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Chairman's welcome from John Cridland, *Independent Chair of Transport for the North*

Transport for the North has a clear vision to drive transformational economic growth in the North of England by intelligently developing our transport infrastructure. We remain empowered by a collaborative Partnership and are proud to be on track to become the first Sub-national Transport Body in England. As we move towards becoming a fully established body, we have also outlined Transport for the North's core values of making a difference, collaboration, doing the right thing and being driven to succeed. These values will inform and shape every part of our work going forward and they are outlined in full on page 11.

Building on the organisation's progress to date, this Business Plan looks at the work that will be undertaken in the year ahead. We are encouraged by the government's continued commitment to, and recognition of, the prominent role that investment in transport infrastructure will play in realising the Northern Powerhouse. In the context of recent history, it is important that the North of England plays its full part in driving the performance of the UK economy. The Northern Powerhouse Independent Economic Review, published in June 2016, provided evidence that a higher-performing and more unified Northern economy would generate jobs and increase productivity.

Improving pan-northern connectivity is a critical component of the North's ability to transform its economy. Transport for the North wants to deliver a reliable, resilient and faster transport system that is better integrated. This is about laying the groundwork now to stimulate and sustain economic growth and improved productivity.

Investment in transport alone will not be sufficient to rebalance the UK's economy. It needs to be supported by investment in skills development, enterprise, innovation and trade and investment. We have taken care to align our planning to the government's Northern Powerhouse Strategy and its emerging Industrial Strategy. If we get this right, the rewards will be significant. There is an opportunity to add £97bn to the North's GVA by 2050, creating up to 850,000 jobs that would not otherwise exist in the North.

The need to improve the North's transport infrastructure is no longer being debated by our Partners. They understand why it needs to happen. Our work now is focused on establishing the solutions needed and the most effective means for delivery. This requires Transport for the North to provide the collective civic and business voice needed to plan and secure the required investment. That's the challenge that faces us, and one that everyone in this organisation is excited to embrace.





Foreword by David Brown, *Chief Executive of Transport for the North*

In the last year, Transport for the North has rapidly developed into a tangible entity. We have an agile, skilled and professional workforce who share an ambitious but clear purpose: to improve the North's connectivity in order to enable and sustain transformational economic growth. Our people also share our recently-agreed core values, which were co-developed by our Senior Management Team and members of our staff. These values will be reflected in everything we do: we make a difference, we collaborate, we do the right thing and we are driven to succeed. You can find out more about our vision, objectives and values on pages 10 and 11.

This Business Plan sets out how, over the next year, we will progress as an established leading edge organisation in preparation for becoming the first Sub-national Transport Body in England, paving the way for other regions to follow. We recognise that government will continue the development of a number of initiatives, such as HS2 and the Industrial Strategy, and we will ensure that we keep updating the Transport for the North programmes to help drive these national plans.

Our progress on developing a Northern Powerhouse Rail network was recognised in the Autumn Statement with confirmation that the Department for Transport will continue to work with us in developing the preferred route options. This project will transform the North's railways and journeys between our major economic centres and largest airport. Supporting this, our multi-modal Integrated and Smart Travel programme remains on track to deliver substantial benefits to customers within this parliament, modernising the way people plan and pay for travel in the North.

The North's ports and airports are major hubs of economic activity. Evidence from our Freight and Logistics report, published in September 2016, is helping identify solutions that can support growth in this important sector. In February the International Connectivity Commission published its independent findings on opportunities to improve connectivity to these hubs and the rest of the world, a vital capability following the outcome of the referendum on membership of the European Union. All these findings are informing the development of our Strategic Transport Plan, the backbone narrative which will be used to shape our future.

We welcomed two government funding commitments relating to the Northern Strategic Road Studies. Improving both our road and rail networks will stimulate economic growth, making it easier for people to access jobs, employers to access talent, and for goods to be distributed into, within, and out of the region.

All of this work is underpinned by evidence from the Northern Powerhouse Independent Economic Review. The review is a significant achievement for the North, providing the first ever pan-northern economic analysis, demonstrating how investment in transport can stimulate and sustain economic prosperity.

I look forward to the challenges and opportunities that statutory status will provide and to working closely with our Partners to support the delivery of an ambitious programme.





Introduction

Transport for the North is empowered by a collaborative Partnership representing civic and business leaders from across northern England, working together with the Department for Transport, Highways England, Network Rail and HS2 Ltd.

Set to become the first Sub-national Transport Body in England, the organisation and its Partnership share a mission to improve connectivity to support transformational economic growth. Operating at a pan-northern level, the organisation adds value by advising and informing decisions about strategic transport investment in the North with local intelligence, robust evidence and economic ambition.

At the centre of this, Transport for the North is tasked with developing and delivering a Strategic Transport Plan to set out proposals for an ambitious programme of infrastructure investment that will improve the capacity, frequency, resilience and speed of the region's transport network. Transport for the North is expected to achieve statutory status during 2017.

All of the northern Local Transport Authorities signed up to Transport for the North's proposal for statutory status to enable it to:

- Develop a Strategic Transport Plan for the North, coordinating investment and work across the region to drive economic growth; and
- Coordinate and deliver one smart, integrated ticketing system across the North.

Together with the Department for Transport, to:

- Agree objectives for the region for Network Rail and Highways England to ensure that their priorities are driven by the needs of the North; and
- Share responsibility for managing the TransPennine Express and Northern rail franchises, with an emphasis on investment and long-term planning.

Transport for the North will continue to work in close collaboration with regional Partners to ensure alignment of local authority powers and responsibilities, adding value at a pan-northern level.

This document describes the activities Transport for the North will undertake in the year ahead. This is an important year as Transport for the North continues to establish itself with the skills and capabilities required to deliver its ambitious vision and proudly sets a model for other regions to follow as it becomes England's first Sub-national Transport Body.

Governance

Transport for the North is governed by a Partnership Board comprising civic and business leaders, the Department for Transport, HS2 Ltd, Highways England and Network Rail; with an Independent Chair. The Partnership Board sets the strategic direction for the organisation.

Executive decisions are made by civic and business representatives from across the North on priorities, measuring success and spending.

These arrangements will be formally written into the constitution of Transport for the North when it becomes a statutory body.



Vision and objectives

Transport for the North: intelligent strategic connectivity

“Transport for the North is striving to improve the frequency, capacity, speed and resilience of the North’s transport system to make it easier for people and goods to move throughout the region. In doing so we want to create a globally competitive environment that can sustain economic growth for decades to come.”

David Brown, Chief Executive, Transport for the North

To achieve this overarching vision, Transport for the North has agreed three priority objectives for the organisation:

1. To develop and deliver a Strategic Transport Plan that supports economic growth, grows labour markets and improves productivity.

2. To identify pan-northern transport solutions that will improve connectivity and ensure that these are integrated with national and local economic, spatial and transport plans, and wider policy objectives.
3. To speak as a collective voice for the North to prioritise infrastructure programmes and secure funding for their delivery.

Collaboration is at the heart of everything we do. These objectives can only be delivered if we work closely with our Partners and wider stakeholders. We are accountable to our communities, our civic leaders and our business community.

It is therefore vital that Transport for the North communicates clearly to foster and maintain involvement of its stakeholders, at a regional and national level, in its vision for transformational economic growth.



Core values

Transport for the North’s core values were developed in collaboration with its staff team. They reflect how we will operate, both individually and as an organisation.

We make a difference

- We will create opportunities for people and businesses that would not happen without us.
- We will improve and change the way things are done, capitalising on the North’s unique strengths.
- We will make the most of our position to stretch the boundaries of what we can achieve.

We collaborate

- We consult our partners and are the embodiment of a “single voice for the North”.
- We make the most of all our relationships, spanning the North of England and beyond, to deliver the right solutions.
- We build our relationships based on openness, transparency, trust and integrity.

We do the right thing

- We make sustainable, evidence-based decisions that maximise the positive outcomes they deliver for people and businesses across the North.
- We will work together to improve connectivity and deliver a vibrant and growing economy across the North of England over the short, medium and long term.
- We embrace diversity and work with others with honesty and respect.

We are driven to succeed

- We want to be the very best we can be. The drive for excellence and innovation informs everything we do.
- We will develop and grow, learning from both our mistakes and successes and sharing this with our partners.
- We are proud to represent the North and will facilitate a step change in connectivity across the North of England by being role models for how things are done.

Summary activity schedule

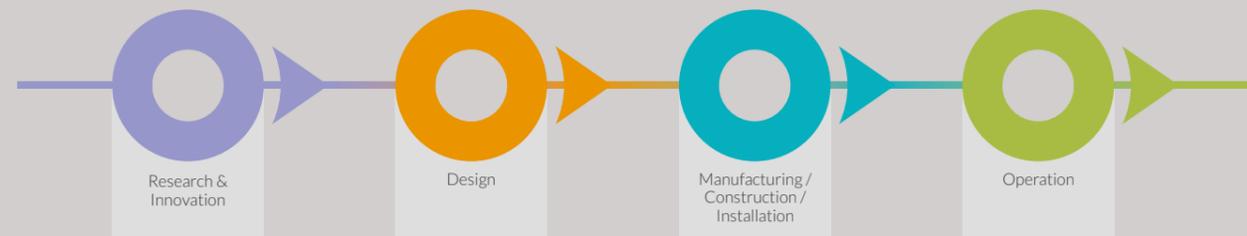
Transport for the North High Level Deliverables during 2017-18		2017												2018											
		JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEP	OCT	NOV	DEC
Strategic Transport Plan	Throughout 2017 Transport for the North will be engaging with Partners and environmental and transport stakeholders to inform an Integrated Sustainability Appraisal.																								
	Development of a northern 'Transport Demand' model, building on the evidence of the Northern Powerhouse Independent Economic Review																								
	Major Roads Report, identifying and summarising key areas for highways interventions to ensure that the network is resilient, reliable efficient																								
	Integrated Rail Report, identifying priorities for long-term investment to improve the capacity, connectivity, coherence and cost effectiveness of the rail network																								
	Evidence from the Freight and Logistics Analysis, and findings of the Independent International Connectivity Commission																								
	Prioritising and sequencing interventions according to their contribution to Transport for the North's overarching aim of economic growth																								
	Integrated Sustainability Appraisal																								
Economic Framework	Identify the analytical requirements for Transport for the North as a statutory body, working with our Partners and government to agree and develop a capability built on modelling																								
	Produce the economic evidence and analysis to support the development and delivery of the Strategic Transport Plan																								
	Continue to work with the Department for Transport to develop the required tools to assess the business case for Northern Powerhouse Rail																								
	Establish a pan-northern programme of research, data and evidence to support Transport for the North's policy and strategy development																								
Freight & logistics	Update previous market analysis based on Northern Powerhouse Independent Economic Review growth forecast																								
	Commission initial Intermodal Gateways Research (Appoint consultant)																								
	Initial phase for task study in order to intermodal gateway study																								
	Begin commentary process for further studies and agree scopes																								
International Connectivity	Ensure that the surface access needs of the North's airports are addressed through the further development of the Major Road Report																								
	Build further market intelligence to understand international connectivity issues and support actions to take forward																								
	Use IC report evidence and market intelligence to scope co-ordinated route development and a Team North approach																								
	Work with partners in both the public and private sectors to explore policy options to increase international connectivity																								
	Identify options towards marketing and promotion of the North, following recommendations for a 'Team North' marketing approach																								
	Review and develop business cases, in conjunction with Partners, for policy options for the support of increased International Connectivity																								

Transport for the North High Level Deliverables during 2017-18		2017												2018											
		JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEP	OCT	NOV	DEC
Rail	Publish an initial Integrated Rail Report by late Spring 2017																								
	Feed into Network Rail's Control Period 6 programme, ensuring alignment with Transport for the North's Strategic Transport Plan																								
	Work with the Office of Rail and Road's 2018 Periodic Review (PR18) for the benefit of the North of England																								
	Progress the development of the Strategic Outline Business Case for the proposed Northern Powerhouse Rail network																								
	Incorporate Rail North into the organisation – upon achieving statutory status – to continue and progress the joint role with the DfT																								
	Commence work on a programme of new strategic studies arising from the portfolio of interventions identified in the Strategic Transport Plan																								
	Prepare an updated Integrated Rail Report alongside the draft Strategic Transport Plan in																								
Major Roads	Work with the Department for Transport and Highways England, complete Strategic Outline Business Cases for the three Northern Strategic Road Studies																								
	Publish an initial Major Roads Report by late Spring 2017, which – in collaboration with Partners – sets out an agreed Major Route Network																								
	Inform Highways England's Road Investment Strategy 2 programme, ensuring alignment with the priorities for roads investment in Transport for the North's Strategic Transport Plan																								
	Commence work on a programme of new Strategic Studies arising from the portfolio of interventions																								
	Prepare an updated Major Roads Report alongside the draft Strategic Transport Plan in late 2017, following the initial consultation planned for summer.																								
Integrated & Smart Travel	Complete the design of an Integrated and Smart Travel service and associated blueprint, as well as defining an overall procurement and implementation strategy																								
	Commence the implementation of the 'Smart On Rail' Tranche 1 proposals																								
	Submit the Outline and Full Business Cases for Tranche 2 of the programme also facilitates pan-northern collaboration in ITSO implementation (the development of open data and 'proof of concept' project)																								
	Submit the Outline Business Case for Tranche 3 of the programme, comprising the back office for contactless bank card transit operators;																								
	Develop Tranche 4 of the programme, comprising fare simplification and, potentially, roll-out of concepts tested in Tranche 2																								
	Continue to promote the programme and secure buy-in from a wider range of stakeholders.																								
Rail North	Build further market intelligence to understand international connectivity issues and support actions to take forward, such as co-ordinated route development																								
	Influence the Office of Rail and Road's 2018 Periodic Review (PR18) for the benefit of the North of England																								
	Shape the High Level Output Specification process in line with the Rail North Strategy																								
	Work with Transport for the North to jointly lead the North of England Route Study																								
	Develop proposals and a business case for the next phase of devolution, localised 10 year plans owned by partners and an approach to possible re-openings of closed railway lines																								
	Ensure franchise commitments are delivered including contract changes to support Tranche 1 of the Integrated and Smart Ticketing programme																								
	Establish a Rail North Change Programme and pro-actively manage it																								
	Develop rail data and evidence to support strategy and programmes including research around customer experience.																								

Measuring success

Transport for the North will identify and develop pan-northern transport and travel solutions that will support transformational economic growth across the North. It will do this by identifying the transport and travel issues that prevent the North from achieving its economic potential, setting out why these issues need to be addressed and what needs to be done to tackle them. Once the case is

clear, Transport for the North will identify and develop the options that could unlock transformational economic growth. This will lead to a pipeline of transport interventions which will be developed, designed and delivered.



Measuring progress and performance of Transport for the North in delivering this programme of work requires a range of measures to be developed and monitored. Transport for the North is shaping and delivering its work programme of pan-northern transport and travel solutions.

In order to ensure Transport for the North provides value for money, it has developed a framework to measure progress and performance. This framework is defined by three areas of performance: strategic, organisational and programme.

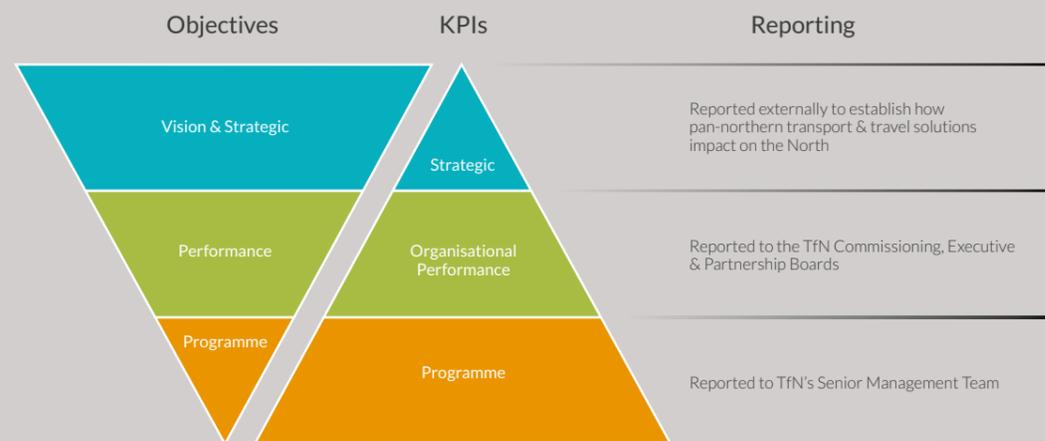


Figure 2: Strategic, organisational and programme Key Performance Indicators

As transport and travel solutions progress in the work programme, the balance of strategic, organisational and programme performance measurements will change. Organisational indicators will be continually reviewed and reported, whereas Programme Indicators

will be applicable during the lifespan of each individual programme. Strategic Key Performance Indicators will be longer term measurements that reflect how we are delivering our strategic objectives.

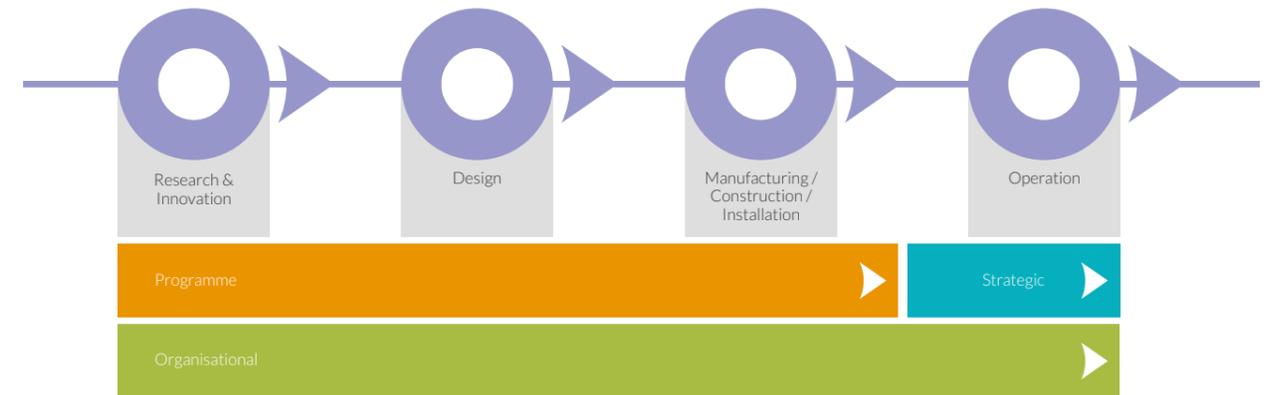


Figure 3: Types of KPIs

Strategic Key Performance Indicators: measure the performance of pan-northern transport and travel solutions in the delivery of Transport for the North's strategic objectives. They will typically be longer term metrics and will be reported externally in Transport for the North's Business Plan. There are five Strategic Key Performance Indicator themes - Journey Times, Resilience, Flows, User Experience and Sustainability. For 2017-2018, Transport for the North's focus will be on developing these metrics, the data and monitoring requirements for pan-northern solutions to be measured against. In 2017-18 a baseline will be developed that will be delivered through the Economic Framework, Strategic Transport Plan and Sustainability Appraisal work programmes.

How Transport for the North will measure itself

This business plan provides the starting point for measuring progress and success for the next 12 months and, through the delivery of the 15 KPIs developed for 2017-2018, will develop and implement a measurement framework for the longer term, creating a culture of accountability and excellence across Transport for the North and its partners.

Measurement of performance will be achieved through a combination of quantitative and qualitative measures and the focus for 2017-2018 will be to put in place a measurement framework that ensures there is a balanced understanding of performance. The KPIs will be developed by:

- reviewing strategic, organisational and programme level objectives;
- understanding the critical actions needed to deliver those objectives;
- developing indicators that will demonstrate the extent to which actions are delivering changes; and
- developing metrics to ensure the changes can be measured, i.e. ensuring there is the data available and identifying methods of collating and measuring data and information to ensure effective reporting.

Organisation Performance Key Performance Indicators: measure the performance of Transport for the North as a Sub-national Transport Body and will be reported to the Commissioning, Executive and Partnership Boards. For 2017-2018, the focus will be on developing Transport for the North as a Statutory Transport Body, ensuring it has the right capability and ways of working to deliver its vision. Organisational performance will be measured by nine KPIs covering the business plan objectives, resources, commercial, procurement and contracts, technical performance, communication, legislation & regulation, supply chain, governance and service delivery.

Programme Key Performance Indicators: measure the performance of all work programmes. Programme performance is reported internally to the Senior Management Team and externally in the Business Plan to demonstrate progress achieved in the previous year. There are four simple measures used to monitor the performance of programme delivery. These are Project Scope, Meeting Programme Objectives, Milestone Delivery and Budget.

KPI 1. Develop a framework of strategic and organisational Key Performance Indicators (KPIs). The framework will include data capture and evaluation processes, which capture Transport for the North's ambitions of improving journey times, resilience, flows, user experience and sustainability and ensure it has the capabilities to deliver.

Work programme

Economic framework and analytical programme

To achieve its vision and provide evidence based advice on the impact of investment in transport infrastructure, Transport for the North is developing a clear understanding of the role of transport in helping to unlock economic growth. Transport for the North will build a competent research capability that will be able to analyse future transport needs and inform where investment will deliver the most benefits. This will position Transport for the North as the intelligent client for the North, ensuring investments are timely and in the right locations to best support economic growth and jobs.

In 2016-17, Transport for the North worked closely with the Department for Transport and Northern Partners to establish the first independent economic review of the North's economy. The Northern Powerhouse Independent Economic Review identified that the North has four key capabilities in:

- Advanced manufacturing
- Energy
- Health innovation
- Digital technologies

These are supported by three enabling capabilities that together provide the North with a distinct competitive advantage:

- Financial and professional services
- Logistics
- Education (particularly Higher Education)

Transport for the North has commissioned new work to develop the associated transport demand scenarios that will provide evidence to advise on the priorities for investment.

The next step is to establish an economic framework for transport investment in the North that builds on the Northern Powerhouse Independent Economic Review to better understand the interdependencies between transport and a range of factors including labour mobility, skills, housing, investment and innovation.

In 2017-2018, Transport for the North will deliver a programme of economic analysis and transport appraisal that will:

- Produce economic evidence and analysis to support the development of the Strategic Transport Plan and the underpinning economic framework and sustainability appraisal;
- Continue to work with the Department for Transport to develop the required tools to assess the business case for Northern Powerhouse Rail and other critical investment schemes on the basis of economic impact;
- Establish a pan-northern programme of research, data and evidence to support Transport for the North's policy and strategy development, including monitoring and evaluation; and
- Identify the analytical requirements for Transport for the North as a statutory body, working with our Partners and government to agree and develop a capability built on modelling, data analysis and evaluation.

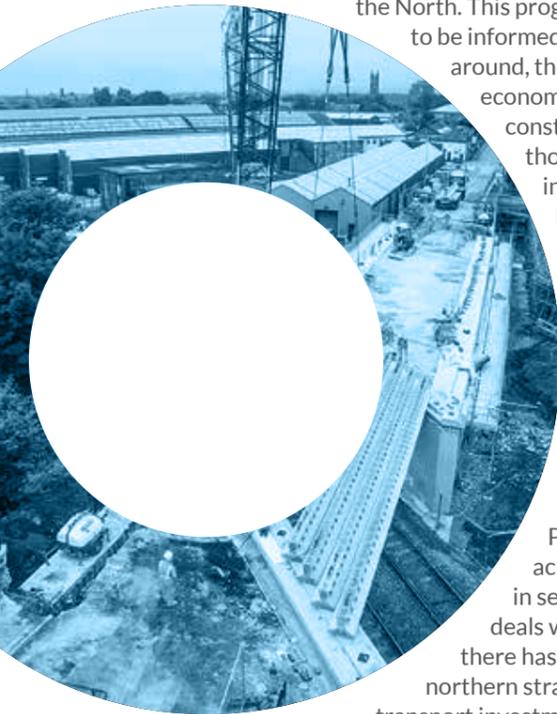
The analysis and appraisal programme is being developed during 2017 and will be used to inform the development of the draft Strategic Transport Plan, and to make recommendations on the sequencing of the implementation programme. A key element of the development of the Strategic Transport Plan requires Transport for the North to consider how the major infrastructure projects that it identifies will be funded and financed. Work has already been undertaken to explore how locally generated funding might contribute to the cost of the programme over time, notwithstanding that the contribution might be marginal in relation to the scale of the regional programmes likely to be proposed. This work will continue in 2017-2018. In addition, Transport for the North has engaged with public and private sector partners, funders and other market players and will develop models for private sector financing and delivery in order to help deliver the programme efficiently and effectively.

KPI 2.

Development of an evidence based economic evaluation framework. This framework will link transport priorities identified in the Strategic Transport Plan to achieving the transformational growth set out in the Northern Powerhouse Independent Economic Review. The evaluation framework must also support the development of robust business cases for investment in the North. A draft will be issued for feedback by the end of the first quarter of the financial year 2017-2018.

Strategic Transport Plan

The Strategic Transport Plan will identify the key priorities for supporting economic growth, as part of a long-term programme for investment in transport across the North. This programme needs to be informed by, and built around, the North's economic strengths and constraints, including those evidenced in the Northern Powerhouse Independent Economic Review.



Although much has been done by Local and Combined Authorities and Local Enterprise Partnerships across the North in securing landmark deals with government, there has not been a pan-northern strategic view of transport investment needs. This is required in order to connect the region's economic assets to create a unified economy, and to link the North to the global marketplace.

Through collaborative engagement with its Partners, Transport for the North is already laying the groundwork for this strategic view to understand its potential impact on the economy in the North of England. This is being used to develop and inform a multi-modal Strategic Transport Plan and Investment Programme to 2050. This work will be further informed by:

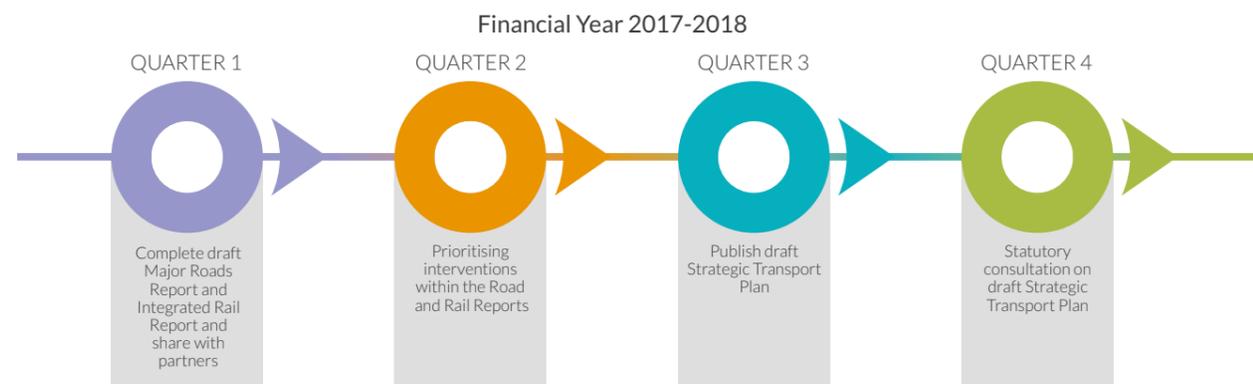
- Development of a northern 'Transport Demand' model, building on the evidence of the Northern Powerhouse Independent Economic Review;

- A Major Roads Report, identifying and summarising key areas for highways interventions to ensure that the network is resilient, reliable and efficient;
- An Integrated Rail Report, identifying priorities for long-term investment to improve the capacity, connectivity, coherence and cost effectiveness of the rail network;
- Evidence from the Freight and Logistics Analysis, and findings of the Independent International Connectivity Commission's Report to inform a prioritised portfolio of interventions;
- Prioritising and sequencing interventions according to their contribution to Transport for the North's overarching aim of economic growth; and
- An Integrated Sustainability Appraisal.

Throughout 2017-2018, Transport for the North will further develop its Strategic Transport Plan, refining pan-northern transport objectives supported by a clear strategic and economic case for investment. Transport for the North will undertake initial engagement with Partners in the second quarter of the financial year 2017-2018 around the evidence base, which will then be used to produce a draft Strategic Transport Plan and long-term, sequenced Investment Programme. A draft of the Strategic Transport Plan will be issued for formal consultation in late 2017, and the finalised plan will be a statutory document when Transport for the North becomes a Sub-national Transport Body.

Over the next year, Transport for the North will also inform Highways England's and Network Rail's industry processes, RIS2 and CP6, using the portfolio of interventions, which will set out the investment that would be delivered by the national agencies in the early years of the Strategic Transport Plan.

KPI 3. Deliver a Strategic Transport Plan and Investment Programme that enables and drives transformational growth with One Voice. This will be issued in the fourth quarter of the financial year 2017-2018 for statutory consultation.



Major Roads Report

Transport for the North has been working with the Department for Transport and Highways England on three northern Strategic Road Studies that reported in quarter three of the financial year 2016-2017:

- Trans Pennine Tunnel – examining options to improve road connections between Greater Manchester and Sheffield City Region by building a road tunnel under the Peak District National Park;
- Manchester North West Quadrant – looking at options to relieve congestion on one of the busiest parts of the national motorway network, the north-west section of the M60 motorway around Manchester; and
- Northern Trans Pennine Routes – identifying options for a new east-west strategic road corridor in the northern Pennines, linking Cumbria and the North East by upgrading the A66/A685 and/or the A69.

Further work has been completed on an initial Major Roads Report which identifies a prioritised portfolio of interventions to inform the Strategic Transport Plan. As part of this work, the concept of a Major Route Network for the North has been developed, which incorporates the Strategic Route Network as well as other major routes that connect the North's economic centres.

The Report also addresses the needs of freight and logistics businesses, which are key users of the North's road network. This includes freight loads produced in the North (for example by advanced manufacturing businesses), products to support economic activities (such as biomass fuel) and cargos which are transiting through. Congestion has a significant impact on freight movements and the ability of businesses to accurately forecast delivery times. Road freight in the North is also important for completing longer distance journeys made by rail.

Transport for the North's also aims to support a shift of freight from road onto rail thus complementing its strategy to support economic prosperity by tackling congestion and reducing transport's impact on the environment.



In 2017-2018, Transport for the North will:

- Publish an initial Major Roads Report in the first quarter of the financial year 2017-2018, which – in collaboration with Partners – sets out an agreed Major Route Network that identifies priorities to support transformational economic growth;
- Inform Government's Road Investment Strategy 2 (RIS2) programme, ensuring alignment with the priorities for roads investment in Transport for the North's Strategic Transport Plan, agreeing a joint narrative with Highways England on the content of the RIS2 programme across the north of England;
- With the Department for Transport and Highways England, complete Strategic Outline Business Cases for the three northern Strategic Road Studies, including the Wider Transport Connectivity Assessment of the Trans Pennine Tunnel;
- Commence work on a programme of new Strategic Development Corridors for pan-northern transport interventions with the intention of developing a Strategic Outline Business Case for each;
- Prepare an updated Major Roads Report alongside the draft Strategic Transport Plan in late 2017, following the initial consultation planned for the second quarter of the financial year.

KPI 4. Produce a Major Roads Report that informs and fully integrates with the Strategic Transport Plan, Integrated Rail Report, International Connectivity Report and Freight & Logistics Analysis by demonstrating how improved road connectivity will drive growth by improving the movement of people and goods. This will be issued as an initial draft in the first quarter of the financial year 2017-2018 and a final report will be issued alongside the Strategic Transport Plan.



Integrated Rail Report

An effective rail network is key to encouraging and sustaining transformational economic growth, supporting commuting, business travel, education, tourism and freight. Improving rail links across the north of England to enhance capacity and deliver better connectivity between cities and key economic centres will increase labour markets, boost job opportunities, create growth and increase prosperity.

The current network in the North is severely constrained by geographical challenges, historical development and limited track capacity. Rail travel has grown rapidly with a threefold increase in passenger journeys since the mid-1990s. The existing largely 'two-track' network in the North is no longer able to cope with demand. This limited capacity and a lack of resilience is a major contributor to poor punctuality and reliability of passenger train services. In addition, many of the services are crowded and, across the day, a greater proportion of seats on trains travelling within the North are utilised than on trains in and out of London terminal stations.



Transport for the North has been developing ambitious plans for Northern Powerhouse Rail which aims to provide a network of modern rail services linking key economic centres in the North and Manchester Airport. This will be a core east-west spine that will dramatically improve journey times, frequencies and resilience to support a more functional and high performing economy. It will focus on improving connectivity through major investment in rail infrastructure, building on the existing commitments to the Northern Hub, Trans-Pennine electrification, and improvements to the East and West Coast Mainlines and HS2 infrastructure.

During 2016, Transport for the North completed a programme of major development work with Network Rail, HS2 and DfT to look at the options for the Northern Powerhouse Rail network. A range of ambitious yet feasible options have been identified to achieve the objectives, which will include substantial sections of new line as well as utilising HS2 infrastructure in certain locations and major upgrades to existing infrastructure. During 2017 – 2018 Transport for the North will be undertaking more detailed studies to identify a preferred Northern Powerhouse Rail network and start developing the business case for this major investment.

Rail freight in the North is changing and faces new opportunities and challenges. Rail freight traditionally adds value by carrying heavy cargo such as coal and aggregates. Changing energy policy means that the need for coal in the production of electricity has declined, although this is being replaced by biomass in some areas.

The North, through recent investments such as Liverpool 2, has the capacity to increase the amount of overseas container traffic arriving in the North, but the ability to move these loads by train are constrained by the limited paths available on the current rail network.

Transport for the North aims to develop proposals for the rail network that will make journeys easier through more frequent, faster, more reliable and less-crowded trains. Work on an initial Integrated Rail Report provides the evidence that informs the Strategic Transport Plan with a prioritised portfolio of interventions that support economic growth across the North.

In 2017-2018, Transport for the North will:

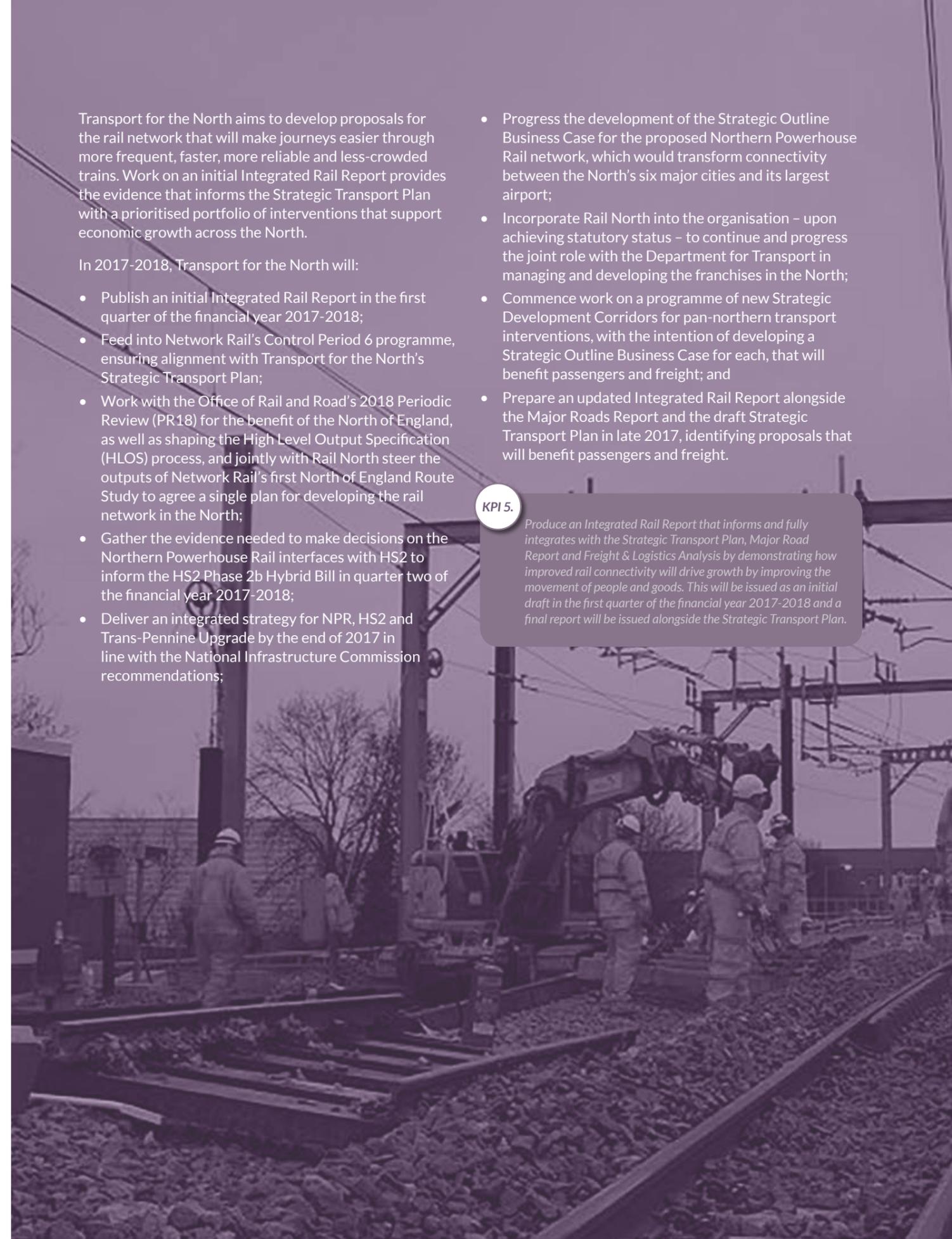
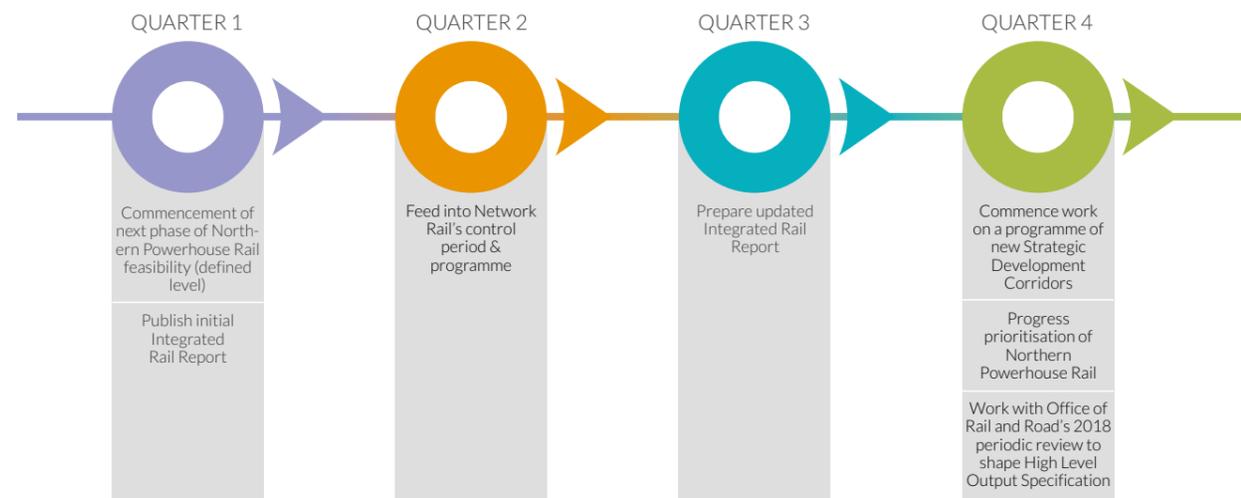
- Publish an initial Integrated Rail Report in the first quarter of the financial year 2017-2018;
- Feed into Network Rail's Control Period 6 programme, ensuring alignment with Transport for the North's Strategic Transport Plan;
- Work with the Office of Rail and Road's 2018 Periodic Review (PR18) for the benefit of the North of England, as well as shaping the High Level Output Specification (HLOS) process, and jointly with Rail North steer the outputs of Network Rail's first North of England Route Study to agree a single plan for developing the rail network in the North;
- Gather the evidence needed to make decisions on the Northern Powerhouse Rail interfaces with HS2 to inform the HS2 Phase 2b Hybrid Bill in quarter two of the financial year 2017-2018;
- Deliver an integrated strategy for NPR, HS2 and Trans-Pennine Upgrade by the end of 2017 in line with the National Infrastructure Commission recommendations;

- Progress the development of the Strategic Outline Business Case for the proposed Northern Powerhouse Rail network, which would transform connectivity between the North's six major cities and its largest airport;
- Incorporate Rail North into the organisation – upon achieving statutory status – to continue and progress the joint role with the Department for Transport in managing and developing the franchises in the North;
- Commence work on a programme of new Strategic Development Corridors for pan-northern transport interventions, with the intention of developing a Strategic Outline Business Case for each, that will benefit passengers and freight; and
- Prepare an updated Integrated Rail Report alongside the Major Roads Report and the draft Strategic Transport Plan in late 2017, identifying proposals that will benefit passengers and freight.

KPI 5.

Produce an Integrated Rail Report that informs and fully integrates with the Strategic Transport Plan, Major Road Report and Freight & Logistics Analysis by demonstrating how improved rail connectivity will drive growth by improving the movement of people and goods. This will be issued as an initial draft in the first quarter of the financial year 2017-2018 and a final report will be issued alongside the Strategic Transport Plan.

Financial Year 2017-2018



Freight and Logistics

The ability to effectively handle and manage freight and logistics is a key enabling capability, which ensures that goods and materials can move efficiently around the North, as well as facilitating trade with the rest of world.

In 2017-2018 Transport for the North will further develop its freight and logistics analysis, identifying key priorities for investment and informing future programmes for the strategic road and rail networks. To ensure freight is considered effectively, the freight analysis in both the Major Road Report and the Integrated Rail Report will feed directly into the Strategic Transport Plan. The additional work will be undertaken through utilising data modelling and engagement with the private sector.

Transport for the North and the Humber are working together to deliver the first of a series of Intermodal Gateway Studies to consider multimodal opportunities across the North.

Following the announcement of the allocations of Growth Deal 3 (funding to Local Enterprise Partnerships) there was a concentration of infrastructure funding for projects around the River Humber to develop intermodal sites within Hull, Goole and Immingham. This has given the impetus for the first of these studies to be around the Humber, with other

port-centric northern locations to follow.

The freight and logistics industry has invested and continues to invest heavily in port, airport, transshipment and logistics facilities in the North, providing a significant ability to move goods and materials nationally and internationally. Transport for the North will seek to maximise the wider economic benefits of this new handling capacity in the development of the Strategic Transport Plan.

In 2017/18 TfN will:

- Finalise the Freight and Logistics Analysis that will feed into the Major Road and Integrated Rail Report
- Share results of research with partners through the Freight Steering Group
- Contribute TfN analysis and utilise outputs from the Liverpool Humber Optimisation of Freight Transport project funded by Innovate UK (over 2 years)
- Define, scope and commission the first Intermodal Gateway Study on the Humber
- Incorporate appropriate governance for the Study to ensure local and national assurance is given to the project

KPI 6. Production of Freight & Logistics Analysis to inform the Strategic Transport Plan and Investment Programme, the Major Road Report, Integrated Rail Report and International Connectivity agenda to drive and facilitate growth of goods distributed into, within, and out of the North.



more global business and visitor economy. It also highlighted the importance of both the public and private sectors in supporting the development of improved international connectivity.

The international connectivity programme will be incorporated into the Strategic Transport Plan and integrated with road, rail and freight proposals with particular reference to surface access improvements to airports and ports.

In 2017-2018, Transport for the North will:

- Build further market intelligence to understand international connectivity issues and support actions to take forward, such as co-ordinated route development;
- Ensure that the surface access needs of the North's airports are addressed through the further development of the Major Road Report and the Integrated Rail Report, which feed directly into the Strategic Transport Plan;
- Work with partners in both the public and private sectors to explore policy options to increase international connectivity, including continuing discussions on Air Passenger Duty;
- Identify options towards marketing and promotion of the North, following recommendations for a 'Team North' marketing approach. This would consist of planning and assessing the capacity of rail and freight services in the region, and would involve working in partnership with the public sector, including Local Enterprise Partnerships and government departments such as International Trade and the Foreign and Commonwealth Office.

International Connectivity

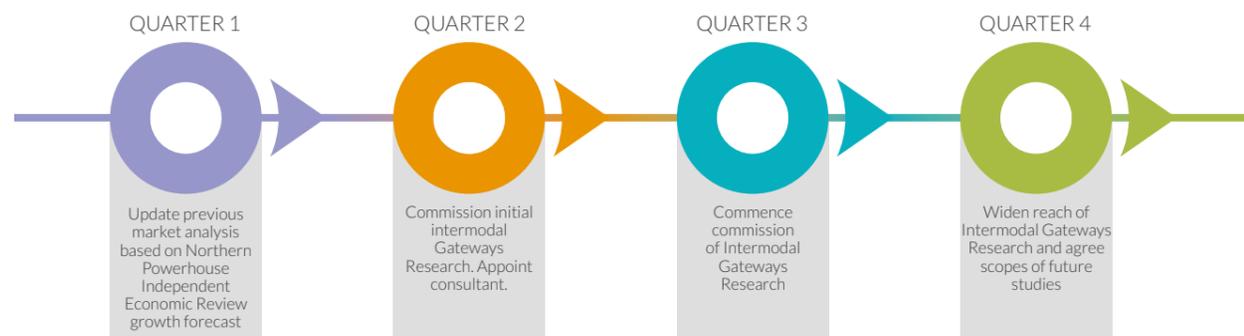
International Connectivity is crucial for the North's economic success. The Northern Powerhouse Independent Economic Review demonstrated the need for enhanced connectivity to global markets for the North's business and leisure markets to be able to compete internationally.

An Independent International Connectivity Commission was brought together by Transport for the North's Chair, John Cridland, to investigate the ways in which the North's connections with the world could be enhanced to support transformational economic growth.

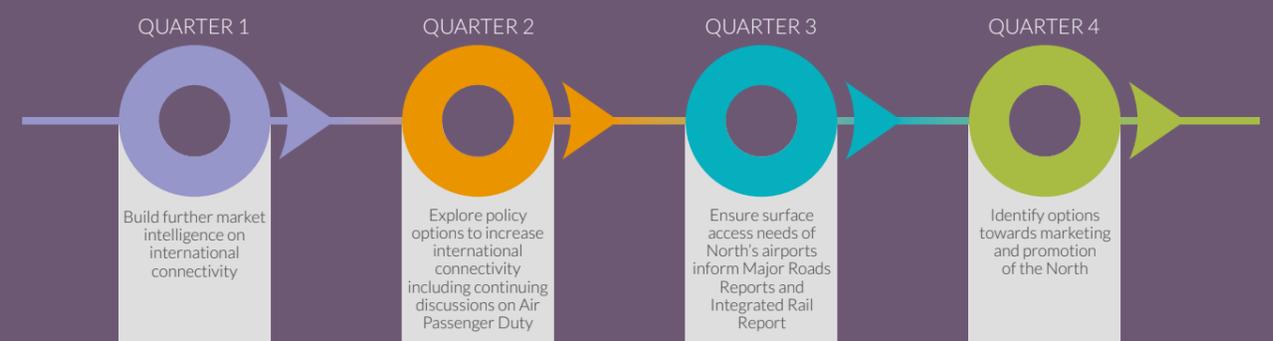
The Commission's report includes a baseline assessment of the current role of the North's airports and ports in providing the required global connectivity to make it easier for passengers and freight to be transported directly to and from key destinations in the North. The Commission has identified the actions that it believes are necessary to improve connectivity to support a

KPI 7. Through a balanced and weighted suite of measures, demonstrate how a step change in market intelligence of the North's international connectivity issues has been achieved and how that intelligence is integrated into the Strategic Transport Plan.

Financial Year 2017-2018



Financial Year 2017-2018



Sustainability Appraisal

Creating and sustaining transformational economic growth requires an environment where people want to live and work, in which the businesses of the future will want to invest and where individuals have access to opportunities including employment, education, healthcare and other services. All of the work that Transport for the North undertakes is considered in the context of a sustainability appraisal to ensure that the long term sustainability impacts of transport infrastructure investment are taken into account.

Throughout 2017, Transport for the North will be engaging with Partners and environmental and transport stakeholders to inform an Integrated Sustainability Appraisal. This will provide the framework which Transport for the North will use to review and challenge the objectives, policies and programmes throughout the development of the Strategic Transport Plan, including consideration of alternative strategic approaches.

The Integrated Sustainability Appraisal will be published alongside the formal statutory consultation on the Strategic Transport Plan in late 2017, accompanied by a Post-Adoption Statement in the year 2018-2019. This process will ensure that Transport for the North meets all legislative requirements in producing the Strategic Transport Plan, recognising that, as the first Sub-national Transport Body, we are leading the way in establishing the boundaries between roles and responsibilities for setting transport policies at a national, sub-national and local level.

Reducing greenhouse gas emissions, protecting air quality, enhancing transport choice, enabling access to opportunity and improving economic prosperity are some of the key considerations for the Integrated Sustainability Appraisal, Transport for the North, and the future of the country.

KPI 8.

Deliver a Sustainability Appraisal process that informs and adds value to the development of the Strategic Transport Plan. This work will inform the Major Roads Report, Integrated Rail Report and Strategic Transport Plan. This will be issued in draft for feedback in the first quarter of the financial year 2017-2018 and as a final report alongside the Strategic Transport Plan.

Integrated and Smart Travel

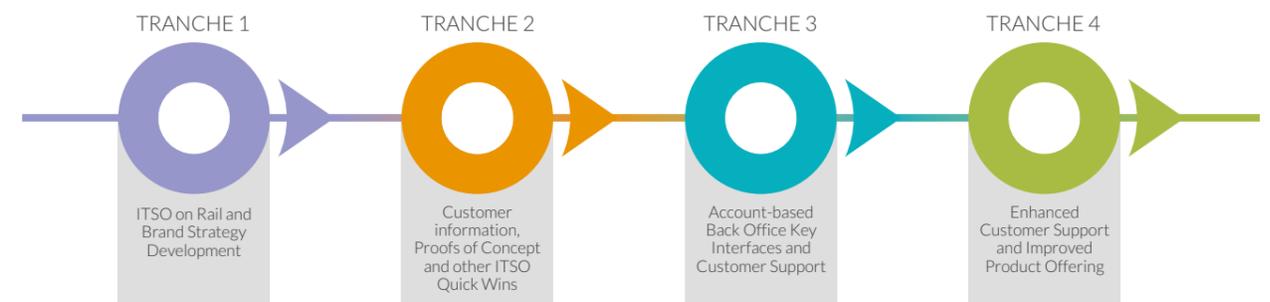
Transport for the North wants to significantly improve the customer experience on public transport. It has a vision for simplified fares, integrated ticketing and payments and improved passenger information.

Integrated and Smart Travel is Transport for the North's first programme funded by government, and will start to deliver tangible benefits for passengers prior to the end of this parliament. The programme is being delivered in four separate but related tranches as a means of managing the risk and complexity associated with the programme, meaning that customer products and benefits will be incrementally rolled out across the North. The objectives of this programme are to:

- Enable economic growth in the North;
- Improve customer experience;
- Increase operational efficiency across transport networks;
- Provide a consistent and familiar travel experience throughout the North.

The aim of the programme is to take the hassle out of public transport journeys in the North, for example by allowing someone to make a 'contactless payment' for their train travel, arrive in a northern town or city, and make a further contactless payment to take a tram or bus journey to their final destination. All of this will be possible with the confidence of a 'fair price promise' and real-time journey planning and journey management information available for passengers.

Implementation approach



The programme governance includes an Advisory Group of local transport authority partners to ensure the programme complements local initiatives whilst developing capabilities to be used across the north. It also includes a Stakeholder Board, comprising transport operators and customer and business representatives, to discuss alignment with operators' own investment programmes and a sustained focus on benefits to customers and the economy.

The programmes capabilities have been informed by the Advisory Group and Stakeholder Board, as well as customer insight work commissioned from Transport Focus. These show the benefits of addressing current barriers to travel arising from inconsistent and incomplete information and the complexity of fares structures, out-dated ticketing and payment systems.

Having submitted a Strategic Outline Business Case to the Department for Transport and HM Treasury in February 2016, funding was released to Transport for the North in July 2016 for the development of the Outline Business Case. An Outline Business Case for **Tranche 1, the implementation of 'Smart On Rail'** has been developed and submitted to the Department for Transport in December 2016, which would provide early benefits to rail passengers including the rollout of smart rail season tickets and, in some cases, carnets. This tranche complements the government's recently announced

national 'smart on rail' initiative and planning work undertaken by Transport for the North, facilitating early implementation.

Transport for the North has worked closely with Traveline Information Limited and the Department for Transport during 2016-2017 to ensure that the **Tranche 2 customer information enhancements** are deliverable, command industry support and accord with the provisions within the Bus Services Bill.

Partners have expressed a strong desire to speedily progress with the development of a Back Office to drive this programme and the plan includes sufficient progress of the commercial agreements to submit Outline Business Cases for **Tranche 3, Back Office Development, during 2017-2018.**

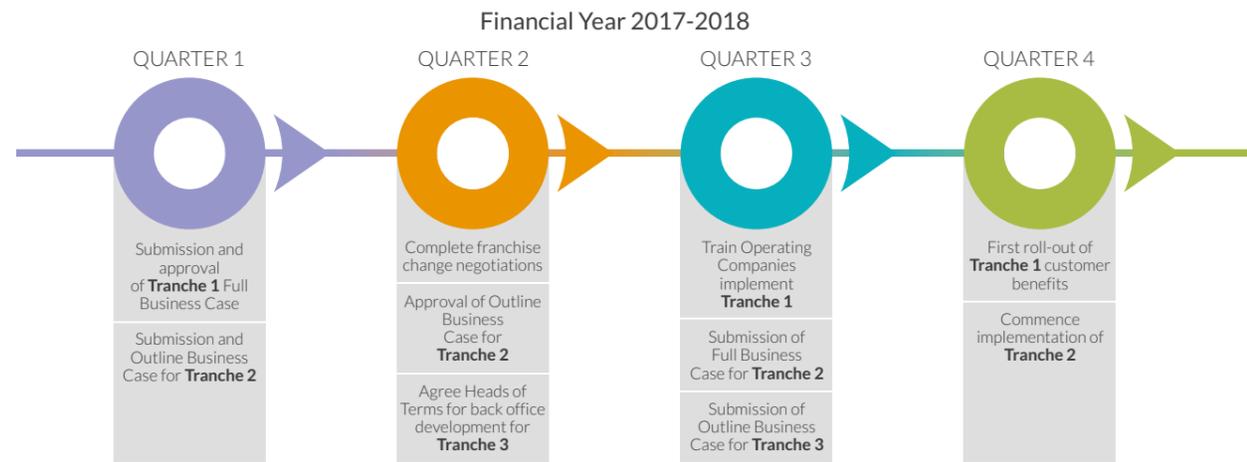
The wider risks and dependencies of the programme relate to the commercial agreements between partners and the ability of the market to supply the sophisticated back office to support the 'pay as you go with fair price promise' customer offer. There will also be a range of supplier engagement activities to understand the recent developments in supplier capabilities, with the intention of minimising the extent of bespoke back office development and benefitting from functionality developed for Transport for London and other major cities across the world.

In 2017-2018, Transport for the North will:

- Complete the design of an Integrated and Smart Travel service and associated blueprint, as well as defining an overall procurement and implementation strategy;
- Collaborating formally with the Department for Transport's national programme, commence the implementation of the 'Smart on Rail' Tranche 1 proposals by working with Rail North, Merseytravel, Merseyrail, Northern, Transpennine and the Rail Delivery Group's Rail Settlement Plan.
- Submit the Outline and Full Business Cases for Tranche 2 of the programme, to start to offer enhanced customer information services through the inclusion of bus fares in journey planners and consolidated efficient information about service disruptions. Tranche 2 also facilitates pan-northern collaboration in ITSO implementation (the development of open data and 'proof of concept' projects);

- Submit the Outline Business Case for Tranche 3 of the programme, comprising the back office for contactless bank card transit (and associated Heads of Terms) and associated capabilities, such as platform validators, ticketing scheme initiatives and framework contracts for use by smaller bus operators;
- Develop Tranche 4 of the programme, comprising fare simplification and, potentially, roll-out of concepts tested in Tranche 2; and
- Continue to promote the programme and secure buy-in from a wider range of stakeholders.

KPI 9. Achieve TfN's first pan-Northern operational travel solution, develop best practice for business case preparation and develop KPI and metrics frameworks in accordance with the Smart programme.



Rail North

Rail North Limited brings together Local Transport Authorities (LTAs) across the North of England into one cohesive and proactive body for the purposes of managing the two existing rail franchises in the north of England. It represents the regional and local economic, transport and strategic objectives for the rail industry. Closely aligned to Transport for the North's ambitions, Rail North's vision is:

"To create a world class railway for the whole of the North, recognised by passengers and businesses as serving their needs, that supports economic growth and is both more effective and more efficient."

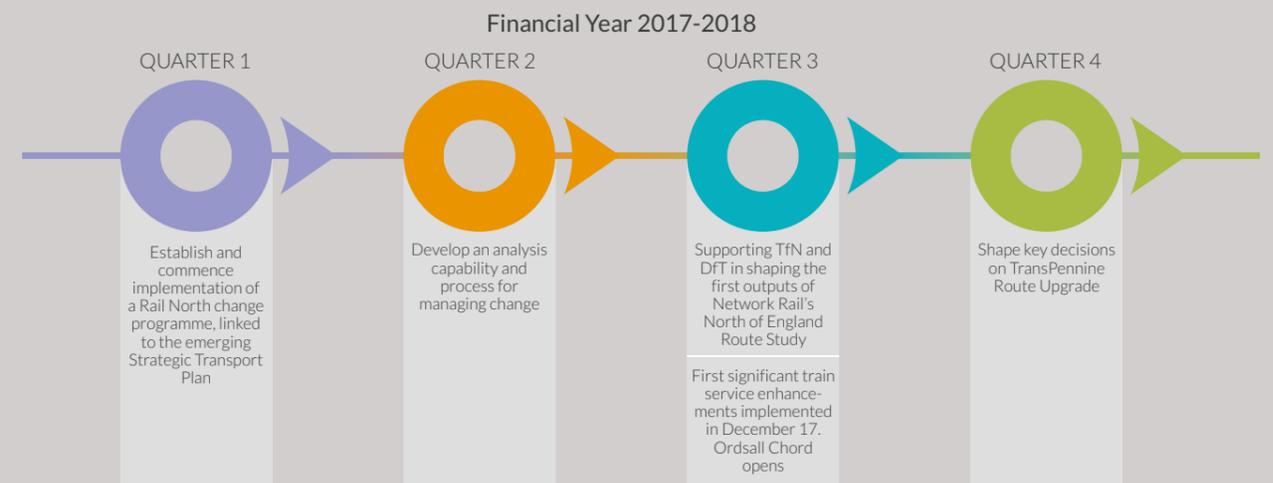
Rail North aims to provide an improved train service through enhanced infrastructure and radically improved rolling stock and to support the delivery of the full Great North Rail programme as part of a wider programme of transformational change.

When Transport for the North becomes a Sub-national Transport Body, Rail North will merge with the organisation. Both organisations are already working closely together towards a plan for further devolution of rail services.

Throughout 2017-2018, Rail North will:

- Continue to work with Transport for the North to make the case for rail investment in the North of England and to shape the Strategic Transport Plan;
- Influence the Office of Rail and Road's 2018 Periodic Review (PR18) for the benefit of the North of England;
- Shape the High Level Output Specification process in line with the Rail North Strategy;
- Work jointly with Transport for the North to steer the outputs of Network Rail's first North of England Route Study;
- Develop proposals and a business case for the next phase of rail devolution, localised 10 year plans owned by partners and an approach to possible re-openings of closed railway lines;
- Ensure franchise commitments are delivered, including contract changes to support Tranche 1 of the Integrated and Smart Ticketing programme, and develop improvement initiatives over and above contract requirements, for example improved performance;
- Establish a Rail North Change Programme and proactively manage it; and
- Develop rail data and evidence to support strategy and programmes including research around customer experience.

KPI 10. Through a balanced and weighted suite of measures, demonstrate how Rail North has influenced and developed the outputs and outcomes planned to be delivered in 2017-2018, and integrate these into the Strategic Transport Plan.



Resourcing and funding the programme

The efficient resourcing and funding of Transport for the North as it moves from being a new organisation through to full maturity will be fundamental to maintaining the support of its Partners and to the successful delivery of its shared vision and objectives.

Transport for the North's aim is to create an agile and influential organisation that brings together 'voices' from across the North into one single strategy. This will provide evidence-based advice on transport investment decisions that are capable of driving transformational economic growth.

As Transport for the North is not yet an established organisation, its staff are currently employed by Transport for Greater Manchester which, along with other Northern Partners including West Yorkshire Combined Authority, Sheffield City Region and Merseytravel, also procures goods and services on Transport for the North's behalf. This operates through a set of transitional arrangements that will remain in place until statutory status is achieved. The organisation's staff are based in offices in Manchester and Leeds. Agile working is encouraged, supported by innovative ways of working to help create a dynamic and flexible environment.

Throughout 2017-2018, Transport for the North will continue to work within the Partnership to embed and develop the co-decision making processes it is building with the Department for Transport, Highways England and Network Rail. Strengthening this existing collaboration will be vital as Transport for the North takes greater, direct responsibility for its work.

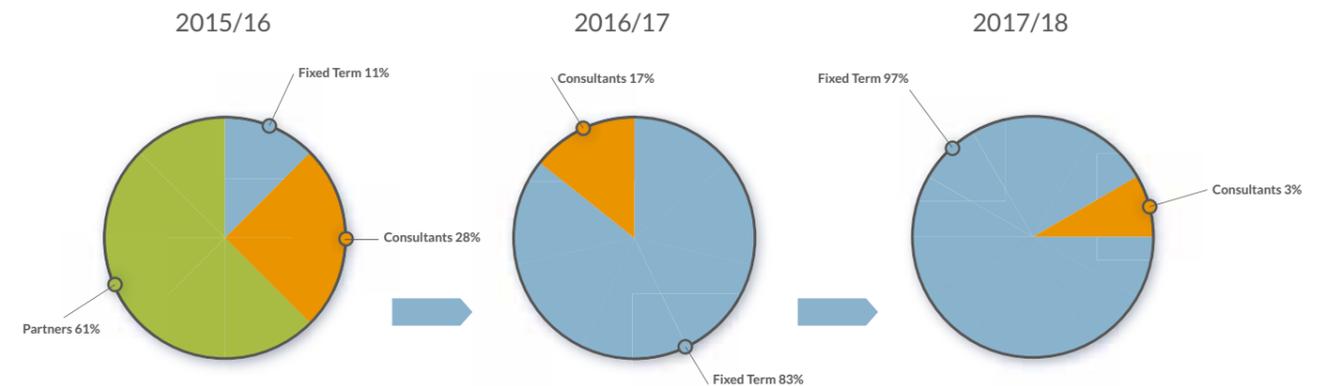
The table below outlines the projected makeup of Transport for the North's workforce for the year ahead. Established Posts are those over a two year period whilst Transition Posts are those of less than two years. The support of the Transition Posts ensures that Transport for the North can develop as an established, self-sufficient, high-performing organisation, prior to becoming a statutory body and beyond.

It is projected that Transport for the North's establishment will settle at up to 90 Full Time Equivalent funded posts through to 2020. Given that the organisation is still developing, as the programmes move through to various delivery stages there will be an ongoing requirement for short-term Transition Posts, to support agility and the need to bring in unique skill sets on a time limited basis.

Projected Establishment of Transport for the North 2017-2018:

	Established - Future-Proofed Posts- over Two years	Transition - Up to Two Year Fixed-Term Posts	Total
CEO/Chair	2 Posts (1.13 FTE)	-	2 Posts (1.13 FTE)
Support Services	14 Posts (14.00 FTE)	4 Posts (4.00 FTE)	18 Posts (18.00 FTE)
Programme Delivery.	67 Posts (66.00 FTE)	9 Posts (8.40 FTE)	76 Posts (52.90 FTE)
Apprenticeship Programme	-	4 Posts (4.00 FTE)	4 Posts (4.00 FTE)
Total	78 - 83 Posts (Up to 81.13 FTE)*	17 Posts (16.40 FTE)	100 Posts (Up to 97.53 FTE)*
Projected Net Increase	17 to 22 Posts*	4 Posts	21 to 26 Posts

*Does not include the Rail North Ltd team of 10 posts, funded via the Rail Grant, which will transfer to Transport for the North once it becomes a statutory body



The 2017/18 projected staffing increases are made up from:

- 4 posts through Transport for the North's new Apprenticeship Programme
- The introduction of a Customer and Performance Director
- An increase of between 6 and 10 posts within the Integrated and Smart Travel team, as it takes further steps to move away from reliance on external consultancy support
- An increase of 7 posts across the Strategic Road Network, Rail North and Northern Powerhouse Rail programmes to support the next phases of development in each of these programmes
- An increase of 3 posts within the Economic Framework and Analytical Programme in support of various other programmes across the business

As shown in the diagram above, the changing delivery composition of Transport for the North's workforce is part of its progression towards an established organisation. In the year 2015-2016, the organisation was predominantly resourced through its Partners. Throughout 2016-2017 this reliance on the goodwill of Partners has reduced with an increase in its directly employed workforce supported by external consultants. Looking ahead to 2017-2018, Transport for the North will further reduce its reliance on external consultant posts, increasing its directly employed workforce, offering better value for money.

KPI 11. Deliver our planned resource programme and implement the systems and processes that will support our status as a Sub-national Transport Body in 2017-2018. In accordance with KPI1, we will develop and progress our capabilities and ways of working to achieve the strategic aims of the Northern Transport Strategy and deliver of the Strategic Transport Plan and Investment Programme.

Financial framework

Transport for the North recognises the absolute requirement to deliver its programme of works efficiently and effectively. In line with the annual business planning cycle, a budget will be submitted outlining the expenditure required to achieve business plan objectives. The departmental business plans and associated expenditure will be challenged through review meetings with budget holders, finance and the Senior Management Team to ensure it delivers value for money and aligns with the timing of the strategic objectives and programme milestones.

On a monthly basis the actual expenditure variance versus the budget will be reported to the Executive Board, with appropriate risks and opportunities highlighted. A quarterly budget revision process will be undertaken to ensure any change in estimated costs or timings of programme milestones are visible and will therefore provide an up to date full year outturn figure, which will allow activity to be matched in-year with actual funding.

Within the financial framework, a scheme of delegation exists which allocates budgetary responsibility to certain roles within Transport for the North and details the levels of authority required to commit expenditure. Larger expenditure items need to be authorised by the Transport for the North Commissioning Board, made up of representatives from both northern Transport Authorities and the Department for Transport:

- If procurement for services or goods is over £100,000, even if included within the approved budget, authority is required from the Commissioning Board before the procurement can proceed.
- If a role is to be appointed and the salary is greater than £75,000, approval from the Commissioning Board is required, regardless of whether the role and cost is included within the approved budget.

Transport of the North's funding is provided by the Department for Transport. There will be quarterly review meetings to monitor and manage financial issues that arise during the financial year.

This is a fast moving programme and the exact profile of expenditure over the short to medium term will vary depending on a number of factors such as political imperatives, maturity of design solutions and the capacity of supply chain and partner organisations to deliver. This means that the future funding profile will also need to be regularly reviewed and adjusted through close working with the Department for Transport.

Delivering value for money

The procurement of goods (revenue or capital) and in particular services from external suppliers represents a major element of Transport for the North's expenditure. Failure to purchase these efficiently and effectively will put the objectives of the organisation at risk. The organisation aims to support the procurement of goods and services of the right quality, at the most cost effective price, in the most economic quantities whilst ensuring they are available when needed.

In order to ensure value for money, Transport for the North's procurement of goods and services will include competitive processes that are appropriate to the value and complexity of the procurement and minimise barriers for suppliers to participate in procurement exercises.

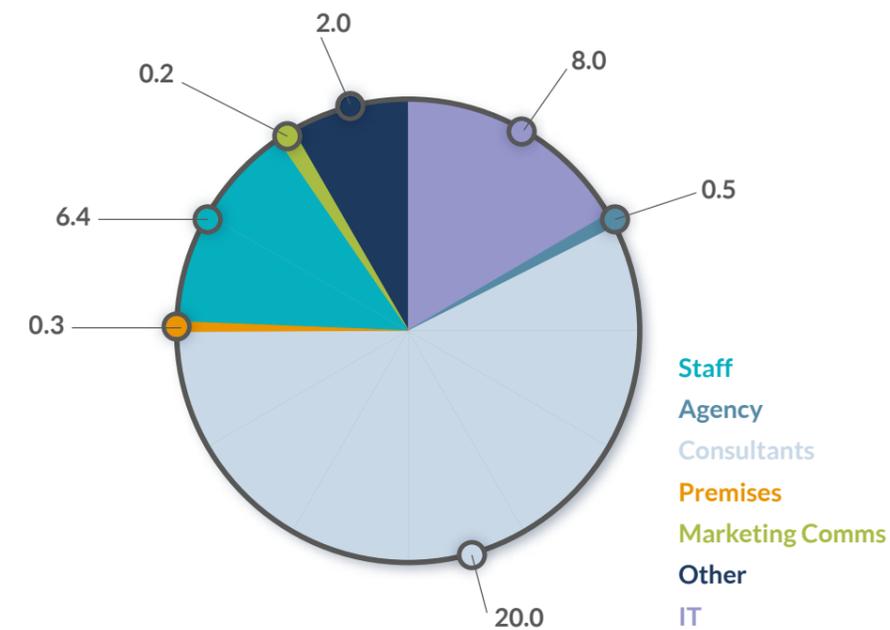
Consultancy commissions form a major expenditure category within this business plan. To ensure these commissions are delivering value for money, procurement activities will be centralised, where possible, and the standard and scope of works across Transport for the North will be challenged to ensure alignment with overall organisational objectives. The organisation has employed a Procurement Manager to help ensure that all procurements achieve these objectives and are compliant with associated Competition Law; Freedom of Information Act; EC Directives & UK Law relating to Public Procurement.

Expenditure

As outlined above, the expenditure commissioned by Transport for the North is completed within a financial framework, the table below summarises expenditure by programme/workstream. Please note that these expenditure plans are currently being discussed with DfT and the Accountable Body.

Programme	2017/18 £m
Rail - Northern Powerhouse Rail	13.0
Rail North	0.6
Smart	6.6
Highways	0.6
Strategy (inc. Freight & International Connectivity)	3.2
Communication / Stakeholder Management	1.0
Core (CEO, HR, Finance, PMO)	4.4
Revenue Total	29.4
Smart Capital	7.0
Total	36.4

2017/18 Expenditure by type £m



The chart highlights that External Suppliers are the largest area of expenditure for 2017/18. These include major commissions for Network Rail of c£11m and Business Case support for Smart and Integrated Travel of c£4m. The management of External Supplier contracts, in terms of deliverables, will be a key focus for TfN in 2017/18 and as outlined above, the processes and assurance embedded within the Financial Framework aim to ensure value for money is delivered.

The key cost drivers across Transport for the North are as follows:

Core Functions

- Communication activities that will shape Transport for the North's narrative, provide consistency in messages and provide a framework for effective stakeholder engagement allowing the organisation to efficiently raise awareness of the organisation's purpose and the potential economic benefits for the North and UK as a whole
- Resources to support core capabilities and programmes across the organisation in human resources, finance, project management services, legal and information technology, using specialist technical advice when required, whilst ensuring a sustainable fixed cost base is maintained

Major Roads

- Work to support the progression of the Strategic Plan, mainly using Transport for the North resource with some support from external consultants

Integrated Rail

- Northern Powerhouse Rail contract award for Sequence 3 delivery to Network Rail. estimated at c£11m
- Business and modelling work to support the delivery of Northern Powerhouse Rail Sequence 3 work
- Programme management costs to deliver Northern Powerhouse Rail aspirations
- Resource to deliver the Rail North strategic requirements and outputs

Integrated and Smart Travel

- The purchase of hardware and back office systems for the delivery of Smart Ticketing in the North such as vending machines, licences, and the provision of digital information
- Consultancy costs for the business case submission and support of the roll out of Smart Ticketing
- Resource to deliver the implementation and ongoing operations of Smart Ticketing

Strategy/Modelling

- Resource costs to define, appraise, set and implement the strategic objectives of Transport for the North. Within this area there are various appraisal, modelling and option analysis commissions that will support the core Strategy and Modelling teams

Risks and challenges

Transport for the North is developing risk management processes by which it methodically addresses the risks attached to its activities with the goal of achieving sustained benefits within each programme across Transport for the North. The process adopts industry best practice in creating a risk management framework wherein risks are identified, analysed, evaluated and mitigation plans put into place and monitored on an ongoing basis. This will be embedded in the organisation in 2017-2018.

KPI 12.

Implement a risk management framework that achieves risk avoidance, minimisation and mitigation for our programmes, organisation and supports the delivery of Transport for the North's strategic objectives.

Funding

Transport for the North is funded from a number of sources; the table below outlines the total amount of funding currently allocated to Transport for the North for the financial years 2017-2018, 2018-2019 and 2019-2020.

Department for Transport core funding

Transport for the North has currently been allocated £50m of core funding over five years which is not ring-fenced and thus allows Transport for the North some flexibility as to how this money is spent.

	Funding Profile				
	Core	TDF - Rail	TDF - Roads	Smart	Total
	£m	£m	£m	£m	£m
2017/18	10.0	15.0	0.2	-	25.2
2018/19	10.0	20.0	-	45.0	75.0
2019/20	10.0	20.0	-	60.0	90.0
Total Funding	30.0	55.0	0.2	105.0	190.2

Integrated and Smart Travel

The drawdown of Smart funding will be dependent on approvals through normal business case processes. The funding profile included in the table above represents TfN's best estimate of the funding profile required to deliver the Smart outputs over the forecast period.

Measuring success

To measure Transport for the North's success, it will use three levels of KPIs:

Transport Development Fund (TDF) - Northern Powerhouse Rail

To date, the government has allocated a total of £60m to Northern Powerhouse Rail. This funding allocation is ring fenced and cannot be used to support other, non-Northern Powerhouse Rail activity.

Transport Development Fund (TDF) - roads

The initial TDF allocation for three Strategic Road Studies in the North (Manchester NW Quadrant, Trans Pennine Road Tunnel and A66/A69) was £75m through to the end of this Parliament to cover the examination of key strategic questions and the development of leading options. This funding has been managed principally by DfT and HE, although TfN has managed a £400k Wider Connectivity and Impact Assessment in relation to the Trans Pennine Tunnel. The strategic questions for two of the studies have now been substantially answered; a third is subject to further investigation. The focus of work will now be increasingly on the design of road projects capable of delivering the proposed results, the ongoing activity being funded from the HE budget.

- **Strategic KPIs:** that will report the impact that the delivery of Transport for the North's vision and strategic objectives is having on the northern economy
- **Organisation Performance KPIs:** that focus on the performance of Transport for the North as a Sub-national Transport Body
- **Programme KPIs:** that measure delivery performance of Transport for the North's chosen programmes and projects

KPI 13.

Track our planned expenditure and the value for money that this is delivering against our strategic objectives, ensuring we have the right governance, controls and measures in place for status as a Sub-national Transport Body.



Health and safety

Whilst Transport for the North is not yet in a position to commission major infrastructure projects, this is part of the organisation's long-term ambition. Health and safety in the work place, and in the delivery of any major projects associated with Transport for the North in the future, is integral to the organisation's planning.

Transport for Greater Manchester currently acts as the host employer for Transport for the North and so the organisation currently adheres to its health and safety policies and procedures. Throughout 2017-2018, and as Transport for the North prepares to become a statutory organisation, it will need to develop independent policies and procedures for the workplace. This will ensure it meets legal requirements for health and safety with robust arrangements for its workforce and others affected by its actions.

KPI 14.

Through the finalised risk management process, outline the health & safety standards, strategic indicators and metrics that will be used to manage the business, programmes and projects.



Forward look

Transport for the North has a clear vision to improve connectivity in the North of England to drive and sustain transformational economic growth.

This Business Plan builds on the organisation's substantial achievements and progress to date, setting out a clear plan of the work that will be undertaken in the coming year. The organisation is becoming established and is ready to lead the way as the first Sub-national Transport Body in England. Collaborative partnership will remain at the core of Transport for the North's work and it will continue to develop ever stronger relationships with its Partners and wider stakeholders from the public and private sectors. This is the only way to ensure that this vision can become a reality.

Transport for the North's overarching vision is supported by short, medium and longer-term planning with clear objectives for delivery in the next year. This provides a golden thread for the work that is undertaken at an organisational, departmental and individual level. Progress over the next year, at all of these levels, will be measured against the objectives outlined in this Business Plan.

The findings of the Northern Powerhouse Independent Economic Review, along with the government's Industrial Strategy and Northern Powerhouse Strategy, have set out the need to support the growth of businesses and trade across the North, as well as the North's world-

leading sectors. Achieving transformational economic growth in the North will require investment and improved performance in a number of critical areas, especially skills, innovation and inward investment, alongside transport infrastructure and services.

The aim of Transport for the North, with Partners and through its programmes of work, will remain to make sure that the opportunity to add £97bn to the North's GVA and the potential to create up to 850,000 jobs by 2050 is seized. Transport for the North will continue to play a key role in making the case for developing the strategic transport network needed to support transformational economic growth, making a more significant contribution to the UK economy through higher productivity at the same time as increasing job opportunities, as part of a wider agenda. This will require the delivery of a sustained and visionary investment programme across the North to build infrastructure, strengthen skills, harness innovation, and encourage smart technology.

KPI 15.

Develop and implement a stakeholder engagement strategy and plan that supports better ways of working with partners, local business and National Transport Bodies.



Key Performance Indicators (KPIs)

Measuring success	KPI 1	Develop a framework of strategic and organisational KPIs. The framework will including data capture and evaluation processes, which capture Transport for the North's ambitions of improving journey times, resilience, flows, user experience and sustainability and ensure we have the capabilities to deliver.
Economic framework and analytical programme	KPI 2	Development of an evidence based economic evaluation framework. This framework will link transport priorities identified in the Strategic Transport Plan to achieving the transformational growth set out in the Northern Powerhouse Independent Economic Review. The evaluation framework must also supports the development of robust business cases for investment in the North. A draft will be issued for feedback by the end of the first quarter of the financial year 2017-2018.
Strategic Transport Plan	KPI 3	Deliver a Strategic Transport Plan and Investment Programme that enables and drives transformational growth with One Voice. This will be issued in the fourth quarter of the financial year 2017-2018 for statutory consultation.
Major Roads Report	KPI 4	Produce a Major Roads Report that informs and fully integrates with the Strategic Transport Plan, Integrated Rail Report, International Connectivity Report and Freight & Logistics Analysis by demonstrating how improved road connectivity will drive growth by improving the movement of people and goods. This will be issued as an initial draft in the first quarter of the financial year 2017-2018 and a final report will be issued alongside the Strategic Transport Plan.
Integrated Rail Report	KPI 5	Produce an Integrated Rail Report that informs and fully integrates with the Strategic Transport Plan, Major Road Report and Freight & Logistics Analysis by demonstrating how improved rail connectivity will drive growth by improving the movement of people and goods. This will be issued as an initial draft in the first quarter of the financial year 2017-2018 and a final report will be issued alongside the Strategic Transport Plan.
Freight and Logistics	KPI 6	Produce a Freight & Logistics Analysis to inform the Strategic Transport Plan and Investment Programme, the Major Road Report, Integrated Rail Report and International Connectivity agenda to drive and facilitate growth of goods distributed into, within, and out of the North. This work will inform the Major Roads Report, Integrated Rail Report and Strategic Transport Plan.
International Connectivity	KPI 7	Through a balanced and weighted suite of measures, demonstrate how a step change in market intelligence of the North's international connectivity issues as been achieved and how that intelligence is integrated into the Strategic Transport Plan.
Sustainability Appraisal	KPI 8	Deliver a Sustainability Appraisal process that supports and enhances the Economic Framework and analytical functions and has informed the development of the Strategic Transport Plan. This will be issued in draft for feedback in the first quarter of the financial year 2017-2018 and as a final report alongside the Strategic Transport Plan.
Integrated and Smart Travel	KPI 9	Achieve TfN's first pan-Northern operational travel solution, develop best practice for business case preparation and develop KPI and metrics frameworks in accordance with the Smart programme.
Rail North	KPI 10	Through a balanced and weighted suite of measures, demonstrate how Rail North has influenced and developed the outputs and outcomes planned to be delivered in 2017/18, and integrate these into the Strategic Transport Plan.
Resourcing and funding the programme	KPI 11	Deliver planned resource programme and implement the systems and processes that will support status as a Sub-national Transport Body in 2017/18. In accordance with KPI1, we will develop and progress the organisation's capabilities and ways of working to achieve the strategic aims of the Northern Transport Strategy and deliver of the Strategic Transport Plan and Investment Programme.
Risks and challenges	KPI 12	Implement a risk management framework that achieves risk avoidance, minimisation and mitigation for Transport for the North's programmes, organisation and supports the delivery of strategic objectives.
Expenditure	KPI 13	Track planned expenditure and the value for money that this is delivering against our strategic objectives, ensuring we have the right governance, controls and measures in place for status as a Sub-national Transport Body.
Health and safety	KPI 14	Through the finalised risk management process, outline the health & safety standards, strategic indicators and metrics that will be used to manage the business, programmes and projects.
Forward look	KPI 15	Develop and implement a stakeholder engagement strategy and plan that supports better ways of working with partners, local business and National Transport Bodies





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 TRANSPORT FOR THE
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Driving economic growth in the **North**

