
Meeting: Transport for the North Board
Subject: Corporate Risk Register
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Sponsor: Paul Kelly, Interim Finance Director
Meeting Date: Thursday 30 June 2022

1. Background:

- 1.1 This report provides the Board with an update on the organisational risks, issues, and opportunities from both the emerging Business Plan and a range of other sources (some of which are beyond Transport for the North's direct control).
- 1.2 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. 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 7.1.
- 1.3 Transport for the North has undertaken a comprehensive review of the Corporate Risk Register in line with the change in organisational environment and it reflects the scope and size of TfN moving forward. As part of this process, the Risk Manager has worked with Directors and the Senior Management Team to review, assess, and update risks, including identifying new risks and closing risks where applicable. Key changes are included in Appendix 7.3.
- 1.4 The Audit and Governance Committee's role in relation to risk is included in the broader detail of the Constitution, which is defined below:
- "Audit and Governance Committee is a key component of corporate governance providing an independent, high-level focus on the audit, assurance and reporting framework underpinning financial management and governance arrangements. Its purpose is to provide independent review and assurance to Members on governance, risk management and control frameworks. It oversees financial reporting, the Annual Governance Statement process and internal and external audit, to ensure efficient and effective assurance arrangements are in place."*
- 1.5 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"*.
- 1.6 The Audit and Governance committee was scheduled on 10 June to discuss the revised Risk Management Strategy and corporate risk register, but the meeting was rescheduled to 14 July. The Constitution provides the Finance Director with a delegated power to take urgent decisions on any matter within the terms of the Audit & Governance Committee after consultation with members of the Committee either in writing or by telephone, and accordingly he has sought feedback via email.
- 1.7 The feedback received from Members included a number of clarifications and noted that the updated register offered a significant amount of detail and was

reflective of formalised processes and procedures and they were happy to support its presentation to TfN Board.

2. Recommendations:

2.1 TfN Board is invited to:

- Consider the report and appendices;
- Discuss the information provided in the Corporate Risk Register; and
- Subject to any required amendments arising from discussion, approve the content of the Corporate Risk Register as a reflection of the current position.

3. Update Summary

3.1 As part of the risk register review, there have been several changes to the TfN corporate risk themes. High level changes for the Board to acknowledge are:

- An updated Corporate Risk Register format, to include both current and target scores and an Executive Summary.
- A revised Risk Management Strategy, Appendix 7.3 containing updates to reflect the transition to the risk 5x5 matrix, a new scoring criteria and the organisation's use of Predict! risk management software.

3.2 New Themes added: TfN cyber-security, Co-sponsorship, Technical Appraisal, Modelling and Economics (TAME), TfN Funding, and TfN Resources (the latter two being a replacement to TfN Operations).

3.3 Closed Themes:

- The COVID-19 pandemic prevents or delays TfN from delivering its objectives: Closed now that covid restrictions have been lifted, the TfN offices have reopened, and the recovery phase has commenced.
- Northern Powerhouse Rail Business Case Delivery Programme Development: Closed and risks transferred to the DfT as the programme transitioned to a single client arrangement with co-sponsorship between DfT and TfN starting 1 April 2022.
- TfN Operations: Closed and replaced with two new themes; funding and resources.

3.4 The top 5 risk themes are currently:

- TfN funding
- TfN resources
- Embedding TfN's Strategic Transport Plan (STP) across programmes
- Technical Appraisal, Modelling and Economics (including an opportunity)
- Rail operations - franchise management and investment

3.5 An issue has been identified regarding TfN Funding; TfN have received a one-year funding settlement and no indicative funding beyond March 2023. Further details, including resolution actions can be found in the Corporate Risk Register.

3.6 A new opportunity has been added to the corporate risk register; TAME is an area where TfN can offer more analytical services to partners both nationally and locally, as a regional centre of excellence that is user centred, place-based and outcome focused.

4. Considerations and Ongoing Work:

4.1 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.

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- 4.2 The Risk Manager will lead future discussions on the following potential opportunities for TfN.
- Simplification of and reduction in processes, overheads and services arising from reshaping of TfN.
 - Developing further TfN's role as a centre of excellence in support of its partners at local, city-region and national levels.
 - Using the revision of the Strategic Transport Plan to strengthen linkages between economic growth, the environment, and social communities as part of the commitment to pursuing user-centred, place-based, outcome focused solutions.

5. Corporate Considerations:

Financial Implications

- 5.1 The financial implications are detailed within individual risks where applicable.

Resource Implications

- 5.2 The resource implications are detailed within individual risks where applicable.

Legal Implications

- 5.3 The legal implications are detailed within individual risks where applicable. Governance processes adopted are explained within the report.

Risk Management and Key Issues

- 5.4 The Corporate Risk Register is part of this report.

Environmental Implications

- 5.5 A full impact assessment is not required for this report.

Equality and Diversity

- 5.6 A full impact assessment is not required for this report.

Consultations

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

6. Background Papers:

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

7. Appendices:

- 7.1 Item 7.1 – Corporate Risk Register May 2022
- 7.2 Item 7.2 – Corporate Risk Register – Key Changes
- 7.3 Item 7.3 – Risk Management Strategy