

Draft Transport for the North Corporate Risk Register

Financial Year 2020/21

Updated: 09/02/21



Introduction to Transport for the North's Corporate Level Risks

It is essential that Transport for the North (TfN) recognises, understands and manages the range of risks that could negatively impact on its ability to achieve the objectives set out in the 2020/2021 Business Plan. TfN's approach to managing risk is set out in its Risk Management Strategy which provides guidance for how risks are identified, assessed, managed and reported. Each programme and corporate function within TfN has its own risk register that is updated on either a monthly or fortnightly cycle, with clear reporting in line with governance arrangements. At the apex of these arrangements is the half-yearly reporting of the corporate level risks to the TfN Board.

TfN uses programme information to identify cross cutting risk themes that are sufficiently significant, either in their own right or in aggregate, to be reported to and discussed by the Board as risks requiring corporate focus. TfN's corporate risks stem from a range of sources, some of which are beyond TfN's direct control. The challenges and uncertainty faced by TfN create both threats that need to be addressed, and opportunities that can potentially be exploited.

The 2020/21 corporate risk register presents the corporate risks that might directly have an impact on TfN's business plan objectives. To ensure effective management of risks, the report provides information regarding the proximity of the risk, potential consequences for TfN's objectives and priorities, and the mitigation measures in place to manage the downside risks.

Table 1 summarises TfN's corporate level risks and the senior owner or owners (whilst each individual risk can only have one owner, the aggregation of risks into corporate level themes can result in corporate risk categories that include risks with more than one owner). **Table 2** outlines TfN's defined Probability Impact Criteria to undertake the qualitative assessment of the risks in order to produce a risk exposure score for each risk. **Table 3** provides guidance regarding the assessment and classification of TfN's level of control on the proposed mitigation risk plans. **Table 4** provides a detailed analysis of each risk theme, the mitigating actions that have been adopted, and the mitigation level of controllability. The last of these provides the user with information to help understand the extent to which TfN is able to influence or control the risk outcomes.

Table 1: Summary of TfN’s Corporate Risk Themes, Probability / Impact Assessments and Ownerships

| Corporate Risk Theme | Risk Probability | Nature of Risk Impact | Current Risk Impact | Post Mitigation Risk Impact | Risk and Mitigation Strategy Owner |
|---|------------------|--|---------------------|-----------------------------|--|
| The Covid-19 Pandemic prevents or delays TfN from delivering its objectives | Medium | <ul style="list-style-type: none"> • Business deliverables may not be completed on time if: <ul style="list-style-type: none"> (i) a significant number of staff within TfN or its supply chain are affected by COVID-19. (ii) TfN engagement, decision making / governance processes are impacted by the availability of Constituent Authority or departmental colleagues. (iii) Covid-19 related uncertainty causes wider policy announcements to be delayed. • There is the potential for additional costs to be incurred through the measures that might be put in place to address the issues caused by Covid-19. | High | Medium | TfN Chief Executive (Barry White) |
| TfN Reputational and Political Engagement | An Issue | <ul style="list-style-type: none"> • TfN could lack the powers or the influence to deliver the economic, social and sustainability benefits to the North that it set out in the Strategic Transport Plan. • The reduced core funding and no funding for the IST programme means: <ol style="list-style-type: none"> 1) TfN will no longer be able to deliver its IST aspirations as set out in its CSR submission. 2) TfN’s ability to deliver in line with member aspirations will be reduced, impacting negatively on its ability to contribute to the levelling up agenda. | An Issue | An Issue | TfN Chief Executive / Finance Director (Barry White / Iain Craven) |

| Corporate Risk Theme | Risk Probability | Nature of Risk Impact | Current Risk Impact | Post Mitigation Risk Impact | Risk and Mitigation Strategy Owner |
|---|-------------------------|---|----------------------------|------------------------------------|--|
| Embedding the Strategic Transport Plan across Programmes (STP) | Low | <ul style="list-style-type: none"> Programmes of work develop in a way that does not contribute to, or runs counter to, the overall objectives and plan set out in the STP, resulting in the failure to achieve the aims of the STP. | High | Medium | Strategy and Programme Director (Tim Foster) |
| Delivery of Robust and Compelling Evidence to Support Investment Programmes | Medium | <ul style="list-style-type: none"> An insufficiently compelling evidence base, particularly around the programme level economic case, may delay or prevent strategic transport infrastructure investments being made, with consequential impacts on TfN's ability to deliver its objectives. The inability to make a transformational case could damage TfN's reputation with partners as an organisation who's key objective is to take a leadership role in delivering innovative business cases to secure investments. | Medium | Low | Strategy and Programme Director / TfN Programme Directors (Tim Foster / Tim Wood, Peter Molyneux, David Hoggarth, Jeremy Acklam) |
| Transport Decarbonisation and Climate Change Emergencies | Medium | <ul style="list-style-type: none"> There is a risk that TfN falls behind in developing appropriate and timely policy positions to support decarbonisation of transport, and thereby fails to integrate them into its strategic transport development plans. This would potentially result in an investment programme that is misaligned to partner / central government policies. | Medium | Low | Strategy and Programme Director (Tim Foster) |
| TfN Operations | An Issue | <ul style="list-style-type: none"> Failure to achieve Value for Money could impact on TfN's ability to access funding in the future. | An Issue | High | Finance Director / Business Capabilities Director |

| Corporate Risk Theme | Risk Probability | Nature of Risk Impact | Current Risk Impact | Post Mitigation Risk Impact | Risk and Mitigation Strategy Owner |
|---|------------------|--|---------------------|-----------------------------|---|
| | | <ul style="list-style-type: none"> Funding reductions may (will, in the case of IST) mean that TfN is unable to deliver the full range of its members aspirations. Failure to recruit and retain the right people with the right skills could negatively impact on TfN's ability to deliver its objectives. | | | (Iain Craven / Dawn Madin) |
| TfN Compliance with Relevant Laws and Regulations | Low | <ul style="list-style-type: none"> Potential reputational impacts with both stakeholders and the public. Financial impact including fines or other penalties for breach of statutory obligations such as Data Protection, Freedom of Information or Health and Safety legislation. There is also a potential financial impact including fines costs and/or other penalties for breach of regulatory laws such as Data Protection, Freedom of Information, Health and Safety or Procurement. | High | Medium | Business Capabilities Director / Head of Legal Services (Dawn Madin / Julie Openshaw) |
| Revised Framework - Delivery of Contactless on Rail and Local Smart Ticketing | An Issue | <ul style="list-style-type: none"> In the absence of a funding allocation TfN is no longer able to roll out Contactless on Rail across the North, or to support local schemes. This will result in failure to deliver part of TfN's multi-operator, multi-mode ticketing aspirations with consequential impact on customer satisfaction for the passengers in the North of England. This will result in damage to TfN's reputation as a consequence of not achieving its IST. | An Issue | An Issue | IST Programme Director (Jeremy Acklam) |
| The Northern Powerhouse Rail (NPR) Strategic | An Issue | <ul style="list-style-type: none"> The assured cost increase has affected the BCRs and is therefore likely to unfavourably impact the delivery of a compelling business case. | An Issue | High | NPR Programme Director (Tim Wood) |

| Corporate Risk Theme | Risk Probability | Nature of Risk Impact | Current Risk Impact | Post Mitigation Risk Impact | Risk and Mitigation Strategy Owner |
|---|------------------|--|---------------------|-----------------------------|--|
| Outline Case (SOC) | | <ul style="list-style-type: none"> The SoS has requested that TfN consider deferring submission of the SOC until after the publication of the IRP. This is being considered in a separate paper to this board. The outcome of the IRP may impact on the Northern Powerhouse Rail programme, including the timing of the submission of SOC, the next sequence of delivery, and the OBC. | | | |
| Rail Operations (Franchise Management and Investment) | Very High | <ul style="list-style-type: none"> Less investment in services and infrastructure as a result of weaker business cases. Lower passenger numbers post COVID-19 could reduce the viability of some existing services. | Very High | Very High | Strategic Rail Programme Director (David Hoggarth) |

Table 2: Transport for the North's Probability Impact Scoring Criteria

TfN's Probability Impact Criteria, as illustrated below, is a risk management tool that enables the risk likelihood and impact to be calculated to produce an aggregated risk severity and exposure for each risk. The corporate risks are plotted according to the probability of occurrence and the impact upon an activity should the risk happen.

The risk ranking score is generated by performing a qualitative assessment across the risk theme as a whole, informed by multiplying the scoring for each risk.

| Rating Number | Probability (%) | Rating | Impact Rating Definition |
|---------------|--|------------------|--|
| 5 | 100% likelihood that the risk will materialise | An Issue | One or more of the implications will have an effect on business plan objectives. |
| 4 | 81-100 | Very High | <ul style="list-style-type: none"> • Financial Implication: £>2m • Schedule Implication: > 12 (months) • National long-term negative media coverage, significant loss of trust and credibility • Severe relationship issues with partners and/or third parties (such as Local Authorities, public) |
| 3 | 51-80 | High | <ul style="list-style-type: none"> • Financial Implication: £1m - £2m • Schedule Implication: 9 - 12 (months) • National short-term negative media coverage • There is evidence of relationship issues with partners/or and third parties (such as Local Authorities, public) |
| 2 | 21-50 | Medium | <ul style="list-style-type: none"> • Financial Implication: £500K - £1m • Schedule Implication: 3 - 9 (months) • Local media damage • No or minor strained relationship with partners and/or third parties (such as Local Authorities, public) |
| 1 | < = 20 | Low | <ul style="list-style-type: none"> • Financial Implication: £0 - £500K • Schedule / Time delay Implication: 0 - 3 (months) • Local media attention quickly remedied • No strain relationship with partners and/or third parties (such as Local Authorities, public) |

Table 3: Qualitative Assessment of the Levels of Controllability on the Mitigation Action Plans

In order to assist the user to understand how TfN's key risks are impacted by the mitigation activities set out in this document, TfN has assessed the level of control on the mitigation risk action plans and the extent to which TfN is able to influence or control those risk outcomes.

The following corporate risks have been subject to an evaluation by identifying the:

- **Controllable Mitigations:** these are mitigation strategies that TfN has the power / ability to implement and as a result, contribute to the successful mitigation of the associated risk.
- **Dependency Mitigations (Controllable):** The identified mitigations require a collaborative effort with relevant partners or other stakeholders in order to be successful in the management of the action plans. Although, the mitigations are deemed as dependency, TfN may be able to deploy additional resources to increase its ability to influence risk outcomes.
- **Dependency Mitigations (Limited Control):** The identified mitigations must be a collaboration with the relevant internal and external parties and requires a buy-in. For example, national and local political buy-in. Without joint involvement, the likelihood of the risk materialising increases. Whilst TfN can attempt to influence the factors impacting on these risks, it has a low level of control over if/how these mitigations are implemented.

Guideline: Level of Mitigation Controllability

| Mitigation Control Level | Mitigation Control Level Assessment |
|--|-------------------------------------|
| Controllable Mitigations | High |
| Dependency Mitigations (Controllable) | Medium |
| Dependency Mitigations (Limited Control) | Low |

Table 4: Qualitative Risk Analysis of TfN’s Corporate Level Risks

| Risk ID: TCR01 Risk: The COVID-19 Pandemic Prevents or Delays TfN from Delivering its Objectives | |
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| Risk Description | <p>The coronavirus pandemic is a threat that is directly impacting upon the delivery of TfN’s programmes and Business Plan Key Performance Indicators (KPIs). The third national lockdown and associated measures to prevent the disease from spreading have extended homeworking across the entire organisation (as well as the country as a whole including significant supply chains). This has created four key risks for Transport for the North (TfN) business operations:</p> <ol style="list-style-type: none"> 1) The potential for significant number of staff within TfN or its supply chain might be affected by the coronavirus, or by steps taken by suppliers to respond to the economic pressures caused by the pandemic; 2) TfN engagement, decision making / governance processes might be impacted by the availability of Constituent Authority or departmental colleagues; 3) The COVID-19 related uncertainty causes wider policy announcements to be delayed; and 4) The pandemic reduces the efficiency with which certain activities can be delivered and therefore increases the costs associated with delivering them. |
| Risk Proximity | Short-Term to Medium-Term |
| Risk Probability | (1) Low (2) Medium (3) An Issue (4) Low |
| Assessed Risk Impact | (1) High (2) High (3) High (4) Medium |
| Potential Impact (Qualitative Description) | <ul style="list-style-type: none"> • TfN’s key programme and business deliverables may not be completed on time if the number of staff affected by the COVID-19 is significant. • In addition, TfN’s ability to take forward its programmes will be affected if partner officers and other stakeholders are unable to fully engage in Client Reference groups and other TfN governance processes. • Impacts on central government decision-making in key areas such as the Integrated Rail Plan, the Environment Bill, and the Williams Review will also impact upon TfN’s ability to drive programmes. |

Mitigation Action Plans and Level of Controllability

| Mitigation No. | Mitigation Strategies / Action Plans | Mitigation Control Level Assessment | Mitigation Control Level |
|----------------|---|-------------------------------------|--|
| 1 | Organisational and Individual Directorate Contingency Plans have been developed and are now in place. These are further underpinned by TfN Corporate Business Continuity Plan (BCP). This includes identification of a core Crisis Management Team to coordinate all business-critical activities should these plans need to be instigated, and to maintain effective communication with employees. | High | Controllable Mitigations |
| 2 | Programme and policy teams have identified and focused on the critical organisational outputs and deployed available resources in the achievement of those priorities. | High | Controllable Mitigations |
| 3 | Programme teams continue to re-programme delivery plans and communicate changes to partners. They also continue to work with consultants and partners and where possible provide support. | High | Dependency Mitigations (controllable) |
| 4 | To continue to deliver the TfN Business Plan where possible so as to minimise delays in delivering outputs and allow activity to be expedited once policy decisions by central Government have been communicated. | High | Dependency Mitigations (Limited Control) |

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| Corporate Risk and Mitigation Owners | Risk Owner (Barry White) Mitigation Ownership (Heads of Services) – Departmental Contingency Plans |
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Risk ID: TCR02**Risk Theme: Transport for the North's Reputational and Political Engagement**

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| Risk Description | <p>Given the range of priorities facing central government, local partners, and other stakeholders, including the challenges of the COVID-19 pandemic, there is a risk that:</p> <p>(1) Central Government's intention with regard to the future role of Sub-national Transport Bodies (STBs) is unclear. This uncertainty disrupts TfN's ability to recruit and retain talented staff and may prevent the organisation from fulfilling its objectives and delivering its programme of works. DfT's preference is for STBs to give their views in private rather than in public, which if agreed to, goes wider than the current Communications MoU. Clarity on this position is required and DfT has indicated that it is considering proposing changes to the MoU and/or Partnership Agreement.</p> <p>(2) On 4 January, Transport for the North received funding notification from the department that indicated a cessation of IST funding and a 40% reduction in the current level of Core funding from £10m to £6m. This will mean that TfN will no longer be able to deliver its IST aspirations as set out in its CSR submission. Further, TfN's ability to deliver in line with member aspirations will be reduced. This latter impact has been ameliorated by the agreement with DfT to allow £2.5m of expenditure previously charged to Core funding to be met from programme funding.</p> <p>(3) There is a mismatch between the expectations placed upon TfN regarding its ability to deliver improvements to the Northern transport system in the short to medium term, and the limited extent of its statutory powers and functions that focus on the provision of strategic advice rather than infrastructure delivery.</p> |
| Risk Proximity | Short to Medium term |
| Risk Probability | (1) Very High (2) An Issue (3) Very High |
| Assessed Risk Impact | (1) Very High (2) An Issue (3) Very High |
| Potential Impact (Qualitative Description) | <ul style="list-style-type: none"> TfN could lack the powers or the influence to deliver the economic, social and sustainability benefits to the North that it set out in the Strategic Transport Plan. The reduced Core funding and no funding for the IST programme makes it difficult for TfN to "speak with one voice", influence decisions and deliver transformational transport initiative to achieve the levelling up agenda and improve transport connectivity for North of England's transport passengers. Failure to make timely decisions with regard to projects and programmes, and could delay or prevent the benefits of strategic transport infrastructure from being delivered. |

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| | <ul style="list-style-type: none"> TfN's credibility could be negatively impacted by being unable to deliver across an "expectation gap" between its actual statutory responsibilities and powers and its perceived role. |
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Mitigation Action Plans and Level of Controllability

| Mitigation No. | Mitigation Strategies / Action Plans | Mitigation Control Level Assessment | Mitigation Control Level |
|----------------|--|-------------------------------------|--|
| 1 | TfN aspirations in relation to its future role and associated powers have been set out in the Northern Transport Charter. TfN's 2021/22 Business Plan will include activity to develop capability and additional evidence on investment plans aligned with the Northern Transport Charter proposals. | Medium | Dependency Mitigations (Controllable) |
| 2 | Engagement with Members and constituent authorities at a political and officer level, stakeholders and partners, to continue to represent the 'one voice'. | Medium | Dependency Mitigations (Limited Control) |
| 3 | Structured engagement with central government officials and decision-makers and responding to any DfT proposals to update the Communications MoU/Partnership Agreement once seen. | Medium | Dependency Mitigations (Limited Control) |
| 4 | TfN to focus on contributing to the recovery phase of the Covid-19 pandemic by ensuring we have on-going dialogue with DfT, including the DfT acceleration unit and with NTAC on the Economic Recovery Plan proposals. | Medium | Dependency Mitigations (Limited Control) |
| 5 | TfN to highlight where necessary the limits of its powers and when directed to seek to extend its influence for greater decision making. | Medium | Dependency Mitigations (Limited Control) |

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| Corporate Risk and Mitigation Owners | Iain Craven (Funding risks) / Barry White (Political and Reputational risk) |
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Risk ID: TCR03

Risk Theme: Embedding the Strategic Transport Plan (STP) across Programmes

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| Risk Description | The Strategic Transport Plan (STP) was adopted by TfN in February 2019. It sets out the “Why, What and How” of TfN’s approach to facilitating inclusive and sustainable transformational economic growth across the North. If TfN programmes (and research) are not aligned with the STP, it would prove difficult to contribute to the delivery of the STP. In addition, it could impact on the development of additional detailed policy positions resulting in sub-optimal outputs from investments when measured against TfN’s overarching objectives. |
| Risk Proximity | On-going |
| Risk Probability | Low |
| Assessed Risk Impact | High |
| Potential Impact (Qualitative Description) | Programmes of work develop in a way that does not contribute to, or runs counter to, the overall objectives and plan set out in the STP, resulting in the failure to achieve the aims of the STP or leads to sub-optimal impacts from transport investments. |

Mitigation Action Plans and Level of Controllability

| Mitigation No. | Mitigation Strategies / Action Plans | Mitigation Control Level Assessment | Mitigation Control Level |
|----------------|--|-------------------------------------|--------------------------|
| 1 | Co-ordination mechanisms have been established within TfN and with partners (such as the Strategic Oversight Group) to facilitate the co-ordination of programmes of work. | High | Controllable Mitigations |
| 2 | An assurance framework is in place which will allow the organisation to manage changes in the investment programme consistent with the vision of the STP. This will be further developed as required to support TfN's role in any future investment process. | High | Controllable Mitigations |
| 3 | A robust benefits realisation framework is being developed to enable the evaluation of programme KPIs and allow the assessment of outcomes in relation to STP objectives. | High | Controllable Mitigations |

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| Corporate Risk and Mitigation Owner | Tim Foster |
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Risk ID: TCR04**Risk Theme: Delivery of Robust & Compelling Evidence to Support Investment**

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| Risk Description | <p>One of the objectives of the developing analytical framework is to allow the capture of the economic impacts of transformational transport schemes. Further developments are underway to ensure robust evidence of economic transformation can be captured and quantified or qualified through the Analytical Framework.</p> <p>There is a risk that TfN might be unable to make a timely, robust, credible, evidence-based case to support NPR and the wider Investment Programme. This risk could lead to either delays to the delivery of business cases or limited ability to represent transformational benefits which could thus be discounted by decision makers due to a reduction in the quality and assurance rating of the analysis. This could limit TfN's ability to deliver agreed outputs outlined in the Strategic Transport Plan (STP). In addition, following the funding announcement on 4th January and the reduced funding envelope, this may impact on TfN's ability to complete the stated objectives including working to achieve robust evidence-based business cases to support timely programme deliverables.</p> |
| Risk Proximity | Short and Medium Term |
| Risk Probability | (1) Medium |
| Assessed Risk Impact | (1) High |
| Potential Impact (Qualitative Description) | <ul style="list-style-type: none">• An insufficiently compelling evidence base, particularly around the programme level economic case may delay or prevent strategic transport infrastructure investments being made, with consequential impacts on TfN's ability to deliver its objectives.• The inability to make a transformational case could damage TfN's reputation with partners as an organisation who's key objective is to take a leadership role in delivering innovative business cases to secure investments. |

Mitigation Action Plans and Level of Controllability

| Mitigation No. | Mitigation Strategies / Action Plans | Mitigation Control Level Assessment | Mitigation Control Level |
|----------------|---|-------------------------------------|--|
| 1 | TAME staff are working closely with DfT officials to build confidence in the robustness of Analytical Framework tools, dedicating resources to responding to requests for information in a professional and timely manner. Independent peer reviews of Analytical Framework tools are being commissioned through TAME's new Expert Panel, helping to provide evidence of quality to DfT. | Medium | Controllable Mitigations |
| 2 | Programme timescales have been adjusted where it is sensible to make those adjustments without significantly impacting delivery against TfN's core objectives. | High | Controllable Mitigations |
| 3 | Scope is being managed in consultation with DfT, TfN Partners and Peer Reviewers to ensure essential functionality for robustly representing transformation is prioritised and "added value" functionality is deprioritised where appropriate. This will ensure that the approach is proportionate for the stage of scheme development. | Medium | Dependency Mitigations (Limited Control) |
| 4 | Added value work will be brought into programmes at a later stage in the form of sensitivity analysis, ensuring that work undertaken to date can still provide value to TfN programmes. | High | Controllable Mitigations |
| 5 | The TAME team structure was revised and additional senior resources were introduced with improved engagement with TfN programmes to ensure Analytical Framework development and application activities meet the needs of the programmes. | High | Controllable Mitigations |
| 6. | The team is assessing various ways to reduce the impact of the current funding challenges. These include completing more work in-house and reducing reliance on consultants and professional services. | High | Controllable Mitigations |

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| Corporate Risk and Mitigation Owners | Tim Foster |
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Risk ID: TCR05**Risk Theme: Transport Decarbonisation and Climate Change Emergencies**

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| Risk Description | <p>The UK government has set a climate change ambition that the UK will have net zero greenhouse gas emissions by 2050, this is an ambitious target which moves from the previous government position of 80% reduction. Within the Strategic Transport Plan (STP), TfN has committed to develop a "Pathway to 2050" which will manifest itself within a decarbonisation strategy outlining how net zero emissions can be delivered within the North and the trajectory for change. The impact of the Covid-19 pandemic has been accounted for within our Future Travel Scenario.</p> <p>In order to deliver on this ambition, TfN needs to collaborate with, and gain consensus from, partners to identify targets / policies for TfN to accelerate carbon reductions from the transport sector. There is a risk that TfN falls behind in developing appropriate and timely policy positions to support decarbonisation of transport, and thereby fails to deliver on the decarbonisation commitment made in the STP This would potentially result in an investment programme that is misaligned to partner / central government policies.</p> |
| Risk Proximity | Long-Term |
| Risk Probability | Medium |
| Assessed Risk Impact | Medium (Reputation), Medium (Time), High (Relationship) |
| Potential Impact (Qualitative Description) | <ul style="list-style-type: none">• There is a risk that TfN falls behind in developing appropriate and timely policy positions to support decarbonisation of transport, and thereby fails to integrate them into its strategic transport development plans. This would potentially result in an investment programme that is misaligned to partner / central government policies.• Failure to develop relevant policy positions adversely impacts on TfN credibility and influence as a Sub-National Transport Body.• In the absence of an agreed policy framework with regard to decarbonisation and sustainability, TfN's programmes may not be adequately addressing decarbonisation and climate change issues. This would adversely impact upon TfN's ability to deliver successful business cases.• In the absence of an agreed decarbonisation and sustainability policy frameworks, TfN's programmes may not be adequately addressing decarbonisation and climate change issues. In the medium to long term, this might contribute towards an excess of agreed global temperature rise (as defined by the Paris Agreement) and climate change which might impact upon the resilience of the North's transport infrastructure. |

Mitigation Action Plans and Level of Controllability

| Mitigation No. | Mitigation Strategies / Action Plans | Mitigation Control Level Assessment | Mitigation Control Level |
|----------------|---|-------------------------------------|--------------------------|
| 1 | The carbon pathways, which forms part of the decarbonisation strategy has been developed. | High | Controllable Mitigations |
| 2 | TfN has appointed an Environmental and Sustainability Officer responsible for developing the environmental policy; and to ensure the integration of the work into the development of TfN's transport strategies. | High | Controllable Mitigations |
| 3 | To ensure that the decarbonisation and broader sustainability / environmental policies that are developed by TfN are properly reflected in both strategic and project level decision making, including through the IPBA process, and therefore appropriately weighted within TfN decision making processes. | High | Controllable Mitigations |

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| Corporate Risk and Mitigation Owners | Tim Foster |
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Risk ID: TCR06**Risk Theme: Transport for the North's Business Operations**

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| Risk Description | <p>TfN is fully funded through the Department for Transport (DfT) but it is responsible for its own financial affairs. There is a requirement for the business to demonstrate Value for Money (VfM) to ensure the delivery of programmes are achieved efficiently and effectively. As a result:</p> <ol style="list-style-type: none"> (1) There is a continued risk of the failure to deliver programmes' outputs in a way that achieves VfM in TfN expenditure; (2) TfN was informed by the department that the funding for both its Core operations and the IST programme would be cut, in the case of the latter in its entirety. TfN is currently preparing a business plan for budget year 2021/22. In addition to these cuts, TfN faces uncertainty in relation to post-IRP arrangements and funding in future years. This short- to medium- term uncertainty will impact on TfN's ability to manage / deliver multi-year activity and may also negatively impact on its ability to recruit and retain suitably qualified staff. (3) It has been publicly announced that the Chief Executive (CE) is departing TfN in May 2021. Should a timely replacement (or interim cover arrangements) not be secured this will impact on TfN's leadership capabilities, alongside having a potential impact on the delivery of TfN strategic objectives and priorities. <p>Although unrelated, it should also be noted that the CEO's resignation (alongside the recent resignation of the Strategy & Programme Director) is at a time when TfN has been subject to funding cuts, notably to the IST programme, and continues to face significant uncertainties (IRP, Williams, Devolution White Paper) which all have the potential to impact on wider employee morale and confidence.</p> |
| Risk Proximity | (1) On-going (2) On-going (3) Medium-Long Term |
| Risk Probability | (1) Low (2) An Issue (3) Medium |
| Assessed Risk Impact | (1) High (2) An Issue (3) Possible financial impact in Q2 & Q3 F/Y 21/22 (High), Relationship (High) |
| Potential Impact (Qualitative Description) | <ul style="list-style-type: none"> • Failure to achieve Value for Money could impact on TfN's ability to access funding in the future. • Funding reductions may (will in the case of IST) mean that TfN is unable to deliver the full range of its members' aspirations. • Failure to recruit and retain the right people with the right skills could negatively impact on TfN's ability to deliver its objectives and priorities. |

Mitigation Action Plans and Level of Controllability

| Mitigation No. | Mitigation Strategies / Action Plans | Mitigation Control Level Assessment | Mitigation Control Level |
|---|---|-------------------------------------|--|
| 1 | Clear and well documented processes and procedures to be in place. VfM and governance to be undertaken by both internal and external audits. | High | Controllable Mitigations |
| 2 | Commissioning processes include OBT sign-off of expenditure, and explicit approval for expenditure against a schedule of delegations. | High | Controllable Mitigations |
| 3 | Engagement with stakeholders to ensure the case for TfN's funding is supported by members, business and in Parliament. | High | Controllable Mitigations |
| 4 | TfN continues, where funding conditions / certainty allows, to hire suitable qualified officers in all senior positions in a timely manner, but also including critical programme and back office roles. There is on-going training and communication across the organisation. | Medium | Dependency Mitigations (Limited Control) |
| 5 | A comprehensive People Strategy has been developed and is in place covering reward, workforce/skills planning, succession planning, recruitment and selection, talent and performance management. | High | Controllable Mitigations |
| 6 | A leadership programme is being delivered in the final two quarters of FY 2020/21 to further support the leadership capability within the organisation. | High | Controllable Mitigations |
| 7 | To continue to brief and update staff through the monthly updates, regular bulletins, employee forum and SMT meetings with regards to budget setting, IRP, Williams and other current uncertainties TfN is facing to keep them fully appraised and address any questions or concerns in a timely fashion. | High | Controllable Mitigations |
| 8 | Following the approval of TfN Board, the recruitment search of a replacement for the CE position has commenced to enable TfN to complete an appointment (and/or any interim cover arrangements) prior to the current CEO's departure. | High | Controllable Mitigations |
| Corporate Risk and Mitigation Owners | Iain Craven (Funding risks) / Dawn Madin (HR related risks) | | |

Risk ID: TCR07**Risk Theme: Compliance with the Relevant Laws and Regulations**

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| Risk Description | Transport for the North is a statutory body with limited statutory powers and duties. There is a risk that in carrying out its functions, TfN fails to comply with applicable law or exceed its powers. |
| Risk Proximity | On-going |
| Risk Probability | Low |
| Assessed Risk Impact | Financial (Medium) Reputation (High) |
| Potential Impact (Qualitative Description) | <ul style="list-style-type: none">• If TfN fails to adhere to applicable law, or acts outside its powers, there could be reputational impacts with both stakeholders and the public which may impact its ability to meet its objectives and/or legal proceedings against TfN.• There is also a potential financial impact including fines costs and/or other penalties for breach of regulatory laws such as Data Protection, Freedom of Information, Health and Safety or Procurement.• The ICO may issue a decision notice or the HSE may issue an enforcement notice if it found that TfN was in breach of information or health and safety legislation.• TfN could be subject to substantial financial damages for breach of the Public Contracts Regulations.• Important work may be delayed by a failure to comply with necessary obligations such as statutory consultation. |

Mitigation Action Plans and Level of Controllability

| Mitigation No. | Mitigation Strategies / Action Plans | Mitigation Control Level Assessment | Mitigation Control Level |
|----------------|--|-------------------------------------|--------------------------|
| 1 | TfN has suitably qualified officers in all senior positions, particularly the HoPS, S151 and Monitoring officer. In addition, TfN has employed an in-house legal team. | High | Controllable Mitigations |
| 2 | TfN ensures there are clear and well documented processes and procedures in place. | High | Controllable Mitigations |
| 3 | Ongoing training on laws and legislations and communication across the organisation. | High | Controllable Mitigations |
| 4 | To ensure that there is continuous legal review to TfN's Boards and Committees. | High | Controllable Mitigations |
| 5 | TfN employs in house legal and procurement specialists and regularly procures external legal advice on commissioning and procurement. | High | Controllable Mitigations |

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| Corporate Risk and Mitigation Owners | Dawn Madin / Julie Openshaw |
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Risk ID: TCR08**Risk Theme: Revised Framework - Delivery of Contactless on Rail and Local Smart Ticketing**

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| Risk Description | <p>The Department for Transport has informed TfN that there is no allocation for the continuation of the IST (although, TfN exploring options with the Department with a clear objective of securing a settlement that better represents the North's ambitions) This means that there will be no progress in bringing forward Phase 3 (contactless on rail) and TfN's proposals to mitigate the failure of the major bus operators to engage with its ABBOT proposals – namely the proposal to provide support to local schemes (Phase 4). This means that TfN will no longer be able to pursue the IST Programme objectives as set out in its CSR submission and previously shared with the Board.</p> |
| Risk Proximity | Short-Term |
| Risk Probability | An Issue |
| Assessed Risk Impact | An Issue |
| Potential Impact (Qualitative Description) | <ul style="list-style-type: none">• This means that hat the IST programme ceases and, except for finishing off Phases 1 & 2, we are going to be unable to carry out further programme work – although we are exploring in wider business planning some options to consider retaining some IST capability within TfN.• This will result to TfN's reputational being affected as the stated strategic objectives will not be met. |

Mitigation Action Plans and Level of Controllability

| Mitigation No. | Mitigation Strategies / Action Plans | Mitigation Control Level Assessment | Mitigation Control Level |
|----------------|---|-------------------------------------|--|
| 1 | TfN to submit the IST schemes for consideration by the Northern Transport Acceleration Council. In addition, To meet with the Secretary of State to press the case for IST funding. | Medium | Dependency Mitigations (Limited Control) |
| 2 | TfN is exploring how to retain some IST capability within the organisation. | High | Controllable Mitigations |

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| Corporate Risk and Mitigation Owners | Jeremy Acklam |
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Risk ID: TCR09

Risk Theme: Northern Powerhouse Rail (NPR) Business Case Delivery and Programme Development

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| <p>Risk Description</p> | <p>Northern Powerhouse Rail is a high-profile programme that involves Northern partners, DfT, NR and HS2. TfN is due to submit a Strategic Outline Case (SOC) for NPR, which includes reduced options from those at Strategic Outline Business Case (SOBC), phasing scenarios and a preferred NPR network</p> <p>In addition, NPR has secured partner endorsement for four (4) phasing scenarios for the SOC and obtained agreement to sifting outputs as well as collective agreement to a preferred network. In February, NPR programme team is scheduled to take evidence for the SOC to the TfN Board to reach confirmation on the preferred NPR network with members ahead of the scheduled formal SOC submission of the SOC by TfN in March 2021. However, DfT has requested, initially via the SoS's 2/12/20 response to TfN's advice on NPR following the November Board, that the IRP should precede the SOC. The IRP timing has continued to slip and the SoS has since requested that TfN/DfT, as co-clients, delay the submission of the SOC from March 2021 to allow the IRP to be published first, before the SOC is finalised. If agreed to, it would delay the submission and delivery of the SOC but may speed up the overall process by moving to single options in more corridors sooner.</p> <p>There are risks and issues that might affect the successful delivery of the SOC. These are listed below:</p> <p><u>Issues</u></p> <ol style="list-style-type: none">1) Infrastructure costs: Network Rail's assured costs have demonstrated an increase of costs for NPR preferred network to £45bn (Q1 2015 including 66% OB), which is an increase of 15% from the SOBC level. This increase is due to several factors and it is both an issue as well as making it more challenging to develop a compelling and viable Strategic Outline Case planned to be submitted in March 2021 (subject to TfN Board decision following advice from SoS).2) Benefit Cost Ratios (BCRs): The issue remains that risk that the BCRs associated with the transformational programme previously endorsed by members (SOBC Feb 2019) will show a reduction relative to the previous business case, making it more reliant on the quality of the Strategic Case. <p><u>Risks</u></p> <ol style="list-style-type: none">3) Partner engagement to support decision making: The mitigation of the infrastructure costs and BCRs have resulted to an increased challenge to achieve a March 2021 SOC submission date. To support Partner engagement, an additional TfN Board date has been scheduled for 18 February 2021 and the March TfN Board has been rescheduled from 10 March 2021 to 24 March 2021. |
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| | <p>4) Integrated Rail Plan (IRP) conclusion: The IRP was due to be published by the government in December 2020, however this did not happen, and a revised publication date is yet to be provided. The IRP and its conclusions carry the following risks:</p> <ul style="list-style-type: none"> a) The outcome of the IRP process may result in a change in government’s approach to NPR, which in turn may drive consequential changes in the SOC that may not be acceptable to TfN as the co-client. This is exacerbated by the content of the NIC’s Rail Needs Assessment released on 15 December and the ongoing delay in the release of the IRP. b) The later the IRP is made available to TfN, the less time it will have to understand the impacts of the review on the work done to date, address the conclusions, manage the consequential impacts and/or update the SOC if appropriate – DfT, as noted above, have proposed delaying the SOC. <p>In addition to the IRP impacting on TfN’s ability to submit a SOC in March 2021, there is a risk that the outcome of the IRP could impact the next stage of the NPR programme, both in terms of funding available for FY21/22 and permitted development, which looks to deliver the continuation of the programme Business Case, Outline Business Cases (OBC), continued design & development to enhance to the maturity of the NPR network. It could also accelerate elements of the programme if more corridors move to single options sooner. Therefore, uncertainty around IRP outcomes presents a possible opportunity, as well as a significant risk, to the programme.</p> <p>Finally, in addition to risks listed above, the coronavirus pandemic has also played a significant part in delivery since spring 2020, which has resulted in the programme re-phasing SOC delivery in FY 20/21. It is also worth noting the existing issues for Manchester Piccadilly in relation to making decision making.</p> |
| Risk Proximity | Short to Medium Term |
| Risk Probability | (1) An Issue (2) An Issue (3) Medium (4) Very High |
| Assessed Risk Impact | (1) An Issue (2) An Issue (3) Very High (4) Very High |
| Potential Impact (Qualitative Description) | <ul style="list-style-type: none"> • The assured cost increase will affect the BCRs and therefore likely to unfavourably impact the delivery of a compelling business case in March 2021. • Following SoS advice for the publication of the IRP to precede the SOC submission, it is likely that TfN might be unable to submit in March 2021. This could impact on future funding and the scope of the SOC. • The outcome of the IRP may influence the Northern Powerhouse Rail programme, the timing of submission of SOC, the next sequence of delivery and the OBC. |

Mitigation Action Plans and Level of Controllability

| Mitigation No. | Mitigation Strategies / Action Plans | Mitigation Control Level Assessment | Mitigation Control Level |
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| 1 | <p>An agreement has been reached on phasing of NPR for use in the SOC. As part of next year's activity, which is set out in the NPR Business Plan, the team has identified further work to support in achieving single route option across all corridors. As this work progresses in FY21/22, it may impact on the phasing agreed for the Strategic Outline Case.</p> | Medium | Dependency Mitigations (Limited Control) |
| 2 | <p>When constructing / revising the roadmap, TfN includes review and input by DfT as co-client, partners and delivery partners. The Roadmap activity is to be broken out into two areas:</p> <ul style="list-style-type: none"> - Business Case Roadmapping, and - Life-Cycle programming. <p>This is currently being planned as part of the NPR Business Planning process. Early thoughts on each may be used in this FY.</p> | Medium | Dependency Mitigations (Limited Control) |
| 3 | <p>Network Rail's (NR) activity has been expanded to undertake a re-assurance exercise on costs for retained options as well as the preferred ways forward. Network Rail (NR) delivered assured costs for the preferred way forward options on 15 December 2020 and assured costs for retained options have started to be delivered to the Programme, the first set were delivered on 20 January 2021 and the second is scheduled for 12 February 2021.</p> | High | Controllable Mitigations |
| 4 | <p>The TfN Modelling & Analysis team is continuing to enhance the NoRMS model to provide further enhancements to Level 1 benefits, which capture direct benefits to rail users. The Level 2 benefits which captures the static wider economic benefits, where it is assumed that NPR doesn't change the location of households and businesses is also being enhanced. These enhancements are done alongside NeLUM which provides the transformational Level 3 benefits, which capture the dynamic wider</p> | High | Controllable Mitigations |

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| | <p>economic impacts where it is estimated how much relocation takes place as a result of NPR.</p> <p>A final iteration of NoRMS, iteration 2 will include a 2018 demand uplift and should also increase overall benefits Iteration 2 will be used to inform the SOC by undertaking sensitivity tests to the main work undertaken in the Iteration 1D model, Iteration 2 outputs are intended to be presented in the March Board and will also be included in the IPDC submission. To support the required pace of the model development programme, a model development 'call-off' arrangement has been put in place to protect SOC timescales.</p> | | |
| 5 | TfN is continuing to work with DfT to ensure the strategic case and wider economic impacts of the scheme are based on robust, compelling analysis in order to increase the prominence and recognition of these elements of the case relative to the conventional BCR. | Medium | Dependency Mitigations (Limited Control) |
| 6 | TfN is to present an options paper to February's TfN Board inviting members to form a view on delaying the SOC until after the IRP is published. | Medium | Dependency Mitigations (Limited Control) |

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| Corporate Risk and Mitigation Owners | Tim Wood / Tim Foster (IRP) |
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Risk ID: TCR10**Risk Theme: Rail Operations – Franchise and Delivery**

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| Description | <p>Following a change in guidance to work from home where possible, and the subsequent lockdown since January 2021, there has been a significant drop in demand for rail services. The effects of the coronavirus pandemic and changing work practices on demand may take many years to recover to previous levels which could lead to the following risks:</p> <ol style="list-style-type: none">(1) There remains a risk that the passenger enhancements (such as the completion of new train programmes and additional services) will be delayed as driver training takes longer due to new working practices.(2) There is a risk that the current services could be cut due to the increased subsidy that is being covered by the Treasury. In addition, the reduced current services could further impact future schemes, making schemes less viable as they have to be assessed against lower demand forecasts.(3) DfT Re-prioritisation and the Williams Review: The coronavirus pandemic has meant DfT had to prioritise its focus and resources in responding to the pandemic. This has led to the delay in the publication of the Williams Review. In addition, the government may choose to focus on centrally deliverable initiatives such as franchise delivery and focus less on devolution. As a result, this may not align with the strategy of Members and would require a wider response from TfN. |
| Risk Proximity | Short, Medium and Long-term |
| Risk Probability | (1) Very High (2) Very High (3) Very High |
| Assessed Risk Impact | <p>(1) Very High (2) Very High (3) Very High</p> <p>Note: The post-mitigation risk assessment is rated Very High (VH) following the adoption of some of the identified mitigations. This is the same rating as the current risk assessment as TfN does not have the full range of levers within its current powers and responsibilities to implement the mitigations i.e. in order to effectively carry out the mitigations. The avoidance and reduction of the assessed impacts are contingent on partners and members taking further actions.</p> |

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| Potential Impact (Qualitative Description) | <ul style="list-style-type: none">• If there is a delay in investment and delayed rolling stock, passenger frustration will continue to be frustrated and experience poor quality services. Severe adverse reputational impact and pressure from partners.• Less investment in services and infrastructure as a result of weaker business cases.• It could affect TfN's reputation by impacting on a significant part of its rail transformational programmes and overall agenda.• The franchise system is being replaced by service contracts directly funded by HMT, potentially diminishing TfN's role and influence over operations.• Low passenger numbers post Covid could reduce viability of some existing services. |
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Mitigation Action Plans and Level of Controllability

| Mitigation No. | Mitigation Strategies / Action Plans | Mitigation Control Level Assessment | Mitigation Control Level |
|----------------|--|-------------------------------------|--|
| 1 | To continue to use our influence in the monthly Rail North Partnership Board, Rail North Committee and North of England Contingency Group to shape the re-introduction of services, new rolling stock and infrastructure developments and re-build passenger confidence. | Medium | Dependency Mitigations (Limited Control) |
| 2 | To continue with the close working relationship and communication with TfN member authorities on deliverables and risks - feeding back information through TfN governance structures. | Medium | Dependency Mitigations (Limited Control) |
| 3 | To continue to track train service performance and delivery via regular reporting dashboards. | Medium | Dependency Mitigations (Limited Control) |
| 4 | Strategic Rail and Rail North Partnership (RNP) to work together to support Network Rail and Operators in producing recovery plans that meet passengers' needs and rebuild confidence. | Medium | Dependency Mitigations (Limited Control) |
| 5 | To implement Blake Jones action plan to provide greater focus on passengers and ensure transparency with members as the COVID19 restrictions ease. | Medium | Dependency Mitigations (Limited Control) |
| 6 | TfN will continue to make the case for reform that supports the North's ambitions and will respond to the Williams White Paper once published. | High | Controllable Mitigations |

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| Corporate Risk and Mitigation Owner | David Hoggarth |
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Transport for the North
2nd Floor
4 Piccadilly Place
Manchester
M1 3BN



Transport for the North
Ground Floor
West Gate
Grace Street
Leeds
LS1 2RP



0161 244 0888



engagement@transportfornorth.com

