

Transport for the North Board - Item 9

Subject: Northern Powerhouse Rail Governance

Author: Iain Craven, Finance Director

Sponsor: Barry White, Chief Executive

Meeting Date: 12 March 2020

1. Purpose of the Report:

- 1.1 This report is an update for the Board in relation to activity in relation to the governance arrangements for the Northern Powerhouse Rail Programme.
- 1.2 In addition, the Board is asked to consider and approve the Northern Powerhouse Rail Memorandum of Understanding which replaces the Terms of Reference under which the programme previously operated.

2. Executive Summary:

- 2.1 Transport for the North officers and Department for Transport officials recognised the need for an update to the documents setting out the governance arrangements on NPR during the summer of 2019. This was initially driven by the need to ensure that the financial arrangements in relation to grant drawdowns were consistent with the governance arrangements in the programme.
- 2.2 Independently, at its meeting in September 2019, the Transport for the North Audit and Governance Committee requested that an internal audit review be carried out by RSM (Transport for the North's Internal Audit provider).
- 2.3 RSM was therefore engaged to carry out a review of NPR Programme Governance. This review involved interviews with colleagues from the NPR Programme team and corporate functions within Transport for the North, as well as the Department for Transport team responsible for NPR. RSM provided an update to the Audit and Governance Committee meeting in November 2019, and a final report in February 2020.
- 2.4 This work was undertaken in parallel with a joint Transport for the North / Department for Transport review of the governance arrangements.

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- 2.5 The principal finding of both workstreams was that the documentation setting out governance arrangements for the Northern Powerhouse Rail programme was out of date and the key recommendation of the RSM review was that an updated Memorandum of Understanding, reflecting the arrangements in place, be agreed between the co-clients and then formally adopted by Transport for the North. This Draft NPR Memorandum of Understanding is attached as Item 9a.
- 2.6 The Memorandum of Understanding (MOU) sets out at a high level the programme Governance Responsibility Assignment Matrix (RACI) and therefore identifies the key accountabilities and responsibilities within the programme. There are a number of joint Transport for the North / Department for Transport joint responsibilities which recognises the co-cliented nature of the programme and the management of operational delivery through a joint governance arrangement (i.e. the NPR Programme Board).
- 2.7 It should be noted that this MOU is consistent with the arrangements currently in place. It does not reflect how Transport for the North might wish the governance of the programme to develop in the future.
- 2.8 The MOU document has been developed through an iterative process with the Department for Transport and has been considered and agreed at both Transport for the North OBT and the NPR Programme Board, the key co-client governance forum.
- 2.9 The Draft Memorandum of Understanding was considered at the Audit and Governance Committee on 28 February and has now been brought to the Board for approval.
- 2.10 Further to this work, Transport for the North officers and Department for Transport Officials are in the process of undertaking a review of the overarching MOU that was signed between Transport for the North and the Department in 2018.

3. Recommendation:

- 3.1 That the Board considers and approves for adoption the Draft NPR Memorandum of Understanding.

4. Appendices:

- 4.1 Item 9.1 – Draft NPR Memorandum of Understanding.

Required Considerations

Equalities:

Age	Yes	No
Disability	Yes	No
Gender Reassignment	Yes	No
Pregnancy and Maternity	Yes	No
Race	Yes	No
Religion or Belief	Yes	No
Sex	Yes	No
Sexual Orientation	Yes	No

Consideration	Comment	Responsible Officer	Director
Equalities	A full impact assessment has not been carried out because it is not required for this report.		Iain Craven

Environment and Sustainability

Yes	No
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Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out because it is not required for this report.		Iain Craven

Legal

Yes	No
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Consideration	Comment	Responsible Officer	Director
Legal	There are financial risk implications and these have been considered in the formulation of the report.	Debbie Dimmock	Julie Openshaw

Finance

Yes	No
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Consideration	Comment	Responsible Officer	Director
Finance	There are financial risk implications and these have been considered in the formulation of the report.	Gareth Sutton	Iain Craven

Resource

Yes	No
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Consideration	Comment	Responsible Officer	Director
Resource	There are no HR risk implications within the in the report.	Stephen Hipwell	Dawn Madin

Risk

Yes	No
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Consideration	Comment	Responsible Officer	Director
Risk	The implications for corporate risk have been included in this report.	Haddy Njie	Iain Craven

Consultation

Yes	No
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Consideration	Comment	Responsible Officer	Director
Consultation	A consultation has not been carried out because it is not required for this report.		Iain Craven