

Annual Governance Statement 2021/22

Introduction

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

Transport for the North was established by the Sub-National Transport Body (Transport for the North) Regulations 2018 ("the 2018 Regulations") and came into being on the 1 April 2018, holding its inaugural meeting on 5th April 2018. This is therefore its fourth Annual Governance Statement and the organisation's Constitution, policies, procedures, and systems continued to be developed during 2021/22. As a Sub-National Transport Body, Transport for the North's core functions are to prepare a Transport Strategy for the area and to provide advice to the Secretary of State regarding the exercise of transport functions in the area. Transport for the North is funded in these activities by the Department for Transport.

The Transport for the North Board is made up of the representatives of the 20 Constituent Authorities in the North who are the voting Members of the Board, together with representatives of the six Rail North Authorities and the Independent Chair of the Partnership Board who are all co-opted Members on the Board. At its inaugural meeting the Transport for the North Board also appointed, as co-opted members, the representatives of the 11 Local Enterprise Partnerships in the Transport for the North Area and representatives of National Highways (formerly Highways England), Network Rail and HS2.

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

The 2018 Regulations established Transport for the North and provided for the appointment of a Partnership Board to advise on matters relating to transport in the area. The membership of the Partnership Board includes the membership of the Transport for the North Board with the addition of a representative of the DfT. During 2019/20 Transport for the North decided to enlarge the Partnership Board and the Partnership Board now includes representatives from Disability UK, the Committee on Climate Change, Transport Focus and three regional TUC representatives.

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

Transport for the North has also established an Audit and Governance Committee consisting of five Board Members and four Independent Members, who have been publicly recruited on the basis of relevant skills, and whose role is to provide assurance to the Board on governance, risk management and the internal control framework. This year the General Purposes Committee has been set up and will begin to meet from February 2022. The committee will consider establishing its role and its relationship with Transport for the North Board and other Committees.

As reported in the 2020/21 Annual Governance Statement, since March 2020 Transport for the North, in common with the whole of the UK, has been affected by the Covid-19 pandemic. In response to the emergency, Transport for the North implemented its Business Continuity Plan and was able to move to full remote working. The implementation of the Business Continuity Plan has enabled the continuation of Transport for the North's governance arrangements and its internal system of controls.

Since easing of the restrictions in June 2021, some of Transport for the North's Boards and Committees were able to be held in person with others continuing to be held as Consultation Calls to inform the exercise of officer delegated powers where necessary. All in-person meetings and consultation calls have continued to be streamed live to the public.

1.0 Scope of Responsibility

- 1.1 Transport for the North is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. Transport for the North also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.
- 1.2 In discharging this overall responsibility, Transport for the North is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3 Transport for the North has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework, Delivering Good Governance in Local Government. A copy of the Code of Governance is included in Transport for the North's Constitution and is on Transport for the North's website at

<http://www.transportforthenorth.com>. Alternatively, it can be obtained via a written request to:
Head of Legal, tfnlegalteam@transportforthenorth.com.

- 1.4 This Annual Governance Statement demonstrates how Transport for the North has reviewed the effectiveness of its internal systems of control and how it has complied with its adopted Code of Governance in carrying out its functions. It is published in accordance with the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015.

2.0 Delivering Good Governance in Local Government

- 2.1 The governance framework comprises the systems, processes, culture, and values, by which Transport for the North is directed and controlled and the processes through which it accounts to and engages with the community. It enables Transport for the North to monitor the achievement of its strategic objectives and to consider whether those objectives will lead to the delivery of its goal of transformational economic growth in the North of England, facilitated by improved transport infrastructure.
- 2.2 The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 2.3 The system of internal control consists of a number of processes, policies and procedures that have been put in place in order to identify and prioritise the risks to the achievement of Transport for the North's aims and objectives, to evaluate the likelihood and resultant impact of those risks materialising, and to manage them efficiently, effectively and economically.
- 2.4 The governance framework was in place at Transport for the North for the 2021/22 financial year and up to the date of approval of the Statement of Accounts.

3.0 The Corporate Governance Framework

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

1. Focusing on the purpose of Transport for the North, and the outcomes for the community, and creating and implementing a vision for the area;
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles;
3. Promoting values for Transport for the North and demonstrating the value of good governance through upholding high standards of conduct and behaviour;

4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
5. Developing the capacity and capability of Members and officers to be effective;
6. Engaging with local people and stakeholders to ensure robust public accountability,
7. Compliance with Section 102I of the Local Transport Act 2008 imposes a requirement on Transport for the North, in the preparation of its Strategic Transport Plan, to have regard to the promotion of economic growth and the social and environmental impacts of the implementation of its proposals. This includes having regard for the impact of decisions on future generations.

The table below sets out examples of how Transport for the North has met the principles set out in the CIPFA Framework and also adhered to its governance commitments set out in the Code of Governance; the final document will include hyperlinks within the Evidence column to sources of further information.

A Behaving with integrity, demonstrating strong commitment to ethical values and respect for the rule of law	
Core Principle	
Promoting values for Transport for the North and demonstrating the value of good governance through upholding high standards of conduct and behaviour.	
<i>How we met the principle</i>	<i>Evidence</i>
<p>Those Members of Transport for the North who are elected Members of a Local Authority are expected to adhere to the adopted Code of Conduct of their Local Authority while carrying out their duties in respect of Transport for the North. Other co-opted Members are expected to adhere to the Cabinet Office's Code of Conduct for Board Members of Public Bodies.</p> <p>Transport for the North has adopted a Code of Conduct for Officers and a Protocol on Member /Officer Relations, to which all officers are expected to adhere. Serious breaches of these Codes by officers would be investigated under the organisation's disciplinary code.</p> <p>Transport for the North's induction process for new recruits outlines the behaviours and values that are expected from officers.</p> <p>Transport for the North has a zero-tolerance approach to fraud and corruption and has adopted strong Anti-Fraud & Corruption and Whistleblowing Policies which</p>	<p>Constitution</p> <p>Code of Conduct for Officers (Constitution)</p> <p>Member/Officer Relations Protocol (Constitution)</p> <p>Human Resources On-boarding Policies</p>

<p>were reviewed in the previous Annual Governance Statement</p> <p>Members are required to make a declaration of their disclosable pecuniary interests and also to declare any disclosable pecuniary interests in the business of the meeting at the start of all meetings of the Transport for the North Board or its Committees, and to take no part in such business, but to leave the meeting. Members Declarations of Interest are available on the Transport for the North website.</p> <p>Transport for the North has adopted a Code of Practice in relation to Gifts and Hospitality which was reviewed during 2019/20 and training on the Code was rolled out across the organisation. Guidance in relation to gifts and hospitality is included in the induction for all new employees.</p> <p>A register of Gifts and Hospitality is maintained by the Monitoring Officer, in which officers are required to declare any gifts or hospitality of more than nominal value which they have been offered, whether or not it has been accepted. An annual reminder is issued to all Employees and the Monitoring Officer reviews the register annually.</p> <p>Transport for the North has appointed a Monitoring Officer who works with Members and Officers to ensure that Transport for the North complies with its legal duties and all legal requirements. This role is supported by a Deputy Monitoring Officer. Transport for the North has an in-house legal team, and the legal implications of all reports are considered and, where appropriate, legal advice provided within reports that inform decisions that are taken by Members. Legal advice is available to Members at all meetings of the Transport for the North Board and its Committees.</p> <p>The Monitoring Officer has statutory reporting responsibilities in relation to any unlawful decisions or maladministration.</p> <p>The Finance Director as the Section 151 Officer has responsibility for ensuring proper arrangements for financial management and has statutory reporting duties in respect of unlawful expenditure and financially imprudent decision making.</p> <p>Transport for The North is committed to promoting Diversity and Inclusion across all areas of the business, which includes people leading the organisation and people working in it. During 2019 Transport for the North established a cross organisational Diversity in</p>	<p>Anti-Fraud and Corruption Policy (Constitution)</p> <p>Constitution</p> <p>Declarations of Interest</p> <p>Code of Practice on Gifts and Hospitality</p> <p>Employees Induction</p> <p>Register of Gifts and Hospitality</p> <p>Constitution</p> <p>Board and Committee Reports</p> <p>Constitution</p> <p>Diversity Policy</p>
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<p>Action Group to develop a Diversity and Inclusion Action Plan to ensure that inclusion and diversity are embedded across the organisation both in employment practices and in the delivery of services and programmes. The key themes during 2021/22 focus around three main categories:</p> <ul style="list-style-type: none"> • Priority 1 - Establishing a framework of equality impact assessments across TfN and building associated employee/supplier awareness of diversity and inclusion. • Priority 2 - Career progression, including the continuation to support and develop our people • Priority 3 - Health and wellbeing with resilience <p>Each of the priorities, are underpinned by several activities, and using the Local Government Equality Framework, we ensure these are aligned to promote inclusion and diversity. Each of the activities will be assessed using an Equality Impact Assessment, which is also linked to our procurement activities, as well as our ways of working. This ensures that inclusion and diversity cut through all areas of TfN activity.</p>	<p>Diversity & Inclusion Group Terms of Reference</p>
<p>B Ensuring openness and comprehensive stakeholder engagement</p>	
<p>Core Principle</p> <p>Engaging with local people and stakeholders to ensure robust public accountability</p>	
<p><i>How we met the principle</i></p>	<p><i>Evidence</i></p>
<p>Transport for the North's website is set out in a clear and accessible way, providing clear access to reports and minutes from Committee and Board meetings, along with updates on our core programmes and links to relevant documents. Transport for the North is also active on social media, which regularly shares links to the website where more information can be found (across several channels to widen audience), including promoting public meetings.</p> <p>All meetings of the Transport for the North Board and its formal Committees are held in public unless information which is either confidential under section 100A or exempt under Part 1 of Schedule 12A of the Local Government Act 1972 is to be disclosed. Copies of all minutes and agendas of the Board and formal Committees are available on Transport for the North's website. All reports contain details of options considered and the advice provided by officers regarding legal and financial and other key implications. The minutes include the reasons</p>	<p>Transport for the North website</p> <p>Board and Committee Agenda and Minutes</p>

supporting the decisions made. Transport for the North has a Freedom of Information Publication Scheme in place and seeks to publish information openly on its website wherever possible and practicable to do so.

During 2021/22, with Covid restrictions having been lifted, Transport for the North has held some of its decision-making meetings in-person with remaining meetings being held virtually, as consultation calls, in order to balance public safety concerns. It has continued to livestream meetings and proactively promoted this on online channels, as well as directly to interested parties. All agendas and minutes continue to be available on the website.

TfN is developing hybrid meeting capabilities to allow attendees to participate remotely and interact effectively with the governance session. This is to be trialled in the 2nd quarter of 2022.

Live streams are publicised via Transport for the North's social media platforms, and public attendance at meetings through watching the live stream has significantly increased from 2020/21 to the present.

Under its 2018 Regulations, Transport for the North is required to establish a Partnership Board to advise it on all matters relating to transport to, from and within its area. The Partnership Board is a forum in which the elected Members of Transport for the North engage and consult with the business leaders of the area through representatives of the eleven northern Local Enterprise Partnerships and with the national transport delivery agencies Network Rail, Highways England and HS2. During 2019/20 Transport for the North reviewed the membership of the Partnership Board and widened its membership to include representatives of the Northern, North West and Yorkshire & Humber Regional TUC areas, Disability Rights UK, Transport Focus and the Committee on Climate Change. This has broadened the interests represented on the Partnership Board particularly in relation to the environment and the interests of the travelling public.

Transport for the North carries out extensive stakeholder engagement through its Engagement team and the wider organisation. Transport for the North Officers meet regularly with Parliamentarians, Members and officers of other Authorities, representatives of the Welsh and Scottish devolved governments, representatives of business organisations, and other stakeholders, such as

Transport for the North website

Transport for the North website

Transport for the North 2018 Regulations
Constitution

Memorandum of Understanding signed with the Welsh Government and Midlands Connect

Memorandum of Understanding and Joint Engagement Action Plan agreed with National Highways

community groups. The types of events vary from attending All Party Parliamentary Groups (APPG) meetings in Parliament, including the Transport Across the North APPG for which TfN is the secretariat; to roundtable events, and speaking engagements across the North and the rest of the UK.

TfN's Annual Conference 2021 took place at the Queens Hotel in Leeds. Speakers included TfN representatives, Board Members, Government Ministers, and other relevant stakeholders.

241 delegates registered for the Conference; TfN had to limit registrations in line with the 200-maximum capacity as this was one of the first large public sector events held following the pandemic.

The Conference was held as a hybrid event, the first for the region and sector on its scale, and the online viewing figures were particularly impressive when compared to other large events, such as the Convention of the North. The Main Hall and two breakout room viewing figures were 1,068 views, 464 views and 363 views respectively.

Over the past 12 months, Transport for the North has facilitated TfNTalks webinars, covering Freight and Logistics, as well as on the Decarbonisation Strategy and accessibility of the transport networks. TfN are in the process of planning webinars on decarbonisation and transport related social exclusion.

TfN has also facilitated the Decarbonisation Strategy Consultation, organised regional business briefings ahead of the Integrated Rail Plan publication and promoted the Freight and Logistics Strategy Consultation to hundreds of stakeholders, generating over 250 responses.

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

TfN's podcast has grown over the past year; we have had 4,344 total plays over this period, which is represented by a +252% growth rate according to the statistics tracker on Soundcloud.

Strategic Transport Plan

Decarbonisation Strategy Consultation

TfN has recently launched a new Business Matters podcast series and hosted a popular series on '5 Ways to Level up the North' series with TfN Board Members.

Also facilitated and advised on five Northern Evidence Academic Forum meetings on a variety of topics with a variety of influential academics; there has been an average of around 60 attendees for each meeting and it has had positive feedback.

Transport for the North is committed to full public engagement. Extensive public consultation was carried out in 2018 prior to the adoption of the Strategic Transport Plan. In 2021 a full statutory consultation was held in relation to the Decarbonisation Strategy before the Board adopted the Strategy in November 2021. A consultation on the TfN Freight and Logistics Strategy commenced in January 2022. Transport for the North will continue with its broader engagement to raise its public profile and awareness of Transport for the North programmes.

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

TfN is in the process of developing new approaches to citizens' engagement including the piloting of a citizens' panel.

Transport for the North also brought together a number of informal Members Working Groups to ensure the views of Transport for the North's constituent authorities and their communities are heard and understood via their elected representatives. This engagement contributed to the development of Transport for the North's different programmes and initiatives, including the Northern Transport Charter and in support of business planning for 2021/22.

During 2019/20 Transport for the North developed a new monthly operating report for Members, designed to support scrutiny and challenge of its programmes and operations. This report provides qualitative and quantitative performance information in a single report. The Monthly Operating Report has continued to be delivered during 2021/22 providing Members and the public with detailed information about the

Monthly Operating Report

performance of Transport for the North’s major programmes and operational activities.	
C Defining outcomes in terms of sustainable economic, social, and environmental benefits	
<p>Core Principle</p> <p>Having regard to the promotion of sustainable economic growth, and the social and environmental impacts of its proposals and having regard for the impact of current decisions and actions on future generations.</p>	
<i>How we met the principle</i>	<i>Evidence</i>
<p>The creation of sustainable economic growth is a key driver behind the Strategic Transport Plan (STP). The initial Northern Powerhouse Independent Economic Review (NPIER) published in 2016 identified the persistent gap in GVA per capita and productivity performance in the North compared to the rest of the United Kingdom. The main purpose behind the establishing of Transport for the North is to achieve a rebalancing of the United Kingdom’s economy through improvements to transport and connectivity between the major conurbations in the North and across the region. Work is currently underway to begin the process of updating the NPIER with an intention to refresh the work in 2022/23.</p> <p>In developing the STP TfN undertook a thorough evaluation of the environmental and sustainability impacts of the proposals contained in the Plan.</p> <p>The STP outlined how the climate and environment will be factored in the design and development of transport interventions and plan. TfN’s Decarbonisation Strategy demonstrates a trajectory or “pathway” to 2045, which was developed in collaboration with partners and demonstrates what is required to deliver the ambitions of the STP and local transport plans in tackling carbon impacts and reductions from transport.</p> <p>During 2021/22 Transport for the North consulted on and adopted the first Decarbonisation Strategy for the North of England which sets ambitious targets for decarbonisation across the North by 2045.</p> <p>The Northern Transport Charter outlines an ‘Inclusive and Sustainable North’ as a key Transport for the North priority. This recognises that Transport for the North’s investment programme must: contribute towards a reduction in carbon emissions; reduces transport related social exclusion; and, wherever possible, seek to deliver environmental enhancements. As such work in 2021/22 has focused on exploring with</p>	<p>Northern Powerhouse Independent Economic Review</p> <p>STP Evidence base</p> <p>Integrated Sustainability Appraisal</p> <p>Decarbonisation Strategy</p> <p>The Northern Transport Charter</p>

members principles for prioritisation and trade-offs between these outcomes and will be further developed in financial year 2022/23.

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

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

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

The Research and Economics team within Transport for the North also regularly commission external research and undertake internal analysis to support evidence-based policy making across TfN. Over the past 12 months TfN has completed research into Transport Related Social Exclusion, the Visitor Economy, Transport User Insights and Monitoring and Evaluation.

All reports presented to the Transport for the North Board and its formal Committees contain an assessment of the implications of the report in terms of sustainability, environmental impact, and equality impacts.

The Strategic Plan and Investment Programme set out transport interventions which will benefit future generations beyond 2050.

Transport for the North's Analytical Framework

Board Reports

Strategic Transport Plan and Investment Programme

D Determining the interventions necessary to optimise the achievement of the intended outcomes

Core Principle

Focusing on the purpose of Transport for the North and the outcomes for the community and creating and implementing a vision for the area.

<i>How we met the principle</i>	<i>Evidence</i>
<p>The Strategic Transport Plan is a pan regional strategy that is based on a robust evidence base and sets out our vision for transformational change in relation to transport infrastructure in the North.</p> <p>The Investment Programme (published February 2019) set out TfN’s recommendations for the appropriate pipeline of strategic transport schemes over the period up to 2050. In 2020/21 TfN qualitatively appraised and sequenced the programme to develop a recommended investment pipeline over three broad delivery time frames. (pre-2027, 2027-2033 and post 2033). In Spring 2022 TfN will report on further work, utilising TfN’s analytical framework to quantitatively appraise the economic, social, and environmental outcomes from the programme. This will support TfN in making recommendations to Government on strategic transport investment priorities. Transport for the North is committed to improving the standard of service provided by the railway network in the North and, under a partnership with the Secretary of State, manages the performance of the contracted railways in the region, Northern Rail and TransPennine Express. Through rigorous monitoring of the performance of these railways, Transport for the North has held their management to account and was instrumental in ensuring that the Northern Rail Franchise was taken back into public control.</p> <p>During the pandemic, Transport for the North was instrumental in developing the North of England Contingency Group which brought together all the Local Authority lead rail officers, Train Operators and Network Rail to ensure that an emergency timetable was introduced to support front line workers and ensure they were able to travel to and from work during the pandemic lockdowns.</p> <p>During 2020/21, the Northern Powerhouse Rail (NPR) programme continued to develop the strategic case for the NPR rail network to link all the major urban centres of the North by a fast and reliable rail link. The NPR team worked with partners to refine the options to enable Transport for the North to provide statutory advice to the Government on its preferred route and to enable it to submit to Government, in partnership with the DfT, a Strategic Outline Case demonstrating the benefits to the North of its proposals.</p> <p>Building upon the qualitative sequencing of the Investment Programme, TfN has taken forward a quantitative benefits analysis of the programme, with</p>	<p>Strategic Transport Plan Evidence Base</p> <p>Investment Programme</p>

the aim of supporting TfN in making recommendations on Transport Investment priorities by December 2023.

In support of a key action in TfN's Decarbonisation Strategy TfN has led on development of an Electric Vehicle Charging Infrastructure (EVCI) evidence base for the North. This identifies future requirements for EVCI across all areas of the North and provides a valuable basis on to plan EVC investment. Outputs of the work have been shared with TfN Partners, OZEV and the North's Electricity Distribution Network Operators (DNO's).

In December 2021 TfN published the updated Major Roads Report, setting out a balanced view of how we should manage, operate, and invest in our Major Roads to reflect the needs and priorities of communities in the 21st century.

TfN has led a review of Major Roads Network (MRN) and Large Local Major (LLM) interventions and submitted a report to DfT, with recommendations for the MRN/LLM Programme in the North.

The Major Roads and Strategy teams have engaged with National Highways on the initial development of the evidence base for the Route Strategies, which will underpin the evidence base for the Government's future Road Investment Strategies.

Throughout the year TfN has continued to monitor the impact of the pandemic on travel patterns and behaviours. And have completed data collection on journey time reliability and geographical distribution of traffic using the MRN in 2020 and 2021.

TfN has worked collaboratively with the other Sub-National Transport Bodies and inputted into co-ordinated engagement with key national bodies such as the DfT, National Highways, Network Rail and the Office for Road and Rail.

One of Transport for the North's long-term ambitions for the North was to develop electronic ticketing across the North that could deliver the fair price promise and daily fare capping. This was being delivered through the IST Programme. Whilst Government funding cuts have meant that the current programmes have had to be curtailed, in its place Transport for the North is now working to develop a Northern Digital Mobility Strategy. This will be shaped by members to facilitate and empower the efficient local delivery of digital and

<p>ticketing interventions. The strategy will add value by sharing existing best practice, scaling the evidence base derived from local pilots and identifying any areas for collaboration. This is alongside planning for cross regional and cross modal integration of ticketing systems.</p>	
<p>E Developing the organisation’s capacity, including the capacity of its leaders and the individuals within it</p>	
<p>Core Principle</p> <p>Developing the capacity and capability of members and officers to be effective</p>	
<p><i>How we met the principle</i></p>	<p><i>Evidence</i></p>
<p>Transport for the North has adopted officer development programmes, including a thorough initial corporate induction programme for all new officers and line managers.</p> <p>All new employees to Transport for the North are subject to a formal six-month probationary process where performance is assessed alongside the provision of initial learning and development support and guidance.</p> <p>Annual staff appraisals and half yearly reviews enable the management team to review both capacity and capability within their teams and identify any individual training and development needs. Key Performance objectives are captured in the online appraisal tool 'PERFORM' and training is delivered via the core curriculum of training.</p> <p>Role specific training needs are met through work-based learning and investment in software to enable effective outputs. Further career development is supported via the procurement of appropriate interventions to best meet individual and organisation needs.</p> <p>Where appropriate the organisation funds specialist training courses for officers and supports continuous professional development. Members of the Senior Management Team have undertaken leadership training, with this programme also being rolled out to junior and aspiring leaders during 2021/22.</p> <p>Transport for the North has incorporated Apprentices into the workforce plan at key points of entry. This is underpinned by strong relationships with Training Providers and internal support via Mentors and Line Managers. Mentors are provided with full Training.</p>	<p>Corporate Induction Guidance</p> <p>Probationary Policy</p> <p>Transport for the North Appraisal Guide</p> <p>Learning and Development Policy</p>

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

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

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

During the pandemic employees' welfare has been particularly important and Transport for the North has held regular wellbeing sessions for all employees addressing mental and physical health and wellbeing including physical activity sessions such as Yoga, mental health sessions such as mindfulness and nutrition and healthy eating. To date, a total of 51 wellbeing sessions have been completed with attendance by 865 delegates. Employees are also encouraged to support each other through daily interactions on Yammer and through virtual social events.

Mental-Health First Aiders Protocol

F Managing risks and performance through robust internal control and strong public financial management

Core Principle

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

How we met the principle

Evidence

Transport for the North has adopted robust procedures for identifying, analysing, and managing risk.

Risk Management Strategy (RMS)

During 2021/22, to strengthen the robustness of the RMS, Transport for the North adopted a risk management software package ("Predict!") which will assist directorate and programme teams in the timely capture, escalation and reporting of risks, as set out in the RMS.

Risk Management System (Part of Transport for the North's Risk Management Strategy)

The Audit and Governance Committee is responsible for independently monitoring and assessing the

Constitution

adequacy and effectiveness of the risk management framework with particular focus on:

- (i) the risk management strategy for managing key risks;
- (ii) risk ownership, accountability, and the development of mitigating actions;
- (iii) the alignment of internal audit and other assurance planning through a risk-based approach to auditing; and
- (iv) receiving reports from management on the adequacy and effectiveness of the internal control and risk management framework.

Transport for the North has a Risk Manager who is responsible for reporting on risk to the Finance Director. The Corporate Risk Register Report is a standing item on the agenda of the Audit and Governance Committee. The organisation has adopted a robust process for identifying, assessing, and mitigating risks and these are reported regularly to the internal Operations Board through the Monthly Operating Report, the Audit & Governance Committee and, twice a year to the Board. In accordance with the Constitution, the Finance Director is responsible for the presentation of Corporate Risks to the Transport for the North Board.

Project management systems are in place for all programmes and Programme Directors' report regularly on performance to Programme Boards and to the Transport for the North Board.

Transport for the North has put in place a strong system of financial governance to manage and control its financial affairs. The Finance Director has overall responsibility for ensuring the effectiveness of internal controls. The Finance Director is supported by the Financial Controller who has day to day responsibility for ensuring adherence to the adopted processes and procedures. Transport for the North has adopted rigorous procurement approval procedures which ensure that all procurements comply with its contract procurement rules.

Robust people management policies and procedures have also been adopted and embedded within Transport for the North in relation to code of conduct, recruitment and selection, probationary management, performance management, conduct and capability and absence management. This framework of policies and

Governance Framework

Reports to Audit and Governance Committee and Transport for the North Board

Contract Procedure Rules

Recruitment & Selection, Probationary, Absence & Welfare, Performance Improvement, Disciplinary, Code of Conduct Policies

procedures for managing individual performance, conduct, capability, and attendance at work.	
G Implementing good practices in transparency, reporting and audit to deliver effective accountability	
Core Principle Taking informed and transparent decisions which are subject to effective scrutiny and managing risk	
<i>How we met the principle</i>	<i>Evidence</i>
<p>Transport for the North considers the available evidence when making decisions. Transport for the North commissions extensive research for all its programmes and explores different options before prioritising proposals.</p> <p>The Strategic Transport Plan is based on a robust evidence base and was subject to a 13-week statutory consultation exercise during which officers and Members considered in detail the representations made by members of the public and stakeholders. The Strategic Plan is available for public inspection on the website. In addition to this in FY 21/22 our Decarbonisation Strategy also underwent a full 12-week public consultation and our Freight & Logistics Strategy has undertaken a public consultation utilising a virtual room, to garner views and help strengthen the strategies.</p> <p>Transport for the North has established a Scrutiny Committee made up of elected representatives from the 20 Constituent Authorities. The Board made a decision at its inaugural meeting to adopt a "Scrutiny First" model and so all major decisions are subject to scrutiny before they are presented to the Board. The Scrutiny Committee therefore has an opportunity to influence the Board's decisions before they are made, rather than reviewing decisions after they have been taken.</p> <p>The Committee meets regularly and is supported by Transport for the North officers. It subjects proposals to scrutiny before they are presented to the Transport for the North Board, with the recommendations of the Scrutiny Committee being included in the officer's final report to the Board.</p> <p>All policies and proposals developed by Transport for the North are considered first at Officer Reference Groups, made up of officers from all the Constituent Authorities, and then by the internal Operating Board of Transport for the North Directors. Policies and</p>	<p>Officer reference groups and ways of working.</p> <p>STP and Evidence base</p> <p>Constitution</p> <p>Reports to Operations Board, Executive Board, Scrutiny Committee, and the TfN Partnership Board / TfN Board.</p>

proposals are then further considered by the Executive Board comprising the Chief Executives (or their nominees) of all the Constituent Authorities, before being reported to the Transport for the North Board.

All major work programmes also have Programme Boards, which are attended by representatives of the DfT, where the progress of these programmes is regularly reviewed against agreed milestones and where major decisions are discussed.

During 2021/22 the Northern Powerhouse Rail project was co-cliented with the DfT (as it had been in previous years) under a Memorandum of Understanding with the DfT that was approved by the Transport for the North Board on 12th March 2020 setting out governance arrangements including regular reporting of finances, performance, and risk to a Programme Board. Following the publication of the Integrated Rail Plan for the North and Midlands by Government in November 2021 this role will change to that of co-sponsor in 2022/23.

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

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

The Rail North Partnership Team reports regularly to the Rail North Committee and is responsible to the Rail North Partnership Board which is made up of officers of the Constituent Authorities and the DfT where decisions in relation to the management of the performance of the Northern and TransPennine Express rail contracts.

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

Constitution

Memorandum of Understanding with the Secretary of State

Monthly Operating Report

Rail North Partnership Board

Programme and Corporate Risk Reports

Constitution

<p>Transport for the North has an Audit and Governance Committee which is responsible for independently monitoring and assessing the adequacy and effectiveness of the risk management framework.</p> <p>The Audit and Governance Committee receives a risk report at every meeting and the Committee selects key risks which it wishes to explore in greater detail.</p> <p>The Audit and Governance Committee includes four Independent Members appointed after a public recruitment exercise to provide an independent focus and additional expertise to support the Committee in its role.</p> <p>The Finance Director is responsible for the internal audit function. This has been contracted out to RSM which operates within an Annual Audit Plan that is approved by the Audit & Governance Committee. RSM attends each committee meeting and reports on progress against the Audit Plan.</p> <p>Mazars were appointed as Transport for the North's external Auditors via the PSAA. The firm attends every meeting of the Audit & Governance Committee where it provides updates on progress throughout the year and can gain in-depth insights into the workings of Transport for the North. During 2021/22 the TfN Board approved the renewal of the PSAA arrangement for the next three years.</p> <p>In line with best practice, Transport for the North publishes financial transparency reports each quarter, detailing all individual items of expenditure greater than £500 and all procurement card spend.</p> <p>Organisational organograms and salary information is also made available for public consumption on the external website.</p>	<p>Corporate Governance Framework</p> <p>Reports to Audit and Governance Committee and Transport for the North Board</p> <p>Annual Audit Plan</p> <p>Transparency Reports</p> <p>Transport for the North website</p>
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Annual Review of the Effectiveness of the Governance Framework

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

Governance Challenges (ongoing and completed)

Subject	Action	Progress	Target Completion Date
Review of the Constitution	To review the Constitution to bring in changes flowing from the Blake-Jones Review and the wider Members' review of the role of Transport for the North.	The review was postponed awaiting the publication of the findings of the Williams Review. Ad hoc review has been carried out, although more detailed ongoing review will be required.	Ongoing.
Review of TfN Boards and Committees with particular reference to the General Purposes Committee	To review the function of all Boards and Committees and to develop the General Purposes Committee for matters that do not require full Board sign off but sit above the delegated powers of the Chief Executive.	The first meeting of the General Purposes Committee is Wednesday 23 rd February 2022.	Ongoing.
Adoption of the Policy Development Framework	Implement and embed the Policy Development Framework in Transport for the North decision-making processes.	TfN is implementing a Policy Development Framework to support internal decision-making processes and ensure consistent development of TfN policies and advice to the TfN Board.	31/03/22
Provision of hybrid meetings for all governance sessions.	New hybrid meeting hardware has been purchased and is undergoing final testing.	Test meeting will be arranged before final roll-out to Committees and Boards. Further work needs to be undertaken to address quoracy matters.	31/05/22

Board Reporting	Embed and refine the Monthly Operating Report to ensure alignment of quantitative and qualitative reporting.	Monthly Operating Reports produced and circulated to Members on an ongoing basis.	Completed
Virtual Meetings in response to the Covid 19 Pandemic	Enable remote attendance by both Members and the public at meetings of the Transport for the North Board other Committees	Virtual Meetings established for all Boards and Committees and Virtual Meetings Procedure Rules adopted.	Completed
Review of Scrutiny function and in particular the policy of "Scrutiny First"	The review of the Scrutiny Committee took place over the previous 12 months; the Committee agreed to continue with the function and Scrutiny First policy.	Reports to TfN Board go through Scrutiny Committee first and now include comments from the Committee within them.	Completed
Appointment of new Chief Executive & Chair	To appoint a new Chief Executive and a new independent Chair of TfN Board and Partnership Boards.	Martin Tugwell appointed as Chief Executive in August 2021. Lord Patrick McLoughlin appointed as Chair in January 2022.	Completed

Conclusion

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

Signed

Chair of the Transport for the North Board

Signed.....

Chief Executive