

Joint Transport Committee Audit Committee

Wednesday, 24th November, 2021 at 10.00 am

Meeting to be held in the Blaydon Room, Gateshead Civic Centre, Regent Street, Gateshead, NE8 1HH

AGENDA

Page No

1. **Apologies for Absence**

2. **Declaration of Interests**

Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be given to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.

3. **Minutes of the inquorate meeting held on 16 June 2021** **3 - 8**

4. **JTC Internal Audit Progress Report** **9 - 16**

5. **JTC Strategic Risk Register** **17 - 44**

6. **Date of Next Meeting**

The next meeting will be held on 23 March 2022 at 10am

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JOINT TRANSPORT COMMITTEE, AUDIT COMMITTEE

DRAFT MINUTES FOR APPROVAL

16 June 2021

Meeting held in the Lamesley Room, Gateshead Civic Centre, Regent Street, Gateshead NE8 1HH

Present:

- Stuart Green (Vice Chair)

Councillors:

- D Burnett – Gateshead Council

Officers:

- Toby Hughes – Managing Director, Transport North East
- Tracy Davis – Senior Manager – Assurance, Sunderland City Council
- Patsy O'Reagan – Principal Accountant, NECA
- Ged Morton – Deputy Monitoring Officer, Gateshead Council
- Philip Meikle – Transport Strategy Director, Transport North East
- Adam Robson – Sunderland City Council

The meeting was inquorate and those members in attendance discussed the following issues.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mark Scrimshaw, Cllr Paul Stewart (Sunderland City Council), Cllr Williams (substitute at Sunderland City Council), Cllr Charlton (Gateshead Council), Gavin Armstrong and Paul Darby.

The Committee expressed its best wishes to Mark Scrimshaw for a speedy recovery.

2. DECLARATIONS OF INTEREST

None were received.

3. INDUCTION PRESENTATION

Committee was given a brief presentation on the current position of the JTC. It was reported that the North East Transport Plan 2021-2035 has been developed which unites the two Combined Authorities with a set of objectives. JTC activities and reporting will be framed by the plan, the objectives for which are;

- Carbon neutral North East
- Healthier North East
- Overcome inequality and grow our economy
- Appealing sustainable transport choices
- Safe secure network

In terms of the Covid-19 response it has been important to ensure public confidence in public transport, therefore a public reassurance campaign has been underway which included a contribution from the Director of Public Health for Gateshead. The campaign highlighted the Covid-19 measures that are in place on the Metro and buses. Emergency Covid-19 grant was provided during the pandemic as ridership collapsed, funding for Metro was due to end on 21 June 2021 as lockdown was due to be eased. However, following the delay of this, an extension of funding is expected to be confirmed soon.

It was noted that additional grant received from the Department for Education to aid social distancing on school buses is not expected to be continued next academic year.

Rail timetables have been mainly restored and work is ongoing with train companies and TfN to make sure the North East's needs are met by any rail timetable changes. It was thought that there may be some changes to timetables nationally once government has decided its position on future funding of the railways.

There has been a regional response to Covid-19 through the working together of transport teams in Tyne and Wear, Northumberland and Durham to ensure a common approach for funding and services. Work has also been undertaken with DfT and HMT to make the case for restart and recovery funding to help shape supportive policies.

A number of transformative projects which are underway were highlighted;

- Active Travel promotion – cycle maps are due to go live this summer
- EV Charging - a number are being delivered currently and a policy on EV charging will be developed
- Northumberland Line – it is hoped that trains will be operating by the end of 2024
- Transforming Cities Fund and Active Travel Fund – a large number of schemes are underway through this funding, a lot of infrastructure improvements will be delivered
- New Metro Fleet – construction starts this year in Switzerland, the fleet is expected to arrive in the region by the end of 2022 for testing with introduction

during 2023. This will work hand in hand with Metro Flow by increasing capacity.

- Multi-Modal ticketing improvements – Smart card due to be launched
- Tyne Pass – toll booths will be taken out at the Tyne Tunnel with the introduction of the Tyne Pass, this will lead to fewer carbon emissions caused by queuing traffic. The process of transition is underway with the end point due at the end of this year.
- Pedestrian / cycling Tunnel refurbishment – this is expected to be concluded before the end of the year

A number of new opportunities were also highlighted;

- Bus partnership – yesterday the JTC agreed the statutory scheme to develop a plan for transformational improvement in bus services
- Intra-City Transport Fund – devolved funding could be accessed if the region reaches an agreement on devolution. It would require negotiation with government over the scope, extent and timing of funding.
- Rail strategy – opportunity to interface and have greater control in how North East rail is delivered.
- Leamside Line – this will provide a major opportunity for the area to increase connectivity and ease pressure on the east coast mainline
- Zero Emissions Policy – to create an overarching strategy for the North East in relation to aspirations for EV usage and charging.

It was suggested that the presentation be provided to all members of the Committee via an informal Teams meeting.

It was questioned as to how the rail timetabling will change as a result of Covid. It was noted that it is too early to know, however ridership of national rail at its height has only been 40% of pre-pandemic figures. Some of the large cities where a large commuting network is in place, have become a drain on national resources rather than being profitable. The government has indicated that this situation cannot be sustained indefinitely and this will be reviewed in due course. Locally Metro usage is back up to 60-65% of pre-Covid figures and as the North East has the lowest prevalence of homeworking in the country, it is seeing faster recovery.

RESOLVED: That the information presented be noted and that this presentation be offered to Members of the Committee as an informal briefing prior to the next Committee meeting.

4. MINUTES OF THE PREVIOUS MEETING HELD ON 14 APRIL 2021

RESOLVED: The minutes of the meeting held on 14 April 2021 were agreed as a correct record.

5. JTC STRATEGIC RISK REGISTER

Committee received a report providing an up to date assessment of the strategic risks the JTC faces in seeking its objectives.

It was noted that the register has been updated in light of recent reports considered by the JTC and its sub Committees. Risks have been grouped together to try and refine the register.

A risk workshop will be planned with officers to look at the register in more detail and any further changes will be reported back to Committee.

Due to the current relaxation of restrictions, the Committee was asked to consider the risk scores for two risks;

- Strategic Risk 2 – Failure to achieve the planned outcomes to overcome inequality and support the growth of the economy in the JTC area
- Strategic Risk 4 – The transport network within the JTC area fails to achieve the planned outcomes regarding the offer of appealing sustainable transport choices to people living or working in the area or visiting or travelling through the area.

Both risks are rated red and it was suggested that they may no longer be relevant. The point was made that all risks in red should be looked at in more detail. It was also noted that there is still a degree of uncertainty although there is a lot going on that would justify most risks being at amber.

It was suggested that member and substitute members of the Committee be included in the risk workshop.

It was agreed that initially an officer workshop would be held and the outcome of it would be brought back to Committee for Member's views.

- RESOLVED:
- (i) The Committee considered the Strategic Risk Register and comments noted.
 - (ii) A report will be brought back following the officer workshop.

6. JTC INTERNAL AUDIT ANNUAL REPORT 2020/21

Committee received a report on the internal audit work carried out during 2020/21. In July 2020 this Committee agreed the three audits to be completed during the year as;

- Regional Transport Plan
- Contract Management Arrangements – TT2
- Transforming Cities Programme

These audits were undertaken and the outcomes were highlighted in the report.

In terms of the KPI's it was noted that timeliness of reports and percentage of audits completed by the target date were not met due to the current working situation. It is expected that this will improve going forward.

It was questioned whether that audits brought added value to the service. It was confirmed that this offers assurance to officers that they are acting correctly.

RESOLVED: That the Audit Committee considered the proposed Internal Audit Annual Report for 2020/21 and the key performance measures for the provision of the service.

7. DATE AND TIME OF THE NEXT MEETING

The next meeting will take place on Wednesday 1 September 2021 at 10am.

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Joint Transport Committee – Audit Committee

Date: 24 September 2021

Subject: Joint Transport Committee Internal Audit Progress Report
2021/22

Report Of: Senior Manager – Assurance, Sunderland City Council

Executive Summary

This report provides an update on the delivery of the Internal Audit Plan for 2021/22 and the performance of Internal Audit against its agreed performance indicators.

The report outlines that one of the three audits planned to be completed in the year has been completed and the remaining two will be undertaken by the end of March 2022.

Recommendations

The Audit Committee is invited to consider and, if appropriate, make comment on the Internal Audit Progress Report for 2021/22, which includes the key performance measures for the provision of the service.

Joint Transport Committee – Audit Committee

1 Background Information

- 1.1 In April 2021 the Audit Committee agreed the Internal Audit Plan for 2021/22, which included three audits for completion during the year. The agreed audits were:
- a) Transport Assurance Framework.
 - b) Contract Management Arrangements – TT2.
 - c) Transforming Cities Programme - Compliance.
- 1.2 The audit of the Contract Management Arrangements – TT2 is complete and the final report has been issued. It is expected that the other two planned audits will be completed by the end of March 2022.

2. Proposals

- 2.1 Appendix 1 provides a summary of the audits completed to date for this year and in previous years against the Organisational Risk areas. As the opinion of some audits contribute towards more than one risk area they may be shown more than once. An overall opinion is also provided for each risk area.
- 2.2 Appendix 2 shows Internal Audit's performance indicators, and the performance based on the completed audits for the year.

3. Reason for the Proposals

- 3.1 The Audit Committee continues to fulfil an ongoing review and assurance role in relation to the governance, risk management and internal control issues of the JTC.

4. Next Steps and Timetable for Implementation

- 4.1 The results of the Internal Audit work completed for the year and the overall opinion on the JTC's control arrangements will be presented in an Annual Report after the year end.

5. Potential Impact on Objectives

- 5.1 There will not be a direct impact on the JTC's objectives, however the report supports the JTC by providing assurance that the internal control arrangements in place to manage risks are effective or where assurance cannot be given highlighting opportunities for improvement.

Joint Transport Committee – Audit Committee

6. Finance and Other Resources Implications

- 6.1 There are no financial implications arising from this report other than the agreed fee for the service to be delivered.

7. Legal Implications

- 7.1 There are no legal implications arising specifically from this report.

8. Key Risks

- 8.1 There are no risk management implications from this report.

9. Equalities and Diversity

- 9.1 There are no equalities and diversity implications arising from this report.

10. Crime and Disorder

- 10.1 There are no crime and disorder implications directly arising from this report.

11. Consultation /Engagement

- 11.1 The Head of Paid Service, Monitoring Officer, Chief Finance Officer and the JTC's Proper Officer for Transport have been consulted on the report.

12. Other Impact of the Proposals

- 12.1 The proposals comply with the principles of decision making. Relevant consultation processes have been held where applicable.

13. Appendices

Appendix 1 – Summary of Internal Audit work for 2021/22.

Appendix 2 – Performance of Internal Audit for 2021/22 where available.

14. Background Documents

- 14.1 JTC Standing Orders.

Joint Transport Committee – Audit Committee

15. Contact Officers

Tracy Davis – Senior Manager – Assurance, Sunderland City Council.
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16. Sign off

- Head of Paid Service ✓
- Monitoring Officer ✓
- Chief Finance Officer ✓
- Managing Director, Transport North East (Proper Officer for Transport)✓

Joint Transport Committee – Audit Committee

Summary of Internal Audit Work

Appendix 1

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Organisational Risk Areas	Audits 2019/20	Opinion	Audits 2020/21	Opinion	Audits 2021/22	Opinion	Overall Opinion
Future Availability of Funding							
Funding Opportunities			Regional Transport Plan	S			
Use of Funding and Resources					Transport Assurance Framework		
Governance Arrangements	Governance Arrangements	S					
Operational Capacity and Resourcing							
Delivery of Transport Improvement Projects/Programmes	Project Management, Procurement and Contract Management Procedures	S	Transforming Cities Fund	M	Transforming Cities Programme - Compliance		
Transport Infrastructure Assets					Contract Management Arrangements – TT2	S	
Service Delivery			Bus Services Grant Claim	S			
Catastrophic Event							

Assurance Level (Opinion) Key:

F – Full S – Substantial M – Moderate L – Limited N – None

Joint Transport Committee – Audit Committee

Appendix 2

Internal Audit - Overall Objectives, Key Performance Indicators (KPI's) and Targets for 2021/22			
Efficiency and Effectiveness			
Objectives	KPI's	Targets	Progress
1) To ensure the service provided is effective and efficient.	1) Complete sufficient audit work to provide an opinion on the key risk areas identified. 2) Percentage of draft reports issued within 15 days of the end of fieldwork. 3) Percentage of audits completed by the target date (from scoping meeting to issue of draft report).	1) Complete sufficient audit work to provide an opinion on the organisational risk areas 2) 90% 3) 85%	Achieved Ahead of target – 100% Ahead of target – 100%

Joint Transport Committee – Audit Committee

Internal Audit - Overall Objectives, Key Performance Indicators (KPI's) and Targets for 2021/22			
Quality			
Objectives	KPI's	Targets	Progress
1) To maintain an effective system of Quality Assurance.	1) Opinion of External Auditor	1) Satisfactory opinion	Achieved
2) To ensure recommendations made by the service are agreed and implemented.	2) Percentage of agreed high, significant and medium risk internal audit recommendations which are implemented.	2) 100% for high and significant risk. 90% for medium risk	None available
Client Satisfaction			
Objectives	KPI's	Targets	Progress
1) To ensure that clients are satisfied with the service and consider it to be good quality.	1) Results of Post Audit Questionnaires	1) Overall average score of better than 1.5 (where 1=Good and 4=Poor)	Achieved – Score of 1
	2) Results of other Questionnaires	2) Results classed as 'Good'	N/A
	3) Number of Complaints / Compliments	3) No target – actual numbers will be reported	None in year

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Joint Transport Committee – Audit Committee

Date: 24 November 2021

Subject: Joint Transport Committee Strategic Risk Register

Report Of: Senior Manager – Assurance, Sunderland City Council

Executive Summary

This report provides members with an up-to-date assessment of the strategic risks the North East Joint Transport Committee (JTC) faces as it seeks to achieve its objectives.

There have been no additions or deletions to the risks included in the JTC Strategic Risk Register which was reported to the JTC Audit Committee in June 2021. Consequently, therefore the Strategic Risk Register still contains the same 14 risks.

The Strategic Risk Register has been under review and, as result, Appendix 2 is now in a revised, tabular format, with new elements added to provide further assurance, including timescales for mitigating actions and Target risk scores that those actions are expected to achieve. It is hoped that the new format is both easier to use and gives the Committee a clearer view of its current position.

As usual, any recent changes, developments or activities considered relevant to the assessment of the JTC's strategic risks have been highlighted, in blue, in Appendix 1 and 2 attached to this report.

The current level of risk associated with the JTC's achievement of its strategic objectives previously reported remain the same.

Although the Strategic Risk Register has been redesigned and significantly reduced in size it is felt that mitigating actions included require review prior to the inclusion of timescales and an assessment of target scores. Members are asked for their feedback on this proposed approach. Officers will continue to review the Strategic Risk Register on a quarterly basis prior to presentation to the Audit Committee.

Recommendations

1. The Audit Committee is asked to consider and comment on the proposed format of the detailed risk register at Appendix 2
2. The Audit Committee is asked to consider and comment on the content of the Strategic Risk Register.

1 Background Information

- 1.1 The North East Combined Authority (NECA) was established in April 2014 and brought together seven councils within the North East. As a result of the Newcastle upon Tyne, North Tyneside and Northumberland Combined Authority (Establishment and Functions) Order 2018 ('the Order') the North of Tyne Combined Authority (NoTCA) was created, and the boundaries of NECA changed on the 2 November 2018. NECA now covers the local authorities of Durham; Gateshead, South Tyneside and Sunderland; and NoTCA covers Newcastle, North Tyneside and Northumberland.
- 1.2 The two Combined Authorities have responsibility for transport; however, as the former Tyne & Wear passenger transport authority area (and its passenger transport executive, Nexus) straddle the two combined authorities, the Order also provided that they must establish a joint transport committee to exercise all transport functions. Hence the JTC was created.
- 1.3 The JTC defines its strategic risks as those matters which, if they were to occur, could have a material adverse impact upon the achievement of the JTC's vision of "moving to a green, healthy, dynamic and thriving North East"
- 1.4 On 16 March 2021, the JTC formally adopted a new North East Transport Plan, the first to cover the entire LA7 area. The Plan seeks to achieve five objectives. These are:
 - Carbon-neutral transport;
 - Overcome inequality and grow the North East economy;
 - Healthier North East;
 - Appealing sustainable transport choices; and
 - Safe, secure transport network.
- 1.5 This report offers the JTC's Audit Committee the opportunity to consider the nature and level of risk the JTC faces in seeking to achieve its overall vision and objectives. The Strategic Risk Register is reviewed in light of feedback from previous Audit Committee meetings, recent reports considered by the JTC Committee and its sub-committees and discussions with JTC/STU and NECA officers where required.
- 1.6 For Each of the 5 risks relating to the achievement of the JTC's strategic objectives and the 'organisational' risks, the causes of each of the risks and the factors affecting the likelihood of each of risk occurring originate from sources/actions both inside and outside the JTC organisation. Consequently, the management of the risk is not totally within the sole control of the JTC itself. The further mitigating actions to manage the risk recorded in the JTC Strategic Risk Register reflect only what the JTC is further planning to manage the risk.
- 1.7 As the committee is aware the risk register has been under review and, as result, the detailed risk register at Appendix 2 is provided in a revised format. Informed by discussions with JTC and NECA officers, and following a request from the

NECA Audit and Standards Committee, risk registers are now in a more traditional tabular format. Following the Committee's requirements of reflecting factors that are regarded as outside of the JTC's control, likelihood factors have been split to identify where this is regarded as the case, with a further split where factors are regarded as directly related to Covid-19. It is also noted that likelihood factors are now colour coded to indicate their positive (green) or negative (amber or red) effect on the likelihood score. For clarification, other columns having an impact on the risk score have not been colour coded as they are otherwise all positive or negative in their effect; Impact factors have a negative effect on the score and Current Controls and Mitigating Actions are positive. It is hoped that the new format is both easier to use and gives a clearer view of the causes, the current position of each risk and how the various factors identified effect their rating.

- 1.8 It is also noted that new elements have been added to the detailed risk register. The following have been proposed to provide further assurance:
- target dates for the implementation of mitigating actions;
 - Target score, reflecting the revised scoring of impact, likelihood and Risk Rating based on the expected effectiveness of the mitigating actions;
 - Direction of travel from the Current Risk Score to Target Score showing the expected improvement once the mitigating actions are implemented.
- 1.9 Although the detailed risk register at Appendix 2 has been completely redesigned and significantly reduced in size without losing any of the significant issues, it is likely that mitigating actions still require review prior to the inclusion of timescales and an assessment of target scores. The ongoing upkeep of the risk register will continue to involve regular discussions with officer and review of relevant documentation and minutes of meetings.
- 2.0 It is hoped that the new format of the risk register will enable the Audit Committee to be satisfied that:
- Target Scores shown in the Risk Register are acceptable;
 - the current controls and proposed mitigation actions will mitigate the risks to the level of Target Scores shown.

2. Proposals

- 2.1 The Register identifies 14 strategic risks. These are split into 2 categories:
- a) five risks relating to the achievement of the JTC's strategic objectives to be included in the JTC's North East Transport Plan being developed, and
 - b) nine risks relating to the JTC organisation itself.
- 2.2 The risks relating to the objectives to be expressed in the North East Transport Plan are:
- a) Failure to achieve the aspiration of a fully carbon neutral transport network within the JTC area by 2035.

- b) Failure of the transport system to achieve the planned outcomes to overcome inequality and support the growth of the economy in the JTC area.
- c) Failure of the transport system to achieve the planned outcomes to contribute to the improvements in health of the population in the JTC area.
- d) The transport network within the JTC area fails to achieve the planned outcomes regarding the offer of appealing sustainable transport choices to people living or working in the area or visiting or travelling through the area.
- e) The transport system within the JTC area fails to achieve the planned outcomes regarding its safety and security.

2.3 The risks relating to the JTC organisation itself are:

- a) Sources and levels of funding available to the JTC to develop the North-East regions transport infrastructure within the region may reduce.
- b) Failure of the JTC to secure the maximum amount of transport funding available to progress transport infrastructure in the North-East region.
- c) Funding secured for transport initiatives within the North-East region by the JTC and its partners may not be able to be used on a timely basis or be sufficient to complete intended projects.
- d) The governance arrangements of the JTC are not appropriate to allow effective and timely decision making and the achievement of its objectives.
- e) The JTC does not have the necessary operational capacity, skills and budget, to successfully deliver the JTC's objectives and plans.
- f) Projects which are funded through the JTC are delayed, are significantly overspent or do not deliver the intended product to meet the identified transport need.
- g) Transport assets, which are the responsibility of the JTC, are inadequately managed and maintained.
- h) Inadequate arrangements are in place to ensure that adequate levels of public transport services, for which the JTC has oversight, are maintained by the JTC's transport delivery partners.
- i) Inadequate arrangements are in place should a 'catastrophic' event occur which seriously impacts the transport system in the North East. e.g. public health emergency, security incident, infrastructure collapse (e.g. prolonged loss of power, prolonged fuel shortage).

2.4 The Strategic Risk Register is updated in light of the content of recent reports considered by the North East Joint Transport Committee and its sub-committees, information from other relevant bodies, e.g. Nexus etc, and discussions with JTC

officers, as appropriate. Since the last update there has also been a specific focus on the North East Transport Plan.

Any recent changes, developments or activities considered relevant to the assessment of JTC's strategic risks have been highlighted in blue in Appendix 1 and 2 attached to this report. It should be noted:

- a) No changes have been made to the number of risks or the description of risks.
- b) It is pleasing to note that the majority of changes included relate to positive factors.

For **Likelihood** factors this includes:

- A bid to the Zero Emission Bus Regional Areas (ZEBRA) schemes has been made for funding for 73 buses and the Bus Service Improvement Plan (BSIP) has been submitted with the of supporting recovery and grow of bus usage and reduce emissions.
- Planned for early next year, the Zero Emissions Policy is planned to bring the policies of the LA7 into alignment.

For **Current Controls** this includes:

- Highlighting that the North East Transport Plan includes Key Performance Indicators on measurable impacts for Sustainable Travel, Public Transport Accessibility, Climate Action, Take Up of ULEVs, Air Quality, Network Performance, Traffic and Road Safety.
- The ten rapid chargers from the Go Ultra Low taxi project have now been installed and are in operation.
- Tyne Pass for the Tyne Tunnels has been launched to allow barrier free access with the intention of both cutting journey time and lowering emissions.
- On its journey to become an Enhanced Partnership the current Bus Forum with operators has been involved in the production of the BSIP, targeting £803.9m from the government's Bus Strategy fund.

New Mitigation Actions have been proposed to support and enhance some of the above factors:

- Focusing on the criticality for funding, and given that the bid to the National Bus Strategy fund is £803.9m to a total pot of £3b, once the offer is known any gaps should be identified and the deliverability of the plan should be reassessed.
 - A similar action for ZEBRA scheme funding is also proposed.
 - Although Transport Plan KPIs clearly measure key factors the levels of performance needed to achieve the plans objectives were initially unknown. As this becomes, clearer targets and timescales required for delivery should be included.
- c) Looking at the way the examples from above are shown on the new Risk Register at Appendix 2, it is hoped that the links between risk, causes, impacts, likelihood factors, current controls and mitigating actions are much easier to follow in the new tabular format.

- d) Although none of the risk scores have been changed in this report it is hoped that the new tabular format and the colour coding of the likelihood factors make it easier to understand why this has been proposed and also to challenge if it is not felt that this is an accurate reflection. For clarification, the critical factors that are considered to be keeping the current risk ratings are:
- The high impact score for all of the risks to reflecting scope of the JTC's objectives.
 - The continued impact of Covid-19 on the economy, as a barrier to government action and its impact on public transport.
 - The significance of the JTC's reliance on government policy to direct and support the achievement of its objectives.
 - The JTC's reliance on its significant and changing funding basis with the Transport Plan requiring £6bn over its lifetime.

- 2.5 The 'Strategic Risks Summary' at Appendix 1 shows the 14 risk areas and for each risk provides a current RAG rating to provide a guide as to the level of risk the JTC currently faces for that risk. The direction of travel is also recorded together with reason for any changes to risk levels.

Appendix 2 Strategic Risk Register 2021-22 provides a detailed description of the nature of each risk, the possible causes of each risk, an assessment of the impact of each risk should it occur, the factors which affect the likelihood of each risk occurring together with the relevant controls in place, or being put in place to mitigate each risk to an appropriate level.

Appendix 3 'Risk Analysis Toolkit' shows the risk scoring matrix that has been applied to assess the level of risk for each of the JTC strategic risks.

- 2.7 The Strategic Risk Register for regional transport will continue to be reviewed to record, monitor and report the strategic risks to the Audit Committee on a quarterly basis. Where appropriate, the risks will also be provided to NECA's Audit and Standards Committee and NoTCA for information.

3. Reason for the Proposals

- 3.1 The Audit Committee continues to fulfil an ongoing review and assurance role in relation to the governance, risk management and internal control issues of the JTC.

4. Next Steps and Timetable for Implementation

- 4.1 The Strategic Risk Register will be regularly reviewed. Update reports will be provided to the JTC Audit Committee.

5. Potential Impact on Objectives

- 5.1 The development of the Strategic Risk Register will not impact directly on the JTC's objectives, however the approach to strategic risk management will support

the JTC by acknowledging the most significant threats to the achievement of its objectives and putting plans in place to manage them, e.g. the development of the North East Transport Plan and its subsequent delivery should incorporate measures to manage the key risks appropriately.

6. Finance and Other Resources Implications

6.1 There are no financial implications arising from this report.

7. Legal Implications

7.1 There are no legal implications arising specifically from this report.

8. Key Risks

8.1 The report identifies what are considered to be the key risks to the achievement of the JTC's overall objectives.

9. Equalities and Diversity

9.1 There are no equalities and diversity implications arising from this report

10. Crime and Disorder

10. There are no crime and disorder implications arising from this report.

11. Consultation /Engagement

11.1 The Head of Paid Service, Monitoring Officer, Chief Finance Officer and the JTC's Proper Officer for Transport have been consulted on the Strategic Risk Register.

12. Other Impact of the Proposals

12.1 The proposals comply with the principles of decision making. Relevant consultation processes have been held where applicable.

13. Appendices

Appendix A – 'Risks Summary' shows the JTC's strategic risks and the level of risk associated with each.

Appendix B – 'Strategic Risks – Details' provides a detailed assessment of the JTC's and actions identified to reduce the overall risk exposure.

Appendix C – Risk Analysis Toolkit determines the level of risk attached to each risk.

14. Background Documents

14.1 The latest [Nexus Strategic Risk Register](#) can be found on the NECA website as part of the North East Joint Transport Committee, Tyne and Wear Sub-

Committee, which focuses on transport issues for both NECA and the North of Tyne Combined Authority within the Tyne and Wear Area.

15. Contact Officers

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16. Sign off

- Head of Paid Service
- Monitoring Officer
- Chief Finance Officer
- Proper Officer for Transport

Strategic Risks - Summary			
Risk Title & Description	Risk Level (RAG Rating)	Direction of Travel	Notes
Risks to Achievement of JTC Strategic Objectives			
<u>1 Carbon Neutral Transport</u> Failure to achieve the aspiration of carbon neutral transport network within the JTC area by 2035.	Red 12	Static	Due to possible negative impact of Covid-19 on future funding and need for behavioural change
<u>2 Inequality and Growth of the Economy</u> Failure to achieve the planned outcomes to overcome inequality and support the growth of the economy in the JTC area.	Red 12	Static	Due to possible negative impact of Covid-19 on future funding and cost and service availability users of public transport
<u>3 Health</u> Failure of the transport system to achieve the planned outcomes to contribute the improvements in health of the population in the JTC area.	Amber 8	Static	Positive impact of Covid-19 on active travel counter balanced by possible negative impact of Covid-19 on future funding and need for behavioural change
<u>4 Appealing Sustainable Transport</u> The transport network within the JTC area fails to achieve the planned outcomes regarding the offer of appealing sustainable transport choices to people living or working in the area or visiting or travelling through the area.	Red 12	Static	Due to possible negative impact of Covid-19 on future funding and cost and service availability to users of public transport

Strategic Risks - Summary			
Risk Title & Description	Risk Level (RAG Rating)	Direction of Travel	Notes
<u>5 Safety and Security</u> The transport system within the JTC area fails to achieve the planned outcomes regarding its safety and security.	Amber 8	Static	Arrangements in place but possible negative impact of Covid-19 on future funding
JTC Organisation Risks			
<u>1 Future Availability of Funding</u> Sources and levels of funding available to the JTC to develop the North-East regions transport infrastructure within the region may reduce.	Amber 8	Static	Increased Funding Opportunities for JTC
<u>2 Funding Opportunities</u> Failure of the JTC to secure the maximum amount of transport funding available to progress transport infrastructure in the North-East region.	Amber 8	Static	N/a
<u>3 Use of Funding and Resources</u> Funding secured for transport initiatives within the North-East region by the JTC and its partners may not be able to be used on a timely basis or be sufficient to complete intended projects.	Amber 8	Static	N/a
<u>4 Governance Arrangements</u> The governance arrangements of the JTC are not appropriate to allow effective and timely decision making and the achievement of its objectives.	Green 4	Static	N/a
<u>5 Operational Capacity and Resourcing</u> The JTC does not have the necessary operational capacity, skills and budget, to successfully deliver the JTC's objectives and plans.	Amber 8	Static	N/a
<u>6 Delivery of Transport Improvement Projects/Programmes</u> Projects which are funded through the JTC are delayed, are significantly overspent or do not deliver the intended product to meet the identified transport need.	Amber 8	Static	N/a

Strategic Risks - Summary			
Risk Title & Description	Risk Level (RAG Rating)	Direction of Travel	Notes
<u>7 Transport Infrastructure Assets</u> Transport assets, which are the responsibility of the JTC, are inadequately managed and maintained.	Green 6	Static	N/a
<u>8 Service Delivery</u> Inadequate arrangements are in place to ensure that adequate levels of public transport services, for which the JTC has oversight, are maintained by the JTC's transport delivery partners.	Green 6	Static	N/a
<u>9 'Catastrophic Event'</u> Inadequate arrangements are in place should a 'catastrophic' event occur which seriously impacts the transport system in the North East. e.g. public health emergency, security incident, infrastructure collapse (e.g. power, fuel).	Amber 8	Static	N/a

JTC Strategic Risk Register 2021/22

Risk Area	ID	Risk Description	Cause	Impact	Likelihood	Current Score				Target score								
						Current Controls				Impact	Likelihood	Rating	Direction of Travel	Mitigating Actions		Lead	Action Date	Impact
Strategic Risks																		
Carbon Neutral Transport	1	Failure to achieve the planned outcomes to realise the decarbonisation of economic activity, infrastructure and housing within the NECA area.	<ul style="list-style-type: none">- Lack of engagement by the public and industry due to prohibitive high cost and reliability of currently available alternatives, including infrastructure and vehicles.- Lack of government political will to ensure change by industry and public through adequate legislation, including regulation and supporting funding.- Gaps in Public Transport provision and/or frequency for some areas coupled with appeal and personal safety concerns.- See also Strategic Risk 3 re Active Travel.	<ul style="list-style-type: none">- Unable to address the known effect of pollution on the health of the Public.- Pressure on the economy and the NHS due to the effect of pollution on the health of the Public.- Lack of impact on Climate Change.	<ul style="list-style-type: none">- Government's Clean Air Zone framework in the process of being adopted in Newcastle, Gateshead and North Tyneside.- Tranche 2 of TCF is for frequency and reliability improvements for Metro, speeding up urban buses, train reliability and extensions to cycling network and park and ride.- Bid to be submitted to Zero Emission Bus Regional Areas schemes for 73 buses for 5 strategic bus corridors. (Green)- Bus Service Improvement Plan (BSIP) (October 2021) outlining a 3-year plan to recover and significantly grow usage from impact of Covid-19, improve services, satisfaction and reducing emissions. (Green)- Zero Emissions Vehicle Policy align ed with LA7 authorities' policies to be provided to JTC January 2022. (Green)Outside of JTC Control:<ul style="list-style-type: none">- Government committed to Carbon Neutrality by 2050, 78% by 2035.- New Petrol/Diesel cars ban by 2030.- Funding to support expansion of Ultra Low Emission Vehicle infrastructure.- Funding committed to the development of the Northumberland Rail line.- Twice a day fully electric, cheaper East Mainline service introduced Kings Cross, Newcastle, Morpeth and Edinburgh.(Green)- Network Rail strategy for carbon neutrality by 2040 includes an initial proposal for electrification of the North East line.- Local Authorities licensing	<ul style="list-style-type: none">- JTC and partner Local Authorities continue to engage with and lobby UK government nationally and sub nationally to further North East transport vision, plan and needs.- JTC receive and allocate government and other funding to support all LA7 members to reduce carbon emissions.- £10m received from Transforming Cities Fund (TCF) Tranche 1 for encouraging bus travel, Active Travel and connectivity of key employment sites to city centres schemes.- JTC has access to TCF Tranche 2 (£198.483m) and Emergency Active Travel Fund (£15.7m) to increase and improve cycling and walking networks.- Local Authorities have statutory powers to tackle air pollution, emission requirements and ensure Local Plans/planning proposals contribute to mitigation of climate change. Funding from Government's Air Quality Grant Scheme available.- NECA/Local Authorities have declared a climate emergency with aim to of carbon neutrality before the deadline.- Rail strategy for the North East including a focus on bids to Restoring Your Railways Fund for Northumberland, Team Valley to Chester le Street, Cobalt/Silverlink Metro extension, Gilsland Station and enhanced service between Newcastle and Berwick/Belford.- Nexus is are completing a widescale programme of infrastructure improvements for the Metro and will soon be replacing all trains.- Transport Plan for the North East includes an objective of transport carbon neutrality and set's out how this will be achieved in its Intervention Plan.- The JTC's North East Transport Plan identifies a planned investment of £6bn in transport infrastructure that is evidence based and reflects government policy requirements.- North East Transport Plan updates to JTC include progress on KPIs for Sustainable Travel, Public Transport Accessibility, Climate Action, Take Up of ULEVs and Air Quality.- £3m for Go Ultra Low Programme	4	3	12	<	Private Transport <ul style="list-style-type: none">- Continue to progress EV strategy. Public Transport including Rail <ul style="list-style-type: none">- With JTC approval, a supplier to install, operate and maintain the 5 additional EV Infrastructure sites identified by Local Growth EV Enabling Study will be procured.- Continue to progress Rail strategy.- Continue to progress Bus strategy.- Once ZEBRA scheme funding has been offered, assess how many buses will be fundable and adjust future plans to address any shortfalls.- Once National Bus Strategy Funding has been offered, any gaps are to be identified, and the impact on the deliverability of the plan is to be assessed and remedial action taken.- Capital projects funded by TCF Phase 2 to be delivered in line with timescales. Active Travel <ul style="list-style-type: none">- Scheme promoters to deliver schemes funded through Emergency Active Travel Fund. Schemes will deliver improvements for cycling and walking. Transport Plan <ul style="list-style-type: none">- Planned activity to deliver the North East Transport Plan projects to achieve one of the Plan's objectives to achieve transport carbon neutrality is to be delivered in line with timescales.- Transport Plan KPIs to	Managing Director, Transport North East						

Risk Area	ID	Risk Description	Cause	Impact	Likelihood	Current Score				Target score								
						Current Controls				Impact	Likelihood	Rating	Direction of Travel	Mitigating Actions	Lead	Action Date	Impact	Likelihood
Page 30					<p>powers can be used to introduce emissions requirements on private hire vehicles.</p> <p>- Government Policies introduced are mainly strategic and supportive rather than regulatory.</p> <p>- Bus Operators are operating some low emissions vehicles but not enough to meet requirements for Clean Air Zones. Funding available for modifications is less than that available for cars/vans.</p> <p>- BSIP bid requires £803.9m from a total National Bus Strategy fund of £3bn. (Amber)</p> <p>Covid 19:</p> <p>- continued impact on the economy preventing economic and structural change;</p> <p>- decline in public transport usage, increase in use of cars.</p> <p>- Target funding made available to maintain public transport during the Pandemic but once this is removed, and if levels of use do not improve, public transport may reduce as some services may no longer be sustainable.</p> <p>- Specific government funding has been provided on the basis that the Metro becomes self-sufficient with income matching services which is likely to lead to a reduction of services.</p> <p>- increase in cycling.</p> <p>- improvement in air quality due to Lockdown.</p>	supported by £0.1m for study to identify 25 strategic EV charging sites and £0.5m to deliver 4-6 priority sites from Local Growth Fund.					<p>be further developed to include targets and dates for achievement once the performance levels required to achieve objectives within agreed timescales are known.</p>							
	Inequality and Growth of the Economy	2	Failure to achieve the planned outcomes to overcome inequality and support the growth of the economy in the JTC area.	<p>- Transport network and provision does not meet the needs of residents as in some areas it is inaccessible, unreliable, poorly scheduled and lacks coverage.</p> <p>- Inadequate understanding of the transport requirements of residents, business</p>	<p>- Improvement in economic, health and social mobility prospects impaired for residents, particularly low earners, through limited transport access to work, education and training.</p> <p>- Residents in</p>	<p>- Metro is accessible by 40% of the region and bus use is highest outside of London.</p> <p>- Tranche 2 of TCF is for frequency and reliability improvements for Metro, speeding up urban buses, train reliability and extensions to cycling network and park and ride.</p> <p>- Bus Service Improvement Plan (BSIP) (October 2021) outlining a 3-year plan to recover and significantly grow</p>	<p>- JTC and partner Local Authorities continue to engage with and lobby UK government nationally and sub nationally to further North East transport vision, plan and needs.</p> <p>- JTC has set up a Current forum to discuss service provision with bus operators is the start of an Enhanced Partnership that has developed a BSIP bid for £803.9m as required by the National Bus Strategy.</p> <p>- "Connected North East: Our Blueprint" making a case for investment in the North East for recovery from the pandemic has</p>	4	3	12	◁	<p>Transport Plan</p> <p>- Planned activity to deliver the North East Transport Plan projects to achieve one of the Plan's objectives to 'overcome inequality and grow our economy' is to be delivered in line with timescales.</p> <p>- Transport Plan KPIs to be further developed to include targets and dates for achievement once the</p>	Managing Director, Transport North East					

Risk Area	ID	Risk Description	Cause	Impact	Current Score					Target score							
					Likelihood	Current Controls	Impact	Likelihood	Rating	Direction of Travel	Mitigating Actions	Lead	Action Date	Impact	Likelihood	Rating	Direction of Travel
					Covid-19: - Reduced accessibility of public transport due to lockdown/social distancing disproportionately affecting mobility of low-earners; - Potential reduction in public transport services due to reduced patronage will disproportionately effect low-earners.						Transport Plan.						
Health	3	Failure of the transport system to achieve the planned outcomes to contribute to the improvements in health of the population in the JTC area.	<ul style="list-style-type: none">- See also Strategic Risk 1 for causes affecting Air Quality improvement.- Lack of funding to develop/maintain infrastructure.- Lack of support from alignment of policies and plans with other stakeholders.- Conflicting priorities between improving road and Active Travel networks. <p>Lack of engagement in Active Travel due to:</p> <ul style="list-style-type: none">- Inadequate cycling and walking network between required destinations.- Regional and Council policies and plans do not adequately promote, support and enhance Active Travel.- A lack of accessible information and promotion including existing routes.- Impracticality for purpose of journeys, i.e. passengers, luggage, shopping.- Time.- Weather.- Fear for personal safety.- Unwillingness, inability, lack of	<ul style="list-style-type: none">- Continued overcrowding on Public Transport.- Reduced impact on road congestion and accidents.- Unable to address the known effect of pollution on the health of the Public.- Reduced health benefits from physical activity from Active Travel.- Improvements in quality-of-life benefits for residents missed.- Opportunity to reduce pressure on the economy and the NHS through potential health improvements missed.	<ul style="list-style-type: none">- JTC area already contains many cycling routes including parts of the national cycling network.- Bid to be submitted to Zero Emission Bus Regional Areas schemes for 73 buses for 5 strategic bus corridors. (Green)- Bus Service Improvement Plan (BSIP) (October 2021) outlining a 3-year plan to recover and significantly grow usage from impact of Covid-19, improve services, satisfaction and reducing emissions. (Green)- Zero Emissions Vehicle Policy align ed with LA7 authorities' policies to be provided to JTC January 2022. (Green) <p>Outside of JTC Control: See also Strategic Risk 1 for likelihood factors affecting Air Quality improvement.</p> <ul style="list-style-type: none">- BSIP bid requires £803.9m from a total National Bus Strategy fund of £3bn. (Amber)- Government's "Gear Change; a bold vision for cycling and walking" plan, July 2020, focuses on encouraging improvements for both including safer infrastructure.- Government funding available to improve cycling facilitates at railway stations, support for walking to school and bike maintenance and cycling classes.- "Cycle to work" scheme allows employers to loan bicycles to employees as a tax-free benefit.	<ul style="list-style-type: none">- JTC has access to TCF Tranche 2 (£198.483m) and Emergency Active Travel Fund (£15.7m) to increase and improve cycling and walking networks.- JTC and partner Local Authorities continue to engage with and lobby UK government nationally and sub nationally to further North East transport vision, plan and needs.- Transport Plan for the North East includes an objective of achieving appealing, sustainable transport choices and set's out how this will be achieved in its Intervention Plan.- The JTC's North East Transport Plan identifies a planned investment of £6bn in transport infrastructure that is evidence based and reflects government policy requirements.- North East Transport Plan updates to JTC include progress on KPIs for Sustainable Travel, Public Transport Accessibility, Climate Action, Take Up of ULEVs and Air Quality, Road safety: numbers killed and seriously injured and number of slight injuries.- Tyne Pass Scheme allowing barrier free movement through Tyne Tunnels to launch November 2021 to cut journey time and reduce carbon emissions from idling.	4	2	8	<	<p>Transport Plan</p> <ul style="list-style-type: none">- Planned activity to deliver the North East Transport Plan projects to achieve one of the Plan's objectives to 'contribute to health improvements of the population' is to be delivered in line with timescales.- Transport Plan KPIs to be further developed to include targets and dates for achievement once the performance levels required to achieve objectives within agreed timescales are known. <p>Public Transport including Rail</p> <ul style="list-style-type: none">- Capital projects funded by TCF Phase 2 to be delivered in line with timescales.- Once ZEBRA scheme funding has been offered, assess how many buses will be fundable and adjust future plans to address any shortfalls.- Once National Bus Strategy Funding has been offered, any gaps are to be identified, and the impact on the deliverability of the plan is to be assessed and remedial action taken. <p>Active Travel</p> <ul style="list-style-type: none">- Delivery of projects funded by Emergency Active Travel Fund. Projects will provide improvements for pedestrians and cyclists	Managing Director, Transport North East					

Risk Area	ID	Risk Description	Cause	Impact	Likelihood	Current Score				Target score								
						Current Controls				Impact	Likelihood	Rating	Direction of Travel	Mitigating Actions	Lead	Action Date	Impact	Likelihood
			confidence. - Lack of supporting facilities, e.g. showers at work.		- Increase in cycling and walking post lockdown during the Pandemic. - £2.1m Capability Fund allocation to the North East to improve access to public and active travel. - Government have issued statutory requirements and guidance to Local Authorities on increasing and improving walking and cycling networks. - Twice a day fully electric, cheaper East Mainline service introduced Kings Cross, Newcastle, Morpeth and Edinburgh.(Green)							and will support the increase in cycling and walking experience during the pandemic. - Unallocated Active Travel Fund Tranche 2 to be used for a programme for Summer 2021 to capitalise on move to cycling and walking during lock down and staycations with the planned relaxation of measures, supporting all of the objectives of the Transport Plan.						
Appealing Sustainable Transport	4	Failure to achieve the planned outcomes to ensure that people of all ages can access timely and personalised support to overcome their educational, situational and motivational barriers to work and to equip them with the capabilities the economy needs so that they can find employment.	- Failure to understand and address users' requirements for sustainable transport to be considered as a replacement for current private vehicles. - Transport provision is regarded as inaccessible, unreliable, poorly scheduled, lacks coverage and or does not have the capacity to address transport requirements of residents and visitors including personal safety. - Cost of using/changing to sustainable transport is perceived as too high. - Failure to adequately integrate services across providers to ensure that users can reach their destination in a reasonable time. - Lack of portability of tickets across providers for whole journey/destination. - Information on	- Reduced impact on road congestion and accidents. - Unable to address the known effect of pollution on the health of the Public. - Reduced health benefits from physical activity from Active Travel. - Improvements in quality-of-life benefits for residents missed. - Opportunity to reduce pressure on the economy and the NHS through potential health improvements missed. - Possible negative impact on tourism. - Less effective sustainable transport network may affect investment in the region.	- Tranche 2 of TCF is for frequency and reliability improvements for Metro, speeding up urban buses, train reliability and extensions to cycling network and park and ride. - Metro is accessible by 40% of the region and bus use is highest outside of London. - Bid to be submitted to Zero Emission Bus Regional Areas schemes for 73 buses for 5 strategic bus corridors. (Green) - Bus Service Improvement Plan (BSIP) (October 2021) outlining a 3-year plan to recover and significantly grow usage from impact of Covid-19, improve services, satisfaction and reducing emissions. (Green) Outside of JTC Control: - Transport operators communicate well with customers including through social media and are improving arrangements to allow ticket purchases across all operators and services. - Government funding committed to development of Northumberland Rail line. - Government's "Gear Change; a bold vision for cycling and walking" plan, July 2020, focuses on encouraging improvements for both	- JTC is supported by full time Transport Strategy Unit that has designed and is the delivering the Transport Plan for the North East, and who continue to carry out ongoing research to understand transport users' needs. - Transport Plan for the North East includes an objective of achieving appealing, sustainable transport choices and set's out how this will be achieved in its Intervention Plan. - The JTC's North East Transport Plan identifies a planned investment of £6bn in transport infrastructure that is evidence based and reflects government policy requirements. - North East Transport Plan updates to JTC include progress on KPIs for Sustainable Travel, Public Transport Accessibility, Network Performance and Motor Vehicle Traffic. - JTC has access to TCF Tranche 2 (£198.483m) and Emergency Active Travel Fund (£15.7m) to increase and improve cycling and walking networks. - Rail strategy for the North East including a focus on bids to Restoring Your Railways Fund for Northumberland, Team Valley to Chester le Street, Cobalt/Silverlink Metro extension, Gilsland Station and enhanced service between Newcastle and Berwick/Belford. - Nexus is completing a widescale programme of infrastructure improvements for the Metro and will soon be replacing all trains. - Potential for Transport Levy from Councils to be increased to protect concessionary fares, Metro fares and	4	3	12	<	Rail - Continue to make the case to government for urgent investment in the East Coast Main Line. - Planned activity to deliver the North East Transport Plan projects to achieve one of the Plan's objectives to achieve appealing sustainable transport choices is to be delivered in line with timescales. - Transport Plan KPIs to be further developed to include targets and dates for achievement once the performance levels required to achieve objectives within agreed timescales are known. - Continue to progress Rail strategy. Other Public Transport - Capital projects funded by TCF Phase 2 to be delivered in line with timescales. - As Part of the Bus strategy for the North East, JTC are working with North East Bus Operators to complete development of 'local bus partnership' to, in the longer term, improve the bus work network for the community.	Managing Director, Transport North East						

Risk Area	ID	Risk Description	Cause	Impact	Current Score					Target score							
					Likelihood	Current Controls	Impact	Likelihood	Rating	Direction of Travel	Mitigating Actions	Lead	Action Date	Impact	Likelihood	Rating	Direction of Travel
Safety and Security					as safer than public transport by some. - Target funding made available to maintain public transport during the Pandemic but once this is removed, and if levels of use do not improve, public transport may reduce as some services may no longer be sustainable. - Specific government funding has been provided on the basis that the Metro becomes self-sufficient with income matching services which is likely to lead to a reduction of services.												
	5	The transport system within the JTC area fails to achieve the planned outcomes regarding its safety and security.	- Lack of understanding of users' priorities for safety and security. - Poor design of infrastructure. - Competing priorities for different types of transport re efficiency of infrastructure and safety and security. - Lack of funding to improve, enhance or maintain safety and security. - Users' noncompliance and infringement. - Gaps in maintenance. - Public perception, which may be ill informed.	- Injury and/or death rate does not improve. - Fear of use of public transport puts off users and affects ambitions for air pollution, congestion and accessibility. - Adverse impact on Active Travel take up due to safety and security concerns.	- JTC has access to Transforming Cities Fund and Emergency Active Travel Fund to increase and improve cycling and walking networks. Outside of JTC Control: - Government law and guidance puts responsibility for safety and security on transport providers, users and other transport stakeholders. - Government's "Gear Change; a bold vision for cycling and walking" plan, July 2020, focuses on encouraging improvements for both including safer infrastructure. - Government have issued statutory requirements and guidance to Local Authorities on increasing and improving walking and cycling networks. Covid 19: Social distancing reduced use of public transport but, outside of lockdown, greatly increased active travel .	- JTC and partner Local Authorities continue to engage with and lobby UK government nationally and sub nationally to further North East transport vision, plan and needs. - Nexus continues to operate required safety systems across it's estate in relation to maintenance and security. - Nexus have introduced a new Customer Support team to tackle anti-social behaviour and noncompliance with conditions of travel on the Metro. - Nexus is completing a widescale programme of infrastructure improvements for the Metro and will soon be replacing all trains. - Nexus and other North East providers have established and are maintaining the government's Covid-secure standard for public transport. - The JTC's North East Transport Plan identifies a planned investment of £6bn in transport infrastructure that is evidence based and reflects government policy requirements. - North East Transport Plan updates to JTC include progress on KPIs for Sustainable Travel, Motor Vehicle Traffic. Road safety: numbers killed and seriously injured and number of slight injuries.	4	2	8	<	Active Travel - Delivery of projects funded by Emergency Active Travel Fund. Projects will provide improvements for pedestrians and cyclists and will support the increase in cycling and walking experience during the pandemic. Public Transport including Rail - Capital projects funded by TCF Phase 2 to be delivered in line with timescales Transport Plan - Planned activity to deliver the North East Transport Plan projects to achieve one of the Plan's objectives to 'contribute to health improvements of the population' is to be delivered in line with timescales. - Transport Plan KPIs to be further developed to include targets and dates for achievement once the performance levels required to achieve objectives within agreed timescales are known.	Managing Director, Transport North East					
Operational Risks																	
Future Availability of	1	Sources and levels of funding	- Reaction to economic downturn	- Inability to improve	Outside of JTC Control: - The Government have set up	- JTC and partner Local Authorities continue to engage with and lobby UK	4	2	8	<	- JTC Members and Officers, together with its	Managing Director,					

Risk Area	ID	Risk Description	Cause	Impact	Likelihood	Current Score				Target score								
						Current Controls				Impact	Likelihood	Rating	Direction of Travel	Mitigating Actions	Lead	Action Date	Impact	Likelihood
Funding		available to the JTC to develop the North-East regions transport infrastructure within the region may reduce.	may force government to cut funding to transport schemes. - Uncertainty over future Capital scheme relating to those that are ending and their replacements, e.g. Local Growth Fund/EU Funding replaced by UK Shared Prosperity Fund (UKSPF). - Possible change in UK transport policy focus on other geographic areas or certain types of transport initiatives which may adversely affect the North East/not align to JTC Plans. - Future major local projects may not be tenable as government may have to reduce amount/timescale of funding schemes. - Funding for non-Mayoral combined authorities may no longer be available.	infrastructure to enhance transport services. - Potential inability to maintain infrastructure to ensure adequate public transport services. - Potential inability to promote future economic growth within the region.	the UK Infrastructure Bank with finances of £22bn to tackle climate change and support regional and local economic growth across the United Kingdom. - The Government's "Green Book" is a framework to inform decision making to ensure funding/investment spreads across the UK supporting the levelling up agenda. - Lack of certainty over availability and eligibility for transport related funding due to delays in formalisation of new funding regimes/replacements for EU funding. - The UK Community Renewal Fund, the forerunner of the UKSPF, is based on a competitive bidding process that is closed to NECA as a non-Mayoral Combined Authority but open to NECA Local Authorities and NoTCA. This is likely an indication of the Government's future approach to funding.	government nationally and sub nationally to further North East transport vision, plan and needs. - JTC work with partners to identify any new non-government funding sources. - The JTC's North East Transport Plan identifies a planned investment of £6bn in transport interculture that is evidence based and reflects government policy requirements.					partners e.g. Councils continue to lobby government for resources financial resources to enable delivery of the North East Transport Plan.	Transport North East						
Funding Opportunities	2	Failure of the JTC to secure the maximum amount of transport funding available to progress transport infrastructure in the North-East region.	- Funding opportunities are missed due to lack of awareness/missing relevant deadlines. - Poor quality of funding applications made by JTC. - Failure to obtain funding only available through competitive process leading to under allocation for priorities.	- Delivery of planned transport improvements required by the region will be significantly delayed. - Consequently delivery of JTC's Strategic Objectives may significantly be affected.	- Significant funding awarded regarding the Transforming Cities Fund. (Green). - Some recent funding frameworks are not open to non-Mayoral Combined Authorities. Outside of JTC Control: - A significant proportion of funding available for transport projects is through a competitive process.	- Officers horizon scan for upcoming funding opportunities. - Regular contact with the UK government and other funding bodies to identify funding opportunities early. - Relationships with other bodies at a sub national (e.g. TfN) and local level e.g. councils, universities etc to allow the JTC to work in partnership, where applicable. - JTC and partners lobby relevant government bodies to persuade transport infrastructure schemes required for the North East to be included in key government schemes. - MD TNE and TSU staff have proven experience, skills and knowledge to submit strong bids. - All bids/projects are subject to scrutiny using the TSU's Transport Assurance Framework.	4	2	8	◁	- As part of the delivery of the North East Transport Plan, a 'project pipeline' is to be maintained. As part of this work each project will be assessed using the JTC's 'Transport Assurance Framework' to ensure each planned project has a strong business case and will help meet the Transport needs of the region.	Managing Director, Transport North East						

Risk Area	ID	Risk Description	Cause	Impact	Likelihood	Current Score					Target score									
						Current Controls				Impact	Likelihood	Rating	Direction of Travel	Mitigating Actions	Lead	Action Date	Impact	Likelihood	Rating	Direction of Travel
						- TSU liaises with the provider during any application process to understand clearly what it is looking for.														
Use of Funding and Resources	3	Funding secured for transport initiatives within the North-East region by the JTC and its partners may not be able to be used on a timely basis or be sufficient to complete intended projects.	- Poor project management. - Inaccurate assessment of projects costs when submitting funding bids. - Delays and costs for a project due to unforeseen events. - Lack of understanding of funding conditions including timescales. - Insufficient capacity and skills to manage projects. - Fraud and corruption.	- Transport projects may be delayed, reduced in size or not completed with intended benefits unrealised. - Funding may be lost through missed deadlines, project failure. - Reallocation of other earmarked funding to address gaps. - Reputational damage.	- <i>Transport Strategy Unit in place to manage project delivery (Green).</i> - <i>Introduction of Capital Programme Management Framework to allow consistent and effective management of the programme as it becomes reliant on new/changing sources of funding. (Green)</i> - <i>Potential for resource issues through sickness or recruitment issues due to low number of Corporate staff.</i>	- MD TNE and TSU staff have proven experience, skills and knowledge to submit strong bids. - All bids/projects are subject to scrutiny using the TSU's Transport Assurance Framework to ensure they are in line with the JTC objectives and plans and meet bid criteria. - Directly managed projects are managed using recognised project management principles. - Where projects are delivered by partners arrangements are in place to gain assurance that the projects are progressing as expected. - Projects delivered by contractors are let subject to a competitive procurement process. - All third-party projects are based on funding agreements which include performance monitoring and reporting requirements. - Clear conditions of use are provided by funding providers. - JTC officers are subject to relevant codes of conduct. - Internal Audit have received the project management arrangements for the JTC.				4	2	8	↔	- Delivery plans and programmes are to be kept under review in light of any issues which may affect funding secured to be used on a timely basis or may mean secured funding may not be sufficient to deliver the intended programmes. Appropriate prompt action is taken to address issues which may arise.	Managing Director, Transport North East NECA Chief Finance Officer					
Governance Arrangements	4	The governance arrangements of the JTC are not appropriate to allow effective and timely decision making and the achievement of its objectives.	- Lack of capacity to support complex governance arrangements with accountability to two combined authorities, with one as lead. - Lack of clarity of roles and responsibilities. - Lack of development of new working arrangements or delays in implementing proposed changes. - Conflicting priorities, not aligned to governance arrangements.	- Poor decisions may be made which are not in the interest of the North-East region. - Decisions may be delayed, not taken at the appropriate level or not based on the correct information. - Lack of clarity of roles and responsibilities may lead to failures in statutory compliance, financial management and transport services delivery.	- <i>Internal Audit of the JTC Governance Arrangements resulted in an opinion of substantial assurance. (Green)</i>	- All 7 LAs continue to support the JTC and its activities. - Autonomous JTC Standing Orders outline functions, sub committees, rules of procedure and the roles of statutory officers. - Committee Decisions are by majority vote but with an aim for consensus. - Statutory role of 'Proper Officer for Transport' was established by the Statutory Order. including delegated powers. - JTC Chief Executive Transport Strategy Board supports/strengthens decision making providing challenge and scrutiny. - A Statutory Officer Oversight Group is in place to oversee procurement, legal, financial and other management issues relating to JTC operations. - Service Level agreements are in place for support services provided to the JTC.				4	1	4	↔	- Review of roles, responsibilities, and arrangements regarding the activities of the Transport Strategy Unit including business planning, performance management, project assurance, overseeing of delivery programmes etc. and implementation of revised arrangements.	Managing Director Transport North East Monitoring Officer					

Risk Area	ID	Risk Description	Cause	Impact	Current Score					Target score							
					Likelihood	Current Controls	Impact	Likelihood	Rating	Direction of Travel	Mitigating Actions	Lead	Action Date	Impact	Likelihood	Rating	Direction of Travel
Operational Capacity and Resourcing	5	The JTC does not have the necessary operational capacity, skills and budget, to successfully deliver the JTC's objectives and plans.	- Budget may be insufficient as NECA's initial resource pool now required to support JTC and NoTCA - Potential for conflicting priorities for Members, Statutory Officers to NECA, Proper Officer for Transport and other posts provided under Services Level Agreements as all have alternative main employments with partner organisations. - Increased demand for rapidly changing work requirements for transport policy, funding bid submission and programme delivery.	- Weakened oversight over the delivery of transport programmes - Decisions may be delayed or based on incomplete information - Functions may be less effectively or timely leading financial loss, flawed decisions, delay in development of transport policies and funding bids. - Reputational damage.	- <i>Transport Strategy Unit in place to manage project delivery. (Green)</i> - <i>Most recent Internal Audit relating to Financial Arrangements for NECA resulted in Substantial Assurance. (Green)</i> - <i>Potential for resource issues through sickness or recruitment issues due to low number of Corporate staff.</i>	- Representatives from LA7, Statutory Officers and Proper Officer for Transport all have support from deputies. - Significant TUPE to NECA employment relating to TSU and Corporate NECA staff. - Review and update of all SLAS has taken place with move to new Host Authority. - Increased senior officer support from TNE Strategy Director and Tyne Tunnel Manager. - TNE Strategy Director has responsibility for long term transport policies, plans, analysis and business cases. - More finance support has been made available through SLA with new Host Authority. - External Resources are appointed where required to support JTC delivery priorities.	4	2	8	◊	- As part of a current review of roles, responsibilities, and arrangements regarding the activities of the Transport Strategy Unit an assessment is being made of its role and the capacity and skills required to meet the role e.g. communications, programme management. - As the new JTC arrangements are embedded a review is to be made of the effectiveness of the support provided to the JTC to ensure they are adequate.	Managing Director Transport North East NECA Chief Finance Officer Managing Director Transport North East Monitoring Officer					
Delivery of Transport Improvement Projects/ Programmes	6	Projects which are funded through the JTC are delayed, are significantly overspent or do not deliver the intended product to meet the identified transport need.	- Poor programme/project management. - Inaccurate assessment of projects costs when submitting funding bids. - Delays and costs for a project due to unforeseen events. - Insufficient capacity and skills to manage projects. - Fraud and corruption.	- Transport projects may be delayed, reduced in size or not completed with intended benefits unrealised. - Funding may be lost through missed deadlines, project failure. - Reallocation of other earmarked funding to address gaps. - Reputational damage.	- <i>Introduction of Capital Programme Management Framework to allow consistent and effective management of the programme as it becomes reliant on new/changing sources of funding. (Green)</i> - <i>Internal Audit review of the monitoring arrangements for the delivery the Transforming Cities Fund was positive in its design. Review of its actual operation due 2021/22. Green)</i> Outside of JTC Control: - <i>Delays to delivery due to the impact of the Pandemic on the operation of projects.</i>	- MD TNE and TSU staff have proven experience, skills and knowledge to submit strong bids. - All bids/projects are subject to scrutiny using the TSU's Transport Assurance Framework to ensure they are in line with the JTC objectives and plans and meet bid criteria. - Directly managed projects are managed using recognised project management principles. - Where projects are delivered by partners arrangements are in place to gain assurance that the projects are progressing as expected. - Projects delivered by contractors are let subject to a competitive procurement process. - All third-party projects are based on funding agreements which include performance monitoring and reporting requirements. - Clear conditions of use are provided by funding providers. - JTC officers are subject to relevant codes of conduct. - Internal Audit have received the project management arrangements for the JTC.	4	2	8	◊	- Monitoring of the delivery of the overall JTC programme of projects should be carried out on a regular basis. - Programme management and governance structures within the JTC and TSU are to be reviewed and developed to ensure they remain fit for purpose particularly in light of successful funding bids e.g. Transforming Cities Fund.	Managing Director Transport North East Managing Director Transport North East					
Transport	7	Transport assets,	- Lack of awareness	- Greater	- <i>Internal Audit of contract</i>	- JTC's constitution includes overall	3	2	6	◊	- As part of a current	Managing					

Risk Area	ID	Risk Description	Cause	Impact	Current Score					Target score						
					Likelihood	Current Controls	Impact	Likelihood	Rating	Direction of Travel	Mitigating Actions	Lead	Action Date	Impact	Likelihood	Rating
Infrastructure Assets		which are the responsibility of the JTC, are inadequately managed and maintained.	of the existence of the asset. - Lack of clarity as to who has responsibility for the management and maintenance of the assets. - Lack of clarity as to standards required. - Lack of resources to maintain the assets.	financial resources may be needed to rectify faults arising from poor maintenance. - Failures in transport infrastructure assets may affect services delivered to transport users leading to disruption and complaints and a drop in usage. - If available funding is not used by a deadline it may be lost. - Financial resources earmarked for other future purposes may need to be used to complete current projects causing postponement or delays in other JTC plans.	monitoring of TT2 contract for the Tyne Tunnel resulted in Substantial Assurance. Outside of JTC Control: Covid 19: - Potential threat to funding due to impact of the Pandemic on the economy.	responsibility and oversight for transport infrastructure assets owned by NECA and North of Tyne Combined Authority. - The JTC holds a record of assets it is responsible for. - Responsibility for the maintenance of assets and standards are included in service provider agreements including assurance reporting requirements. -Tyne Tunnels Manager has oversight of the performance of service provider.					review of roles, responsibilities, and arrangements regarding the activities of the JTC and the Transport Strategy Unit an assessment is being made of the capacity and skills within the JTC to carry out its contract management responsibilities.	Director Transport North East				
Service Delivery	8	Inadequate arrangements are in place to ensure that adequate levels of public transport services, for which the JTC has oversight, are maintained by the JTC's transport delivery partners.	- Lack of clarity as to the responsibilities, duties and interface regarding the oversight of public transport services within the region. - Failure to appreciate and provide appropriate levels of transport services to adequately support the economic well-being and reputation of the region. - Lack of resources and/or expertise to put in place effective arrangements to ensure adequate	- Loss of confidence by stakeholders, including government, in the JTC's ability to meet its responsibilities. - Loss of confidence by users of services. - Failure of JTC oversight of public transport providers may lead to inadequate services resulting in less use of public	- Service provision governance and monitoring arrangements with transport providers were established and successfully operated under NECA prior to the split in to two combined authorities which required the creation of the JTC. (Green) Outside of JTC Control: - Many transport service providers are independent, private sector bodies that require profit from service provision.	- JTC's constitution makes it clear it has overall responsibility and oversight for certain statutory public transport services. - JTC committees i.e. Leadership Board and Tyne Wear Sub Committee receive regular reports as to the level of public transport services provided by the JTC's partners e.g. Nexus, Durham County Council, Northumberland County Council, TT2Ltd. - The Managing Director, Transport North East appointed by the JTC is also Statutory Director General of Nexus, a key delivery partner to the JTC. - Approval of appointees to the Nexus Executive Board of Directors is the responsibility of the JTC's TWSC. - 4 Non-Executive Directors are on the Nexus Executive Board which strengthens oversight arrangements. - Both NECA and NoTCA have	3	2	6	<	- An assessment needs to be made by the JTC of its arrangements to gain assurance that issues with transport service delivery causing poor service to the public faced by transport providers e.g. Nexus, are being addressed effectively.	Managing Director Transport North East				

Risk Area	ID	Risk Description	Current Score								Target score							
			Cause	Impact	Likelihood	Current Controls	Impact	Likelihood	Rating	Direction of Travel	Mitigating Actions	Lead	Action Date	Impact	Likelihood	Rating	Direction of Travel	
			levels of transport services are provided.	transport and greater congestion on the roads.		representation both on Transport for the North's (TfN) Rail North committee which has oversight of Northern Rail and TPE's services, and on the TfN Board which governs TfN's investment programmes and its interfaces with national delivery partners (Network Rail and Highways England).												
'Catastrophic Event'	9	Inadequate arrangements are in place should a 'catastrophic' event occur which seriously impacts the transport system in the North East. e.g. public health emergency, security incident, infrastructure collapse (e.g. power, fuel).	- Lack of clarity over responsibilities and duties of the relevant stakeholders with partner agencies for oversight of public transport services within the region in the event of a 'catastrophic event'. - Failure to anticipate and plan response to the impact of possible catastrophic events on the transport system - Lack of resources and/or expertise to ensure adequate arrangements are in place to respond effectively to a 'catastrophic event' significantly impacting transport activity in the region, and that they are regularly reviewed.	- Excessive death or injury - Economic activity excessively reduced due to inability of employees to carry out employment duties/activity. - Loss of reputation to the region.	Outside of JTC Control: - Councils have a legal duty under the Civil Contingencies Act 2004 (CCA) to be prepared and able to respond to any civil emergency occurring within its boundary. - Current changes in the way the rail infrastructure and contracts for carriage are managed.	- JTC Councils membership of Local Resilience Forums (LRF) along with transport delivery partners; (Nexus, Highways England, Network Rail) allows for effective delivery of multi-disciplinary planning for Major Incidents as required by the CCA - JTC public transport providers have developed their own risk, emergency response and business continuity plans - TT2 Ltd have risk, emergency response and business continuity plans in place . Regular emergency/safety training exercises take place which include Tyneside Councils, TWFRS and the other emergency services.	4	2	8	<>	- the JTC's own disaster recovery and business continuity arrangements are to be reviewed to ensure they remain fit for purpose.	Managing Director Transport North East						

Risk Analysis Toolkit

Determine the risk priority					
Likelihood	Impact				
		Insignificant	Minor	Significant	Critical
	High	4	8	12	16
	Medium	3	6	9	12
	Low	2	4	6	8
	Negligible	1	2	3	4

Assess the likelihood of the risk event occurring	
High	Risk will almost certainly occur
Medium	Risk is likely to occur in most circumstances
Low	Risk may occur
Negligible	Risk is unlikely to occur

Assess the impact should the risk occur

	Objective	Service Delivery	Financial	Reputational
Critical/Showstopper	<ul style="list-style-type: none"> Over half the objectives/programmes affected More than one critical objective affected Partners do not commit to the Shared vision 	<ul style="list-style-type: none"> Significant change in partner services Relationship breakdown between major partners and stakeholders Serious impact on delivery of key transport related investment plans Unplanned major re-prioritisation of resources and/or services in partner organisations Failure of a delivery programme/major project Serious impact on public transport services provided to users 	<ul style="list-style-type: none"> Inability to secure or loss of significant transport funding opportunity (£5m) Significant financial loss in one or more partners (£2m) Significant adverse impact on transport budgets (£3m)) 	<ul style="list-style-type: none"> Adverse national media attention External criticism (press) Significant change in confidence or satisfaction of stakeholders Significant loss of community confidence

Significant	<ul style="list-style-type: none"> One or more objectives/programmes affected One or more partners do not commit to shared vision Significant environmental impact 	<ul style="list-style-type: none"> Partner unable to commit to joint arrangements Recoverable impact on delivery of key transport related investment plans Major project failure Impact on public transport services provided to users 	<ul style="list-style-type: none"> Prosecution Change in notable funding or loss of major transport funding opportunity (£2m) Notable change in a Partners contribution Notable adverse impact on transport budget (£0.5m-£1.5m) 	<ul style="list-style-type: none"> Notable external criticism Notable change in confidence or satisfaction Internal dispute between partners Adverse national/regional media attention Lack of partner consultation Significant change in community confidence
Minor	<ul style="list-style-type: none"> Less than 2 priority outcomes adversely affected Isolated serious injury/ill health Minor environmental impact 	<ul style="list-style-type: none"> Threatened loss of partner's commitment Minor impact on public transport services provided to users 	<ul style="list-style-type: none"> Minor financial loss in more than one partner Some/loss of transport funding or funding opportunity threatened 	<ul style="list-style-type: none"> Failure to reach agreement with individual partner Change in confidence or satisfaction Minor change in community confidence
Insignif.	<ul style="list-style-type: none"> Minor effect on priorities/service objectives Isolated minor injury/ill health No environmental impact 		<ul style="list-style-type: none"> Isolated/minor financial impact in a partner organisation 	

Glossary of Terms

RAG – Red/Amber/Green (denoting an assigned performance status)

Strategic Risk - relates to those factors that might have a significant effect on the successful delivery of the JTC's objectives, plans, policies and priorities.

Risk - A probability or threat of damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities.

Risk Appetite - The level of risk that an organisation is prepared to accept in pursuit of its objectives, and before action is deemed necessary to reduce the risk.

Risk Controls or Control Processes - are those actions and arrangements which are specifically identified to be taken to lower the impact of the risk or reduce the likelihood of the risk materialising, or both of these.

Risk Matrix - a graphical representation of the Risk Severity and the extent to which the Controls mitigate it.

Risk Owner - has overall responsibility for the management and reporting of the risk.

Lead Officer(s) – given delegated responsibility from the Risk Owner to take action and manage the risk through application of the appropriate risk controls and processes.

Risk Impact - indicates the potential seriousness should the risk materialise.

Risk Likelihood - indicates the chance of a risk materialising in the time period under consideration.

Risk Score - the product of the Impact score multiplied by the Likelihood score.

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