

Annual Governance Statement 2024/25

Introduction

This statement provides an overview of how our governance arrangements operate and reports on how they have been reviewed to ensure that they provide an effective system of internal control.

We were established from 1 April 2018 by the Sub-National Transport Body (Transport for the North) Regulations 2018 ("the 2018 Regulations"). Since our inception we have produced Annual Governance statements and our Constitution, policies, procedures, and systems continue to be developed. As a Sub-National Transport Body, our core functions are to prepare a Transport Strategy for the area and to provide statutory advice to the Secretary of State regarding the exercise of transport functions in the area. Other devolved powers are included in the Regulations. We are funded in this work by the Department for Transport.

1.0 Scope of responsibility

This Annual Governance Statement demonstrates how Transport for the North ("TfN") has reviewed the effectiveness of its internal systems of control and how it has complied with its adopted Code of Governance in carrying out its functions. It is published in accordance with the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015

TfN is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. TfN also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

In discharging this overall responsibility, TfN is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

TfN has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework, Delivering Good Governance in Local Government. The Code of Corporate Governance is included in TfN's Constitution and is on TfN's website at <http://www.transportforthenorth.com>.

2.0 The Purpose of the governance framework

The governance framework comprises the systems, processes, culture, and values, by which TfN is directed and controlled and the processes through which it accounts to and engages with the community. It enables TfN to monitor the achievement of its strategic objectives and to consider whether those objectives will lead to the delivery of its goal of transformational economic growth in the North of England, facilitated by improved transport infrastructure.

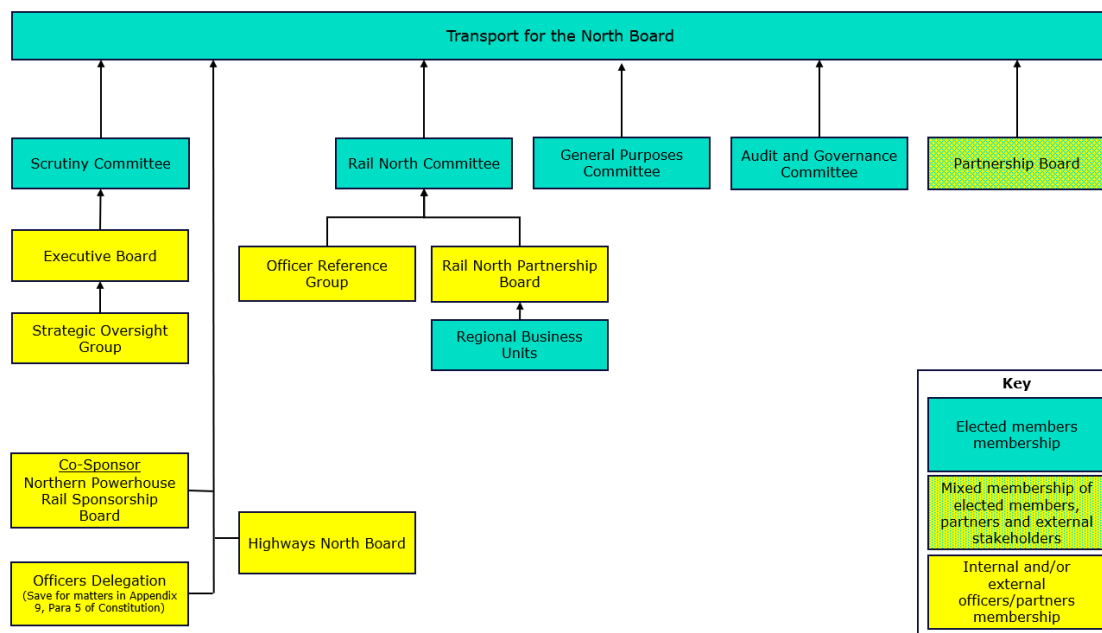
The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control consists of a number of processes, policies and procedures that have been put in place to identify and prioritise the risks to the achievement of TfN’s aims and objectives, to evaluate the likelihood and resultant impact of those risks materialising, and to manage them efficiently, effectively and economically.

The governance framework was in place at TfN for the 2024/25 financial year and up to the date of approval of the Statement of Accounts.

3.0 Identification of Key Governance Arrangements

TfN’s Governance Structure including partnership arrangements



Transport for the North Board (“TfN Board”)

The TfN Board is made up of the representatives of the 19 Constituent Authorities in the North who are the voting members of the Board, together with representatives of the six Rail North Authorities and the Independent Chair who are all non-voting co-opted members on it.

TfN Board has also appointed, as non-voting co-opted members, the successors of the 11 Local Enterprise Partnerships (LEPs) in the TfN Area and representatives of National Highways (formerly Highways England), Network Rail and HS2. The appointment of the LEP successors will ensure that at TfN Board level, there is the continuation of valuable business representation.

TfN’s governance arrangements are set out in its Constitution. Changes to the Constitution (except for minor amendments which can be made under officer delegated authority), approval of the Budget and Business Plan and adoption of the Strategic Transport Plan are reserved to the TfN Board. Other decisions are delegated to Committees, the Chief Executive, and other senior officers.

Rail North Committee

The Rail North Committee considers and advises the TfN Board on all matters relating to rail franchises (now service contracts) in the Rail North area. There has been a devolution of rail responsibilities in the North of England and these arrangements oversee the specification and management of the Northern and TransPennine Express rail contracts (including delivery performance).

These arrangements are set out in the Rail North Partnership Agreement (“the Partnership Agreement”) and the parties to this agreement are TfN and the Secretary of State for Transport. The arrangements under the Partnership Agreement have continued subsequent to the Northern and TransPennine Express contracts (separately) being taken over by the Operator of Last Resort.

The Constitution sets out the voting rights in relation to Rail Franchise matters for Constituent Authorities and the Rail North Authorities.

Scrutiny Committee

TfN has a Scrutiny Committee made up of Elected members appointed by the 19 Constituent Authorities whose role is to scrutinise proposals prior to recommendation for approval by the TfN Board and to make recommendations in relation to transport in the area. TfN has a policy of “Scrutiny First” under which the Scrutiny Committee has an opportunity to comment on and advise on issues for decision by the TfN Board before they are made rather than scrutinising decisions which have already been taken.

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

Audit and Governance Committee

TfN has an Audit and Governance Committee consisting of six Elected Members drawn from the 19 Constituent Authorities and four Independent Members, the latter of whom have been publicly recruited based on relevant skills and appointed by the TfN Board on the basis of a recommendation made by the General Purposes Committee.

The Committee’s role is to provide assurance to the Board on governance, risk management and the internal control framework and the Chair of the Committee makes an annual report to the TfN Board.

General Purposes Committee

The General Purposes Committee was established in February 2022. Its role is to determine matters which are not specifically reserved to the Board or delegated to any other Committee or officer of TfN. It sets and reviews the annual objectives for the Chair of the TfN Board and the Chief Executive Officer.

Appointments Sub-Committee of the General Purposes Committee

The functions of this committee are:

Select a preferred candidate, for recommendation to the TfN Board, to the role of any Statutory Officer, or Chair of the TfN Partnership Board/TfN Board including considering applications, forming a longlist and a shortlist, and conducting interviews.

Partnership Board

The 2018 Regulations provided for the appointment of a Partnership Board to be consulted on and advise on matters relating to transport in the area. The membership of the Partnership Board includes representatives from Disability UK, the Committee on Climate Change, Transport Focus, the Northern Chambers of Commerce, the Directors of Public Health, three regional TUC representatives and a DfT observer.

The Partnership Board's purpose is to contribute to TfN's effective exercise of its powers, and the development and delivery of its strategy and programmes through transparency and inclusivity. The Partnership Board has an Independent Chair who is also the Independent Chair of the TfN Board. The Partnership Board meets when required and, in 2024 / 2025, has met on two occasions.

Rail North Agreement

The Rail North Agreement is the contractual arrangement between TfN and the Department for Transport in relation to the Northern and TPE contracts. The Agreement is the basis on which the two parties work to specify, implement, and monitor the two contracts.

Rail North Partnership Board

Within the parameters of the Rail North Agreement, there is a Rail North Partnership Board which consists of senior officers from the Department of Transport and TfN (including partner representatives as agreed by the Rail North Committee).

The Rail North Partnership is hosted by TfN. As part of the Rail North Agreement, there is also the Rail North Partnership Management Team. The governance arrangements for this team are set out in the Partnership Agreement. They are an independent team which report to the Rail North Partnership Board. This team can include employees of the Secretary of State, Department of Transport, TfN or from Constituent Authorities.

Regional Business Units

Under the terms of the Rail North Agreement, there is the ability to establish a number of Regional Business Units. Two or more Constituent Authorities may together form a Regional Business Unit in relation to the geographical area covered by the Constituent Authorities.

Two Regional Business Units have been established, namely the North-East Regional Management Unit and the North-West Regional Business Unit.

Their terms of reference are set out in the Constitution, and these indicate the operational parameters of the Regional Business Units. There have been no changes to the risk, responsibilities or accountabilities for the way rail services are governed in the North of England in relation to the formation of the Regional Business Units.

Executive Board

The Executive Board promotes dialogue on key issues across TfN's portfolio, including finance, risk, and business planning.

The Board meets on a regular basis and in 2024 /2025 met **<to be updated in March 2025>** times and provides the TfN executive with advice in respect of matters to be considered by the TfN Board. The terms of reference are set out

in the Constitution.

Strategic Oversight Group

The group provides strategic oversight, scrutiny, and direction of TfN's activities that support the delivery of TfN's Strategic Transport Plan and its supporting evidence and strategies. The group receives input from various delivery groups, and challenge to ensure there is a joined-up approach to delivery. The group ensures that partners in their respective geographical areas are engaged, consulted, and informed throughout the development of these work streams. The group usually meets two weeks prior to Executive Board.

Officer Reference Group

This group meets monthly and there is officer representation from constituent authorities. This group advises the TfN executive in relation to matters considered by the Rail North Committee.

Highways North Board

TfN has a wide range of interests in the work being brought forward by National Highways, across the TfN area, and engages regularly with them and partners. The Highways North Board is intended to serve as a forum for these discussions to take place.

The core membership of the group is composed of officer representatives from TfN, Department for Transport and National Highways. The Highways North Board's Terms of Reference are set out in the Constitution. No meetings have been arranged for 2024 /2025.

Northern Powerhouse Rail Sponsor Board

Northern Powerhouse Rail is a major programme to improve rail connectivity between main centres of the North through a combination of new routes and significant upgrades to existing rail routes. Development work on Northern Powerhouse Rail was jointly led by TfN and the Department for Transport over a number of years operating as co-clients. On 1 April 2022, the Department for Transport became the sole client of Northern Powerhouse Rail.

In June 2023, the new governance arrangements associated with Northern Powerhouse Rail were approved by the TfN Board and the Rail Minister. TfN entered into a Northern Powerhouse Rail Memorandum of Understanding with the Department for Transport.

The Memorandum of Understanding formalises TfN's role in the Northern Powerhouse Rail programme in relation to the Integrated Rail Plan for the North and Midlands which was published in 2021.

The Northern Powerhouse Rail Sponsor Board ("Sponsor Board") meets quarterly and is comprised of three named representatives from TfN, Department for Transport, supported by Network Rail and HS2 Limited with other supporting attendees. The Sponsor Board is accountable for ensuring that the work is governed effectively and delivers the objectives that have been identified.

The Sponsor Board's direct responsibility is oversight of the core Northern Powerhouse Rail network as defined in the Integrated Rail Plan, essentially between Liverpool and York via Manchester and Leeds. Delivery of Northern Powerhouse Rail is reliant on other programmes in particular HS2, Transpennine Route Upgrade and the East Coast Main Line Enhancements Programme. The

programmes are referred to as “Dependencies” in the agreement. The remit of the Sponsor Board provides TfN with the opportunity to raise issues or concerns that arise from these “Dependencies”

Meetings

TfN conducts its business for Board and Committee meetings in line with its constitutional and legislative requirements.

In order to conduct its business in accordance with the Constitution, meetings are held in person.

When appropriate, meetings are held virtually as Consultation Calls using the Chief Executive Officer’s delegated powers.

All in-person TfN meetings and consultation calls are either streamed live to the public and/or provided as recordings via the TfN website.

4.0 The Corporate Governance Framework

TfN has adopted a Code of Corporate Governance that incorporates Core Principles that align with CIPFA guidance. These are captured below and supported by evidence that demonstrates compliance.

A. Focusing on the purpose of TfN and the outcomes for the community and creating and implementing a vision for the area.

The Strategic Transport Plan vision is:

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

A new Strategic Transport plan (“STP”) was adopted by the TfN Board on 20 March 2024. The plan sets out the strategic outcomes for the region and the role that investment in the North’s transport system has to play in delivering those outcomes. The STP includes specific ‘right share metrics’ against which progress will be monitored. The plan sets out a vision for improved connectivity across the wider region and is an ambitious transformational, pan northern strategy that seeks to secure long-term sustainable economic growth in the north.

Following approval and adoption of the STP, our focus is the implementation and delivery of the plan and its objectives. This includes the Northern Appraisal Playbook, which will consider how to best utilise the flexibilities in the current appraisal framework, as well as advice for government on changes needed to the appraisal system.

The STP will be used by the TfN Board to prepare its statutory advice to government on pan-regional investment priorities for the North.

TfN produces annual monitoring reports setting out its targets and achievement against them to inform business planning priorities. It is proposed that TfN will use its annual report from 2025 to report on

progress against the STP, drawing on the monitoring and evaluation framework provided with the STP.

A medium-term financial strategy is prepared and scrutinised by elected members to ensure it supports the ambition of TfN.

A Business Plan that represents member priorities supported by a fully funded budget is approved by the TfN Board and shared with Constituent Authorities.

Annual accounts are produced within three months of the year end and an audit opinion on these and on the value for money position is provided by external auditors.

A risk has been identified and is being managed on the Corporate Risk Register in relation to the material variations from the funding /cost planning assumptions that underpin medium term funding levels. Mitigation actions include engagement with government officials, multi-year spending review, an updated prioritised business plan, financial contingency planning and financial reporting on performance.

A Quarterly Operating Report (QOR) is produced to ensure that elected members, partners and stakeholders are aware of progress in relation to agreed priorities for work (as set out in the annual Business Plan). The QOR is presented to the TfN Board as part of the regular update by the Chief Executive Officer.

Other strategies and policy documents are developed by TfN officers collaborating with our partners and after approval by members, are normally available on the website. These strategies and documents are consistent with the STP and support the delivery of its ambitions.

The Executive Board and other officer reference groups are the means by which officers from the Constituent Authorities have the opportunity to help formulate TfN's strategies, policies, and proposals at an early stage.

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

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

There is a clearly defined planning cycle for future meetings and there is a forward plan in place.

Officers attend all committee and board meetings to support the Elected Members and provide any advice needed.

Relationships between TfN officers and Elected Members are clearly defined and there is a member/officer protocol which is contained in the Constitution.

Schemes of delegation are in place to enable Committees, the Chief Executive Officer, Monitoring Officer, and Directors to work together effectively and make decisions in a transparent way.

Statutory officers with the appropriate skills and resources have been appointed and ensure appropriate advice is given on necessary financial and procedural matters.

We have clear Constitutional documents and a committee structure covering all aspects of TfN's activities.

The Partnership Board brings together Elected members, business leaders from the private sector and other appropriate representative groups, to advise on strategic decisions.

The Chief Executive Officer meets regularly with the Chair and two Vice-Chairs of the Board to discuss future business and current activities.

The Chair of the Audit and Governance Committee meets with the Chief Executive Officer and Chair of the TfN Board on a biannual basis.

The Constitution sets out how TfN operates including standing orders, codes of conduct for officers and financial regulations.

The Constitution is reviewed annually, and internal audit also carry out investigations into selected areas of the organisation as part of an annual programme of work.

A Scrutiny Committee comprising Elected Members from all the Constituent Authorities, has, within its terms of reference in the constitution, the ability to review any decision made by TfN.

We operate on a 'scrutiny first' basis so that Scrutiny Committee can examine and influence proposed decisions before they are taken.

TfN is committed to promoting Diversity and Inclusion across all areas of its business, which includes people leading the organisation and people working in it. A Diversity Action group, comprising officer representatives who report into Senior Management Team, which in turn reports to Operating Business Board (OBT), is in place to help promote understanding across the organisation and legal compliance.

A risk has been identified and managed on the Corporate Risk Register – namely that TfN may not work effectively as a partnership, providing a collective voice where necessary for the North in relation to delivery of the STP vision ambitions and strategic transport investment priorities.

The risk mitigations have been effective and TfN has continued to enable Elected Members, where needed, to set out the priorities for the North; for example in relation to Avanti service performance, and Northern Trains performance.

C. Promoting values for TfN and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

TfN Members who are Elected Members of a Local Authority are expected to adhere to the adopted Code of Conduct of their Local Authority while performing their duties in respect of TfN. Other co-opted members are expected to adhere to the Cabinet Office's Code of Conduct for Board Members of Public Bodies.

There have been no complaints received about any members or co-opted members <to be updated prior to final approval>

We have adopted a Code of Conduct for Officers and a Protocol on Member /Officer Relations, to which all officers are expected to adhere. Serious breaches of these Codes by officers would be investigated under the organisation's disciplinary code. However, no breaches of code or protocol have been reported.

Our induction process for new TfN officers outlines the behaviours and values that are expected from them. The annual appraisal system adopted for TfN officers incorporates the behaviours and values as part of the review process.

We have a zero-tolerance approach to fraud and corruption and have adopted strong Anti-Fraud and Corruption and Whistleblowing Policies. The Whistleblowing Policy was reviewed in a previous Annual Governance Statement. No fraud or corruption has been uncovered in the past year and no complaints falling within the remit of the Whistleblowing Policy have been made or received.

The Anti-Fraud and Corruption Policy is due to be reviewed in March 2025. <The outcome of the review [To be updated for final version in March 2025]>

Elected Members are required to make a declaration of their disclosable pecuniary interests and to declare any disclosable pecuniary interests in the business of the meeting at the start of all TfN Board and Committee meetings, and to take no part in such business, and leave the meeting. The minutes of all meetings record any declarations of interest declared.

We have adopted a Code of Practice in relation to Gifts and Hospitality.

A register of Gifts and Hospitality is maintained by the Monitoring Officer. Guidance in relation to gifts and hospitality is included in the induction for new employees and ad hoc advice is available and provided, as necessary.

We have a Monitoring Officer who works with Elected Members and officers to ensure that we comply with our legal duties and all legal requirements.

The Monitoring Officer has statutory reporting responsibilities in relation to any unlawful decisions or maladministration and has not made any reports in relation to this matter.

The Finance Director, as the Section 151 Officer, has responsibility for ensuring proper arrangements for financial management and has statutory reporting duties in respect of unlawful expenditure and financially imprudent decision making. The Section 151 officer has not made any reports.

All new TfN officers are subject to a robust induction process and new elected members are offered an induction to familiarise themselves on our policy and procedures.

The three statutory officers - Section 151 Officer, Monitoring Officer, and Head of Paid Service - meet on a fortnightly basis.

Both the Section 151 Officer and Monitoring Officer attend TfN's OBT on a monthly basis.

The Legal implications associated with agenda items are included in all Board/Committee reports. There is no evidence, for example, in the form of complaints or challenges that the legal advice provided has been non-compliant.

D. Taking informed and transparent decisions which are subject to effective scrutiny and managing risks

Risk Management is embedded in the activities of TfN.

TfN's risk management strategy was reviewed and discussed with SMT and OBT in September 2024. The strategy is embedded throughout TfN and no changes have been made during this review cycle.

We have a Risk Manager who is responsible for implementing our risk management strategy.

The Audit and Governance Committee is responsible for independently monitoring and assessing the adequacy and effectiveness of the risk management framework.

Risk management reviews and updates are performed regularly across all business activities and subsequently reported to internal management, Audit and Governance Committee, and the TfN Board.

A risk deep dive process has been implemented at Audit and Governance Committee meetings since November 2022.

The following deep dives have been undertaken for 2024/2025:

- Corporate risk 876 – TfN Cyber Security
- TfN Offer risks – functional and corporate

Any risks relevant to matters under consideration are outlined in reports to the TfN Board and Committees.

In 2024/2025, Internal Audit undertook an independent review/assurance in the following audits in 2024/2025 for the following Risk Management areas:

- Asset Management
- IT Access Management Security
- Staff Mental Health and Wellbeing
- Performance Management and Appraisals
- Procurement - VFM

We have put in place a strong system of financial governance to manage and control our financial affairs to protect the organisation and mitigate the risk of fraud. The Finance Director has overall responsibility for ensuring the effectiveness of internal controls. The Finance Director reports regularly to the Audit and Governance Committee and TfN Board.

We have adopted rigorous procurement approval procedures which ensure that all procurements comply with TfN's Contract Procurement Rules. The Standing Orders, Financial Rules and Contract Procurement Rules are contained in the Constitution which is a requirement of local government legislation.

The IT and Information Manager is responsible for ensuring data is collected, stored, and used appropriately. This post and that of the Data Protection Officer reports indirectly to the Finance Director who is also the Senior Information and Risk Officer (SIRO).

We follow a rigorous process to ensure that all relevant officers have reviewed draft reports before they are finalised for publication for the TfN Board and committees.

E. Developing the capacity and capability of members and officers to be effective

We seek to ensure all members and officers have the necessary skills and training to fulfil their roles. Members receive an induction programme when they are appointed, and this is supplemented by specialised training courses where appropriate. Officers are appointed using competency-based role profiles and selections processes and their performance against these competencies is regularly monitored and reviewed. A detailed learning and development plan ensures that training needs are met at both an individual and an organisational level.

Audit and Governance members undertook a review of self-assessment of good practice survey in line with CIPFA best practice.

The results of the 2023 / 2024 survey results showed a medium to high level of effectiveness with a number of improvements being highlighted. These improvements included an Induction Pack for all Audit and Governance members and an Effectiveness Action Plan.

This survey will now be undertaken on an annual basis and will be conducted in March 2025 with the results reported in the 2025 /2026 Annual Governance Statement.

The Diversity & Inclusion Action Group which a cross section of managers and officers meets on a quarterly basis. The work of this group is overseen by our Senior Management Team, who are responsible for the day-to-day management, development and delivery of TfN's Diversity and inclusion Annual Improvement Action Plan.

Mental-Health first aiders have been appointed from members of staff to help and advise any member of staff suffering from mental health issues.

Corporate Induction Guidance includes a thorough initial corporate induction programme for all new officers, with additional information, guidance, and training for all new line managers.

All new employees are subject to a formal six-month probationary process where performance is assessed alongside the provision of initial learning and development support and guidance.

Key Performance objectives are captured in the online appraisal tool 'PERFORM' and training is delivered via the core curriculum of training.

Members of the Senior Management Team have undertaken leadership training, with this programme also having been rolled out to our more junior and aspiring leaders.

It is proposed that senior managers will undertake fraud awareness training in 2025 to strengthen work already undertaken in relation to our Anti-Fraud Strategy.

We hold regular wellbeing sessions for all employees addressing mental and physical health.

F. Engaging with local people and other stakeholders to ensure robust public accountability

TfN Board and committee agendas and minutes are publicly available on our website.

TfN Board and committee meetings are open to the public. Meetings of the TfN Board and Rail North Committee are live streamed to enable broader access to them.

The membership of the Partnership Board is broader to ensure that it is representative of wider interests, including in relation to the environment and the interests of the travelling public.

Our officers meet with parliamentarians, members and officers of other authorities, representatives of the Welsh and Scottish devolved governments, representatives of business organisations and transport providers (including freight and logistics), and other stakeholders, including attending All Party Parliamentary Groups (APPG) meetings, roundtable events, and targeted engagements with partners across the North and the rest of the UK.

We host podcasts and webinars from time to time, which include TfN officers, members and other relevant stakeholders. We also have a stakeholder newsletter, which is issued from time to time to provide updates on our work and engagement activities. This complements the information we make available on our website and social media channels.

We host the Northern Evidence Hub, a repository for research reports which ensures that local, regional, and national leaders can base decisions on the best possible evidence about the economy and potential future growth areas.

In January 2023, we established a new citizens' panel called "Northern Transport Voices" as a means of ensuring that our work is informed by the widest possible views from our communities.

Where necessary, we undertake public consultations on our work. For example, in 2023 we consulted for 12 weeks on the draft Strategic Transport Plan.

G. Having regard to the promotion of sustainable economic growth, and the social and environmental impacts of its proposals.

The Strategic Transport Plan was approved and adopted by the TfN Board Meeting on 20 March 2024. At its heart are three strategic ambitions that set out how the vision for the North is manifested in terms of economic, environmental, and social outcomes. This is based on evidence provided from our programme of technical research and other reputable sources.

This includes cutting edge elements of the Analytical Framework, ensuring the forecast economic and social impacts of the NPR networks selected by DfT for examination are clearly and strongly articulated.

The findings of the initial Northern Powerhouse Independent Economic Review (NPIER) published in 2016, established a transformational vision

for the North's economy by 2050. To underpin the new Strategic Transport Plan, this work was refreshed and updated in 2023 to provide a more comprehensive picture of the North's economic opportunities.

Following the completion of TfN's first internal carbon footprinting exercise in the previous year, TfN's internal Climate Change Group have actioned two key recommendations which are as follows (1) implemented an improved data recording system to enable better estimates of carbon footprints going forward, including changes to travel recording systems; and (2) reviewed and improved TfN's procurement requirements in relation to carbon. A pilot of the new procurement and contractual requirements was run successfully during summer 2023 and those requirements have now been incorporated in all procurement exercises going forward. The majority of TfN's emissions result from procured goods and services.

In January 2023, we received an allocation of additional DfT funding (for 2023/24 and 24/25) to use TfN capability to build a Common Analytical Framework (CAF) and to develop and publish a national online data tool, evidencing requirements for Electric Vehicle Charging infrastructure (EVCI). The CAF provides Sub National Transport Bodies, Mayoral Combined Authorities and Local Transport Authorities the opportunity to use established transport models and forecasting systems to generate evidence for Local Transport Plans and transport strategies. The EVCI tool is also made available for use by Local Transport Authorities across the North.

The Analytical Framework reflects TfN's commitment to evidence-based decision making and provides a consistent evidence base to support the decision-making process on the prioritisation of future interventions.

Reports to the TfN Board and committees, contain an assessment of the implications of the report in terms of sustainability, environmental impact, and equality impact. In 2024 / 2025, we have appointed a number of Equality champions across TfN executive and they have received external training on the Public Sector Equality Duty and the Equality Impact Assessments.

In September 2023, the TfN offer was launched to all local authorities and TfN's evidence base can be used to support local partners in developing their Local Transport Plans. Within its first year of operation, the TfN Offer received over 100 requests for support from partner organisations. Whilst it remains early days, it is estimated that TfN has realised savings of c£0.4m by undertaking technical/analytical work through the TfN Offer. Moreover, it is conservatively estimated that the tools and capabilities produced by TfN have an added value of c£3m.

H. Having regard for the impact of current decisions and actions on future generations

Consultation with our partners and appraisal and assessment, using our research and evidence base, Analytical Framework and Future Travel Scenarios is undertaken during the development of policies, the preparation of responses to consultations and in the drafting of advice to government, to consider, all views and the potential future consequences of current decisions.

We have a Scrutiny Committee made up of elected representatives from the 19 Constituent Authorities. It adopts a "Scrutiny First" model, so all major decisions are subject to scrutiny before they are presented to the TfN Board, enabling the committee to influence TfN's Board's decisions before they are made.

The Scrutiny Committee meets regularly and is supported by officers. It subjects proposals to scrutiny before they are presented to the TfN Board, with the recommendations of the Scrutiny Committee being included in the officer's final report to the TfN Board.

5.0 Annual Review of the Effectiveness of the Governance Framework

The effectiveness of key elements of the governance framework is assessed throughout the year by the Chief Executive Officer and directors meeting as OBT, by SMT, by internal audit and by the Audit and Governance Committee. Significant risks are included in the QOR. The Risk Manager meets with service areas on a monthly and quarterly basis to review risks. Performance in relation to corporate risks is a standing item on the agenda of the Audit and Governance Committee and is reported twice a year to the TfN Board.

TfN has implemented a three lines of defence assurance framework which forms part of the risk management strategy. This framework is now embedded and applied across TfN.

The role of the Internal Auditor is to provide an independent assessment of the system of internal control. They undertake a cyclical review of the main financial and operational systems on a rolling three-year Audit Plan which is based on an analysis of where there is most risk.

The reviews which have been undertaken in 2024 /2025 have been given a <to be updated at final approval> assurance rating.

6.0 Significant Governance Arrangements

This section considers any significant matters that have arisen during the year. This is by exception only.

Project Management Framework

Following an internal audit report in 2022 /2023, the establishment of a project management framework was identified as a priority. This required a review and adjustment to existing arrangements to ensure they remained fit for purpose and proportionate. An officer task and finish group was set up in order to refresh and update the project management framework, to ensure effective set up and management of projects. Guidance, templates, and procedures have been revised and new documents produced as needed to provide greater consistency across TfN executive that is proportionate for the size of organisation and nature of work. From April 2024 onwards, it is compulsory to apply this refreshed framework in setting up new projects/workstreams. This was widely communicated across the organisation to ensure relevant officers were briefed as needed.

Further enhancements are planned, in particular, in relation to monitoring and evaluation, and Project Management e-learning training will be rolled out to all staff by Spring 2025.

Creation of Combined Authorities within the territory of TfN and changes to Board Membership

Devolution has seen the establishment of new combined authorities in the North. Further devolution plans indicate that the number of TfN Constituent Authorities will reduce from 19 to 14 by May 2025.

These changes and the impact on TfN membership has been reported to the General Purposes Committee and, where necessary, approved by the TfN Board.

The changes to the Constituent Authorities acted as a catalyst to review the need for the Regional Grouping tables for Rail North Committee and General Purposes Committee. This matter went to General Purposes Committee in October 2024.

Changes in TfN Board co-opted Membership

Devolution has seen the integration of Local Enterprise Partnerships (LEPs) functions into local democratic institutions.

Until March 2024, the Local Enterprise Partnerships within the territory of TfN sat on the TfN Board as co-opted members.

Since 1 April 2024, the successors to the applicable LEPS have been appointed as co-opted board members.

Management Systems Implementation in 2023/2024, the Executive undertook a Corporate Governance review to ensure the governance arrangements support our current and anticipated future challenges. Specific actions are captured in the improvement plan below.

Following the 23/24 review, a workstream was established to fully document TfN's Management Systems, which covers policies/procedures formal/informal decision-making processes spanning across all TfN functions. The following components make up the TfN Management System. Openness and transparency, Boards & Committees, Legal and regulations, Human Resources, Skills & Facilities, Health and Safety, Information Technology, Finance, Procurement & Risk, Information Governance, Monitoring and Reporting.. This has allowed us to identify areas for continuous improvement and clarify responsibilities and accountabilities amongst the TfN Executive to enable more effective and efficient management of operations.

7.0 Governance Improvement Plan for 2025/2026

Although no significance issues have been identified as a result of this year's evaluation, we are committed to continually strengthening and improving our governance arrangements and, during 2025/2026, will particularly focus on the following key activities some of which may extend into 2026/2027.

| Area | Action to be taken |
|-------------------------|---|
| "Diversity of Thinking" | The TfN Board has highlighted the importance of having diversity of thinking, not just at the heart of the board meeting but as a core part of the way TfN goes about its work. |

| | |
|---|--|
| | <p>At the Board meeting held on 20 March 2024 the measures currently in place to promote diversity of thinking were reviewed (including the use of Equality Impact Assessments as part of the Board report template). Several opportunities were identified to enhance diversity of thought which will be included within an updated Communications & Engagement Strategy.</p> |
| Information Governance | <p>Building on work over the last year to update and refine our information policies, we have established an Information Governance Framework to bring all relevant policies, processes, and systems together. This has identified areas for further strengthening and clarification of accountabilities and responsibilities, for which we have an agreed action plan in place to address.</p> |
| Constitutional Review | <p>A review is being undertaken that:</p> <ul style="list-style-type: none"> • allows the consequence of the reduction in Constituent Authorities as a result of devolution agreements on the formation of the Rail North Committee and General Purposes Committee to be considered. • amends the Contract Procurement Rules to comply with the new Procurement Act 2023. • Introduces the right for the appointment of substitute members in the Audit and Governance Committee. |
| Encouraging attendance of elected members at Audit and Governance Committee | <p>We have engaged with Constituent Authorities to further encourage Committee members to make time for meetings. Continuing the work we are undertaking to recruit new members and substitute members.</p> |
| Equality Impact Assessments | <p>Building on work over the last year to update and refine our Equality Impact Assessments (EqIAs), we are ensuring:</p> <ul style="list-style-type: none"> • Where applicable, EqIAs are undertaken and captured in all TfN Board reports. • TfN's equality champions deliver against their agreed remit. • We implement a process for monitoring, tracking, updating, and logging the assessments |

8.0 Conclusion

At TfN, we are committed to the principles of good governance as identified in Delivering Good Governance in the Local Government Framework 2016.

The governance arrangements and evidence described above have been applied throughout the year and up to the date of the Annual Accounts providing an < wording to be inserted in final draft of AGS > for governance, identifying governance issues and taking mitigating action. Transport for the North will continue to keep governance arrangements under review to ensure they remain < wording to be inserted in final draft of AGS >.

Signed

Signed

Chair of the Transport for the North Board
xx xxxx 2025

Chief Executive Officer
xx xxxx 2025

