

## **Annual Governance Statement 2020/21**

### **Introduction**

This statement provides an overview of how Transport for the North's governance arrangements operate and reports on how they have been reviewed to ensure that they provide an effective system of internal control. It also summarises the governance challenges that the organisation faces, together with an explanation of what actions will be taken to implement improvements.

Transport for the North was established by the Sub-National Transport Bodies (Transport for the North) Regulations 2018 and came into being on the 1<sup>st</sup> April 2018, holding its inaugural meeting on 5th April 2018. This is therefore its third Annual Governance Statement and the organisation's Constitution, policies, procedures and systems continued to be developed during 2020/21. As a Sub-National Transport Body, Transport for the North's core functions are to prepare a transport strategy for the area and to provide advice to the Secretary of State regarding the exercise of transport functions in the area. Transport for the North is funded in these activities by the Department of Transport.

The Transport for the North Board is made up of the representatives of the twenty 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 of the Partnership Board who are all co-opted Members on the Board. At its inaugural meeting the Transport for the North Board also appointed, as co-opted members, the representatives of the eleven Local Enterprise Partnerships in the Transport for the North Area and representatives of Highways England, Network Rail and HS2.

Transport for the North's governance arrangements are set out in its Constitution. All decisions relating to the Constitution, approval of the Budget and Business Plan and adoption of the Strategic Transport Plan are reserved to the Transport for the North Board. Other decisions are delegated to Committees, the Chief Executive, and other senior officers under the arrangements set out in the Constitution. The Rail North Committee oversees the management of the performance of the Northern and TransPennine Express rail contracts under a Partnership Agreement with the Secretary of State for Transport. The arrangements under the Partnership Agreement have continued under the new arrangements which have seen the Northern franchise taken over by the Operator of Last Resort (OLR) and the TransPennine Express franchise moved onto an Emergency Measures Agreement during the Covid 19 pandemic.

The Regulations which established Transport for the North provided for the appointment of a Partnership Board to advise on matters relating to transport in the area. The membership of the Partnership Board mirrors the membership of the Transport for the North Board with the addition of a representative of the DfT. During 2019/20 Transport for the North decided to enlarge the Partnership Board and the Partnership Board now includes a representative from Disability UK, the Committee on Climate Change, Transport Focus and three regional TUC representatives.

Transport for the North has a Scrutiny Committee made up of elected Members appointed by the 20 Constituent Authorities whose role is to review the decisions of the Transport for the North Board and to make recommendations in relation to transport in the area. Transport for the North has decided to adopt a policy of "Scrutiny First" under which the Scrutiny Committee has an opportunity to comment on and influence decisions before they are made rather than scrutinising decisions which have already been taken.

Transport for the North has also established an Audit and Governance Committee consisting of five Board Members and three Independent Members, who have been publicly recruited on the basis of relevant skills, whose role is to provide assurance to the Board on governance, risk management and the internal control framework.

Since March 2020 Transport for the North, in common with the whole of the UK, has been affected by the Covid 19 pandemic. In response to the emergency, Transport for the North implemented its Business Continuity Plan and was able to move to full remote working. The implementation of the Business Continuity Plan has enabled the continuation of Transport for the North's governance arrangements and enabled its internal system of controls to continue to function.

Since March 2020 all Transport for the North's Boards and Committees have continued to meet through virtual meetings which have continued to be streamed live to the public.

## **1.0 Scope of Responsibility**

- 1.1 Transport for the North 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. Transport for the North 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.
- 1.2 In discharging this overall responsibility, Transport for the North 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.
- 1.3 Transport for the North 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. A copy of the Code of Governance is included in Transport for the North's Constitution and is on Transport for the North's website at <http://www.transportfornorth.com>. Alternatively it can be obtained via a written request from Head of Legal, Transport for the North, 4 Piccadilly Place, Manchester, M1 3BN.  
This Annual Governance Statement demonstrates how Transport for the North 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.

## **2.0 Delivering Good Governance in Local Government**

- 2.1 The governance framework comprises the systems, processes, culture and values, by which Transport for the North is directed and controlled and the processes through which it accounts to and engages with the community. It enables Transport for the North 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.
- 2.2 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.
- 2.3 The system of internal control consists of a number of processes, policies and procedures that have been put in place in order to identify and prioritise the risks to the achievement of Transport for the North's aims and objectives, to evaluate the likelihood and resultant impact of those risks materialising, and to manage them efficiently, effectively and economically.
- 2.4 The governance framework was in place at Transport for the North for the 2020/21 financial year and up to the date of approval of the Statement of Accounts.

## **3.0 The Corporate Governance Framework**

Transport for the North has adopted a Corporate Governance Framework that incorporates the following Core Principles:

1. Focusing on the purpose of Transport for the North, and the outcomes for the community, and creating and implementing a vision for the area;
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles;
3. Promoting values for Transport for the North and demonstrating the value of good governance through upholding high standards of conduct and behaviour;
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
5. Developing the capacity and capability of Members and officers to be effective;
6. Engaging with local people and stakeholders to ensure robust public accountability,

7. Section 102I of the Local Transport Act 2008 imposes a requirement on Transport for the North, in the preparation of its Strategic Transport Plan, to have regard to the promotion of economic growth and the social and environmental impacts of the implementation of its proposals. This includes having regard for the impact of decisions on future generations.

The table below sets out examples of how Transport for the North has met the principles set out in the CIPFA Framework and also adhered to its governance commitments set out in the Code of Governance and includes hyperlinks to sources of further information.

<b>A Behaving with Integrity, demonstrating strong commitment to ethical values and respect for the rule of law</b>	
<b>Core Principle</b>	
<b>Promoting values for Transport for the North and demonstrating the value of good governance through upholding high standards of conduct and behaviour.</b>	
<i>How we met the principle</i>	<i>Evidence</i>
<p>Those Members of Transport for the North who are elected Members of a Local Authority are expected to adhere to the adopted Code of Conduct of their Local Authority while carrying out their duties in respect of Transport for the North. Other co-opted Members are expected to adhere to the Cabinet Office's Code of Conduct for Board Members of Public Bodies.</p> <p>Transport for the North has 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.</p> <p>Transport for the North's induction process for new recruits outlines the behaviours and values that are expected from officers.</p> <p>Transport for the North has a zero-tolerance approach to fraud and corruption and has adopted strong Anti-Fraud &amp; Corruption and Whistleblowing Policies. During 2020/21 the Audit and Governance Committee reviewed the systems and controls in place to prevent fraud and corruption.</p>	<p>Constitution</p> <p>Code of Conduct for Officers</p> <p>Member/Officer Relations Protocol</p> <p>Human Resources On-boarding Policies</p> <p>Anti-Fraud and Corruption Policy</p> <p>Review of Anti – Fraud and Corruption Policy</p>

During 2020/21 the Whistleblowing Policy was revised and a programme of training for employees is now being undertaken with the support of the charity Protect (formerly Public Concern at Work).

Members are required to make a declaration of their disclosable pecuniary interests and also to declare any disclosable pecuniary interests in the business of the meeting at the start of all meetings of the Transport for the North Board or its Committees, and to take no part in such business, but to leave the meeting. Members Declarations of Interest are available on the Transport for the North website.

Transport for the North has adopted a Code of Practice in relation to Gifts and Hospitality which was reviewed during 2019/20 and training on the Code was rolled out across the organisation. Guidance in relation to gifts and hospitality is included in the induction for all new employees.

A register of Gifts and Hospitality is maintained by the Monitoring Officer, in which officers are required to declare any gifts or hospitality of more than nominal value which they have been offered, whether or not it has been accepted. An annual reminder is issued to all Employees and the Monitoring Officer reviews the register annually.

Transport for the North has appointed a Monitoring Officer who works with Members and Officers to ensure that Transport for the North complies with its legal duties and all legal requirements. Transport for the North has an in-house legal team and the legal implications of all reports are considered and, where appropriate, legal advice provided within reports that inform decisions that are taken by Members. Legal advice is available to Members at all meetings of the Transport for the North Board and its Committees.

The Monitoring Officer has statutory reporting responsibilities in relation to any unlawful decisions or maladministration.

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.

Whistleblowing Policy

Constitution

Declarations of Interest

Code of Practice on Gifts and Hospitality

Employees Induction

Register of Gifts and Hospitality

Constitution

Board Reports

Constitution

<p>Transport for The North is committed to promoting Diversity and Inclusion across all areas of the business, which includes people leading the organisation and people working in it. During 20/21 Transport for the North established a cross organisational Diversity Working Group to develop a Diversity and Equalities Action Plan to ensure that respect for equality and diversity is embedded across the organisation both in employment practices and in the delivery of services and programmes.</p>	
<p><b>B Ensuring openness and comprehensive stakeholder engagement</b></p>	
<p><b>Core Principle</b></p> <p><b>Engaging with local people and stakeholders to ensure robust public accountability</b></p>	
<p><i>How we met the principle</i></p>	<p><i>Evidence</i></p>
<p>Transport for the North’s website is set out in a clear and accessible way, providing clear access to reports and minutes from Board meetings, along with updates on our core programmes and links to relevant documents. Transport for the North is also active on social media, which regularly shares links to the website where more information can be found (across several channels to widen audience), including promoting public meetings.</p> <p>All meetings of the Transport for the North Board and its formal Committees are held in public, unless information which is either confidential under section 100A or exempt under Part 1 of Schedule 12A of the Local Government Act 1972 is to be disclosed. Copies of all minutes and agendas of the Board and formal Committees are available on Transport for the North’s website. All reports contain details of options considered and the advice provided by officers regarding legal and financial implications. The minutes include the reasons behind the decisions made. Transport for the North has a Freedom of Information Publication Scheme in place and seeks to publish information openly on its website wherever possible and practicable to do so.</p> <p>During 2020/21 Transport for the North has held all its meetings virtually. It has continued to hold all meetings in public through live streaming the proceedings and proactively promoted this on all online channels, as well as directly to interested</p>	<p>Transportforthenorth.com website</p> <p>Board and Committee Agenda and Minutes</p> <p>Transport for the North’s website</p>

parties. All agenda and minutes continue to be available on the website.

Live streams are publicised via Transport for the North's social media platforms public attendance at meetings through watching the live stream has greatly increased during 2020/21.

Under its Regulations, Transport for the North is required to establish a Partnership Board to advise it on all matters relating to transport to, from and within its area. The Partnership Board is a forum in which the elected Members of Transport for the North engage and consult with the business leaders of the area through representatives of the eleven northern Local Enterprise Partnerships and with the national transport delivery agencies Network Rail Highways England and HS2. During 2019/20 Transport for the North reviewed the membership of the Partnership Board and widened its membership to include representatives of the Northern, North West and Yorkshire & Humber Regional TUC areas, Disability Rights UK, Transport Focus and the Committee on Climate Change. This has broadened the interests represented on the Partnership Board particularly in relation to the environment and the interests of the travelling public.

Transport for the North carries out extensive stakeholder engagement through its Engagement team and the wider organisation. Transport for the North Officers meet regularly with Parliamentarians, Members and officers of other Authorities, representatives of the Welsh and Scottish devolved governments, representatives of business organisations, and other stakeholders, such as community groups. The types of events vary from attending All Party Parliamentary Groups meetings in Parliament, including the Transport Across the North APPG for which TfN is the secretariat; to roundtable events, and speaking engagements across the North and the rest of the UK.

The Transport for the North Conference was held virtually in December 2020 and was attended by 585 delegates. The sessions covered a variety of topics relevant to Transport for the North including: Putting passengers in the North first, High Speed Rail, Decarbonisation, Economic Recovery post-Covid-19, Business Priorities, Devolution, Active Travel, and Freight and Logistics. Speakers included TfN representatives, Board Members, Government

Transport for the North website

Transport for the North Regulations

Constitution

Memoranda of Understanding signed with the Welsh Government and Midlands Connect

Ministers, and other relevant stakeholders. Feedback received shows that 60% of delegates were very satisfied/satisfied with the event, with only 9% very dissatisfied/dissatisfied. Over 80% would attend another Transport for the North event.

Over the past 12 months, Transport for the North has facilitated six virtual webinars branded as TfNTalks, covering Strategic Rail, the Future of Roads, Northern Growth, Northern Powerhouse Rail, Integrated and Smart Travel, and Business Priorities. In addition to TfN representatives, panellists included Board Members, local and national politicians, and relevant stakeholders.

Transport for the North facilitates regular podcast episodes, which cover a large variety of topics, updates on Transport for the North's work and other salient events and issues. As with other Transport for the North events, the podcast includes TfN representatives, Board Members and other relevant stakeholders. To date, the podcasts have received a total listenership of 1,427.

Transport for the North is committed to full public engagement. Extensive public consultation was carried out prior to the adoption of the Strategic Transport Plan and public consultation is currently being planned in relation to the Decarbonisation Strategy which will be rolled out in the Spring to enable the Strategy to be adopted before the Climate Change Conference in November 2021. Transport for the North will continue with its broader engagement to raise its public profile and awareness of Transport for the North programmes.

Transport for the North has undertaken to engage fully with its Constituent Authorities and has established officer reference groups for all its major work programmes where officers from the different Local Authorities across the region have an opportunity to help formulate Transport for the North's policies and proposals at an early stage.

Transport for the North has also brought together a number of informal Members Working Groups to ensure the views of Transport for the North's constituent authorities and their communities are heard and understood via their elected representatives. This engagement has contributed to the development of Transport for the North's different programmes and initiatives, including the

Strategic Transport Plan

Decarbonisation Strategy Consultation



<p>Northern Transport Charter and in support of business planning for 2021/2.</p> <p>During 2019/20 Transport for the North developed a new monthly operating report for Members, designed to support scrutiny and challenge of its programmes and operations. This report provides qualitative and quantitative performance information in a single report. The Monthly Operating Report has continued to deliver during 2020/21 providing members and the public with detailed information about the performance of Transport for the North's major programmes.</p>	<p>Monthly Operating Report</p>
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**C Defining outcomes in terms of sustainable economic, social and environmental benefits**

**Core Principle**

**Having regard to the promotion of sustainable economic growth, and the social and environmental impacts of its proposals and having regard for the impact of current decisions and actions on future generations.**

*How we met the principle*

*Evidence*

The creation of sustainable economic growth is a key driver behind the Strategic Transport Plan. The initial Northern Powerhouse Independent Economic Review published in 2016 identified the persistent gap in GVA per capita and productivity performance in the North compared to the rest of the United Kingdom. The main purpose behind the establishing of Transport for the North is to achieve a rebalancing of the United Kingdom's economy through improvements to transport and connectivity between the major conurbations in the North and across the region.

Northern Powerhouse Independent Economic Review

In developing the Strategic Transport Plan (STP) we undertook a thorough evaluation of the environmental and sustainability impacts of the proposals contained in the Plan.

STP Evidence base

The STP outlined how the climate and environment will be factored in the design and development of transport interventions and plan. A "Pathway 2050" has been developed to collaborate with partners and the government to deliver the ambitions of the STP

Integrated Sustainability Appraisal

and local transport plans in tackling carbon impacts and reductions from transport.

During 2020/21 Transport for the North has developed a Decarbonisation Strategy which it is planning to roll out for consultation during the Spring of 2021. This will adopt ambitious targets for decarbonisation across the North.

The Northern Transport Charter outlines an 'Inclusive and Sustainable North' as a key Transport for the North priority. This recognises that Transport for the North's investment programme must: contribute towards a reduction in carbon emissions; minimise the impact on the historical and natural environment; and, wherever possible, seek to deliver environmental enhancements.

Proportionate environmental and sustainability assessments will be undertaken in relation to all proposals for infrastructure developments as part of the development or appraisal of options.

Transport for the North's TAME function is also developing an Analytical Framework which consists of a series of analytical and modelling tools including NELUM (Northern Economic and Land Use Model), NoHAM (Northern Highways Assignment Model) and NorTMS (Northern Transport Modelling System). The tools contribute to the provision of evidence to support the promotion of the economic and social evidence-based analysis of Transport for the North's transformational programmes.

The Analytical Framework reflects Transport for the North's commitment to evidence-based decision making and provides a consistent evidence base to support the decision-making process on the sequencing of future interventions. This provides comfort to our Members, Constituent Authorities and the Department for Transport that Transport for the North has fit-for-purpose decision making processes.

All reports presented the Transport for the North Board and its formal Committees contain an assessment of the implications of the report in

Decarbonisation Strategy

The Northern Transport Charter

Transport for the North's Analytical Framework

Board Reports

<p>terms of sustainability, environmental impact and equality impacts.</p> <p>The Strategic Plan and Investment Programme set out transport interventions which will benefit future generations beyond 2050.</p>	<p>Strategic Transport Plan and Investment Programme</p>
<p><b>D Determining the interventions necessary to optimise the achievement of the intended outcomes</b></p>	
<p><b>Core Principle</b></p> <p><b>Focusing on the purpose of Transport for the North and the outcomes for the community and creating and implementing a vision for the area.</b></p>	
<p><i>How we met the principle</i></p>	<p><i>Evidence</i></p>
<p>The Strategic Transport Plan for the area is based on a robust evidence base and sets out our vision for transformational change in relation to transport infrastructure in the North.</p> <p>The Investment Programme sets out an ambitious programme of infrastructure projects to be delivered over the period 2019 to 2050 that will implement Transport for the North’s Strategic Transport Plan. Proposed projects have been developed in collaboration with local partners and represent the best options for securing transformational change.</p> <p>Transport for the North is committed to improving the standard of service provided by the railway network in the North and, under a partnership with the Secretary of State, manages the performance of the contracted railways in the region, Northern Rail and TransPennine Express. Through rigorous monitoring of the performance of these railways, Transport for the North has held their management to account and was instrumental in ensuring that the Northern Rail Franchise was taken back into public control.</p> <p>During the pandemic, Transport for the North was instrumental in developing the North of England Contingency Group which brought together all the main rail delivery partners to ensure that an emergency timetable was introduced to support front line workers and ensure they were able to travel to and from work during the pandemic lockdowns.</p>	<p>Strategic Transport Plan Evidence Base</p> <p>Investment Programme</p>

During 2020/21, the Northern Powerhouse Rail (NPR) programme has continued to develop the strategic case for the NPR rail network to link all the major urban centres of the North by a fast-reliable rail link. During the year the NPR team has worked with partners to refine the options to enable Transport for the North to provide statutory advice to the Government on its preferred route and to enable it to submit to Government, in partnership with the DfT, a Strategic Outline Case demonstrating the benefits to the North of its proposals.

The Strategic Transport Plan for the area is based on a robust evidence base and sets out our vision for transformational change in relation to transport infrastructure in the North.

During 2020/21, the TfN Major Roads Team led work on completing qualitative sequencing of the Northern Investment Programme, identifying interventions which could be brought forward for earlier delivery and preparing for work in 2021/22 on benefits analysis of the Investment Programme.

Drawing on evidence from the qualitative sequencing, we completed work on an Economic Recovery Plan in July and have shared the plan and supporting evidence with the DfT's Acceleration Unit.

In December we completed work on developing Future Scenarios, which are integral to the appraisal of the Investment programme and to the development of TfN's Transport Decarbonisation Strategy.

Throughout 2020/21, TfN has continued work with partners on promoting improvements to connectivity and reliability for all road users. Successes include further investment in the Major Road Network, including MRN programme entry for schemes in Cheshire East, Cumbria, York and North Yorkshire; and funding for development to OBC for schemes in Lancashire, Stockport, Transport North East, Tees Valley and Liverpool.

2020/21 has seen significant progress with delivery of the Road Investment Strategy, with TfN engaged in Highways England work on the development of plans for scheme delivery during RIS2 and RIS3.

<p>This includes providing support for work on the A66 dualling and providing statutory advice on the Trans-Pennine Tunnel and M6-A1(M) studies.</p> <p>We completed data collection and analysis of journey time reliability, types of journey and geographical distribution of traffic using the Major Road Network (MRN) in 2019. This is the first time 24/7-year-round data has been collected across all MRN routes in the North and provides a pre-pandemic baseline.</p> <p>Throughout the year TfN has been monitoring the impact on travel patterns from restrictions resulting from the pandemic. These have had a profound impact on traffic levels and distribution of traffic on our highway network. We are sharing this data with partners and will use insights from the impact of Covid 19 to help inform future appraisal of investment proposals.</p> <p>One of Transport for the North's long-term ambitions for the North was to develop electronic ticketing across the North that could deliver the fair price promise and daily fare capping. This was being delivered through the IST Programme. Government funding cuts have meant that the current programmes have had to be curtailed. However Transport for the North retains its ambition to see contactless ticketing progressed across all modes of travel in the North and will continue to seek funding to enable this to be achieved.</p>	
<p><b>E Developing the organisation's capacity, including the capacity of its leaders and the individuals within it</b></p>	
<p><b>Core Principle</b></p> <p><b>Developing the capacity and capability of members and officers to be effective</b></p>	
<p><i>How we met the principle</i></p>	<p><i>Evidence</i></p>
<p>Transport for the North has adopted officer development programmes, including a thorough initial Corporate induction programme for all new officers and line managers.</p> <p>All new employees to Transport for the North are subject to a formal six-month probationary process</p>	<p>Corporate Induction Guidance</p>

where performance is assessed alongside the provision of initial learning and development support and guidance.

Annual staff appraisals and half yearly reviews enable the management team to review both capacity and capability within their teams and identify any individual training and development needs. Key Performance objectives are captured in the online appraisal tool 'PERFORM' and training is delivered via the core curriculum of training.

Role specific training needs are met through work-based learning and investment in software to enable effective outputs. Further career development is supported via the procurement of appropriate interventions to best meet individual and organisation needs.

Where appropriate the organisation funds specialist training courses for officers and supports continuous professional development. Members of the Senior Management Team have undertaken leadership training.

Transport for the North has incorporated Apprentices into the workforce plan at key points of entry. This is underpinned by strong relationships with Training Providers and internal support via Mentors and Line Managers. Mentors are provided with full Training.

As Transport for the North introduces new policies and procedures, training sessions are held to make officers aware of these. Information on all policies and procedures is available on the Intranet and through our Learning Management system via e-learning modules.

Transport for the North has invested in an e-learning and development tool "Learn" and all officers are encouraged to take advantage of this.

Employee well-being forms a core element of Transport for the North's learning and development programme with the management of mental health at the heart of this activity. In normal times well-being events are held on a quarterly basis and Mental-Health First Aiders are on hand at both our operational bases in Leeds and Manchester.

Probationary Policy

Transport for the North  
Appraisal Guide

Learning and  
Development Policy

Mental-Health First  
Aiders Protocol

<p>During the pandemic employees welfare has been particularly important and Transport for the North has held regular wellbeing sessions for all employees addressing mental and physical health and wellbeing including physical activity sessions such as Yoga, mental health sessions such as mindfulness and nutrition and healthy eating. Employees are encouraged to support each other through daily interactions on Yammer and through virtual social event.</p>	
<p><b>F Managing risks and performance through robust internal control and strong public financial management</b></p>	
<p><b>Core Principle</b> <b>Taking informed and transparent decisions which are subject to effective scrutiny and managing risk</b></p>	
<p><i>How we met the principle</i></p>	<p><i>Evidence</i></p>
<p>Transport for the North has adopted robust procedures for identifying, analysing and managing risk.</p> <p>To strengthen the robustness of the RMS, Transport for the North is implementing risk management software which will assist directorate and programme teams in the timely capture, escalation and reporting risks, as set out in the RMS.</p> <p>The Audit and Governance Committee is responsible for independently monitoring and assessing the adequacy and effectiveness of the risk management framework with particular focus on</p> <ul style="list-style-type: none"> <li>(i) the risk management strategy for managing key risks;</li> <li>(ii) risk ownership, accountability and the development of mitigating actions;</li> <li>(iii) the alignment of internal audit and other assurance planning through a risk-based approach to auditing; and</li> <li>(iv) receiving reports from management on the adequacy and effectiveness of the internal control and risk management framework.</li> </ul>	<p>Risk Management Strategy (RMS)</p> <p>Risk Management System (Part of Transport for the North's Risk Management Strategy)</p> <p>Constitution</p> <p>Governance Framework</p>

<p>Transport for the North has a Risk Manager who is responsible for reporting on risk to the Finance Director who reports to the Audit and Governance Committee. The organisation has adopted a robust process for identifying, assessing and mitigating risks and these are reported regularly to the internal Operations Board of Directors, to the Executive Board and to the Audit and Governance Committee. A risk report is also included in the Monthly Operating Report. In accordance with the Constitution, the Finance Director is responsible for the presentation of Corporate Risks to the Transport for the North Board.</p> <p>Project management systems are in place for all programmes and programme Directors report regularly on performance to Programme Boards and to the Transport for the North Board.</p> <p>Transport for the North has put in place a strong system of financial governance to manage and control its financial affairs. The Finance Director has overall responsibility for ensuring the effectiveness of internal controls. The Finance Director is supported by the Finance Controller who has day to day responsibility for ensuring adherence to the adopted processes and procedures. Transport for the North has adopted rigorous procurement approval procedures which ensure that all procurements comply with its contract procurement rules.</p> <p>Robust people management policies and procedures have also been adopted and embedded within Transport for the North in relation to code of conduct, recruitment and selection, probationary management, performance management, conduct and capability and absence management. This framework of policies and procedures for managing individual performance, conduct, capability and attendance at work.</p>	<p>Reports to Audit and Governance Committee and Transport for the North Board</p> <p>Contract Procedure Rules</p> <p>Recruitment &amp; Selection, Probationary, Absence &amp; Welfare, Performance Improvement, Disciplinary, Code of Conduct Policies</p>
<p><b>G Implementing good practices in transparency, reporting and audit to deliver effective accountability</b></p>	
<p><b>Core Principle</b></p>	



<p><b>Taking informed and transparent decisions which are subject to effective scrutiny and managing risk</b></p>	
<p><i>How we met the principle</i></p>	<p><i>Evidence</i></p>
<p>Transport for the North considers the available evidence when making decisions. Transport for the North commissions extensive research for all its programmes and explores different options before prioritising proposals.</p> <p>The Strategic Transport Plan is based on a robust evidence base and was subject to a 13-week statutory consultation exercise during which officers and Members considered in detail the representations made by members of the public and stakeholders. The Strategic Plan is available for public inspection on the website.</p> <p>Transport for the North has established a Scrutiny Committee made up of elected representatives from the 20 Constituent Authorities. The Board made a decision at its inaugural meeting to adopt a "Scrutiny First" model and so all major decisions are subject to scrutiny before they are presented to the Board. The Scrutiny Committee therefore has an opportunity to influence the Board's decisions before they are made, rather than reviewing decisions after they have been taken.</p> <p>The Committee meets regularly and is supported by Transport for the North officers. It subjects proposals to scrutiny before they are presented to the Transport for the North Board, with the recommendations of the Scrutiny Committee being included in the officer's final report to the Board.</p> <p>All policies and proposals developed by Transport for the North are considered first at Officer Reference Groups, made up of officers from all the Constituent Authorities, and then by the internal Operating Board of Transport for the North Directors. Policies and proposals are then further considered by the Executive Board comprising the Chief Executives (or their nominees) of all the Constituent Authorities, before being reported to the Transport for the North Board.</p> <p>All major work programmes also have Programme Boards, which are attended by representatives of</p>	<p>STP and Evidence base</p> <p>Constitution</p>

the DfT, where the progress of these programmes is regularly reviewed against agreed milestones and where major decisions are discussed.

The Northern Powerhouse Rail project is co-cliented with the DfT and a Memorandum of Understanding with the DfT was approved by the Transport for the North Board on the 12<sup>th</sup> March 2020 setting out governance arrangements including regular reporting of finances, performance and risk to a Programme Board.

Transport for the North operates under Memorandum of Understanding with the Secretary of State for Transport and Officers of Transport for the North meet with representatives of DfT at regular Sponsorship Meetings.

During 2020/21 Transport for the North has produced monthly monitoring reports that bring together performance and financial information to provide greater transparency in relation to ongoing operations. This report is provided to all members of the Transport for the North Board, the Scrutiny Committee and the Audit and Governance Committee so that all members have the information they need to challenge Transport for the North's performance.

The Rail North Partnership Team reports regularly to the Rail North Committee, and is responsible to the Rail North Partnership Board which is made up of officers of the Constituent Authorities and the DfT where decisions in relation to the management of the performance of the contracted railways are made.

Transport for the North has adopted robust procedures for identifying, analysing and managing risk. The risks are presented for discussion to Transport for the North's Operating Board, Audit and Governance Committee, DfT, and Transport for the North Board.

Transport for the North has an Audit and Governance Committee which is responsible for independently monitoring and assessing the

Constitution

Memorandum of Understanding with the Secretary of State

Monthly Operating Report

Rail North Partnership Board

Programme and Corporate Risk Reports

Constitution

Corporate Governance Framework

<p>adequacy and effectiveness of the risk management framework.</p> <p>The Audit and Governance Committee receives a risk report at every meeting and the Committee selects key risks which it wishes to explore in greater detail.</p> <p>The Audit and Governance Committee includes three Independent Members appointed after a public recruitment exercise to provide an independent focus and additional expertise to support the Committee in its role.</p> <p>The Finance Director is responsible for the internal audit function. This has been contracted out to RSM which operates within an Annual Audit Plan that is approved by the Audit &amp; Governance Committee. RSM attends each committee meeting and reports on progress against the Audit Plan.</p> <p>Mazars were appointed as Transport for the North's external Auditors via the PSAA. The firm attends every meeting of the Audit &amp; Governance Committee where it provides updates on progress throughout the year at and can gain in-depth insights into the workings of Transport for the North.</p> <p>In line with best practice, Transport for the North publishes financial transparency reports each quarter, detailing all individual items of expenditure greater than £500 and all procurement card spend.</p> <p>Organisational organograms and salary information is also made available for public consumption on the external website.</p>	<p>Constitution</p> <p>Reports to Audit and Governance Committee and Transport for the North Board</p> <p>Annual Audit Plan</p> <p>Transparency Reports</p> <p>Transport for the North's website</p>
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### **Annual Review of the Effectiveness of the Governance Framework**

The effectiveness of key elements of the governance framework are assessed throughout the year by the Chief Executive and Directors meeting as the Operations Board (OBT), by internal audit and by the Audit and Governance Committee. Performance in relation to key risks is reported to (OBT) on a monthly basis and regularly to the Audit and Governance Committee and also to the Transport for the North Board. Significant risks and performance in relation to key programmes is also reported to the Executive Board of Senior Officers of the Constituent Authorities at a monthly meeting.

## Governance Challenges identified in 2019/20 for 2020/21 and beyond

<b>Subject</b>	<b>Action</b>	<b>Progress</b>	<b>Target Completion Date</b>
Review of the Constitution	To review the Constitution to bring in changes flowing from the Blake-Jones Review and the wider Members' review of the role of Transport for the North.	The review was postponed awaiting the publication of the findings of the Williams Review.	Held in abeyance
Adoption of the Assurance Framework	Implement and embed the Assurance Framework in Transport for the North decision-making processes.	Further development of the decision-making process has been held in abeyance pending the anticipated White Paper on devolution.	Held in abeyance
Board Reporting	Embed and refine the Monthly Operating Report to ensure alignment of quantitative and qualitative reporting.	Monthly Operating Reports produced and circulated to Members on an ongoing basis.	Completed
Virtual Meetings in response to the Covid 19 Pandemic	Enable remote attendance by both Members and the public at meetings of the Transport for the North Board other Committees	Virtual Meetings established for all Boards and Committees and Virtual Meetings Procedure Rules adopted.	Completed

## **Governance Challenges identified for 2021/22 and beyond**

<b>Subject</b>	<b>Responsible</b>	<b>Target Date</b>
Appointment of new Chief Executive	Dawn Madin	01/06/2021
Review of TfN Boards and Committees with particular reference to the General Purposes Committee	Julie Openshaw	31/03/2022
Review of Scrutiny function and in particular the policy of "Scrutiny first"	Julie Openshaw	31/03/2022

### **Conclusion**

The governance arrangements as described above have been applied throughout this year and up to the date of the Annual Accounts providing an effective framework for identifying governance issues and taking mitigating action. Over the coming year Transport for the North will continue the operation of the governance framework and take steps to carry out the actions for improvement identified in the review of effectiveness to further strengthen its governance arrangements.

Signed .....

Chair of the Transport for the North Board

Signed.....

Chief Executive