



Quarterly Operating Report

January – March 2025



1 Chief Executive's Introduction

- 1.1 The latter part of the 2024/25 financial year has seen the work of TfN continue to evolve to ensure that it reflects the priorities of the TfN Board, and the Government elected on 4th July 2024.
- 1.2 Building on the steer provided by the TfN Board at its December meeting the 2025/26 Business Plan was prepared with input from officers of the constituent authorities. Confirmation of the level of funding from the Department for Transport (DfT) in February allowed the Business Plan to be finalised for consideration by the Board at its March meeting.
- 1.3 The level of funding confirmed for 2025/26 was in line with the planning assumptions used to shape the early stages of business planning, allowing the priorities identified by the Board in December to be included.
- 1.4 The priorities of the new Government meant that a number of activities planned for 2024/25 (and included in the milestones associated with the Business Plan) were either reshaped or deferred following discussions with the TfN Board: where necessary this is picked up in the supporting commentary.
- 1.5 Throughout the year the TfN executive has continually sought to reduce overheads to maximise the funding for work that is targeted in support of the constituent authorities and other partners.
- 1.6 This focus has in turn helped ensure the programme of commissioned work from the DfT in support of Northern Powerhouse Rail (including work on the business case for Bradford Station) has been delivered to time and to budget.
- 1.7 Alongside work to develop the Business Plan for 2025/26, a key focus for this quarter has been the development of the submission to the Spending Review.
- 1.8 The evidence base underpinning the Strategic Transport Plan (STP), including the updated Northern Powerhouse Independent Economic Review, serves to identify the scale of the prize to be secured by the UK from realising the potential of the North – an additional £118bn GVA per annum.
- 1.9 Making the case for additional investment across the North to improve connectivity between our great cities and towns is central to realising this potential and we continues to work with our constituent authorities to make the case across Whitehall. Our submission to the Spending Review was agreed following the March TfN Board and submitted to the Government for its consideration.
- 1.10 The STP sets out how the limitations of the current Green Book have often served to make the case for additional investment more challenging than it should be. In this quarter we presented the outcomes of our initial work reviewing the Green Book to the TfN Board and following their endorsement, this has been shared with the Chancellor of the Exchequer

as an input into the Treasury's review of the Green Book. This has led to an invitation to meet with Treasury officials.

- 1.11 Meanwhile work on the Northern Appraisal Playbook continues with a view to publishing shortly after the May local/Mayoral elections. Given the importance of Green Book review to all constituent authorities the 2025/26 Business Plan allocates resources to take the next phases of work forward.
- 1.12 On a related issue, we continue to strengthen our relationship with the North's port sector as part of our commitment to improve connectivity for the freight and logistics sector. The foundations laid in this quarter will be built on during 2025/26 with the identification of an investment pipeline that will support expansion of the role of rail as part of the freight and logistics sector.
- 1.13 The Rail North Committee (RNC) has continued to prioritise improving accessibility to the rail system as a focus for its attention, a reflection of the critical importance of addressing inequalities within our transport system that disadvantage some of the most vulnerable within our communities.
- 1.14 The RNC has also spent considerable time holding the leadership of Northern Trains (Northern) to account in order to ensure its Performance Improvement Programme results in material changes that benefit the user. At the same time, the Committee has supported the work of Northern to implement the changes required to enable a seven-day railway, although on this there remains significant work to be done. Fundamentally the Committee has been clear that the goal long-term must be to deliver the rail services the North requires and expects.
- 1.15 The success of the Yorkshire Dales Explorer service – which won silver at the Community Rail Awards – shows the importance of rail services in supporting the rural and visitor economy and the scope for growth in that regard.
- 1.16 Feedback from our constituent authorities consistently highlights the extent to which the expansion of the TfN Offer has been supported and appreciated. Demand for the TfN Offer continues to grow as awareness amongst our partners increases: at a time when public finances remain under severe pressure the savings realised by using the TfN Offer (now in excess of £650k) are increasingly important.
- 1.17 In agreeing the 2025/26 Business Plan the TfN Board identified the need to reflect further on our evolution: devolution has changed the external environment within which we operate, and it is essential that our work continues to evolve in order to ensure that activities add value to and complement the work of the Mayoral Combined Authorities (MCAs), County Combined Authorities (CCAs) and Local Transport Authorities (LTAs). This will be the focus for a discussion with the TfN Board in the first half of 2025/26 in order to then provide the framework for work to develop the draft Business Plan for 2026/27 and beyond.

2 Progress against Business Plan Key Milestones: RAG key:

R	Failed to meet target date – internal factors
A	Failed to meet target date – external factors
G	Met target date

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

A

- 2.1 Following the outcome of the July 2024 General Election, and the inclusion of a Better Buses Bill in the King's Speech, the TfN Board concluded that there was no need for us to develop our own statutory advice in support of improvements to local bus services.
- 2.2 Feedback from our constituent authorities has welcomed the TfN Bus Forum as a mechanism for sharing information and best practice across authorities in the North. As part of the support provided to constituent authorities through the TfN Offer, we procured access to a bus network planning tool on their collective behalf for a trial period.
- 2.3 Drawing on feedback from our constituent authorities and using insight from our evidence base (e.g. Transport Related Social Exclusion report), we made a submission to the Transport Select Committee inquiry on 'Buses connecting communities' in January 2025.

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

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- 2.4 Progress against this milestone has been influenced by the pace of rail reform nationally.
- 2.5 In February 2025 the Government published its consultation document 'A railway fit for the future'. The TfN executive worked with our constituent authorities to prepare a response to the consultation that reflected the ambition of those authorities, building on the current level of rail devolution in the North. This will provide the basis for further input into the rail reform process moving forward.
- 2.6 In addition, the TfN executive continues to work closely with our constituent authorities to identify how our current role needs to evolve to enable that envisaged for the MCAs moving forward.

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

G

- 2.7 The importance of improving accessibility remains a key priority for the RNC, with it the first substantive item at each meeting.
- 2.8 The Accessibility Task and Finish Member Working Group has help drive forward the Committee's work on this key issue, overseeing the development of the evidence base, and agreeing a framework that can be used to assist in the prioritisation of investment opportunities.

- 2.9 In the meantime, we have worked with Northern and Transpennine Trains (TPT), via RNP, to secure the inclusion of some “quick win” accessibility works in the operators’ annual business plans.
- 2.10 We continue to work with officers from the MCAs, CCAs and LTAs to ensure that our partners have access to the accumulated evidence base held within the TfN executive.

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

A

- 2.11 Phase 1 of the Northern Appraisal Playbook workstream was shared with the TfN Board in March 2025. A key output was a practical ‘hints and tips’ document, highlighting those areas where it is possible to make greater use of flexibilities that already exist within the Green Book, and where our partners already have access to the tools and data that allows them to do this. The Playbook itself is scheduled to be launched shortly after the local/Mayoral elections held on 1st May 2025.
- 2.12 Potential areas for further research were also presented to the March TfN Board, including the proposal to work with a small number of constituent authorities on live business cases as opportunities to apply the findings of our work to date. This is a priority for resources in the 2025/26 Business Plan.
- 2.13 In March 2025 we convened a roundtable in partnership with the Independent Transport Commission (ITC) that brought together academic and industry experts for a discussion on the use of ‘Value of Time’ in appraisal. This identified further opportunities for research that will be picked up as part of the 2025/26 Business Plan.
- 2.14 The March TfN Board agreed to submit a letter to Chancellor of the Exchequer that set out the areas of appraisal where our evidence indicated there is a need for more fundamental changes to the Green Book approach. The letter set out how we would use our convening powers to reinforce the need for change using examples from our constituent authorities.
- 2.15 A key focus for implementation of the STP is the critical importance of investing in the North’s transport system to improve connectivity for the freight and logistics sector.
- 2.16 As part of the agreed freight and logistics work programme we continue to strengthen our relationships with the major port groups in the North. The priorities of the ports will feed directly into our ‘Rail Freight Investment Plan’ and we continue to scope a future workstream regarding how we make best use of our Northern ports to unlock economic growth in the North.

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

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- 2.17 As previously reported, the TfN executive has undertaken some preliminary work with our constituent authorities to identify potential additions to the Major Road Network (MRN) programme. Further work remains paused until the Government issues information and guidance

on future funding to support delivery of large (e.g. £10m - £100m) investments on local roads, including major structural repairs.

- 2.18 In the last quarter, Leeds City Council received confirmation of £35m funding for the MRN scheme to improve Dawson's Corner and complete maintenance improvements on Stanningley bypass. Four schemes recommended by us in the first MRN programme have now received confirmation of funding for construction: a total of £128m.

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

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- 2.19 During 2024 the TfN executive worked with our constituent authorities to identify investment proposals of pan-regional significance: this formed an input into the development of our Spending Review submission.
- 2.20 The March TfN Board considered the draft submission. Following comments and further input from the constituent authorities, the submission was sent to the Chancellor of the Exchequer, copied to the Deputy Prime Minister and Secretary of State for Transport. Focusing on issues of pan-regional significance and shaped by the outcomes identified in the adopted STP, it complements the individual submissions of our MCAs, CCAs and LTAs.

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

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- 2.21 We are commissioned by DfT to undertake technical work in support of the Northern Powerhouse Rail (NPR) programme: this work is in addition to our core activities and is undertaken by the TAME team to a work programme set by the DfT.
- 2.22 The value of this work amounts to £5.7m in total: it has been delivered to time and to budget.
- 2.23 As part of the programme of work we have completed work on the Strategic Outline Business Case for Bradford Station, and are in the early stages of evidence production for the next phase of the Business Case.
- 2.24 Work has continued on improving the quality of the rail modelling system underpinning the analysis in support of NPR. This has culminated in a new interim version of the model being released for further NPR corridor testing.
- 2.25 Work has continued to update key components of the Analytical Framework including the completion of a new Land Use and Transport Interaction (LUTI) model database and commencing final model testing. The model will be used on NPR corridor testing to forecast land use and Level 3 benefit impacts of the scheme.

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

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- 2.26 Following the steer provided by Executive Board the focus for this area of work was switched to a 'stocktake' on progress to date, rather than a full revision of the original decarbonisation strategy.
- 2.27 In February, a draft of the Stocktake document, along with the accompanying Action Plan, was submitted for expert review by specialists in transport decarbonisation and fair transitions at the University of Leeds. The documents are currently being updated in light of that review.
- 2.28 The main findings from the stocktake, along with the Action Plan covering our proposed activities in the area of decarbonisation and climate change resilience, will be taken to Executive Board in July.
- 2.29 Our Carbon Assessment Playbook was successfully launched in January 2025 through two online webinar sessions. The sessions were attended by more than 100.

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

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- 2.30 We have continued to engage with the Office for Zero Emission Vehicles (OZEV) and DfT on the implementation of recommendations in the Electric Vehicle (EV) State of Play report. We also provided evidence to the [Public Accounts Committee](#) inquiry on the Government's strategy for public charging for electric vehicles.
- 2.31 We continue to tailor and deliver the EV Charging Infrastructure Framework to equip constituent authorities, local partners and stakeholders with evidence that supports activities across the region. New enhancements to the framework released in December have seen significant uptake via the TfN Offer. Since August 2024, the tool has received around 4,500 self-service visits (48% new users; 52% returning users).
- 2.32 We have initiated a short project, working in collaboration with Northern electricity partners, to explore future opportunities to improve systems planning, application of data and investment decision making. This will shape any future TfN activity, in particular our engagement with new Regional Energy Systems Plans (RESs).

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

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- 2.33 Demand for the TfN Offer continues to grow, and its scope is constantly evolving as additional tools and capabilities are becoming available. Within the last 12 months (April 2024 – March 2025) we received 88 requests, with 84 completed.
- 2.34 A key success factor associated with the TfN Offer is the extent to which its use by constituent authorities (and others) realises savings to public bodies: the most recent estimate is that savings realised to date

amount to over £650k. Future monitoring of the use of the TfN Offer will enable greater insight as to the value to constituent authorities, as well as help shape further development of the TfN Offer.

- 2.35 The TfN Offer brochure has been refreshed to include our full menu of bronze level self-service products and is available for partners on request, via email. An online version of the brochure will be developed in the new financial year.

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

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- 2.36 Our updated Transport Related Social Exclusion (TRSE) evidence and data tool will be released following the pre-election period for local/Mayoral elections. This new evidence will underpin the 'Investing in Social Inclusion' programme of partner support during 2025-2026 which will bring together data, research, policy support for partners' strategies, plans, schemes, and business cases.
- 2.37 We have continued to deliver a series of research exercises with our Northern Transport Voices (NTV) citizens panel. Earlier work exploring transport user attitudes to rural mobility hubs was published in January 2025. This quarter we also launched new NTV research projects, including on attitudes to road safety, linked to our Vision Zero ambitions, and user research on rail passenger service specification, providing new evidence for RNP. We are currently finalising the scope of proposed NTV activity for 2025/26.
- 2.38 During Q4 we completed our review of the vulnerability of the North's MRN and Heavy Rail Network to a number of different climate hazards. Mapping and underlying data is now available for partners on request: we intend to automate the vulnerability assessment for local road application during 2025/26. The full report will be published following review by Executive Board in July 2025.
- 2.39 TfN's 'Consolidation Centre Handbook' was completed at the end of March 2025 and is based upon extensive consultation with both users and freight operators. The handbook is intended to fill a knowledge gap and will provide information to support our partners in determining appropriate solutions for their local geographies.

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

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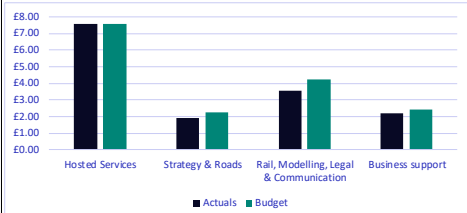

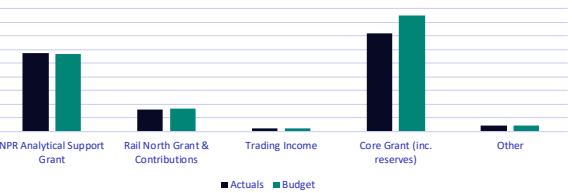
- 2.40 Our Spending Review submission, discussed with the Board in March, reflects the key priorities for the North's strategic road and rail networks. It was submitted to the Chancellor of the Exchequer, the Deputy Prime Minister and the Secretary of State for Transport.
- 2.41 The submission will be published on our website following the May local/Mayoral elections and will be shared the North's MPs ahead of the Spending Review outcome, expected to be in the first half of June.

Rail North Partnership (RNP)

- 2.42 The RNP executive are TfN employees, charged by DfT and TfN with overseeing the implementation of the Northern and TPT contracts on behalf of us and DfT.
- 2.43 RNP has completed the Northern and TPT 2025/26 annual business planning round. Engagement with constituent authorities and other stakeholders has been extensive throughout. A key particular focus this year has been the need for the operator business plans to better reflect the ambition of MCAs, CCAs and LTAs set out in their Local Transport Plans.
- 2.44 RNP has also continued to work with Northern and DfT, as well as key stakeholders (including the RNC) on Northern's Performance Improvement Programme (following RNP issuing it with a breach of contract notice in July 2024) and Northern's Passenger Assistance Improvement Plan (required by the Office of Rail and Road). Negotiations between Northern and its trade unions have progressed, and Northern has engaged extensively with its staff on how to establish the flexible workforce needed to deliver a reliable seven-day railway.
- 2.45 RNP has continued work on its outline passenger service specification project to develop a 10-year specification for Northern and TPT, built around stakeholder strategic transport plans overlaying passenger demand and budgets.
- 2.46 TPT has achieved the required driver training to deliver 3 trains per hour across the TransPennine Route upgrade (TRU) diversionary routes from May 2025.
- 2.47 In January, Northern issued its invitation to negotiate to rolling stock manufacturers who are invited to begin negotiations for supplying up to 450 new trains, to be introduced on a phased basis. It is expected the contract will be awarded in 2026, with the first trains delivered to Northern by 2030. This follows TPT's invitation to five manufacturers to put forward proposals for 29 new trains for the TransPennine route once upgraded.
- 2.48 The Yorkshire Dales Explorer service, launched by RNP and its partners in April 2024, won silver in the tourism category of the 2025 Community Rail Awards in Newcastle in March. Judges were particularly impressed with the effective partnership working across rail, bus, tourism and local government.
- 2.49 Looking ahead, RNP will be focused on:
- Continuing to work with operators and stakeholders on delivering Northern and TPT's business plans, Northern's Performance Improvement Programme and Northern's Passenger Assistance improvement Plan
 - Continuing the outline passenger service specification project with ongoing stakeholder conversations
 - Supporting Northern's procurement of replacement rolling stock for the oldest diesel trains in its fleet with a combination of new electric, battery-electric and multi-mode trains

- Working with partners to further develop the Yorkshire Dales Explorer offer, including working with bus operators to provide improved local bus connectivity to nearby attractions and with Yorkshire Dales National Park, local business groups on offers/discounts with local accommodation, food and drink and leisure providers.

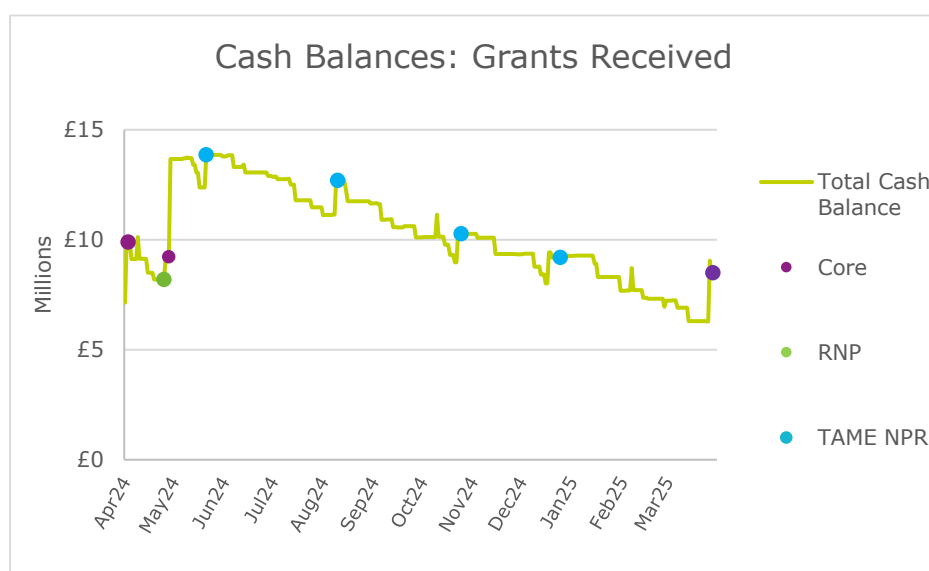
3 People and Finance

TRANSPORT FOR THE NORTH					PERIOD	Q4	2024/25			
FINANCE DASHBOARD					BUDGET CYCLE		BASE BUDGET			
YTD ACTUALS VERSUS BUDGET - BY ACTIVITY										
	Actuals £m	Budget £m	Var. £m	Var. %						
Hosted services										
DfT Analytical Support	£5.75	£5.70	-£0.05	-1%						
Rail North Partnership	£1.84	£1.87	£0.03	2%						
	£7.60	£7.57	-£0.02	0%						
Operational areas										
Strategy & Roads	£1.92	£2.23	£0.32	14%						
Rail, Modelling, Legal & Communication	£3.55	£4.22	£0.68	16%						
	£5.47	£6.46	£0.99	15%						
Business support										
	£2.19	£2.43	£0.24	10%						
	£15.25	£16.46	£1.21	7%						
YTD OPERATIONAL & BUSINESS SUPPORT EXPENDITURE - BY COST TYPE										
Actuals	Actuals £m	Budget £m	Var. £m	Var. %						
										
Staff	£5.46	£5.98	£0.52	9%						
Staff support	£0.23	£0.27	£0.04	16%						
Business infrastructure	£0.75	£0.79	£0.05	6%						
Professional services	£0.82	£1.38	£0.56	41%						
VAT	£0.40	£0.46	£0.06	13%						
	£7.65	£8.89	£1.23	14%						
YTD ACTUALS VERSUS BUDGET - BY FUND										
	Actuals £m	Budget £m	Var. £m	Var. %						
Hosted Services										
NPR Analytical Support Grant	£5.75	£5.70	-£0.05	-1%						
Rail North Grant & Contribution	£1.60	£1.65	£0.04	3%						
Trading Income	£0.24	£0.23	-£0.01	-5%						
	£7.60	£7.57	-£0.02	0%						
Operational Areas & Backoff										
Core Grant (inc. reserves)	£7.20	£8.48	£1.28	15%						
Other	£0.46	£0.41	-£0.05	-12%						
	£7.65	£8.89	£1.23	14%						
	£15.25	£16.46	£1.21	7%						
HR DASHBOARD										
Establishment										
Permanent/Fixed Term Posts	Permanent (< 2 Years)	Fixed-Term (< 2 Years)	Total Posts	HR KPI's - Year to Date						
Hosted services				Corporate Sickness Level: 4.1%						
DfT Analytical Support	26 (25.90 FTE)	-	26 (25.90 FTE)	Employee Turnover: 8.8%						
Rail North Partnership	18 (17.80 FTE)	3 (3.00 FTE)	21 (20.80 FTE)	% of Employees from an Ethnic Minority Background: 17.0%						
	44 (43.90 FTE)	3 (3.00 FTE)	47 (46.70 FTE)	% Employees declaring a Disability: 18.0%						
Operational areas				Gender Mix - % of Female Employees: 39.0%						
Strategy and Roads	19 (18.92 FTE)	-	19 (18.92 FTE)	Gender Mix - % of Male Employees: 61.0%						
Rail, Modelling, Legal & Comms	36 (35.86 FTE)	-	36 (35.86 FTE)							
	55 (54.78 FTE)	-	55 (54.78 FTE)							
Business support	16 (16.00 FTE)	-	16 (16.00 FTE)							
Total Establishment	115 (114.48 FTE)	3 (3.00 FTE)	118 (117.48 FTE)							
Strength (In Post)	104 (103.48 FTE)	3 (3.00 FTE)	107 (106.48 FTE)							
Appointed (Start Date Pending)	-	-	-							
Pending/Active Recruitment	2 (2.00 FTE)	-	2 (2.00 FTE)							
Vacant - On-hold	9 (9.00 FTE)	-	9 (9.00 FTE)							

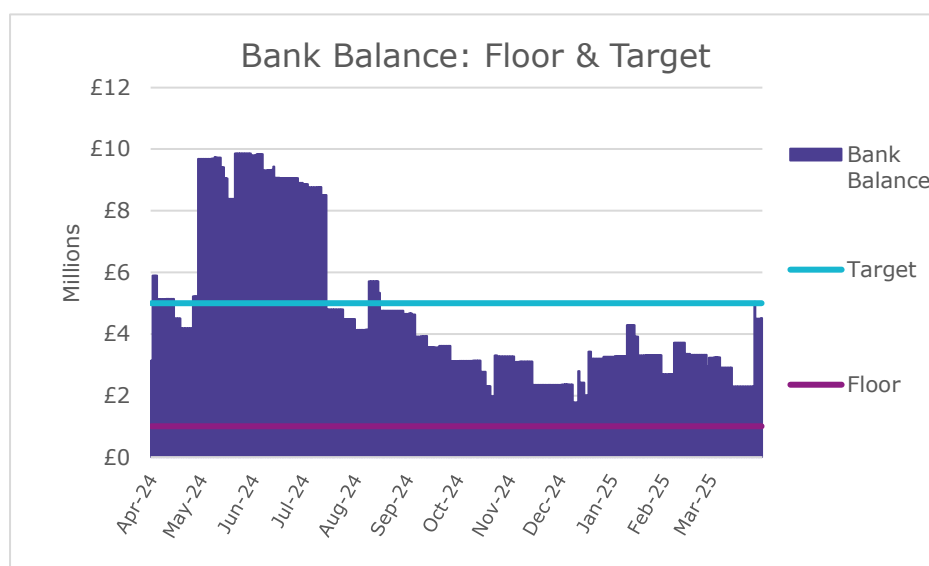
- 3.1 Total expenditure for 2024/25 is £15.25m, £1.21m (7%) below budget.
- 3.2 Staff costs are £0.5m lower than budget of which £0.2m relates to the cost-of-living salary rise within the public sector being lower than expected. The remainder is due to deferred recruitment.
- 3.3 Professional services are £0.6m lower than budgeted (with VAT included). The majority of the variance arose out of the review of work priorities in light of the outcome of the General Election and the priorities of the new Government. This review led to some planned activities being rescoped and/or delayed in their start date.
- 3.4 Business infrastructure is broadly in line with budget.

Treasury Management Update

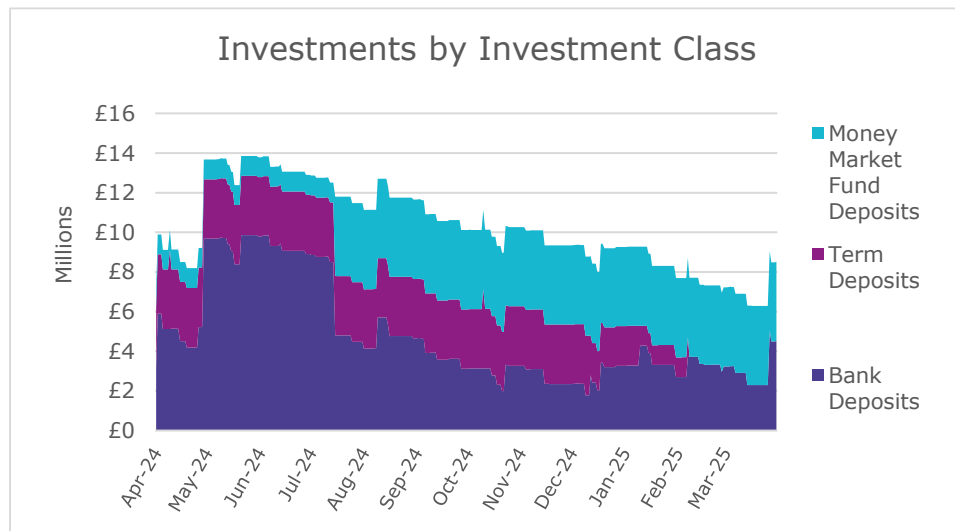
- 3.5 TfN's Constitution identifies a requirement to update the Board on performance against its Treasury Management Strategy (TMS). We have operated within the parameters set out in our TMS.
- 3.6 The following charts show performance against key parameters. It shows that we have managed cash and investments within our counterparty criteria, placing cash deposits with secure bodies and institutions on liquid terms.



- 3.7 The principal source of income is grant from DfT which is received periodically throughout the course of the year, leading to the pattern of cash balances shown above i.e. a peak on receipt of grant followed by a gradual run down of balances until the next grant instalment is received.



- 3.8 We aim to ensure that an adequate but not excessive balance is maintained in the main business bank account. In full compliance with our TMS, at times we have held a balance above £5m. Yields have been similar to the previous year and interest returns have been maximised where possible in term deposits and money market funds.



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

2025/26 Budget funding update

- 3.11 RNP funding for 2025/26 has been finalised and the agreed value is £0.2m lower than assumed in the 2025/26 budget. Actions have been taken to mitigate the funding reduction. In addition to these mitigating actions, a reserve utilisation of £65,000 is anticipated for 2025/26 (from of a reserve balance of £126,000).

March 2025