

Transport for the North Board Minutes

**23 February 2022
Virtual**

Present:

Lord Patrick McLoughlin (Chair)

Attendee

Cllr Phil Riley
Cllr Craig Browne
Cllr Louise Gittins
Cllr Keith Little
Cllr Claire Holmes
Mayor Andy Burnham

Cllr Daren Hale
Cllr Charles Edwards
Cllr Martin Gannon
Mayor Jamie Driscoll
Cllr Don Mackenzie
Cllr Heather Scott
Cllr Hans Mundry
Mayor Tracy Brabin
Cllr Andy D'Agorne

Local Authority

Blackburn with Darwen;
Cheshire East;
Cheshire West & Chester;
Cumbria;
East Riding of Yorkshire;
Greater Manchester Combined
Authority;
Hull;
Lancashire;
North East Combined Authority;
North of Tyne Combined Authority;
North Yorkshire;
Tees Valley;
Warrington;
West Yorkshire Combined Authority;
York;

Rail North Authorities Attendees

Councillor Rosemary Healy

Nottingham

Local Enterprise Partnership (LEP) Attendees

Annette McDonald
Steve Curl
Tony Kirby
Mark Rawstron
Mark Roberts
Peter Kennan

Cheshire & Warrington LEP
Cumbria LEP
Hull and East Yorkshire LEP
Lancashire LEP
Leeds LEP
Sheffield City Region LEP

Partners in Attendance:

Rob McIntosh
Nick Bisson

Network Rail
DfT

Officers in Attendance:

Name	Job Title
Lucy Jacques	Acting Head of Policy and Strategy
Martin Tugwell	Chief Executive
Dawn Madin	Director of Business Capabilities
Paul Kelly	Financial Controller
Iain Craven	Finance Director
Tim Foster	Interim Strategy & Programme Director
Julie Openshaw	Head of Legal
Tim Wood	Northern Powerhouse Rail Director
David Hoggarth	Strategic Rail Director

Item No:**1. Welcome & Apologies**

- 1.1 The Chair welcomed Members to the consultation call and apologies were noted from Cllrs Swinburn, Jackson, Waltham, Hannigan, Read, Lucy Winskell, Nick Harris and Michael Bradley.

2. Declarations of Interest

- 2.1 There were no Declarations of Interest.

3. Minutes of the Previous Meeting

- 3.1 The minutes of the meeting of the Transport for the North Board held on 25 January 2022 were considered.
- 3.2 The Chief Executive updated Members on actions following the meeting. Regarding the TUPE of staff as a result of the change from co-client to co-sponsor on the NPR project, he explained that this process is under way with a transfer date for those staff being 31 March. Members were informed that this is being done in consultation with Unison and affects 16 Officers.

Resolved:

That the minutes of the Transport for the North Board held on 25 January 2022 be approved as a correct record.

4. Funding, Business Planning and Budget Update

- 4.1 Members received the paper of the Financial Controller. Before he highlighted the key points in the report to Members the Chief Executive provided an overview. Members were reminded that TfN is required to set a budget by the end of March and that this report and subsequent

discussion provides an interim step towards doing this prior to the Board meeting at the end of March.

He asked Members to focus on the recommendations in the report specifically, the objectives set out in the paper (including the annex) that will be used as part of the business planning process. He explained that the 'Golden Thread' around the outcomes and objectives remain relevant and drew the Board's attention to the Framework set out in the annex that will guide the future operating model.

Members were then provided with an update on developments following the last meeting. The Chief Executive explained that following the letter from the Interim Chair to the Secretary of State there had been 2 meetings with the Chair, himself and the Secretary of State. He then outlined the steps taken following the receipt of the funding letter on 14 February, he stated that staff were briefed the following day as well as a letter being sent to Members. Unison have also been kept informed of developments.

He highlighted that the funding settlement has had a negative impact on staff morale, impacting on the ability to deliver the work programme as well as health and wellbeing. He stressed the importance of moving forward quickly in order to provide certainty to staff as well as helping with the retention of key officers.

He explained that TfN will be a smaller organisation going forward and advised the Board that in order to protect staff, vacancies have been being managed since the summer. He also outlined the process for the reduction in the workforce explaining that staff can apply for voluntary redundancy, however there is also the likelihood that compulsory redundancy will be required, though he will try to keep this to a minimum. He further explained that he will look to retain as many staff as possible and strike a balance between this and services that the organisation will commission.

Members were informed that a draft letter to the Secretary of State has been circulated for members' consideration: this being in response to the Funding Letter.

- 4.2 The Financial Controller explained that whilst the core funding allocation for 2022/23 is not dissimilar to the 2021/22 allocation he explained that mitigations used in the current financial year in preparing the budget were no longer available.

He further explained that due to time constraints an interim budget will be tabled at the March Board and a full budget will be ready during the first quarter.

On the issue of cost control he requested that the Board approves cost control measures that will see the Chief Executive and the S151 Officer

to review new commitments in order to ensure they align with the business plan for next year.

- 4.3 Members were supportive of TfN and their staff and were keen to look at how the organisation could refocus in order to continue to represent the views of the people of the North.
- 4.4 Mayor Driscoll suggested that some SMART goals be set once the budget has been set to help improve staff morale. By setting these targets he hoped that both Officers and Members can see where progress is being made. He emphasized the fact that TfN is the voice of the united North.
- 4.5 Members discussed the use of more reserves to mitigate against reduction in staff.

The Financial Controller explained that the expected reduction in the workforce will have a financial cost which will need to be covered by reserves. He further explained that using £500k per annum from reserves for the next three years would take TfN close to the minimum reserve level it should hold. He noted that as the organisation shrinks then this smaller reserve level would be appropriate.

- 4.6 Cllr Gittins enquired about the timelines with regards to potential staffing cuts, she also asked if other ways of generating income had been explored.
- 4.7 Cllr Hale and Mayor Burnham expressed concerns about similar possible future cuts to the TfN budget in future years.

In response the Chief Executive explained that he is looking to demonstrate TfN's added value and to develop a proposition to take to the Secretary of State in the autumn which will set out how TfN can build on its role as a regional centre of excellence. He explained that the business planning process would help identify such opportunities for consideration by the Board.

The Chair agreed with Mayor Burnham and explained that he wants to work with the constituent authorities in order get certainty for the next three years.

- 4.8 The Chief Executive explained that the key is to get TfN on to a sustainable footing as an organisation within the funding envelope. He also brought to Members attention the draft letter that was circulated to Members for comment prior to the meeting. He requested that should Members have any comments that these be submitted by the end of the week.

Resolved:

- 1) That the funding position for 2022/23 and the impact that that will have on TfN's ability to undertake its intended programme of activity be noted.
- 2) That the Board approves the objectives set out in paragraphs 4.3 – 4.8 of the report as the basis for business planning.
- 3) That the Board notes the process by which TfN will proceed to a business plan and budget for 2022/23, in particular the intention to adopt an Interim Budget on 30 March.
- 4) That the Board approve the cost control measures proposed to safeguard TfN reserves until such time as the objectives for 2022/23, and the Interim Budget are approved.

5. Integrated Rail Plan Update

- 5.1 Members received the report from the Interim Strategy and Programme Director who highlighted the key elements of the report.
- 5.2 Mayor Brabin raised the issue of the Manchester to Leeds line via Bradford and requested that Members continue to make the case that this should remain a key part of the Board's ambition for the North, both for connectivity and resilience purposes.
- 5.3 Mayor Burnham looked for re-assurance that the Board's long term vision remains on the table. He highlighted that the IRP had not been prepared with the benefit of an assessment by the Government as to how it relates to the levelling up 'missions' and suggested that the Board request that a levelling up assessment be made on the Board's preferred report and the IRP.
- 5.4 Mr. Rob Macintosh stated that TfN are right to keep the long-term vision of NPR alive, whilst highlighting that the IRP is also key to unlocking annualised funding of immediate budgets for various projects: TfN continues to have a key role to play in unlocking such funding. On the issue of funding mechanism he believes that TfN and the Board should continue to explore different funding mechanisms and offered Network Rails help in facilitating this.
- 5.5 Mayor Driscoll suggested starting work on those things mentioned in the IRP in order that they don't drift.
- 5.6 Mr. Mark Rawstrone raised the issue of the economic benefits and impacts and suggested focusing on the economic benefit messaging.
- 5.7 The Chair suggested that some of the issues raised by Members be included in a follow up letter to the Transport Select Committee.

Resolved:

That Board notes the contents of the report and endorse the proposed next steps outlined in Section 4.

6. Strategic Transport Plan Policy Development

- 6.1 Members received the report of the Acting Head of Policy and Strategy who highlighted the key areas of Active Travel and Multi Modal Hubs.
- 6.2 On the issue of Active Travel Members were keen that there should be a consistent approach to Active Travel across the North on the basis that this improves the proposition for users. TfN's work is therefore helpful in enabling joint working with local authorities on this issue.
- 6.3 Mayor Burnham suggested inviting Chris Boardman to a future TfN Board meeting. He was supportive of Pan Northern Schemes but highlighted the lack of joined up thinking when works take place and encourages TfN to consider how it might help improve co-ordination between organisations such as National Highways, Network Rail, canals and Rivers Trust so to improve the provision made for active travel when undertaking major investments.

The Chief Executive suggested that a future meeting of the Partnership Board could be used to explore this issue further.

Mayor Burnham further suggested that National Highways bring schemes to the Board prior to them starting in order for local knowledge to be inputted in to them.

- 6.4 On the issue of Multi Modal Hubs Mr. Mark Rawstrone suggested that the policy should provide an opportunity to focus in on the benefits of freight in a multi modal way.
- 6.5 Mayor Burnham suggested that regional modal hubs should be included.

Resolved:

That the Board agree the draft policy position statements.

7. Governance Report

- 7.1 Members received the report from the Head of Legal Services who highlighted the key points in the report.

Resolved:

- 1) That Board supports the Calendar of Meetings set out in Appendix 1 of the report.

- 2) That Board supports, subject to ratification at the next in-person Board meeting, to allow two Members on the General Purposes Committee for the Humber region, one for the north of the Humber and one for the south of the Humber in order to mirror the position on Rail North Committee, and to delegate authority to the Monitoring Officer to make the consequential changes to the Constitution and receives nominations for the remaining seats on General Purposes Committee.