

Annual Governance Statement 2019/20

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 Bodies (Transport for the North) Regulations 2018 and came into being on the 1st April 2018, holding its inaugural meeting on 5th April 2018. This is therefore its second Annual Governance Statement and the organisation's Constitution, policies, procedures and systems continued to be developed during 2019/20. 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 of Transport.

The Transport for the North Board is made up of the representatives of the twenty 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 Chairman 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 eleven Local Enterprise Partnerships in the Transport for the North Area and representatives of 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 may be taken under delegated powers by Committees, the Chief Executive, and other senior officers under the arrangements set out in the Constitution. Under the Board the Rail North Committee oversees the management of the performance of the Northern and TransPennine Express rail franchises under a Partnership Agreement with the Secretary of State for Transport.

The Regulations which established Transport for the North provided for the appointment of a Partnership Board to advise on matters relating to transport in the area. The membership of the Partnership Board mirrors 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 invited a representative of groups representing the interests of those with disabilities, environmental concerns and the travelling public and the three regional TUC representatives to become members.

Transport for the North has a Scrutiny Committee made up of elected Members appointed by the twenty Constituent Authorities whose role is to review the decisions of 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, whenever possible, 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 three Independent Members who have been publicly recruited on the basis of

relevant skills whose role is to provide assurance to the Board on governance, risk management and the internal control framework.

During March 2020 Transport for the North in common with the whole of the UK was affected by the Covid 19 pandemic. In response to the emergency, Transport for the North has implemented its Business Continuity Plan and has been 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 enabled its internal system of controls to continue to function.

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.transportfornorth.com> Alternatively it can be obtained via a written request from the Head of Legal, Transport for the North, 4, Piccadilly Place Manchester M1 3BN. 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 2019/20 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. 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 and includes hyperlinks 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>
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.	Constitution
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.	Code of Conduct for Officers Member/Officer Relations Protocol
Transport for the North's induction process for new recruits outlines the behaviours and values that are expected from officers.	Human Resources On-boarding Policies Anti-Fraud and Corruption Policy

<p>Transport for the North has a zero-tolerance approach to fraud and corruption and has adopted strong Anti-Fraud & Corruption and Whistleblowing Policies.</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.</p> <p>Employees are required to notify their Executive Director or the Monitoring Officer about any potential conflict of interests. The Supplier Recommendation Request Form, which must be signed off at the end of the procurement process but prior to contract award, specifically requires officers to state that they have no conflict of interest in the procurement.</p> <p>The adopted Code of Practice in relation to Gifts and Hospitality has been reviewed during 2019/20 and training on the Code has been rolled out across the organisation. 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.</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. The legal implications of any report 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 has statutory reporting duties in respect of unlawful expenditure and financially imprudent decision making.</p> <p>During 2019/20 we have reviewed Transport for the North's Whistleblowing Policy to ensure that it is up to date and provides guidance for officers and other workers wishing to raise concerns in the public interest. Transport for the North has signed up to Protect (formerly Public Concern at Work)</p>	<p>Whistleblowing Policy</p> <p>Constitution</p> <p>Contract Procurement Rules</p> <p>Code of Practice on Gifts and Hospitality Register of Gifts and Hospitality</p> <p>Constitution</p> <p>Board Reports</p> <p>Constitution</p> <p>Whistleblowing Policy</p>
<p>B Ensuring openness and comprehensive stakeholder engagement</p>	
<p>Core Principle Engaging with local people and stakeholders to ensure robust public accountability</p>	

<i>How we met the principle</i>	<i>Evidence</i>
<p>Transport for the North’s website is set out in a clear and accessible way, providing clear access to reports and minutes from Board meetings, along with updates on our core programmes and links to relevant documents. Transport for the North is also very active on social media, which regularly tweets links to the website where more information can be found.</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 implications. The minutes include the reasons behind 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.</p> <p>During 2019/20 Transport for the North has procured equipment and services to allow it to televise certain meetings via a live stream available from the website. This commenced at the Transport for the North Board held in September 2019. Live streams are publicised via Transport for the North’s social media platforms.</p> <p>In response to the Covid 19 Pandemic Transport for the North will be moving to holding virtual Board and Committee meetings with public attendance enabled through a live stream to its website. All agenda and minutes will continue to be available on the website .</p> <p>Under its 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 agreed to widen its membership to include representatives of the Northern Regional TUC and of groups representing environmental interest groups, people with disabilities and the travelling public to enable these additional voices to be heard.</p>	<p>Transportforthenorth.com website</p> <p>Board and Committee Agenda and Minutes</p> <p>Transport for the North website</p> <p>Transport for the North Regulations Constitution</p>

<p>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 community groups. The types of events vary from attending APPG meetings in parliament, to roundtable events, and speaking engagements across the North and the rest of the UK.</p> <p>Transport for the North is committed to full public engagement. Extensive public consultation was carried out prior to the adoption of the Strategic Transport Plan and public consultation will be carried out in relation to all Transport for the North's other programmes when they have been developed to an appropriate stage. In the meantime, Transport for the North will continue with its broader engagement to raise its public profile and awareness of Transport for the North programmes.</p> <p>Transport for the North 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.</p> <p>Engagement with the eleven Local Enterprise Partnerships takes place through their membership of the Transport for the North Board and of the Partnership Board, individual meetings on specific topics, and through meetings with the NP11 an organisation made up of the Local Enterprise Partnerships across the region.</p> <p>Transport for the North has also brought together a Members Working Group 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 has contributed to the development of the Northern Transport Charter.</p> <p>During 2019/20 Transport for the North has 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.</p>	<p>Memoranda of Understanding signed with the Welsh Government and Midlands Connect</p> <p>Strategic Transport Plan</p> <p>Constitution</p> <p>Constitution</p> <p>Member Working Group</p> <p>Monthly Operating Reports</p>
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C Defining outcomes in terms of sustainable economic, social and environmental benefits

Core Principle

<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>	
<p><i>How we met the principle</i></p>	<p><i>Evidence</i></p>
<p>The creation of sustainable economic growth is a key driver behind the Strategic Transport Plan. The initial Northern Powerhouse Independent Economic Review published in 2014 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.</p> <p>During 2019/20 a review of the Independent Economic Review has been undertaken</p> <p>In developing the Strategic Transport Plan (STP) we 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. A “Pathway 2050” has been developed to collaborate with partners and the government to deliver the ambitions of the STP and local transport plans in tackling carbon impacts and reductions from transport.</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; minimise the impact on the historical and natural environment; and, wherever possible, seek to deliver environmental enhancements.</p> <p>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.</p> <p>Transport for the North’s TAME function is also developing an Analytical Framework which consists of a series of analytical and modelling tools such as NELUM (Northern Economic and Land Use Model), NoHAM (Northern Highways 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.</p> <p>The Analytical Framework reflects Transport for the North’s commitment to evidence-based decision making and will form part of Transport for the North’s Assurance Framework. The Assurance</p>	<p>Northern Powerhouse Independent Economic Review</p> <p>STP Evidence base Integrated Sustainability Appraisal</p> <p>The Northern Transport Charter</p> <p>Transport for the North’s Analytical Framework</p>

<p>Framework will provide for a consistent decision making process on the sequencing of future interventions, providing comfort to its Members, Constituent Authorities and the Department for Transport that Transport for the North has fit-for-purpose decision making processes.</p> <p>All reports presented 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.</p> <p>The Strategic Plan and Investment Programme set out transport interventions which will benefit future generations beyond 2050.</p>	<p>The Assurance Framework</p> <p>Board Reports</p> <p>Strategic Transport Plan Investment Programme</p>
<p>D Determining the interventions necessary to optimise the achievement of the intended outcomes</p>	
<p>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.</p>	
<p><i>How we met the principle</i></p>	<p><i>Evidence</i></p>
<p>The Strategic Transport Plan for the area 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 sets out an ambitious programme of infrastructure projects to be delivered over the period 2019 to 2050 that will implement Transport for the North's Strategic Transport Plan. Proposed projects have been developed in collaboration with local partners and represent the best options for securing transformational change.</p> <p>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 franchised 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 been instrumental in ensuring that the Northern Rail Franchise was taken back into public control.</p> <p>During 2019/20 The Members of Transport for the North in partnership with the Secretary of State have carried out a review (the Blake-Jones Review) looking at the role and remit of Transport of the North with a view to achieving greater devolution of decision making to the north and ensuring that the interests of the travelling public are placed at the heart of decision making.</p>	<p>Strategic Transport Plan Evidence Base</p> <p>Investment Programme</p> <p>Blake-Jones Review</p> <p>Northern Transport Charter</p>

<p>Transport for the North continues to actively engage with its constituent members and has throughout the year held a number of sessions of the Member Working Group. This Group has contributed to the development and publication of the Northern Transport Charter which reasserts Transport for the North’s ambitions for devolution of decision making to the North</p> <p>Transport for the North reassesses ongoing projects to ensure that they continue to deliver the intended outputs. Where this is no longer the case, as became clear with the IST Phase 3 project, Transport for the North reconsidered how the approach to the project could be amended so that whilst it will achieve different benefits, these are still aligned to its ambitions.</p>	
<p>E Developing the organisation’s capacity, including the capacity of its leaders and the individuals within it</p>	
<p>Core Principle 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. Senior managers have undertaken leadership training.</p> <p>Transport for the North has incorporated Apprentices into the workforce plan at key points of entry and over the last 2 years 3 Apprentices have progressed to employment in permanent roles</p>	<p>Corporate Induction Guidance</p> <p>Probationary Policy</p> <p>Transport for the North Appraisal Guide</p> <p>Learning and Development Policy</p>

<p>with Transport for the North. 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>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.</p> <p>Transport for the North has invested in an e-learning and development tool “Learn” and all officers are encouraged to take advantage of this.</p> <p>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. Well-being events on a quarterly basis and Mental-Health First Aiders are on hand at both our operational bases in Leeds and Manchester.</p>	<p>Mental-Health First Aiders Protocol</p>
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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**

<i>How we met the principle</i>	<i>Evidence</i>
<p>Transport for the North has adopted robust procedures for identifying, analysing and managing risk.</p> <p>To strengthen the robustness of the RMS, Transport for the North is implementing risk management software which will assist directorate and programme teams in the timely capture, escalation and reporting risks, as set out in the RMS.</p> <p>The Audit and Governance Committee is responsible for independently monitoring and assessing the adequacy and effectiveness of the risk management framework with particular focus on</p> <ul style="list-style-type: none"> (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. 	<p>Risk Management Strategy (RMS)</p> <p>Risk Management System (Part of Transport for the North’s Risk Management Strategy)</p> <p>Constitution Governance Framework</p>

<p>Transport for the North has a Risk Manager who is responsible for reporting on risk to the Finance Director and to 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 of Directors, to the Executive Board and to the Audit and Governance Committee. Per the Constitution, the Finance Director is responsible for the presentation of Corporate Risks to the Transport for the North Board.</p> <p>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</p> <p>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 Finance 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.</p> <p>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 procedures for managing individual performance, conduct, capability and attendance at work.</p>	<p>Reports to Audit and Governance Committee and Transport for the North Board</p> <p>Contract Procedure Rules</p> <p>Recruitment & Selection, Probationary, Absence & Welfare, Performance Improvement, Disciplinary, Code of Conduct Policies</p>
<p>G Implementing good practices in transparency, reporting and audit to deliver effective accountability</p>	
<p>Core Principle Taking informed and transparent decisions which are subject to effective scrutiny and managing risk</p>	
<p><i>How we met the principle</i></p>	<p><i>Evidence</i></p>
<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</p>	<p>STP and Evidence base Transport for the North Work Programmes</p> <p>Strategic Transport Plan</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 whenever possible all major decisions are subject to scrutiny before they are presented to the Board. The Scrutiny Committee therefore mostly has an opportunity to influence the Board’s decisions before they are made, rather than reviewing decisions after they have been taken.</p>	<p>Constitution</p>
<p>The Committee meets regularly and is supported by Transport for the North officers. It subjects proposals to scrutiny before they are presented 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>Scrutiny Committee</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 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.</p>	<p>Constitution</p>
<p>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 funding decisions are determined.</p>	
<p>The Northern Powerhouse Rail project is co-cliented with the DfT and a Memorandum of Understanding with the DfT was approved by the Transport for the North Board on the 12th March 2020 setting out governance arrangements including regular reporting of finances, performance and risk to a Programme Board</p>	
<p>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 where all funding decisions are discussed.</p>	<p>Memorandum of Understanding with the Secretary of State</p>
<p>During 2019/20 Transport for the North has introduced new monthly monitoring reports bringing together performance and financial information to provide greater transparency in relation to ongoing operations.</p>	<p>Monthly Operating Report</p>
<p>The Rail North Partnership Team reports regularly to the Rail North Partnership Board made up of officers of the Constituent Authorities and the DfT where decisions in relation to the management of the performance of the franchised railways are made.</p>	<p>Rail North Partnership Board</p>

<p>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.</p> <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 three 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>Transport for the North has appointed Mazars as its external Auditors. The firm is updated throughout the year through the reports of the Audit and Governance Committee and are invited to attend every meeting of the Committee and so have an in-depth insight into the workings of Transport for the North.</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>Programme and Corporate Risk Reports Constitution Corporate Governance Framework</p> <p>Constitution</p> <p>Reports to Audit and Governance Committee and Transport for the North Board</p> <p>Annual Audit Plan</p> <p>Transparency Reports</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. Performance in relation to key risks is reported to (OBT) on a monthly basis and regularly to the Audit and Governance Committee and also to the Transport for the North Board. Significant risks and performance in relation to key programmes is also reported to the Executive Board of Senior Officers of the Constituent Authorities at a monthly meeting.

Governance Challenges identified in 2018/19 for 2019/20 onwards –

Subject	Action	Progress	Target Completion Date
Review of the Constitution	Undertake a full review of the Constitution to clarify decision making procedures	Amendments to the Constitution were approved and adopted from the Annual Council on 31/07/19 to address the issues which had been identified through the Constitution Review. The Constitution will be further reviewed to address the issues raised through the Blake Jones Review of the Rail North Partnership and to address other issues identified during the year including the adoption of the new Whistleblowing policy	July 2020
Review of the Rail North Partnership with the Secretary of State	Implement the recommendations of the Blake/Jones Review into the Rail North Partnership	Implementation of the recommendations of the Blake/Jones Review will be incorporated within the wider governance review being carried out to establish The Northern Charter.	July 2020
Developing the Scrutiny Function	Providing training and development for the Scrutiny Committee to enable it to fully develop its role of Scrutiny First	A Scrutiny Committee training provider was engaged during the year.	July 2020
Key Corporate Risks		<p>The Risk Management Strategy was reissued during the year with continual recognition and management of risks</p> <p>Since Procurement is a key risk a review into the efficiency of Transport for the North's internal</p>	

		commissioning processes was undertaken leading to a move to e-commissioning processes.	
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Governance Challenges for 2020/21 and beyond

Subject	Action	Responsible Officer	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.	Monitoring Officer	31/07/21
Adoption of the Assurance Framework	Implement and embed the Assurance Framework in Transport for the North decision making processes.	Strategy & Programmes Director	31/07/21
Board Reporting	Embed and refine the Monthly Operating Report to ensure alignment of quantitative and qualitative reporting.	Strategy & programmes Director	31/07/21
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 and other Committees.	Monitoring Officer	01/05/20

Conclusion

The governance arrangements as described above have been applied throughout this year and upto 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

