out the need for further work to be undertaken. There is a risk that individual programmes are not aligned and expected benefits not realised.	18	15	Rail/Roads Director
879	Despite our statutory status there could be a material change in government's commitment to STB's/reduction of remit and powers of TfN or a change in views/approach as to how STB's function.	17	17	Chief Executive Officer
643	TfN's is unable to recruit and retain suitable staff to deliver the 2023/24 business plan and medium to long term TfN objectives.	17	17	Head of Human Resources
309	The long-term effect of Covid-19/current fiscal environment may impact on the viability of train services and future investment decisions. The pandemic has changed travel patterns and behaviours and therefore service and investment decisions will need to reflect new markets and emerging evidence of demand.	17	17	Rail/Roads Director
300	There is a risk that TfN fails to deliver Value for Money.	17	13	Finance Director
881	TfN are unable to produce a draft STP that will be endorsed by TfN Board and government in time to consult and then adopt the plan by the end of 2023.	17	8	Strategy, Analysis & Comms Director
640	Inappropriate disclosure of confidential information may create a legal liability.	15	15	Chief Executive Officer
311	Future timetable changes in the North reduce rail connectivity.	15	15	Rail/Roads Director
298	There is a risk that TfN might be unable to make a timely, robust, credible, evidence-based case for investment in transport.	15	11	Rail/Roads Director

ID	Corporate risks, by highest current score	Current Score	Target Score	Risk Owners
303	TfN fails to comply with applicable law or exceeds its powers while carrying out its functions.	11	11	Head of Legal
299	Within its Decarbonisation Strategy, TfN and its partners have committed to achieving close to zero emissions (between 1&2% of 2018 levels) for surface transport in the North by 2045. TfN is unable to deliver its contribution to achieving this target.	11	8	Strategy, Analysis & Comms Director
920	Failure to comply with governance and corporate processes across the organisation.	11	8	Chief Executive Officer
876	Cyber disruption/attacks to the available information and technical infrastructure. Inappropriate user access to confidential information. Access maybe limited for an unknown period of time.	10	10	IT Manager
882	Providing a direct service to DfT could create short term operational challenges to TAME's services in delivering TfN 's objectives.	10	8	Strategy, Analysis & Comms Director
877	TfN is unable to influence the NPR Programme to ensure that agreed outputs are delivered in a way that works for the North and that the TfN Board and TfN Partners have appropriate involvement in NPR and the ability to influence its development.	10	8	Chief Executive Officer
999	Mismatch between the TfN offer and what resources TfN currently have in place.	10	8	Strategy, Analysis & Comms Director
996	TfN business continuity is disrupted during the office move and closure of existing office is not completed in a timely manner.	7	6	Head of Human Resources

Key impacts across risks:

Failure to make timely, evidence-based advice to Government.

Delaying or preventing the benefits of strategic transport plan.

Recruitment and retention of staff/ Organisational culture could be impacted.

TfN fails to deliver on its commitments laid out within the TfN Decarbonisation Strategy.

Less investment in services and infrastructure/ decline in rail services and local connectivity.

Potential legal costs or challenges and/or programme delays could result in extra costs and resources.

TfN could lack the powers or the influence to deliver economic, social and sustainability benefits to the North.

TfN reputational damage/ loss of credibility/ relationships with Partners & stakeholders could be adversely affected.

If the required level of policy commitment to deliver close to zero by 2045 is not achieved in the medium to long term, this might contribute towards an excess of agreed global temperature rise (as defined by the Paris Agreement) and climate change which might impact upon the resilience of the North's transport infrastructure.

TfN's ability to deliver statutory duties/ Failure to achieve Value for Money could impact on TfN's ability to access funding in the future.

Key actions across risks:

Collaborate with DfT on NPR Sponsor Board

TfN to demonstrate value for money

Partner/stakeholder/DfT Engagement

Manage interdependencies

Structured engagement with government officials/ decision makers

Threat Scoring	
Issue	
Very High	19 – 25
High	14 – 18
Medium	7 – 13
Low	1 – 6



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