

Meeting: Transport for the North Audit & Governance Committee

Subject: Corporate Risk Register Report

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Sponsor: -

Meeting Date: Friday 19 November 2021

1. Background:

- 1.1 Transport for the North has updated the Corporate Risk Register ("CRR") to continue to reflect the Key Performance Indicators (KPIs) and business objectives outlined in the Business Plan for Financial Year 2021/22.
- 1.2 The CRR was presented at the Audit and Governance Committee on 16 September 2021 for feedback and approval before being presented to TfN Board on 29 September 2021. It has subsequently been updated to reflect changes that have occurred since the reports were published for those meetings.
- 1.3 The terms of reference for the Audit and Governance Committee includes the requirement for the committee to "monitor Transport for the North's risk and performance management arrangements including review of the risk register, and progress with mitigating action".
- 1.4 Transport for the North's corporate risks stem from the agreed KPIs and from a range of other sources, some of which are beyond Transport for the North's direct control. The challenges and uncertainty faced by Transport for the North create both threats that need to be addressed, and opportunities that can potentially be exploited. Transport for the North's Corporate Risk Register is presented at Appendix 9.1.

2. Recommendation:

- 2.1 Committee Members are asked to consider the report and provide comments regarding the risk information provided.

3. Consideration:

- 3.1 Transport for the North's approach to managing risk is described in its Risk Management Strategy ("RMS") which sets out guidance for how risks are identified, assessed, managed, and reported. The RMS has been applied in updating the Corporate Risk Register.
- 3.2 It is essential that Transport for the North and its programme teams recognise, understand, and manage the risks that could negatively impact on its ability to achieve its objectives and priorities.
- 3.3 This report provides the Committee with an update on the organisational risks and issues relating to the business KPIs/objectives which can be found in the Corporate Risk Register.
- 3.4 The key changes from the previous version considered by this Committee and, subsequently, the Board in September 2021 are as follows:

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- *The Covid-19 Pandemic prevents or delays TfN from delivering its objectives (TCR01)* – The Covid-impacted delay to the publication of the Integrated Rail Plan is delaying effective decision making across TfN. Therefore, risk factor 3 has now become an issue and risk factor 2 has increased to a High impact.
 - *TfN Reputational and Political Engagement (TCR02)* – TfN made the case for its funding during the Spending Review. However, it is unlikely that TfN will receive its funding allocations before January, placing significant pressure on its ability to produce a robust budget prior to the start of the new financial year. This is exacerbated by the uncertainty that exists with regard to the future delivery model for the NPR programme and the consequential impacts that this may have on TfN. Therefore, risk factors 1 and 2 have become Very High. Separately, Mitigations E, I and L have been closed and will be removed at the next publication.
 - *TfN Operations (TCR06)* – As TfN is unlikely to receive notification of its funding allocation before January 2022, this creates significant risks in TfN’s ability to generate a robust business plan prior to the start of the new financial year. Therefore, risk factors 2 and 3 have increased to Very High. Mitigation F has been closed and will be removed at the next publication.
 - *Rail Operations – Franchise and Delivery (TCR09)* – TfN’s Strategic Rail team has been in discussions with the Great British Rail transition team regarding risk factor 2 (TfN’s role in the future operating model of the railways). The positive engagement to date means that the risk probability has been decreased to High. However, the potential impact remains the same.

4. Corporate Considerations

Financial Implications

4.1 The financial implications are detailed within individual risks where applicable.

Resource Implications

4.2 The resource implications are detailed within individual risks where applicable.

Legal Implications

4.3 The legal implications are detailed within individual risks where applicable.

Risk Management and Key Issues

4.4 A full corporate risk assessment activity took place which can be found in Item 9.1.

Environmental Implications

4.5 A full impact assessment has not been carried out because it is not required for this report.

Equality and Diversity

4.6 A full impact assessment has not been carried out because it is not required for this report.

Consultations

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

5. Background Papers

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

6. Appendices

6.1 Item 9.1 – Corporate Risk Register November 2021