

# Transport for the North

Corporate Risk Register

September 2022



## **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 2022/2023 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 a monthly cycle, with clear reporting in line with governance arrangements.

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 TfN 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 2022/23 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 such as risk description, potential consequences on TfN's objectives and priorities, and the mitigation measures in place to manage risks.

**Section 1** provides an executive summary of TfN's Risk Environment and Emerging Risks, corporate risk themes and factors, key changes to the register since the last risk review, key impacts/action themes, and TfN's 2022/23 KPIs.

**Section 2** is presented to the Audit and Governance Committee, which provides a detailed analysis of each risk, the mitigating actions that have been adopted, and the mitigation level of control, as it is important to understand the extent to which TfN is able to influence or control the risk outcomes.

## **1 Executive Summary**

### **1.1 TfN's Risk Environment and Emerging Risks**

- 1.1.1 Budget setting and Business planning for 2022/23 has now been concluded. Recognising the current fiscal environment including the rising cost of inflation, TfN are closely monitoring funding risks and budget expenditure. A risk has been captured at functional level to manage and monitor budget assumptions. An additional corporate risk has been identified for medium term financial sustainability.
- 1.1.2 In Autumn, TfN will be preparing the Business Plan for 2023/24, based on a planning assumption that underpins the work that has been done this financial year. TfN will continue to work closely with DfT to ensure effective resource planning of agreed priorities, including the retention and recruitment of skills for roles.
- 1.1.3 In response to the current political uncertainty the probability of the risk which relates to changes in government commitments, has been increased. This will need to be monitored closely in the next six months. Engagement with government at political and officer level will be a key priority for TfN.

### **1.2 Key Changes to the corporate risk register**

- 1.2.1 A review of the corporate risk register has been conducted across TfN to reflect the Key Performance Indicators (KPIs) and business objectives outlined in the Business Plan for Financial Year 2022/23.
- 1.2.2 TCR02: Within the TfN reputation, political engagement, and effectiveness theme, the current and target position of the risk Changes in Government Commitment, has increased, due to current political uncertainty.
- 1.2.3 TCR02: One new risk and two new opportunities have been identified under the theme TfN reputation, political engagement, and effectiveness, which are *failure to comply with governance and corporate processes, TfN centre of excellence and simplification of TfN processes*.
- 1.2.4 TCR12: The opportunity for *TAME centre of excellence* has been closed and subsumed into the wider opportunity (TCR02) *TfN can provide more services and guidance to support national, regional and local partners, as a centre of excellence*.

- 1.2.5 TCR12: The risk *TAME, providing a direct service to DfT limits TAME's services in delivering TfN's objectives*, has an increased current and target position due to ongoing recruitment.
- 1.2.6 TCR13: One new funding risk factor has been identified under the funding theme, which is *medium term funding sustainability challenges*.
- 1.2.7 TCR13: The issue which related to the, *one year funding settlement* has been closed as mitigation actions are now complete and based on the funding allocation received budget and business planning for 2022/23 has been concluded and approved at TfN board in June.
- 1.2.8 TCR13: The risk *funding levels are significantly reduced*, has decreased in probability as TfN have received a material reduction in funding for 2022/23.
- 1.2.9 TCR14: Two new risk factors have been identified for the resources theme, which are *loss of knowledge* and *severance process*.
- 1.2.10 Fall back plans have been identified for risks scored very high.
- 1.2.11 The Risk Management Strategy has been reviewed and updated to incorporate TfN's risk appetite statement, updated process diagram, risk reporting, risk review frequency, roles and responsibilities and updated RACI. Training will be rolled out to staff in September/October.

1.2.12 Our Key Performance Indicators (KPI's) framework monitors and measures our progress and performance and ensures that we provide value for money. The KPIs that we have adopted for 2022/23 are set out below:

<b>KPI</b>	<b>Detail</b>	<b>Deliver</b>	<b>Responsible</b>
<b>1</b>	Establish the stakeholder forum for Trans-Pennine Route Upgrade	Jul-22	Rail
<b>2</b>	Publish the TfN work on Transport related social exclusion	Sep-22	Strategy
<b>3</b>	Complete the reshaping of TfN and implement new operating model	Sep-22	CEO
<b>4</b>	Implement effective governance arrangements for the Co-Sponsor Board	Sep-22	CEO/Rail
<b>5</b>	Publish the TfN Freight and Logistics Strategy	Sep-22	Strategy
<b>6</b>	Establish the agreed NPR analytical work programme for DfT through TAME	Sep-22	Strategy
<b>7</b>	Develop and autumn submission to Government that identifies opportunities to build on TfN's technical capabilities	Oct-22	Finance/Strategy
<b>8</b>	Develop the business model that enables TfN to support its partners across the north	Oct-22	CEO/Strategy
<b>9</b>	Working with partners to prepare a Northern proposition for the implementation of the Williams-Shapps rail reforms	Dec-22	Rail
<b>10</b>	Publish a refreshed Northern Powerhouse Independent Economic Review	Dec-22	Strategy
<b>11</b>	Identify investment priorities for consideration as part of Road Investment Strategy (RIS3)	Dec-22	Road
<b>12</b>	Use the EV charging infrastructure framework to support partners - nationally and across the North	Dec-22	Road
<b>13</b>	Make the Clean mobility visions outputs available for use by partners - nationally and across the North	Dec-22	Strategy
<b>14</b>	Prepare a draft Strategic Transport Plan and secure TfN Board agreement to consult	Mar-23	Strategy
<b>15</b>	Complete an Integrated Sustainability Appraisal of the revised Strategic Transport Plan	Mar-23	Strategy
<b>16</b>	Develop a draft connected Mobility Strategy and secure TfN Board agreement to publish	Mar-23	Rail/Road
<b>17</b>	Develop and implement the Manchester Recovery Task Force "blueprint" and apply the same approach to the East Coast Main Line	Mar-23	Rail
<b>18</b>	Contribute to the work of the Leeds Area Study as part of the implementation of the IRP	Mar-23	Rail
<b>19</b>	Deliver projects on BSIPS, hydrogen and local mobility in support of partners	Mar-23	Strategy/Road/Rail
<b>20</b>	Submit to DfT an update on progress with the implementation of the Major Road Network Programme	Mar-23	Road

### 1.3. Corporate Risk Dashboard



TCR	Themes ordered by highest current risk score	Number of Risk Factors per Theme	Current Score	Target Score	Risk Owners
14	TfN resources	3	25	20	Business Capabilities Director and Head of HR
13	TfN funding	3	20	18	Chief Executive Officer and Finance Director
3	TfN's Strategic Transport Plan (STP)	2	20	15	Interim Strategy and Programme Director
12	Technical appraisal, modelling and economics (TAME)	2	20	15	Interim Strategy and Programme Director
2	TfN's reputation, political engagement and effectiveness (including 2 opportunities)	7	19	19	Chief Executive Officer and Interim Strategy and Programme Director
9	Rail operations - franchise management and investment	3	19	17	Strategic Rail Director
11	Co-sponsorship	2	18	15	Chief Executive Officer and Interim Strategy and Programme Director
4	Delivery of robust and compelling evidence to support Investment Programmes	1	15	11	Interim Strategy and Programme Director
7	TfN compliance and relevant laws and regulations	1	11	11	Business Capabilities Director
5	Transport decarbonisation and climate change	1	11	8	Interim Strategy and Programme Director
10	TfN cyber security	2	10	10	Business Capabilities Director

**Key impacts across themes:**

- TfN reputational damage and loss of credibility.
- TfN's ability to access funding in the future.
- TfN's ability to deliver statutory duties.
- Recruitment and retention of staff.

**Key action themes:**

- Partner Engagement
- Developing a revised MoU with the DfT
- Collaborate with DfT on NPR Sponsor Board
- Establishing and following realistic programmes

Threat Scoring	
Issue	
Very High	19 - 25
High	14 - 18
Medium	7 - 13
Low	1 - 6

KPIs 2022/23 are aligned to corporate risks. KPI's also aligned at project level risks and are included as part of the Monthly Operating Report. Management of some risks is required to meet all KPIs.



884	Technical appraisal, modelling and economics	Legal and commercial restrictions. TfN is not legally allowed to share its models or data with Partners.	<ol style="list-style-type: none"> <li>1. Early engagement with legal team</li> <li>2. Develop TfN Licensing Strategy</li> <li>3. Obtain licences for all data inputs</li> </ol>	Interim Strategy and Programme Director
879	TfN's reputation, political engagement and effectiveness	Despite our statutory status there could be a material change in government's commitment to STB's/reduction of remit and powers of TfN or a change in views/approach as to how STB's function	<ol style="list-style-type: none"> <li>1. Structured engagement with government officials and decision-makers</li> <li>2. TfN continue to respond to any DfT proposals and develop a revised version of MOU</li> <li>3. TfN to demonstrate that it delivers value for money</li> <li>4. Maximise the input and contribution of Partnership Board</li> <li>5. Engagement with other STB's to identify areas of common interest</li> </ol>	Chief Executive Officer
310	Rail Operations	There is a risk that TfN could have a reduced role in the rail industry following the implementation of the Williams-Shapps review.	<ol style="list-style-type: none"> <li>1. Collaboration with the GBR transition team</li> <li>2. Established rail-reform programme board chaired by TfN's CEO</li> </ol>	Strategic Rail Director





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