

Draft Transport for the North Corporate Risk Register

Financial Year 2020/21

Updated: 12/03/21



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	<p>TfN Chief Executive (Barry White)</p>
TfN Reputational and Political Engagement	An Issue	<ul style="list-style-type: none"> The issue arises from reduced core funding (mitigated partly by DfT agreeing cost allocations into the NPR programme) and no funding for the IST programme, this means: <ul style="list-style-type: none"> (i) TfN will no longer be able to deliver its IST (smart travel) aspirations as set out in its CSR submission. (ii) TfN’s ability to deliver in line with member aspirations will be reduced. The future role of Sub-national Transport Bodies (STBs) such as TfN needs greater clarity otherwise TfN’s ability to deliver the economic, social and sustainability benefits could be reduced. 	An Issue	An Issue	<p>TfN Chief Executive / Finance Director (Barry White / Iain Craven)</p>

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 and maintain support from its partners. 	Medium	Low	Strategy and Programme Director / TfN Programme Directors (Tim Foster / Tim Wood, Peter Molyneux, David Hoggarth)
Transport Decarbonisation and Climate Change Emergencies	Medium	<ul style="list-style-type: none"> If TfN fails to develop 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"> Funding reductions may, and 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. 	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
					(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	<p>Business Capabilities Director / Head of Legal Services</p> <p>(Dawn Madin / Julie Openshaw)</p>
Revised Framework - Delivery of Contactless on Rail and Local Smart Ticketing	An Issue	<ul style="list-style-type: none"> • As set out in the report to 18 February Board, TfN will complete Phases 1 & 2. No further programme activity will therefore be delivered beyond that point. • This risk will now be removed from the Corporate Risk Register. 	An Issue	An Issue	<p>IST Programme Director</p> <p>(Jeremy Acklam)</p>
The Northern Powerhouse Business Case Delivery and Programme Development	Very High	<ul style="list-style-type: none"> • DfT's request for the publication of the IRP to precede the SOC submission could impact on the future scope of the Strategic Outline Case. • 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. • This may cause delays to proposed programme activity for FY2021/22, including 	Very High	High	<p>NPR Programme Director</p> <p>(Tim Wood)</p>

Corporate Risk Theme	Risk Probability	Nature of Risk Impact	Current Risk Impact	Post Mitigation Risk Impact	Risk and Mitigation Strategy Owner
		<p>the impacts of commissioning and mobilising programme teams</p> <ul style="list-style-type: none"> The outcome of the IRP may include conclusions relating to the TRU solution which may not align with TfN's position. 			
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 resulting from reduced passenger numbers. Lower passenger numbers post COVID-19 could reduce the viability of some existing services. 	Very High	Very High	<p>Strategic Rail Programme Director (David Hoggarth)</p>

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

Risk Description	<p>The coronavirus pandemic continues to be a threat that is directly impacting upon the delivery of TfN’s programmes and Business Plan Key Performance Indicators (KPIs). The lockdowns 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 and sustained four key risks for Transport for the North (TfN) business operations:</p> <p>1) There is still a potential, albeit reduced from earlier in the pandemic, for a significant number of staff within TfN or its supply chain being affected by the coronavirus, or by steps taken by suppliers to respond to the economic pressures caused by the pandemic;</p> <p>2) TfN engagement, decision making / governance processes might be impacted by the availability of Constituent Authority or departmental colleagues;</p> <p>3) The COVID-19 related uncertainty causes wider policy announcements to be delayed; and</p> <p>4) The pandemic reduces the efficiency with which certain activities can be delivered and therefore increases the costs associated with delivering them.</p>
Risk Proximity	<p>Short-Term to Medium-Term</p>
Risk Probability	<p>(1) Low (2) Medium (3) An Issue (4) Low</p>
Assessed Risk Impact	<p>(1) High (2) High (3) High (4) Medium</p>
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 / suppliers 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	TfN continues to deliver its 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)

Corporate Risk and Mitigation Owner(s)	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**

Risk Description	<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. Clarity on this position is required and DfT has indicated that it is considering proposing changes to the Communications 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. The cessation of the programme has been confirmed and the team has commenced on the activities relating to the closure of the programme. 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. The full position in this regard is set out in the Business Plan and Budget Reports to this meeting.</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 more difficult for TfN to develop transformational transport initiatives to achieve the levelling up agenda and improve transport connectivity for the North's 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. • 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.

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 'One Voice' for the North.	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)
6	The TfN has undertaken a business planning and budgeting process that focuses its available resources on key Member priorities.	High	Controllable Mitigations

Corporate Risk and Mitigation Owner(s)	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**

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 developed in a way that does not contribute to, or runs counter to, the overall objectives and plans set out in the STP, resulting in the failure to achieve the aims of the STP and/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

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

Risk Description	<p>One of the objectives of developing the Analytical Framework (AF) is to allow the capture of the economic, social and environmental 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, the full requirements for TAME's contribution to the NPR programme in 2021/22 will remain uncertain until the publication of the Integrated Rail Plan (IRP). This uncertainty is likely to create a resourcing risk and required support to other TfN programmes.</p>
Risk Proximity	Short and Medium Term
Risk Probability	Medium
Assessed Risk Impact	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 undertaking scenario planning for different outcomes of the IRP. Additionally, the team has developed flexible professional services contracts, which can be scaled up and down to meet different levels of NPR resource requirements, thereby, providing a control mechanism to protect TAME's resources that are committed to other programmes.	High	Controllable Mitigations
Corporate Risk and Mitigation Owner(s)	Tim Foster		

Risk ID: TCR05**Risk Theme: Transport Decarbonisation and Climate Change Emergencies**

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 Scenarios.</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

Corporate Risk and Mitigation Owner(s)	Tim Foster
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Risk ID: TCR06**Risk Theme: Transport for the North's Business Operations**

Risk Description	<p>(1) There is an ongoing risk of the failure to deliver programmes' outputs in a way that achieves VfM in TfN expenditure;</p> <p>(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 has prepared a business plan and budget year for 2021/22 that will be presented to this Board for approval. 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.</p> <p>(3) The Chief Executive Officer (CEO) is departing TfN, effective mid-April 2021. Should a timely replacement (or interim cover arrangements) not be secured, it is likely to impact on TfN's leadership capabilities, alongside having a potential impact on the delivery of TfN's strategic objectives and priorities.</p> <p>Although unrelated, it should also be noted that the CEO's resignation (alongside the resignation of the Strategy & Programme Director) occurred at a time when TfN has been subject to funding cuts, notably the cessation of 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) 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 are 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 apprised and address any questions or concerns in a timely fashion.	High	Controllable Mitigations
8	The recruitment search of a replacement for the CEO position is progressing 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 Owner(s)	Iain Craven (Funding risks) / Dawn Madin (HR related risks)		

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

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
Corporate Risk and Mitigation Owner(s)	Dawn Madin / Julie Openshaw		

Risk ID: TCR08**Risk Theme: Revised Framework - Delivery of Contactless on Rail and Local Smart Ticketing**

Risk Description	The Department for Transport has confirmed to TfN that there will be no funding allocation for the continuation of the IST). This means that the programme is winding down and there will be no progress in bringing forward Phase 3 (contactless on rail) Phase 4 (proposal to provide support to local schemes). TfN will therefore no longer be able to pursue the IST Programme objectives as set out in its CSR submission and previously shared with the Board. This risk will be removed from the Corporate Risk Register.
Risk Proximity	Short-Term
Risk Probability	An Issue
Assessed Risk Impact	An Issue
Potential Impact (Qualitative Description)	As set out in the report to 18 February Board, TfN will complete Phases 1 & 2 of the IST programme and wind down the programme

Mitigation Action Plans and Level of Controllability

Mitigation No.	Mitigation Strategies / Action Plans	Mitigation Control Level Assessment	Mitigation Control Level
1	In order that TfN is able to retain an element of IST capability / capacity the business plan for 2021/22 includes a new Smart role within the Strategic Rail team. This will embed Smart activity and help the delivery of digital fares going forward. It is proposed that this will be supported by an allocation of core budget and that whilst established in the rail team it will work across modes.	Medium	Dependency Mitigation

Corporate Risk and Mitigation Owner(s)	Jeremy Acklam
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Risk ID: TCR09

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

<p>Risk Description</p>	<p>Northern Powerhouse Rail is a high-profile programme that involves Northern partners, DfT, NR and HS2. TfN is planning 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, following the publication of the IRP which due in March 2021.</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 2021, TfN Board adopted a preferred NPR network. However, it was not possible to submit the Strategic Outline Case due to the continued delay to the publication of the IRP and the SoS request that TfN/DfT, as co-clients, delay the submission of the SOC from March 2021 to allow the IRP to be published first. Subsequently, TfN Board has endorsed the option to delay submission of the SOC until after the IRP has been published.</p> <p>The below were issues relating to the delivery of the SOC. However, for this period, these have been re-assessed and deemed as closed issues.</p> <p><u>Closed Issues with Reasons for Closure</u></p> <p>Infrastructure costs - Network Rail's initial assured costs for the NPR preferred network had increased to £45bn (Q1 2015 including 66% optimum bias), which was an increase of 15% from the SOBC level. A review of the assured costs has now been completed by TfN (supported by MACE), and Network Rail, which has resulted in preferred network assured costs of £42.2bn which is used to generate the BCRs for the SOC. In addition, a programme generated (not NR assured) of £37.4bn has been identified as an alternative cost for NPR which represents an opportunity of further cost reduction of circa £5bn, which will be explored in FY 21/22. An agreement was reached with DfT to include both cost values in the Strategic Outline Case.</p> <p>Benefit and Cost Ratios (BCRs) - The development of the programme since the 2019 SOBC identified first a risk and then an issue in regarding reduced BCRs in relation to the transformational network. This would have made the SOC much more reliant on the Strategic Case. However, the current BCRs numbers</p>
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are at or near to SOBC level. The final iteration of NoRMS, iteration 2 will include a 2018 demand uplift and therefore will increase the overall benefits.

Partner Engagement to support decision-making - The risk relating to engagement focused on Partner engagement to support SOC submission was successfully mitigated leading up to the previously scheduled March submission date. However, and as discussed above, Partners have endorsed the option to delay the submission of the SOC until the publication of the IRP with its implications on the programme analysed.

For this period, the significant risks associated to the Business Case Delivery and Programme Development are listed below:

Key Significant Risks

1. Integrated Rail Plan (IRP) Conclusions: The IRP was due to be published by the government in December 2020. However, this did not occur, and its publication is not expected in March 2021. The IRP and its conclusions carry the following risks:

- (a) The conclusions of the Integrated Rail Plan (IRP) could have consequences to the SOC if its recommendations on funding envelope, phasing and/or specifying route options are different to those agreed by TfN Board. This could result in delays to next stage of the NPR programme both in terms of funding available for 2021/22 and scope of works (additions/removals) on permitted development. Furthermore, the NPR network may be decided by the government as a consequence of the IRP, which could result in the lack of partner agreement relating to the network.
- (b) There is no certainty that the IRP will be published in March. 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.

2. Co-client agreement of 2021/22 Scope - Due to the delay to the IRP publication and the continued uncertainty of when it will be published, TfN may be unable to agree as co-clients the activity for FY2021/22 which is planned to start from April 2021. This is likely to cause delays to proposed programme activity for FY2021/22, including the impacts of commissioning and mobilising programme teams.

3. TRU Integration - The outcome of the IPR may include conclusions relating to the TRU solution which might create a misalignment with the TRU Programme. If there is a lack of engagement between NPR &

	TRU programmes (i.e. TfN, DfT, NR), it is therefore likely to result impact on TfN's credibility and reputational with our Partners and the public.
Risk Proximity	Short to Medium Term
Risk Probability	(1) Very High (2) High (3) High
Assessed Risk Impact	(1) Very High (2) Very High (3) Very High
Potential Impact (Qualitative Description)	<ul style="list-style-type: none"> • Following SoS advice for the publication of the IRP to precede the SOC submission, this could impact on the future scope of the Strategic Outline Case. • 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. • This is may cause delays to proposed programme activity for 2021/22, including the impacts of commissioning and mobilising programme teams • The outcome of the IPR may include conclusions relating to the TRU solution which might create a misalignment with the TRU Programme.

Mitigation Action Plans and Level of Controllability

Mitigation No.	Mitigation Strategies / Action Plans	Mitigation Control Level Assessment	Mitigation Control Level
1	<p>Integrated Rail Plan Mitigation: TfN to continue to liaise with DfT to seek confirmation of the publication date. A dedicated team has been established within the NPR Programme to review and respond to the IRP once available.</p> <p>Following the publication of the IRP, an assessment exercise is to take place on how the conclusions of the IRP differs to those presented in the SOC and how acceptable they might be to Partners. In addition, the team will ensure that there is robust Partner engagement to support the understanding and positioning of the IRP and what it means for the Strategic Outline Case.</p>	Medium	Dependency Mitigations (Limited Control)
2	<p>Co-client agreement of 2021/22 Scope Mitigation: A Scope activity paper was submitted to NPR Programme Board in February 2021 for endorsement to proceed on the majority of scope activities. Discussions are continuing on areas impacted by the IRP, including Liverpool - Manchester and Manchester – Leeds.</p>	Medium	Dependency Mitigations (Limited Control)
3	<p>TRU Integration: Integration meetings at working level are in place and further senior forums and sessions between NR, DfT and TfN will take place following the publication of the IRP and understanding its implications on TRU and NPR.</p>	Medium	Dependency Mitigations

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

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>
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.

	<ul style="list-style-type: none"> • 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
Corporate Risk and Mitigation Owner(s)	David Hoggarth		



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