

**Meeting:** Transport for the North Board  
**Subject:** Corporate Risk Register  
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**Meeting Date:** Monday 9 December 2024

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## **1. Purpose**

- 1.1 The purpose of this report is for TfN Board to gain awareness of TfN's corporate risks and risk-based activity over the last 9 months.

## **2. Recommendations**

- 2.1 It is recommended that the Board note TfN's corporate risks and risk management activity over the last 9 months.

## **3. Context**

- 3.1 As stated in the risk management strategy, the Board will receive a high-level summary of TfN's risk environment, (section 1 Corporate Risk Register Appendix 1). This register provides the Board with an update on the key organisational risks.
- 3.2 Following the General Election TfN has been in 'listening mode' as the new Government set out its priorities. In particular, the Government's Missions bring a clarity and focus that has enabled TfN to assess how its work adds value to the delivery of those Missions. Whilst this has shown that the outcome focused approach adopted in preparing the revised Strategic Transport Plan is consistent with the Government's Missions it has been appropriate to review the milestones and business objectives set out the Business Plan for 2024/25. Where there has been a need to amend the milestones and business objectives this is reported in the Quarterly Operating Report which is shared with this Board.

## **4. Audit and Governance Committee**

- 4.1 The Audit and Governance Committee's role in relation to risk is included in the broader detail of the Constitution, which is defined below:

*"Audit and Governance Committee is a key component of corporate governance providing an independent, high-level focus on the audit, assurance and reporting framework underpinning financial management and governance arrangements. Its purpose is to provide independent review and assurance to Members on governance, risk management and control frameworks."*

- 4.2 The terms of reference for the Audit and Governance Committee includes the requirement for the committee to:

*"monitor Transport for the North's risk and performance management arrangements including review of the risk register, and progress with mitigating action"*.

- 4.3 The Corporate Risk Register was presented to the Audit and Governance Committee on 6 December. The Audit and Governance Committee have delivered against the Terms of Reference which included discussions in relation to TfN's risk management practices.

- 4.4 Functional risk continues to be managed by the TfN executive at functional (team) levels and is considered quarterly by the Operations Board.

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4.5 A risk deep dive took place at Audit and Governance Committee in July in relation to the TfN Offer. There were detailed discussions with Committee Members. TfN's Head of Strategy, Policy and Research and Head of Data Analysis and Appraisal attended to discuss the risks in more detail. The background, development and risks associated with the TfN offer was conveyed and the committee concluded they were comfortable with how the risks were being managed.

4.6 Risk is a standing item at Audit and Governance Committee meetings and the Corporate Risk Register has been updated systematically during the year. The Risk Management Strategy was reviewed by the TfN executive's Operations Board and Senior Management Team in September 2024, and no changes were made to the strategy. This is highlighted in the Chair of Audit and Governance Committee report to the Board, which provides assurance for TfN that efficient and effective risk management practice and processes are in place.

## 5. Summary

5.1 Risk workshops have taken place across the TfN executive with the CEO, Directors and members of the Senior Management Team, and all existing risks and mitigation actions have been reviewed and updated.

5.2 The three corporate risks that are showing as 'very high' are:

- Risk 647 - with significant investment in the North's railway system underway/planned and given the interdependencies, there is a risk that individual programmes are not aligned and expected benefits not realised.

TfN's work to develop the 'state of play' overview is in response to this risk. First presented to the Rail North Committee at its September meeting, reaction from the Committee members has been positive and the TfN executive is working with partners across the industry to build on the initial overview to guide and inform decision making.

- Risk 916 - material variations from the funding/cost planning assumptions that underpin medium term funding levels.

Recognising the current fiscal environment the TfN executive is closely monitoring in-year expenditure against the agreed 2024/25 Business Plan. The TfN executive is continuing to work closely with the sponsorship team in DfT as part of the process for determining TfN's funding allocation for 2025/26.

- Risk 310 - the North's role in the rail industry - provided via the Rail North Partnership and through the Rail North Committee - could be diminished following the implementation of rail reform, including the role of Great British Railways.

The TfN Board has consistently supported the need for rail reform. The TfN executive is working with constituent authorities, through the Rail North Committee, to use the experience of rail devolution in the North to inform thinking on how best to ensure that the North retains a strong voice in the specification and management of future rail contracts. The Rail North Committee at its meeting on 20th November instructed the TfN executive to establish a working group with officers from constituent authorities to assist in this work.

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## **6. Corporate Considerations**

### **6.1 *Financial Implications***

The financial implications are detailed within individual risks where applicable.

### **6.2 *Resource Implications***

The resource implications are detailed within individual risks where applicable.

### **6.3 *Legal Implications***

The legal implications are detailed within individual risks and in the body of this report where applicable. Governance processes adopted are explained within the report.

### **6.4 *Risk Management and Key Issues***

Section 1 of the Corporate Risk Register is part of this report.

### **6.5 *Environmental Implications***

There are no environmental implications associated with this report. The TfN executives' ability to undertake the decarbonisation activities proposed within its Decarbonisation Strategy is covered by a functional risk entry. A full impact assessment is not required for this report.

### **6.6 *Equality and Diversity***

A full impact assessment is not required for this report.

### **6.7 *Consultations***

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

## **7. Background Papers**

7.1 The Corporate Risk Register presented as a standing item at each Audit & Governance Committee provide the background papers and context for this report.

## **8. Appendices**

8.1 Appendix 1 – Section 1 Corporate Risk Register Nov 2024