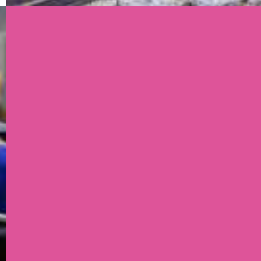


# BUSINESS PLAN

2019 – 2020



DRAFT





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## Chairman's welcome

**Transport for the North is making the case for change in transport right across our region, bringing us together for the first time to speak with one voice to represent the views of our members.**

Our plans set out how we will use transport to deliver outcomes across the whole of the North, providing a legacy for generations to come by connecting people to opportunity in terms of jobs and a better quality of life. This will allow us to realise our full potential and secure the North's place in the global marketplace.

The significant progress we have made in 2018/19 has only been possible with the support and collaboration of our partners, and this year we have seen the fruits of our labours start to take shape, not only through the production of the Strategic Transport Plan but on a number of our key programmes of work. We should not lose sight of the fact that none

of this would have been possible without the shared framework and common purpose to which we all subscribe.

Throughout this year we have used our position as a statutory body to speak with a unified voice to Government, on behalf of the North and with the needs of the travelling public at heart. We will continue to do so, reflecting the views of our members and guiding future investment in the North.

In our 2019/20 business plan we reflect on our first year as a statutory transport body and look forward to the coming year as we start to embed and deliver the change to which we and our members all aspire.

**John Cridland CBE**  
Chairman

## Chief Executive's foreword

The past year has been one of ambitions, of firsts, but equally of collective challenges. As we set out to define our vision for the future of North's economy – and how transport can stimulate opportunities for decades to come – we also faced challenges in the here and now, as the rail industry failed its passengers with the chaos caused by the May timetable change.

This Business Plan sets the progress we'll make in 2019/20 toward a thriving North of England. Our Strategic Transport Plan, adopted in February 2019, provides a clear and cohesive route to creating greater opportunities for those who live and work in the North. It forms a solid stage for the North to make the best possible case for investment in our infrastructure to re-balance the UK's economy.

Having laid the foundations in our first year as a statutory body, we have a lot to look forward to in the 12 months ahead. We'll spearhead change through:

⇒ Northern Powerhouse Rail: This will be a pivotal year for our flagship programme, as we agree integration with HS2 and further develop the network concepts and how they will be delivered. Significant progress in delivering the transformational network the North deserves.

⇒ Strategic Rail – Lessons must be learnt from last year and we'll continue to push the rail industry to improve operational performance. We'll be part of driving change in the North, inputting into the national Williams Review to help restore confidence in our railways and delivering on the recommendations made by the Joint Rail North Partnership Review.

⇒ Integrated and Smart Travel – This programme will see us deliver real changes for how people travel in the North. We'll complete the rollout of smart ticketing on rail and procure intelligent back office systems that will revolutionise payment and accessibility across multiple modes of transport.

⇒ Strategic Development Corridors: The next step of our detailed analysis to link the North's economies, we'll complete the Strategic Development Corridor studies and refresh our Investment Programme.

⇒ Major Roads: We'll act as an advocate for investment in the North's roads, working with partners to champion the region's priorities and inputting into three strategic road studies.

⇒ Modelling & Analysis: Our evidence-led approach underpins everything we do. We'll further develop our analysis and modelling capability so that we can accurately represent the economic ambition of the North and put forward robust business case submissions.

The coming year will be an important one. As well as the above, I will lead a strategic planning process that will provide the basis for our future – including our financial strategy; business planning for coming years; and our input into the Spending Review.

The events of the last year are symbolic of the need for change and the opportunities open to Transport for the North. Confidence in the railways was rocked and the North's creaking infrastructure made headlines. While the appetite and interest in our major investment programmes showed me just how important our work is to shape the North's future path.

It only served to highlight the continued importance of the North speaking clearly, with one voice in the interests of our people and businesses – something we'll continue to do.

None of this would be possible without those who give their time and expertise to help achieve our goals, from the passionate teams at Transport for the North and our hard-working colleagues in partner organisations, to the dedicated members of our Board who make landmark decisions together. They join in unison with a strong and determined voice for the North.

**Barry White**  
Chief Executive Officer





# England's first Sub-national Transport Body

## One voice for the North of England

Transport for the North (TfN) is a statutory body of elected leaders and senior business representatives from across the North. Collectively, our members represent all the region's 15.4 million citizens and provide 'one voice' for the North on transport matters.

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

## A landmark moment for devolution

On 1 April 2018, after receiving parliamentary approval, we became a statutory body, the first of its kind in England. This meant for the first time, TfN became a standalone organisation, with the ability to hold our own funds, transact on our own behalf and employ our own staff.

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

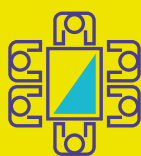
- ⇒ Develop and implement a Strategic Transport Plan for the North of England;
- ⇒ Act as 'one voice' for the North, clearly communicating pan-Northern priorities to the Secretary of State for Transport;
- ⇒ Coordinate and deliver smart ticketing systems across the North;
- ⇒ Become a statutory partner in road and rail investment decisions, through the Rail North Partnership and Highways North Board;
- ⇒ Oversee (jointly with the Department for Transport) franchised rail services covering Northern and TransPennine Express franchises;

- ⇒ Promote highways improvements of Northern significance, with the agreement of Government and relevant local transport and highway authorities; and
- ⇒ Prioritise investment on the transport network.

Our primary function is to develop a long-term transport strategy for the North of England that will help to rebalance the UK economy and drive economic growth in the region. This has been done in the form of the Strategic Transport Plan – a robust blueprint to guide investment over the next 30 years.

We also play an important role in the here and now, delivering programmes that change the way people travel (such as Integrated and Smart Travel) and jointly overseeing rail franchise operators, which has entailed significant challenges in the past year.

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



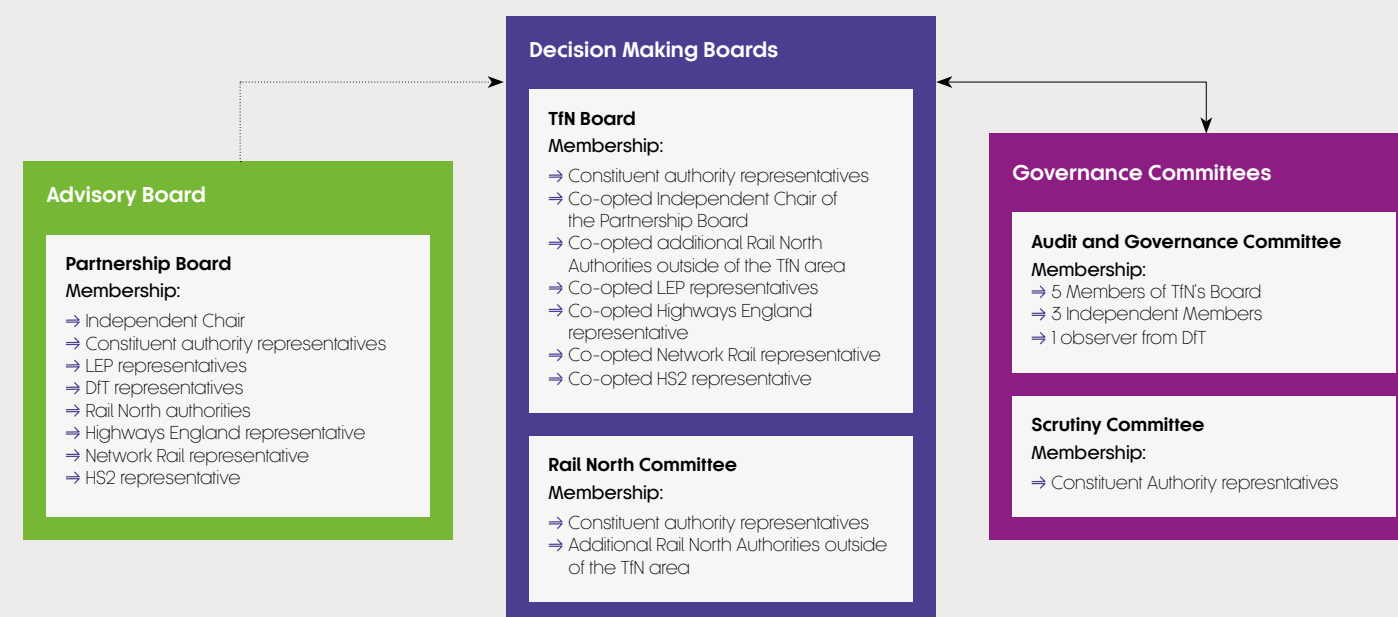
## How we make decisions

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

However, collaboration extends beyond this, and is characterised in the way that we work. Transport and economic officers from across the North work with us day-to-day, taking part in working groups for our major programmes and having significant input in the ongoing development of our Strategic Transport Plan and Investment Programme.



## Transport for the North Board and Committee Structure



## Our vision

### Vision and Objectives

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

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

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

Four pan-Northern objectives guide our members' decisions:

- ⇒ Increasing efficiency, reliability, integration and resilience in the transport system
- ⇒ Transforming economic performance
- ⇒ Improving inclusivity, health, and access to opportunities for all
- ⇒ Promoting and enhance the built, historic and natural environment

These objectives have informed the development of our Strategic Transport Plan and align closely with the five foundations of productivity set out in the Government's Industrial Strategy: infrastructure, ideas, people, business environment and places.

### Values and Behaviours

Developed in close collaboration with our employees, our values and behaviours underpin our unique culture which brings together experience and expertise from the public and private sectors. They influence how we operate as individuals and as an organisation, creating an agile and dynamic working environment where employees are trusted, valued and invested in.



## Our values

### 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 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



### 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 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



### Our Core Behaviours

#### Cultivate Innovation

Creating new and better ways for the organisation to be successful

#### Ensure Accountability

Holding self and others accountable to achieve results, even under challenging circumstances

#### Collaborate

Building partnerships and working collaboratively with others to meet shared objectives

#### Instil Trust

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

#### Financial Acumen

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



## Measuring success

In 2017 we established a framework to monitor and measure the progress and performance of TfN and ensure that we provide value for money. This framework focuses on two areas of performance:

### ⇒ Organisational Key Performance

**Indicators:** To measure our performance in the establishment of TfN as a Sub-National Transport Body and our operation in the future. This includes ensuring we have the right capability and culture to deliver our vision.

### ⇒ Programme Key Performance

**Indicators:** To measure the performance of all our work programmes. There are four measures used to monitor the performance of our programme delivery, project scope; meeting programme objectives; milestone delivery; and budget. These are reported internally to our boards and externally through the Business Plan to demonstrate progress achieved in the previous year.

Our performance against our 2018/19 Key Performance Indicators (KPIs) is set out on page 15. The KPIs that we have adopted for 2019/20 are in the table on page 43.



### Measuring our success in 2018-2019

In our 2018-2019 business plan we set 15 KPIs to ensure a culture of accountability and excellence for our organisation and our partners.

#### The KPIs were developed by:

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

We have monitored our performance against these KPIs using a combination of qualitative and quantitative measures.



Area	KPI	Detail	Progress
Analytical Framework	1	Development of an evidence based analytical framework by spring 2019, linking transport priorities identified in the Strategic Transport Plan to achieving the transformational growth. The evaluation framework will support the development of robust business cases for investment in the North.	<b>Achieved</b> We have made good progress, delivering the first phase of the longer-term programme. The framework has been used to support the Strategic Transport Plan, Corridor studies and business cases (including Northern Powerhouse Rail).
Strategic Transport Plan	2	In-line with TfN's statutory responsibilities, publish the Strategic Transport Plan (STP) in Autumn 2018 (following extensive public consultation), which will enable and drive transformational growth.	<b>Achieved In Year</b> Following the public consultation that was undertaken, the STP was updated extensively. Working collaboratively with Partners it was refined, agreed and published in February 2019.
Strategic Development Corridors	3	A major development emerging from the STP is the concept of Strategic Development Corridors. TfN will complete Strategic Outline Plans for three SDCs in Autumn 2018, and commission further SDC development work by the end of 2018.	<b>In progress</b> We have made substantial progress on these important studies and published them following the Strategic Transport Plan. Further work will be carried out on the studies in 2019/20.
Freight & Logistics and International Connectivity	4	The STP will be followed by updates to the Freight & Logistics and International Connectivity Reports by the end of 2018.	<b>In Progress</b> This work has been deferred until 2019 as we prioritised resources to completing the SDCs and the STP. However, collaborative work with the port operators and the freight industry has provided valuable evidence and intelligence in relation to the SDCs.
Major Roads	5	In tandem with the STP, the Major Roads Report will be updated in Autumn 2018.	<b>Deferred</b> This work has been deferred until 2019 as we prioritised resources to completing the SDCs and the STP and awaited the outcome of the Government's consultation on its proposed Major Road Network.

Area	KPI	Detail	Progress
Strategic Road Studies	6	TfN is working in partnership with Highways England and the Department for Transport to ensure the three northern Strategic Road Studies are taken to Outline Business Case (OBC) by Spring 2019.	<b>In Progress</b> We worked throughout 2018/19 with Highways England and Department for Transport to support the development of the Outline Business Cases and will continue to do so throughout 2019/20, working toward target dates: - Transpennine Tunnel - SOBC by July 2019 - A66 - OBC by Autumn 2019 - NWQ - OBC by Autumn 2020
Northern Powerhouse Rail	7	TfN is working in partnership with the Department for Transport, and closely with Network Rail and HS2, to ensure the NPR programme is developed and the Strategic Outline Business Case (SOBC) is submitted by the end of 2018.	<b>Achieved In Year</b> We developed the programme for NPR, working closely with partners to ensure a deliverable and integrated network approach. The SOBC was submitted for consideration in February 2019.
Existing rail network	8	Secure key outcomes for TransPennine Route Upgrade (TRU), establishing 'one view from the north' of the preferred combination of options to achieve the TRU.	<b>In progress</b> We submitted our first statutory advice, outlining the North's preferences for TRU in September 2018. We will continue to articulate these and work to secure the best outcome for the North.
Rail Franchising	9	Following public consultation, publish the Long Term Rail Strategy (LTRS) alongside the STP in Autumn 2018.	<b>Deferred</b> Rail resources were re-prioritised following the timetable change in May 2018. This will now take place in 2019/20
Rail Fares	10	Delivery of a Long-Term Fares Strategy by the end of 2018, identifying short term opportunities to provide enhancement of the current franchises and providing a long-term plan for the next round of franchises to better inform the fares strategy.	<b>Deferred</b> Rail resources were re-prioritised following the timetable change in May 2018. This will now take place in 2019.

Area	KPI	Detail	Progress
Integrated and Smart Travel	11	The delivery of SMART travel choices across the North's public transport network, including: Phase 1 of the integrated smart ticketing on rail across the Northern, Transpennine and Merseyrail train services by the end of 2018; The first stages of phase 2 bus and light rail fares, disruption, open data hub, knowledge network and innovation pilots by spring 2019; and for Phase 3 establish a Special Purpose Vehicle with transport operators that will commission, accept and run the ticketless travel systems when they are procured and delivered by the end of 2018.	<b>Phase 1 and 2 Achieved In Year</b> <b>Phase 3 In Progress</b> We have started and should successfully complete the rollout of Phase 1 of smart ticketing on rail across the North by September 2019. The Full Business Case and funding for Phase 2 of the programme has also been approved. Signed Heads of Terms have been achieved with Operators for the establishment of the Special Purpose Vehicle for Phase 3. The procurement of work for Phase 3 (smart back office) is in progress, following prolonged external approval process.
PMO	12	Implement the Portfolio, Programme and Project Management System (PPPMs) by the end of summer 2018, including a formal assurance framework.	<b>Deferred</b> It was agreed to defer this work until 2019/20 and to prioritise the delivery of business critical finance and personnel systems.
Resourcing the programme of work	13	Following confirmation of Sub-national Transport Body (STB) status, TfN will be established as the first STB on 1st April 2018. Employees will be transferred via TUPE to TfN during summer 2018 and resourcing plans will be delivered to timescale and budget specified by the end of 2018.	<b>Achieved</b> We now employ our own members of staff and robust systems are in place to manage our budgets and deliver our programmes.
Health & Safety	14	Full H&S framework implemented including staff training complete by June 2018, including development of H&S Committee reporting to TfN's Boards.	<b>Achieved</b> Required health & safety framework and underlying policies, processes and systems developed and operational.
Funding & finance	15	An agreed funding framework will be produced during 2018/19 and the new operating processes and procedures, including a new ERP system will be successfully implemented.	<b>Achieved</b> The TfN Board adopted the TfN Funding Framework in September 2018. This framework has then formed the basis of the Funding section of the Strategic Transport Plan.





## Strategic Transport Plan



**Connecting People**



**Connecting Businesses**



**Moving Goods**

### WHY



**Northern Powerhouse & UK Economy**



**Aims of the Plan**



**Inclusive & Sustainable Growth**

### WHAT

**Strategic Development Corridors**



**Major Road Network**



**Strategic Rail**



**Integrated and Smart Travel**



**Northern Powerhouse Rail**

### HOW

**Innovation**



**Skills**



**Funding**



**Spatial Planning**



**Analysis & Appraisal**

**By 2050**



**£100bn increase in GVA**



**850,000 additional jobs**



**Investment Programme**

## A blueprint for investment in the North

### Our Strategic Transport Plan

In February 2019, we published our Strategic Transport Plan. For the first time, the North has come together to articulate a high-level vision for transport interventions that will enable sustainable economic growth across the whole of the North, supporting the creation of jobs and increased economic productivity to provide a better quality of life for the people of the North, and a legacy for future generations.

Accompanying the Strategic Transport Plan is an ambitious, but deliverable, Investment Programme that will improve our roads and railways, ensuring we address the historic gap in investment and support the transformation of the North's economy.

The development of an Independent Integrated Sustainability Appraisal has ensured that TfN has embedded sustainability considerations into the Plan. An iterative assessment and appraisal process has ensured the Strategic Transport Plan, as it was developed, can ensure that potential significant negative effects arising from the Plan are identified, assessed, and mitigated as necessary, and that positive effects are enhanced. This process has also ensured that the Strategic Transport Plan incorporates the regulatory and guidance requirements for Strategic Environmental Assessment,

Equality Impact Assessment, Health Impact Assessment, Community Safety Assessment and Habitats Regulation Assessment, as well as Government policy, including in relation to carbon reduction.

The Plan was developed in close collaboration with our Partners, informed by and built around the North's economic strengths and constraints, including those evidenced in the Northern Powerhouse Independent Economic Review.

#### Last year we:

- ⇒ Completed formal public consultation on the draft Strategic Transport Plan
- ⇒ Published and adopted a final version of the Strategic Transport Plan taking into account consultation responses
- ⇒ Coordinated the first long term Investment Programme to reflect the outputs of TfN's work programmes
- ⇒ Prepared an outline review of the opportunities and threats for innovation in the delivery of the Strategic Transport Plan

#### In 2019 – 2020 we will:

- ⇒ Play a critical strategic oversight role for the Investment Programme, across TfN work programmes
- ⇒ Develop and agree an Assurance Framework to support TfN's decision-making processes
- ⇒ Review the initial Investment Programme during 2019/20
- ⇒ Commence work on sequencing of the Investment Programme, building on the business case development work being undertaken on Northern Powerhouse Rail, Transpennine Route Upgrade, the Strategic Development Corridors, and the work programmes delivering the Long Term Rail Strategy
- ⇒ Continue to demonstrate how the priorities deliver transformational economic growth across the North, ensuring the Investment Programme will promote the implementation of the policy positions in the STP
- ⇒ demonstrate how the TfN priorities align with those schemes being promoted by TfN's Partners at a local level as part of a whole journey approach
- ⇒ Embrace Innovation in both transport technology and economic analysis



# A blueprint for investment in the North

## Strategic Development Corridors

Our plans take an innovative 'corridor approach', identifying seven Strategic Development Corridors that connect people and places with key economic centres.

- ⇒ **Connecting the Energy Coasts**, improving connectivity between some of the UK's important non-carbon energy, advanced manufacturing, research assets and economic centres in Cumbria, Lancashire, North Yorkshire, the North East, the North of Tyne, and Tees Valley;
- ⇒ **West and Wales**, moving people and goods, to, from and through the important economic centres and assets of Cheshire West and Chester, Cheshire East, the Liverpool City Region and Greater Manchester with strategic connectivity in to North Wales and the Midlands;

- ⇒ **Central Pennines**, driving strategic east-west connectivity for some of the North's important economic centres and assets in North Yorkshire, West Yorkshire, East Riding, and Hull through to Greater Manchester, Lancashire and the Liverpool City Region;
- ⇒ **Southern Pennines**, linking the economic centres, industries and ports within Liverpool City Region, Greater Manchester, Cheshire, Sheffield City Region, Hull and northern Lincolnshire. Also considering connections with the Midlands;
- ⇒ **West Coast - Sheffield City Region**, strengthening rail links along the West Coast corridor between the advanced manufacturing sites in Cheshire East, Warrington, Cumbria, Lancashire, Greater Manchester and Sheffield City Region, with improved connectivity from the North in to Scotland;
- ⇒ **East Coast - Scotland**, improving rail reliability, speed and reach along the East Coast Main Line and other key lines to provide enhanced strategic and local connectivity in the North East, the North of Tyne, Tees Valley, Sheffield City Region, City of York, and North Yorkshire as well as onward connections into Scotland;

- ⇒ **Yorkshire - Scotland Corridor**, building on existing road investment commitments to further strengthen road connectivity between the Midlands, Sheffield City Region, East Riding, West Yorkshire, North Yorkshire, Tees Valley, the North East, the North of Tyne, and Scotland.

### Last year we:

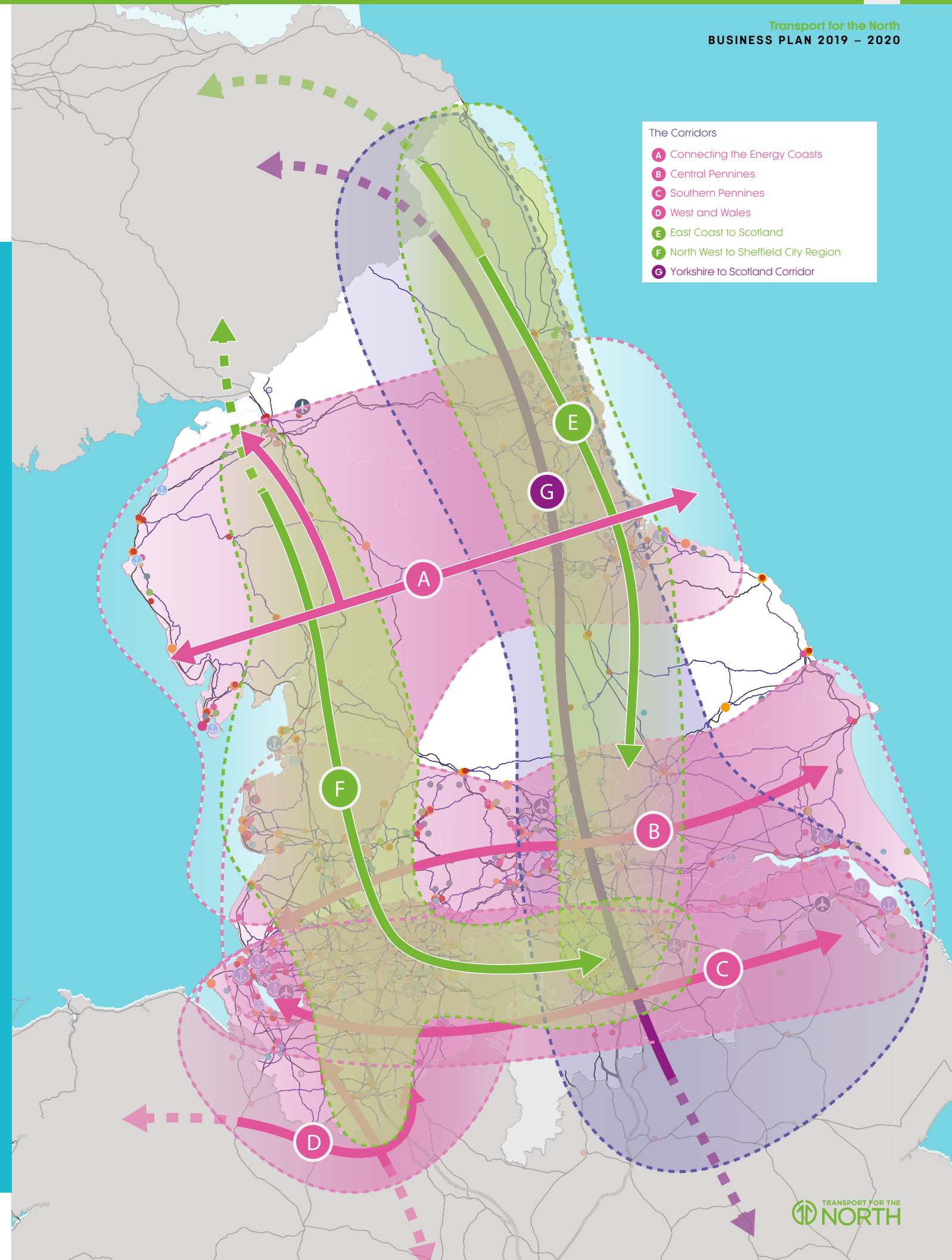
- ⇒ Completed Strategic Programme Outline Cases for four of the SDCs; Central Pennines, Connecting Energy Coasts, West & Wales and Southern Pennines.
- ⇒ The business cases for a programme of road and rail transport interventions in each corridor have been developed to a level of detail approaching a conventional 'single-scheme' SOBC.
- ⇒ We completed on an Options Assessment Report setting out the transport needs and strategic case for investment in the road network within the Yorkshire - Scotland and participated in the Network Rail East and West Coast Mainline Studies.

### In 2019/20 we will:

- ⇒ To complete a multi-modal Strategic Programme Outline Case (SPOC) for 'Yorkshire/East Coast to Scotland' and a rail SPOC for North West to Sheffield City Region, and to update the SPOCs for all SDCs using the Analytical Framework model to inform the updated and sequenced LTIP, starting in September 2019 and to be completed by August 2020.

### The Corridors

- A Connecting the Energy Coasts
- B Central Pennines
- C Southern Pennines
- D West and Wales
- E East Coast to Scotland
- F North West to Sheffield City Region
- G Yorkshire to Scotland Corridor





## The role of rail in connecting the North

Our railways play a vital role in linking our people, businesses and economies. They remain the most effective and environmentally-friendly way of moving large numbers of people and goods across the North. How they perform both today and tomorrow is a key factor in shaping our region's development and its performance.

If the timetable chaos of 2018 did one thing, it highlighted the need for greater co-ordination across the rail industry – an approach just as important when planning long-term transport interventions as when dealing with day-to-day operational issues.

Transport for the North plays several distinct roles that, when considered together, help foster a more joined-up approach and give the North's leaders a unified voice over the direction of our railways.

The following pages outline our roles in:

⇒ **Overseeing operations and putting the passengers first:** Via our role, jointly with DfT, within the Rail North Partnership, actively holding the operators to account in the interests of the travelling public;

⇒ **Securing investment and improvements in the rail network:** Delivering a long-term rail strategy that secures coordinated improvements in the network, guiding investment decisions and working closely with delivery partners; and

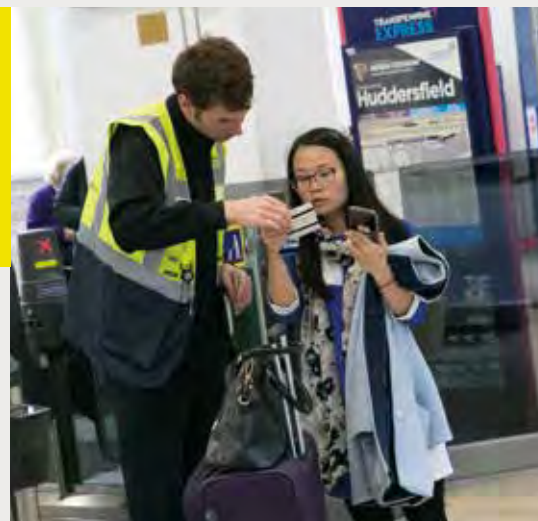
⇒ **Delivering a transformational future with Northern Powerhouse Rail:** Developing a robust and compelling case for unparalleled investment in a whole network for the North.

Together, these roles will enable us to be a guiding mind, shaping rail interventions in a cohesive and evidence-led way. At a time when the industry is fragmented,

TfN provides a vehicle for collaboration, bringing together senior voices from across the North and technical experts at a working group level to make key, collective decisions, putting passengers first

Our governance structure allows us to make decisions and express views as one North. However, the current industry structures and processes are not fit for purpose. Change is needed and we are setting this out through the Joint Rail North Partnership Review and our input to the Williams Review.

Linked to all the above is a consistent approach to analysis and evidence-gathering, ensuring that the North's key capabilities and their enablers are given the connectivity they need through both the wider strategic development corridors and through specific rail interventions.





## Putting the North's rail passengers first

Last year was challenging on all fronts for passengers, businesses, leaders and the rail industry in the North. The well-documented chaos that followed the May 2018 timetable change severely dented the confidence of the travelling public. They were badly let down by the rail industry.

During an extended period of unacceptable disruption, passengers faced overcrowded, delayed and cancelled trains. They were not provided with up-to-date information to help them reliably plan their journeys, while ongoing industrial action led to further cancellations.

This prolonged period of disruption has fostered frustration among the North's decision-makers, and a sense of urgency to restore passenger confidence and trust in the railways – and those operating them.

TfN's role, as a unified voice on transport matters, became even more important as communities looked for short and long-term solutions for a more dependable network.

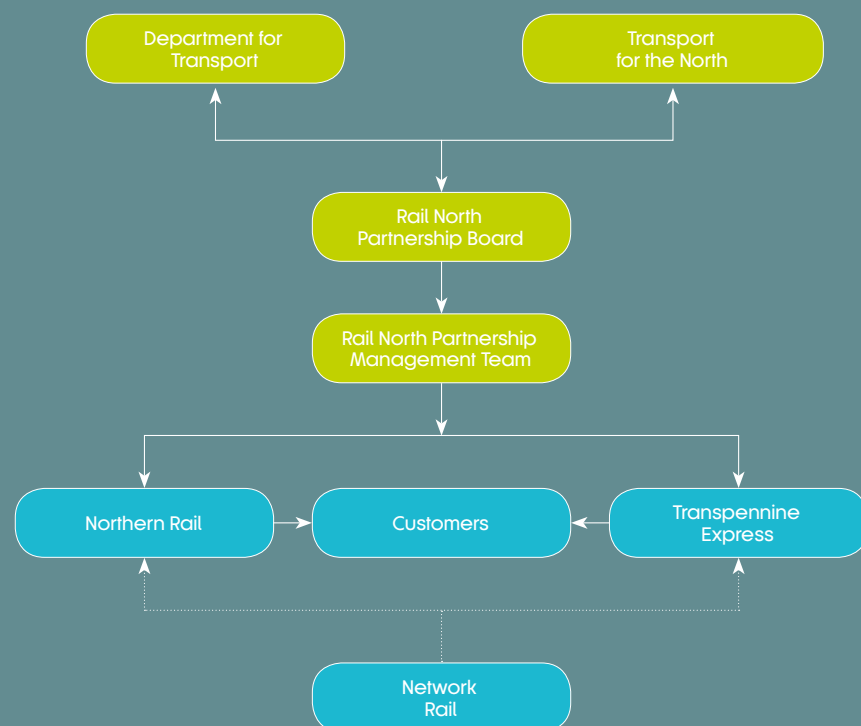
### The role of the Rail North Partnership

Gaining statutory status gave us a limited role in making decisions regarding operational railways in the North of England. The statutory powers enabled us to oversee (jointly with the Department for Transport) franchised rail services currently operated by Northern and TransPennine Express.

In practice, this is done through the Rail North Partnership. The structure of the Partnership and TfN's involvement is shown in the diagram below.

TfN acted as a strong voice for passengers throughout, putting their interests first and holding the operators to account to increase performance. Last year we:

- ⇒ Used our influence through the Rail North Partnership to get the industry to take steps to get performance back on track
- ⇒ Developed, agreed and implemented a compensation scheme for those most affected by the timetable problems
- ⇒ Called for (and secured in Richard George) a single person to oversee the performance recovery through both infrastructure and train operations
- ⇒ Contributed to other industry reviews including the Office of Rail and Road and the wider Williams Review, making the argument for further devolution to the North



### Restoring confidence for passengers

Our members have been clear been clear that the events of May 2018 cannot happen again. Following the disruption, several reviews were undertaken to identify the causes of the disruption and what subsequent changes need to be made to how the system is governed.

The Joint Rail North Partnership Review looked specifically at what should be done in the North. The review was led by Councillor Judith Blake, representing TfN members, and the Department for Transport.

*If found that ..... The Review recommended .....*

*[Placeholder, information to be included regarding the JRNP outcomes and recommendations]*

Last year, a wide-ranging review of the whole rail industry was commissioned following significant disruption. Led by independent chair Keith Williams, the review will look at how to improve transport across the UK regions and increase integration between track and train. It is anticipated that findings will be published in late 2019.

#### In 2019 – 2020 we will:

- ⇒ Implement the outcomes of the JRNP Review [to be updated following JRNP]
- ⇒ Input into the Williams Review of the rail industry and follow-up on its recommendations
- ⇒ Through our role in the Rail North Partnership, use our influence to:
  - ⇒ Oversee, monitor and challenge the train operating companies to deliver better outcomes for passengers and businesses, developing further improvements



such that rail performance returns to acceptable levels;

- ⇒ Deliver service improvements committed in the franchise; and
- ⇒ Improve communications with partners and stakeholders in relation to the industry plan and subsequent timetable changes.





## Securing sustained improvement in our railways

Over the last two decades, the North's railway has experienced substantial growth in passenger numbers despite a legacy of underinvestment. Much of that growth has been accommodated within pre-existing capacity. However, this is no longer possible on many routes, and most of the North's key rail hubs are now at capacity. The North's rail network lacks sufficient capacity for growth and is severely constrained by on-train congestion, low journey speeds and poor punctuality.

Aside from overseeing the operators in the short-term, we also have a longer-term, strategic role to drive investment and improvements in our railways.

Both the franchises include significant enhancements, which we helped secure, in terms of investment in new and refurbished trains, additional capacity and services, enhanced station facilities and faster and more frequent services. Northern and TransPennine Express are planning to introduce fleets of new trains, with the outdated Pacer trains to be replaced.

Meanwhile, significant investment programmes - such as the TransPennine Route Upgrade - are due to begin this year.

We are working to improve the rail network across the North encompassing every route, every train and every journey. We will continue to hold the industry to account against its promises and we are working with Network Rail and other partners to ensure that the new stock delivered by the franchises is supported by track and other upgrades, reducing journey times.

### Last year we:

- ⇒ Developed and submitted TfN's first statutory advice on rail infrastructure in relation to the TransPennine Route Upgrade
- ⇒ Supported the completion of the Strategic Transport Plan
- ⇒ Made initial contributions to the Williams Review

### In 2019 - 2020 we will:

- ⇒ Seek to secure service enhancements contracted through the Northern and Transpennine Express franchises by 2020
- ⇒ Prompt the industry to develop proposals for infrastructure investment to support the service enhancements
- ⇒ Through Rail North Partnership challenge the industry to deliver timetable changes scheduled for May & December 2019
- ⇒ Oversee the delivery of new rolling stock and removal of Pacer trains from the network.
- ⇒ Work closely with industry partners to manage passenger impacts from Transpennine Route Upgrade





# Developing a transformational rail network for the North

## Northern Powerhouse Rail

Northern Powerhouse Rail is a transformational programme of rail investment. It will radically improve journey times, capacity and service frequencies between the major city regions in the North. In doing so, it will play a major role in transforming the North's economy.

The current rail network cannot accommodate the number of additional trains required to cater for increasing demand. Over the past five years there has been considerable growth in rail passengers, with five northern cities all seeing rail passenger growth of more than 20%: Leeds (31%), Manchester (24%), Sheffield (21%), York (25%) and Newcastle (21%). This increase in rail use has not been matched in network growth or service provision. Although current plans for infrastructure upgrades will start to address this legacy of under investment, they will not transform connectivity in the way required to enable significant economic growth. This shortfall in infrastructure provision will hold back the North's ability to realise its economic potential. The proposed Northern Powerhouse Rail network will address existing system-wide issues and provide the backbone of the North's rail system for the rest of the economy.

### Northern Powerhouse Rail will:

- ⇒ Bring millions more people, and hundreds and thousands of businesses within reach of each of the key economic centres of the North by public transport. By 2050 in a transformed North, nearly 10 million people in the North will be within 90 minutes reach of multiple economic centres in the North.
- ⇒ Help treble the number of businesses able to access four or more cities or Manchester Airport within 90 minutes, from 70,000 today to 260,000 with NPR.
- ⇒ Deliver significant benefits to the North's economy and rebalance the UK by closing the productivity gap between the North and the rest of the country.
- ⇒ Ensure that growth is delivered sustainably, building the market for rail travel by around four times the level seen today and taking up to 64,000 daily car trips off the road – equivalent to 800 million km per year.



### Last year we:

- ⇒ Submitted the Strategic Outline Business Case to Government;
- ⇒ Continued to develop and narrow the number of station and corridor options for Northern Powerhouse Rail that either deliver, or move substantially towards delivering the aspirational journey times and service frequencies identified in the One North 2015 Northern Transport Strategy and adopted by TfN and Government as the Conditional Outputs for the programme;
- ⇒ Continued to work closely with HS2 Ltd to ensure the required touchpoints for Northern Powerhouse Rail are incorporated in the HS2 Phase 2b Hybrid Bill;
- ⇒ Continued to explore feasible engineering options that provide connectivity for the economic centres across the Northern Powerhouse Rail network;
- ⇒ Incorporated freight modelling into the Northern Powerhouse Rail approach to understand the benefits it can deliver to the sector;
- ⇒ Undertook wider economic modelling to provide evidence of the benefits of Northern Powerhouse Rail;
- ⇒ Developed Indicative Train Service Specification for Northern Powerhouse Rail; and
- ⇒ Continued to develop the programme with our co-client DfT and our delivery partners Network Rail and HS2.

### In 2019-2020 we will:

- ⇒ Develop and manage the next phases of scheme development for NPR. Concluding pre-Sequence 4 and scoping and commencing Sequence 4 work;
- ⇒ Develop and manage the next phase of business case development, including updating the SOBC for multiple concept corridors, and progressing to OBC for single concept solutions;
- ⇒ Ensure that NPR is integrated other major rail schemes in the North, including HS2, major local schemes and 8 Network Rail Northern Programmes; and
- ⇒ Engage partners on interfaces with local plans; prepare for early public engagement and consultation strategy.



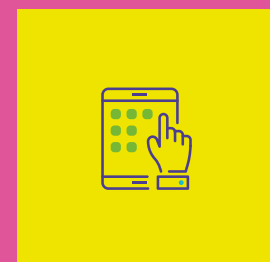
# Making it easier to get around the North

## Integrated and Smart Travel

The Integrated and Smart Travel programme is an ambitious four-year programme to make it easier to find out about and pay for public transport across the North, including introduction of contactless payments. This programme will transform the passenger experience in the North by working in partnership with the rail, bus and light rail sectors, plus other key transport organisations.

Improving the appeal and ease of multi-operator and multi-modal public transport is essential to increasing its use – thereby improving connectivity and the attractiveness of the North as a place to live and work. This programme to improve integrated transport is essential both to keeping the North's towns and cities moving, as well as making our rural areas more accessible.

TfN is working to introduce new initiatives that will improve the experience for passengers across the North by making travelling on public transport easier to find out about and quicker and easier to pay for. This will enhance choice and ensure passengers pay prices that are fair for the series of journeys they have made. By doing this, it will support an increase in the number of people travelling by public transport, broadening people's access to both jobs and leisure activities.



The programme is split into three phases: Phase 1 is part of a national programme to roll out smart ticketing across all rail travel. The success of this phase in delivering smartcards for rail passengers demonstrates that TfN has the partnerships and skills needed to deliver a new era of seamless and convenient travel across all public transport modes throughout the North.

Phase 2 will include the provision of integrated customer information, disruption messaging and fare information to make journey planning quicker and easier. It will extend the same open source data and disruption information that rail passengers currently enjoy to bus passengers across single and multimodal journeys. It is the information enhancement passengers have been waiting for, bringing together best practice and innovation from across the sector to deliver joined up travel solutions.

Phase 3 will deliver an account-based back office travel solution that allows passengers to travel using contactless bank card for payment and enjoy a fair price promise on multi-modal, multi-operator journeys across the North. People will be able to travel with confidence in the price they are being charged and operators will have confidence that they are being accurately compensated for the journeys they provide.

### Last year we:

- ⇒ Commenced the delivery of Phase One integrated smart ticketing on rail across the Northern, Transpennine and Merseyrail train services throughout the North;
- ⇒ Obtained approval of the Full Business Case and funding agreement for Phase Two of the programme;
- ⇒ Delivered the first stages of Phase Two bus and light rail fares, disruption, open data hub, knowledge network and innovation pilots;
- ⇒ Obtained approval of an Outline Business Case and funding agreement for Phase Three of the programme; and
- ⇒ Achieved signed Heads of Terms for a Special Purpose Vehicle with operators which will commission, accept and run the phase three systems when they are procured and delivered.



### In 2019-2020 we will:

- ⇒ Complete the development of the integrated smart ticketing on Rail programme, including interoperability with existing PTE smartcard schemes and the introduction of new flexible season tickets on smart for less frequent travellers;
- ⇒ Deliver the outputs from Phase 2 - informed passengers - of the programme including customer, fare and disruption information. This will make it easier to work out the best travel options by providing joined up information both for planning journeys and for updating customers on any changes whilst travelling;
- ⇒ Complete the procurement of a supplier to deliver the systems required to roll out Phase 3, including contactless payment and multi-modal, multi-operator journeys. This will:
  - ⇒ Make the pricing simpler to understand: by providing a clearer and easier to understand fare structure; and
  - ⇒ Make it easier to pay: by allowing most customers to simply turn up and travel, using one of a range of smart devices as their ticket (or equivalent).







## Stimulating investment in the North's major roads

### Major Roads Network

TfN and its partners have identified and mapped a Major Road Network for the North – a network consisting of those roads of regional economic significance. This network, which includes both strategic and important local roads, represents about 7% of the roads in the North, and links the North's important centres of economic activity, including the first and last miles to and from the Strategic Road Network.

#### Last year we:

- ⇒ Continued to work with Department for Transport and Highways England to respond to and inform their Roads Investment Strategy (2020-2025);
- ⇒ Integrated the programme with other internal programmes and delivery agencies;
- ⇒ Continued to work with the Department for Transport and Highways England on the three northern Strategic Road Studies: Trans Pennine Tunnel (including the Wider Transport Connectivity Assessment); Manchester North West Quadrant; and Northern Trans Pennine Routes (A66/A685 and the A69); and
- ⇒ Worked with the Department for Transport and our partners to respond to the consultation on the Major Road Network for England.

#### In 2019-2020 we will:

- ⇒ Complete the SOBC for the Trans-Pennine Tunnel / WTCA studies and agree the next stages of development.
- ⇒ Finalise and adopt a Major Roads Report to inform the Long-Term TfN Investment Programme in 2020;
- ⇒ Explore new opportunities to work with and have greater influence on the DfT Road Investment Strategy (RIS) and Major Roads Network (MRN) investment programmes;
- ⇒ Working collaboratively with partners, represent the North's position in relation to the development of OBCs for the A66 dualling and Manchester NWQ Strategic Road Studies; and
- ⇒ Explore new opportunities to work with and have greater influence on the A66 dualling and Manchester NWQ Strategic Road Studies; and





## Robust evidence to re-balance the economy

Spanning all our activities are several functions that serve to develop the strategic direction, evidence base and policy positions of the organisation. This enables us to understand transport in the wider context of the North's economy and present the case for investment in road and rail at a pan-Northern and local level, as part of a 'whole journey' approach. It also ensures that strategic-level business cases align with the objectives of the Strategic Transport Plan.

### The main areas of activity focus on:

- ⇒ Strategic Transport Plan and Investment Programme (see page 18);
- ⇒ Transport Analysis, Modelling and Economics;
- ⇒ Inclusive and Sustainable Growth Framework;
- ⇒ Freight and Logistics; and
- ⇒ International Connectivity.

### Transport Analysis, Modelling and Economics

Producing a robust evidence base is central to developing coherent proposals for transport investments that can deliver long term transformational economic growth. Data, analysis, modelling and economics are at the heart of our plans supporting a wide range of our programmes.

In 2018/19 we continued to build our analytical capability and capacity to evidence the draft Strategic Transport Plan, inform the sequencing of the

investment programme and make the case for investment in the northern transport network.

### Last year we:

- ⇒ Built the first phase of our Analytical Framework for TfN and its partners to deliver a robust evidence base behind our programmes, integrated into national planning activities;
- ⇒ Delivered and applied for the first time, the Analytical Framework, to represent and assess the North's future economy and travel markets. This supported work on the development corridors and the business case for Northern Powerhouse Rail;
- ⇒ Provided the economic and modelling support to enable development and submission of the Northern Powerhouse Rail Strategic Outline Business Case to government at the end of 2018/19; and
- ⇒ Commissioned new research and established a wider evidence strategy on the relationship between transforming connectivity and economic development.

### In 2019-2020 we will:

- ⇒ Support the implementation of the Strategic Transport Plan and investment programme;
- ⇒ Ensure that specific TfN Programmes are supported by clear and robust analysis and evidence including Northern Powerhouse Rail;
- ⇒ Begin to consolidate aspects of the Analytical Framework suitable for sharing with partners, and undertake roadshows to further inform them with regards to the Analytical Framework;
- ⇒ Deliver a programme of research to enable a step change in delivery of successful TfN policy and strategy business case outcomes; and
- ⇒ Improve the resilience of our team, data, code, systems and assurance processes to ensure we can improve the reliability and quality of our services in the future.



### Inclusive and Sustainable Growth Framework

Inclusive, sustainable transformational economic growth will require transport investments that improve opportunities for all. Sustainability considerations, including the highest level of mitigation of the negative side effects of transport infrastructure investment, will continue to be critical elements that will be considered in the design, development, and delivery of TfN's Investment Programme.

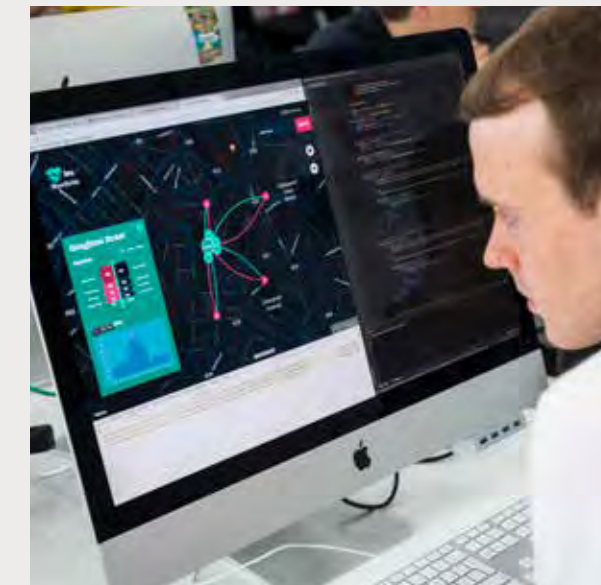
In 2017-2018, TfN published an independent Integrated Sustainability Appraisal to ensure that sustainability considerations are at the heart of the Strategic Transport Plan, fulfilling TfN's legislative requirements to have regard to the social and environment impacts of its strategy. This Integrated Sustainability Appraisal was consulted on alongside the Draft Strategic Transport Plan as part of an iterative process to ensure that the Strategic Transport Plan was developed in a manner that took account of the views and priorities of our stakeholders.

Following consultation, the independent Integrated Sustainability Appraisal has reassessed the revised Strategic Transport Plan, which has been amended to reflect consultation feedback, increasing the emphasis given to creating a sustainable and inclusive future. A Post-Adoption Statement has been published alongside the Final Strategic Transport Plan.

Also, responding to feedback in the consultation, an independent analysis of TfN's initial carbon modelling has also been undertaken.

### Last year we:

- ⇒ Completed formal public consultation on the Independent Integrated Sustainability Appraisal; and
- ⇒ Commissioned an independent carbon report to inform the development of the Inclusive and Sustainable Growth Framework.



### In 2019-2020 we will:

- ⇒ Develop TfN's Inclusive and Sustainable Growth Framework building on the principles and ambition set out in the Strategic Transport Plan;
- ⇒ Work with Partners to agree high quality design principles and mitigation approaches as basis for scheme development;
- ⇒ Explore innovative ways of developing business cases through capturing social value and a wider return on investment, building on existing HM Treasury Green Book Guidance; and
- ⇒ Provide on-going supporting evidence for a greener, cleaner transport network.





## Freight and Logistics

We are continuing our work with freight and logistics partners to understand what the industry needs if it is to help drive economic growth. We are researching and reviewing options to improve the movement of goods, into, around and out of the North and developing plans for consultation. This will be particularly important in response to the changing nature of the current UK economy and our place in the global freight marketplace.

We want to increase the capacity of the whole transport network so that it can accommodate more freight, including improving the road and rail networks for delivering goods. Increasing capacity will improve the speed and reliability of deliveries. This will make a huge difference to the many businesses that rely on goods arriving on time. We want to reduce the cost to businesses of moving goods and increase the volume and profitability of imports and exports. If there is a strong and reliable infrastructure in place, it will encourage further private investment in the logistics sector, including the increased availability of rail served warehousing, and the economy more widely. We want to see more environmentally sustainable solutions in freight and logistics and will work with partners to share ways in which this can be done.

We understand goods are mainly moved by road in the North. There is a thriving Road Haulage industry that supports this. By improving the roads, we aim to help the industry be more efficient. This will help drivers arrive at destinations when they plan to, reducing unnecessarily extended

journeys which impact upon future deliveries and whether drivers spend extra time on the road.

Currently the road and rail freight industries are working ever more closely together. A shortage of skilled Heavy Goods Vehicle drivers in the UK, an industry that is reliant on European drivers, means that hauliers are working with train companies to explore how modal shift from road to rail can be achieved to maintain the current flows of freight. This level of collaboration is unprecedented. For this to be achieved sustainably, it becomes ever more important to have the right freight routes available on the railway, demonstrating the increased strategic importance of having an appropriate route for container trains across the Pennines.

Businesses face choices every day about the most profitable way to move their goods to customers or to export destinations. We want this to be easy. This includes where goods could be moved by rail. The challenge is finding the space on the railway for freight trains to run and booking those services onto it. We will continue to work with Network Rail to seek improvements for freight across the railway.

Additionally, we will continue to work on a one-to-one basis with businesses seeking to relocate to the North. We will champion the opportunities provided by the Northern Ports, continuing to build on our strong relationships. We will work with Local Authority partners so they can support relocation processes outside of our remit. We will continue to promote the delivery of a Freight Superhighway linking the Atlantic Gateway to the Humber Ports.

### Last year we:

- ⇒ Continued to promote the role of freight and logistics as an enabling capability that can help drive transformational economic growth in the North ensuring that this continues to feed into the final Strategic Transport Plan;
- ⇒ Developed scheme priorities influencing future road and rail work programmes; and
- ⇒ Ensured that the Enhanced Freight and Logistics Analysis informed other TfN work programmes and Delivery Partners' plans and strategies.

### In 2019-2020 we will:

- ⇒ Prepare a Freight and Logistics Progress Report that will reflect how freight has been embedded in the TfN Investment Programme and work programmes, as well as setting out next steps;
- ⇒ Embed the Role of Freight and Logistics into future road and rail work programmes;
- ⇒ Identify further interventions that deliver maximum economic growth; and
- ⇒ Continue to quantify the importance of freight movements to the North and UK economy.

## International Connectivity

TfN continues to promote the development and implementation of sustainable surface access to the North's international airports and major ports, including promoting direct rail access. This can increase the demand for air and sea services, providing international connections for passengers and goods. This includes improving access to Manchester Airport, which is currently the third busiest airport in the UK, ensuring it continues to act as the largest global gateway for the North, as well as supporting the growth and development of all international airports across the North.

If more passengers can access the North's airports by road and rail within a one to two-hour catchment area, then more airlines are likely to recognise the benefits of opening new European and Intercontinental services from the North's airports. This drives an increasingly competitive market whilst providing more choice and opportunity for passengers.

### Last year we:

- ⇒ Developed scheme priorities influencing future road and rail programmes, focusing on improved surface access to airports and ports in the North; and
- ⇒ Secured partner support for our international connectivity agenda and the Strategic Transport Plan.

### In 2019/20 we will:

- ⇒ Continue to ensure that the Independent International Connectivity Commission's report informs other TfN work programmes, as well as regional and national aviation issues such as the Government's aviation strategy;
- ⇒ Prepare an International Connectivity Progress Report on how TfN is promoting surface access for international connectivity and how this has been embedded in the TfN Investment Programme and work programmes;

- ⇒ Promote sustainable surface access for International Connectivity by supporting the increasing role and opportunities for international connectivity from the North's international ports and airports;
- ⇒ Embed the role of International Connectivity into future road and rail work programmes;
- ⇒ Identify interventions that deliver maximum economic growth; and
- ⇒ Further the North's evidence base by quantifying the importance of supporting international connections through surface access, including assessment of what trade and investment is required to transform the North's economy.



# Building on solid foundations

## A valued and diverse team

Transport for the North's employees are critical to achieving our vision. We take a holistic approach to attracting and retaining the best – ensuring we have the right people with the right skills at the right time to respond to our ever-evolving landscape.

Having achieved Statutory Body Status, we became an employer in our own right in July 2018, with staff TUPE transferred from various host partners. Since then, we've put in place a comprehensive people strategy – one that is at the bedrock of our core values of making a difference; collaborating; doing the right thing; and being driven to succeed.

In representing the sub-region, it's vital we adopt the current thinking around best practice that our public sector partners have championed in the North. Our suite of employment policies serves to create a fair, equitable and attractive workplace that ultimately secures the diverse workforce we have and will continue to attract.

As an accredited Living Wage employer, our employees receive a fair day's pay for a hard day's work. This expectation extends to our supply chain, meaning we leave a positive imprint on the economy beyond our own walls. Elsewhere, our status as Disability Confident employer means we actively embrace the talents of a diverse workforce, including those who may need additional support.

But one size does not fit all. Our agile workforce and flexible family friendly working practices – including flexible working hours and locations – help us create the right mix of employees from across the North and beyond. It's meant we have been able to successfully attract people from both the public and private sector; from diverse geographic locations; and with different lifestyles and experiences – something that is critical to the success of our programmes.

We are proud of and value our workforce. That is demonstrated through the Employee Forum, which gives a voice to our employees and a role in helping shape the organisation for the better. Likewise, we also recognise UNISON, collaborating regularly to support our teams regarding working practices, making sure we do that right thing, that we collaborate and that employees have a strong voice.

Fundamental to Transport for the North's vision is opportunity. We're committed to doing our bit. Our apprentice scheme is creating highly-skilled opportunities for school-leavers. In 2019/20 we will build on its foundations, taking on two further apprentices (taking the total to 7), meaning apprentices will continue to make up around 4.5% of our workforce. This is almost double the Government's target for larger public sector organisations for apprenticeships to reach 2.3% of all new starters by March 2021.

We have also ensured that we have in place robust and transparent job evaluation, pay, reward practices; training and upskilling programmes; and distinct career pathways provide opportunities for our employees to continue to thrive and further grow once they join us. This is further underpinned by the Competency and Behavioural Framework and comprehensive appraisal and career development processes in place to plan for our needs in the future.



## Our people in 2019/20

As agreed by our members, to maximise value for money we have continued to reduce reliance on external consultants' posts, increasing our directly employed workforce to 122 employees.

This gives us certainty over resources and the balance of skillsets we can deploy. However, we are mindful of both the length of time needed to fill roles and the funding conditions within which we operate. Our profile for both 2018/19 and 2019/20 is as follows:



	Year-End FY2018-19	Year-End FY2019-20
Permanent Posts	92	105
Fixed-term Posts (up to two years)	25	40
Apprentices (All levels – L2 to L4)	5	7
Total Workforce	122	152

The main changes are around ensuring we meet the demanding workload of the priorities of the North. With additional Transport Development Funding for Northern Powerhouse Rail, we will need highly skilled team members to support the programme's pace.

Our increase in people to support our Strategic Rail and Rail North Partnership teams will mainly be funded from the rail grant we receive. This is in response to the significant events of 2018/19 across the North's rail network and the ongoing need for a strong voice and oversight from Transport for the North.

The Integrated and Smart Travel programme has committed Government funding and is set to transform the way people pay for and access public transport as it is rolled out over the coming years.

As outlined in the Business Plan, essential to making the case for investment across the North is a robust and credible evidence base. In order to deliver on the ambitions of our Investment Programme, additional resource is planned for our analysis and appraisal team.

Reflecting this substantial increase in activity, further small additions have been made to support services to underpin the uplift in organisational outputs – aligned to the funding we are receiving over 2019/20.



# Resourcing and Funding the Programme of Work

Following TfN achieving statutory status, the financial year 2018/19 resulted in significant change to the financial operating environment in which we operate. We are now directly responsible for our own financial affairs and subject to the same statutory frameworks as partner local transport and combined authorities.

This, together with our relationship with the Department for Transport, sets the parameters within which we will manage our operations in relation to funding. The programme of activity set out in this business plan has been used to develop a budget for 2019/20.

The business planning process identified our key strategic priorities and identified a common 'golden thread' from strategy to delivery. This 'golden thread' ensured that when detailed individual departmental plans were being designed and objectives set, there was a common and coordinated approach to delivery across the organisation. These common goals are what underpin the expenditure profile and budget for 2019/20.

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

## Value for Money

We recognise the absolute requirement to deliver its programme of works efficiently and effectively. The procurement of goods and services from external suppliers represents a major element of our expenditure. In order to ensure value for money, we have implemented a procurement framework that requires that the procurement of goods or services includes a competitive process that is appropriate to the value and complexity of the services/products and also minimises barriers for suppliers to participate in such exercises.

## Expenditure

In order to deliver the activity set out in the business plan, we have a total budgeted expenditure for 2019/20 of £105.1m. This includes £68.7m of underlying programme expenditure, £27.3m of programme contingency and '£9.1m of expenditure on core operations. As a Sub-national Transport Body, we are unable to recover VAT on our purchases of goods and services.

In 2019/20 it is expected that there will be three elements of the programme budget:

Programme	£m
Integrated & Smart Travel	36.3
Northern Powerhouse Rail	29.8
Highways (Strategic Development Corridors)	2.6
Total Programme Expenditure	68.7



In addition, the programme budgets include contingencies of £27.3m, in excess of 95% of which represents contingency and optimism bias in IST capital budgets.

The operational budget covers the functions of the back, middle, and front office of the organisation along with the business infrastructure. We are subject to the same regulatory environment as local and combined authorities and must discharge our responsibilities as an autonomous body. We must also act in accordance with the Memorandum of Understanding that TfN has with DfT.

Accordingly, the activity carried out within these areas represents the required enabling functions familiar to all public sector organisations, but also the teams that develop and deliver upon much of our aspirations. The total value of the operational budget is £9.1m, with the expenditure falling as follows:

Core operations	Value (£m)
Leadership	0.3
Finance and Business Systems	1.2
Business Capabilities	4.2
Programme Management Office	0.4
Strategy & Policy	3.7
Strategic Rail	1.1
Rail North Partnership	0.9
Gross Total	11.8
Recharges to Programmes	(2.6)
Net Total	9.1



Risk Management

We have developed risk management processes through which we identify and address the risks associated with our programme of activity. We have adopted a Risk Management Strategy, using industry best practice to create a framework within which risks are identified and evaluated prior to mitigation plans being put in place. Programme and corporate risks are monitored regularly, with monthly and quarterly risk reporting being provided to boards and the Audit & Governance Committee as appropriate.

Funding

Transport for the North is almost entirely funded by grants from the Department for Transport. Aside from a £10m core funding allocation, this funding is ringfenced for the purpose for which it has been allocated and in the main can only be drawn down as and when it is required. The funding that we are able to draw on during the year to pay for our budgeted expenditure is as follows:

Resourcing Value	(£m)	
Core grant	10.0	Flexible grant to fund Transport for the North activity. To be paid in two instalments during the year as required.
Core grant Reserves brought forward	1.5	Carry forward of core grant from prior years.
Rail North grant and Contributions	1.2	Ringfenced to support Rail North activity, to be paid at the start of the financial year.
IST grant	62.4	Ringfenced to support Integrated and Smart Travel activity, to be draw as needed by agreement with the DfT.
Transport Development Fund	30.0	Ringfenced to support Northern Powerhouse Rail activity, to be drawn as needed by agreement with the DfT.
	105.1	

Reserves Strategy

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

As noted above, most of our programme funding can only be drawn down as and when it is required, and is ringfenced for the purpose for which it has been allocated. This means that our reserve strategy must be managed in conjunction with the use of the annual core grant allocations, as core grant is the only discretionary resource we hold that can fund any and all expenditure.

We have forecast a 2018/19 year-end cash balance of £5m. It is proposed that £1.5m of this balance be drawn upon in 2019/20 to help meet the spike in the cost-base that will occur in year, including finalising the Strategic Corridor Studies and one-off costs of completing TfN's initial programme of work. This, along with specific earmarking, would reduce the reserve levels to £3.2m by the end of 2019/20, with further draws of circa £1m forecast in subsequent years. This will allow us to deliver the level of activity currently expected whilst still allowing us to maintain a reserve of at least £2.0m at the end of 2019/20.

Operations thereafter will be managed within the core funding available year on-year.

Health and Safety

When we achieved statutory status, we also took on the responsibility for Health and Safety from our partners. Consequently, a part-time Health and Safety Manager has been employed since early 2018. This has allowed the preliminary risk assessment of Health and Safety within the organisation and for own health and safety management system and underlying policies and procedures to be developed.

TfN's approach meets legal requirements and provides a framework for securing the wellbeing of both our employees and others who could be affected by our actions. The Health and Safety Manager's appointment has also reduced the reliance of our Human Resources function on externally procured services and means that the majority of the Health and Safety training programme for employees and contractors can be delivered flexibly to recognised standards in-house.

Whilst we will not be commissioning any major infrastructure projects in this financial year, this remains part of our long-term ambition. Health and safety is at the heart of our planning for such major projects at every stage from design through commission and the oversight of delivery in the future.

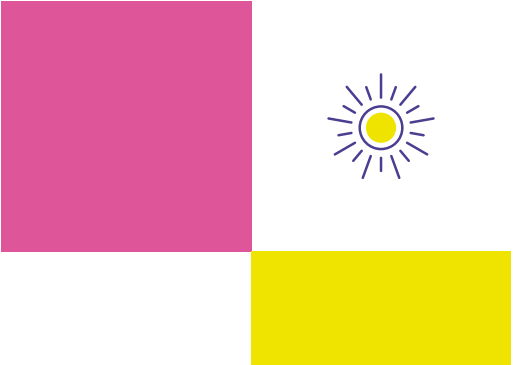
Communications and Engagement

As a partnership organisation, impactful communication and engagement is essential to the work we do. Given the scale of ambition, we have a complex and diverse stakeholder landscape interested and invested in our successes.

Our Stakeholder Engagement and Communications team brings TfN's strategy and major programmes to life, ensuring the North is informed about our work. Building on the interest since becoming a statutory body, 2019/20 will see an uplift in both external, internal and partner engagement and communications activity.

Our approach will build on the success of existing communication channels as well as introducing new opportunities, and deliver greater brand awareness through strategic campaigns. A refreshed engagement strategy and newly developed member service will see stakeholder relationships mature and will foster collaboration. Lively and engaging content will capture interest.

The strategies to be delivered by the team will each drive an overall step change in awareness; quality and quantity of content, while starting to define an annual calendar of set-piece engagement activities for TfN.





# Looking to the future

As an employer in our own right following statutory status, we are now able to continue to attract and retain the best people, deliver against our plans and confirm our role as the strategic authority for transport in the North of England.

2019-20 will see us bringing the Strategic Transport Plan to life, as we identify the programmes and projects that will help deliver the transformational economic growth and quality of life for the people of the North.

There are key milestones across all our major programmes which we have put the foundations in place to deliver.

To achieve this overarching vision and ensure consistency of approach in all we do, all of our work and planning is underpinned by a central vision linking our short, medium and longer-term plans to our objectives at an organisational, departmental and individual level. We will continue to monitor and measure our success using the Key Performance Indicator approach outlined in this business plan.

This business plan has outlined the achievements we have made in the last year and provides clear direction for what work will undertake in the year ahead.

In addition, we will also carry out a Strategic Planning exercise. This will allow us to agree our future role with partners and provide the basis for our Medium Term Financial Strategy. This exercise will be led by the Chief Executive and be undertaken during the first half of 2019/20 so as to be able to inform next year's business planning process, as well as the Spending Review that will take place in 2019. This exercise was originally planned for delivery in 2018/19. However, the delivery period coincided with a period of extensive disruption following the May 2018 Rail timetable changes, which placed considerable demands on the TfN and partner resources that would otherwise have been deployed on this activity.



## Key Performance Indicators

Area	KPI	Responsible TfN Officer	Detail
Northern Powerhouse Rail	1	Northern Powerhouse Rail Director	Fully agree NPR provision within the HS2 Phase 2b Bill by June 2019.
Northern Powerhouse Rail	2	Northern Powerhouse Rail Director	Agree NPR network delivery phasing by February 2020.
Northern Powerhouse Rail	3	Northern Powerhouse Rail Director	Prepare a mid-way point NPR progress report for Board by February 2020.
Strategic Rail	4	Strategic Rail Director	Hold the industry to account for the delivery of Franchise commitments and the recovery of acceptable levels of performance.
Strategic Rail	5	Strategic Rail Director	Publish the Long-Term Rail Strategy(LTRS) by July 2019 and begin delivery of the LTRS including input to the Trans-Pennine Route Upgrade.
Strategic Rail	6	Strategic Rail Director	Input TfN view to Williams review. Follow up to implement the recommendations on the Joint Rail North Partnership review.
Integrated and Smart Travel	7	Integrated and Smart Travel Programme Director	Complete the delivery of the integrated smart ticketing on Rail programme (Phase 1) by September 2019.
Integrated and Smart Travel	8	Integrated and Smart Travel Programme Director	Deliver Phase 2 – 'informed customers' - of the IST programme by December 2019.
Integrated Smart Travel	9	Integrated and Smart Travel Programme Director	Complete the procurement of the Phase 3 ABBOT back office by December 2019.

Area	KPI	Responsible TfN Officer	Detail
Modelling & Analysis	10	Strategy and Programmes Director	Develop analysis and modelling capability so that we can accurately represent the economic ambition of the North in our business case submissions by March 2020.
Modelling & Analysis	11	Strategy and Programmes Director	Consolidation / quality assurance of Analytical Framework by March 2020.
Major Roads	12	Major Roads Director	Input to three strategic road studies by March 2020.
Major Roads	13	Major Roads Director	Act as an advocate for northern investment and critical friend on RIS2 by November 2019.
Major Roads	14	Major Roads Director	Working with partners submit priorities for investment through the Major Roads fund by November 2019.
Strategic Development	15	Strategy and Programmes Director	Complete the Strategic Development Corridor studies, to at least Option Assessment stage, by September 2019. Monitor and refresh the Long Term Investment Programme by February 2020.
Strategic Development	16	Strategy and Programmes Director	Develop an Inclusive and Sustainable Growth Framework that will sit alongside the Strategic Transport Plan by February 2020.



Area	KPI	Responsible TfN Officer	Detail
Strategic Development	17	Strategy and Programmes Director	Prepare Freight and Logistics and International Connectivity Progress Reports that will reflect how these important areas have been embedded in the TfN Investment Programme and work programmes by July 2019.
Strategic Development	18	Strategy and Programmes Director	Develop and adapt an Assurance Framework to inform the development of the Investment Programme by February 2020.
Organisational	19	Chief Executive	Develop a 5-year corporate strategic plan / develop a spending review submission by September 2019.

As outlined on page 15, several KPIs were deferred in 2018/19. These will be revised and delivered in 2019/20 and have been incorporated into the above KPIs or detailed below.

Major Roads	20	Major Roads Director	Building on the published STP, the Major Roads Report will be updated in February 2020.
Rail Fares	21	Strategic Rail Director	A Long-Term Fares Strategy, identifying short-term opportunities to provide enhancement of the current franchises and providing a long-term plan for the next round of franchises, will be published by June 2019.
PMO	22	Strategy and Programmes Director	A Portfolio, Programme and Project Management System (PPPMs), including a formal assurance framework, will be implemented by December 2019.





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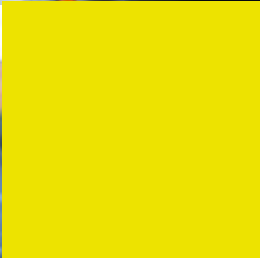
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