

# Scrutiny Committee Minutes

**Wednesday 15 June 2022**

**Malmaison Manchester (1-3 Piccadilly, Manchester, England, M1 3AQ)**

**Present:**

<b>Attendee</b>	<b>Local Authority</b>
Cllr Paul Haslam (Chair)	North Yorkshire;
Cllr David O'Hara	Blackpool;
Cllr Rod Fletcher	Cheshire East;
Cllr Andrew Cooper	Cheshire West & Chester;
Cllr Neil Hughes	Cumbria;
Cllr Leo Hammond	East Riding of Yorkshire;
Cllr Rodger Jones	Greater Manchester Combined Authority;
Cllr Rhys Furley	Hull;
Cllr Matthew Salter	Lancashire;
Cllr Oliver Freeston	North East Lincolnshire;
Cllr Stephen Fenton	York;

**Officers in Attendance:**

<b>Name</b>	<b>Job Title</b>
Martin Tugwell	Chief Executive
Gary Rich	Democratic Services Officer
Rosemary Lyon	Legal and Democratic Services Officer
Lucy Jacques	Acting Head of Policy & Strategy
Tim Foster	Interim Strategy & Programme Director
Paul Kelly	Interim Finance Director
Manjit Dhillon	Senior Solicitor
Caroline Young	Senior Project Manager Rail North Partnership

**Item No: Item**

**1. Welcome & Apologies**

- 1.1 The Chair welcomed all in attendance and informed Members that the meeting is being streamed live. Apologies were received from Cllr Kaushik, Cllr Johnson, Cllr Wearmouth, Cllr Shorrock and Cllr Davison,

The Chair welcomed new Members Cllr Freeson, Cllr Furley and Cllr Hammond.

## **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 held on 10 March 2022 and the Consultation Call on the Freight and Logistics Strategy on 16 March 2022 were considered and their accuracy as a correct record confirmed. The minutes were proposed by Cllr Salter and seconded by Cllr Fenton.
- 3.2 Cllr Hughes stated that he had sent apologies for the meeting on the freight strategy.

### **Resolved:**

That the minutes of the meeting held on 10 March 2022 be approved as a true and accurate record and that subject to the inclusion of Cllr Hughes apologies for the consultation call on the Freight and Logistics Strategy on 16 March 2022 that these be approved as a true and accurate record.

## **4. Budget and Business Plan 2022/23**

- 4.1 Members received the budget and business planning presentation from the Chief Executive and the Finance Director who addressed the key issues within the presentation. The Chief Executive was keen to stress that this year has been unusual due to receiving the funding letter late and having to understand the implications of it. He explained that due to this the report has been brought to the Committee at a later stage than usual.
- 4.2 Cllr Hughes sought clarification on reserve levels and asked if they had been depleted following the payment of one-off costs.

The Finance Director explained that the one-off costs will be drawn from reserves. He further stated that TfN is comfortable with the current and proposed level of reserves over the next three years.

The Chief Executive added that he wants TfN to be in a position where over a three year period the organisation can maintain and remain within the agreed reserve policy allowing for sustainability over the longer term. The Chief Executive added that, based on a series of planning assumptions, there is anticipated to be a sufficient levels of reserves over the next three years. This could include factoring in any variances arising from changes to budget assumptions.

- 4.3 Cllr Salter enquired as to what last year's budget would have looked like with the responsibilities of the current financial year. /The Finance Director explained that the position last year would broadly have been the same as this year, however last year there was the ability to mitigate

some of the costs into the Northern Powerhouse Rail (NPR) programme and a higher level of reserves. He explained that the budget represents an appropriate costs base to manage the core activities.

Cllr Salter stated that he was satisfied with the approach being taken but was unsure as to the full ramifications of the loss of resources.

Referring to the funding letter, the Chief Executive explained that the letter set out a slight increase in the core funding from the previous year as well as supplying an increase to undertake any functions relating to the co-sponsor role.

He informed Members that at a recent conference of the seven Sub-national Transport Bodies (STB) the Minister Andrew Stevenson stated that the Ministerial team value the STBs contributions and they are seen as integral to helping the Government with their work.

- 4.4 Cllr Jones expressed concern with the current situation and questioned the confidence that the Government and Ministers have in TfN. He stated that the Government's actions have weakened the organisation and have centralised the decision making process and have cut Transport for the North out. He suggested that Transport for the North make MPs aware of the strategy that they have for the North and ensure that they have a high profile at the three main political party conferences in the Autumn.
- 4.5 Cllr Hughes stated that TfN needs to make the case that it is the voice of the North. He expressed concern at the NPR co-sponsorship role and the fragility of the reserves levels in the organisation. He further stated that TfN should look for some quick win projects in order to look proactive.
- 4.6 Cllr Cooper believes that the biggest challenge for TfN will be retaining staff. He stated that the biggest part of the TfN budget is used on staffing and was concerned as to whether the budget covered any potential inflationary staffing costs and the backdating of these payments once agreed.

The Finance Director stated that provision has been made for pay awards.

- 4.7 Cllr Fletcher raised the issue of the Integrated Rail Plan, and the fact that it had been costed on 2019 prices. He was concerned that there would not be enough money to cover the work needed to be done with no inflation mechanism in place. He highlighted the scrapping of Golborne Link and sought clarity as to whether the North had lost the £3 billion earmarked for that work as a result. He requested that TfN lobby Government to increase the amount of money there is available to take into account inflation.

- 4.8 Cllr Fenton asked if TfN is confident that it has the capacity to continue to tap into the requests of Local Transport Authorities.
- 4.9 The Chair raised the issue of communication and suggested that a standard communication be provided to Members to take back to their local authorities following Transport for the North Board and other TfN meetings.

The Chair then asked if Transport for North had considered in their plans the need for all Combined Authorities to have powers like Transport for London by 2030.

- 4.10 In response to the Committees questions and comments the Chief Executive explained that there had been a slight increase in the core grant and his priority is to retain the technical capability and capacity which he believes is the foundation for arguing for the need for further investment in the North. He highlighted the current recovery on rail in the North and explained that TfN have been getting the message out loudly that recovery in the North has been stronger than anywhere else./He reassured the Committee that TfN will be at the party conferences and communications will play an important role. He highlighted the work TfN does with the All-Party Parliamentary Group and supporting MPs and stated that this work will continue.

He highlighted the importance of the NPR co-sponsorship role for TfN as it ensures that the North's views are fed into the process, however as a Statutory Body Transport for the North retains the right to make TfN's formal position known.

Addressing the concerns regarding the cancellation of the Golborne Link the Chief Executive stated that he expects there to be a conversation about this at Board on 30 June. He explained that TfN should be open to looking at alternatives but only if they achieve the desired outcomes. He explained that work needs to be done together with the Board to highlight what will work in terms of alternatives.

**Resolved:**

That the presentation be noted.

**5. Strategic Transport Plan Development**

- 5.1 Members received the report and the presentation from the Acting Head of Policy and Strategy.
- 5.2 Cllr Fenton welcomed the liaison that has taken place with local authorities to date, however expressed concern that only 18 out of the 20 Local Transport Authorities had received one to one sessions and asked for confirmation that the remaining two will be engaged with.

5.3 Cllr Jones suggested that any big government priorities including air quality and pollution as well as climate be linked into everything throughout the document.

5.4 The Chair suggested that a Communications Strategy should be considered as well as requesting that a short term date be set with a suggestion of 2030.

He also highlighted the importance of engaging with the energy networks as if this doesn't take place then TfN will be unaware as to whether they are going to be able to deliver on what is being proposed.

5.5 In response to Members comments and questions the Acting Head of Policy and Strategy explained that meetings had taken place with 19 out of 22 partners and everything possible had been done to try and engage with the other three and all efforts are being made to try and engage with them.

In relation to the comments from Cllr Jones she explained that Government priorities such as Brexit, net zero, Levelling Up, climate change and the Integrated Rail Plan would all be considered. On the question relating to a short term date of 2030, she suggested that this could be something discussed with Board later in the month. She stated that a systems based approach is needed to deliver on STP2 with a wider engagement beyond transport as well as engaging other Government departments and not just the DFT.

5.6 The Interim Strategy and Programme Director explained that TfN needs to be strong on the long term vision and actions to be delivered over next 5-10 years particularly those on carbon. He also stated the need to be clear on the uncertainty being faced post covid on the recovery and the future of travel demand.

5.7 Members expressed their concerns on the scrapping of the Golborne Link. The Committee believed that TfN should have been advised about this prior to it being published on the website and requested that any consultation and discussion on alternatives be brought back to Scrutiny.

Cllr Fletcher enquired if STP2 will slow down some of the rail projects already underway to resolve the capacity issues that areas of the North are experiencing. He requested assurance that there would be no delays on proposals that are being developed. He also requested that the Committee be kept updated on projects that are about to be started in order that the Committee is aware of what is happening where and when.

5.8 Cllr Hughes stated the need for a reliable transport network in the North, and specifically highlighted the poor health of the rail network. He suggested that the Committee should be scrutinising the failing rail

system in the North and suggested that extra meetings be held in order to do so.

- 5.9 In summing up Members comments the Chair emphasised the importance of TfN communicating what is going on to Members. He also highlighted the need for the Government to inform TfN of changes to agreed plans before being put on the Website.
- 5.10 On the issue of the Golborne Link the Interim Strategy and Programme Director explained that alternatives to it have been muted and until the announcement last week it was in hybrid 2b bill. He stated that the alternatives have not yet been seen and TfN are trying to understand the development of the alternatives and the timescales for delivering them. He stated that the main priorities are to put the sponsorship arrangements in place how long term outcomes are going to be delivered.

He then highlighted the opportunities that the creation of GBR will provide by bringing together the thinking around rail infrastructure and services.

He assured the Committee that the Strategic Transport Plan will be developed alongside all the work that will be done in conjunction with the Department, Network Rail and the GBR Transition Team on making sure existing schemes are delivered and where possible accelerated as well as making the case for the next phase of investment.

- 5.11 The Chief Executive explained that the Rail North Committee have the issues that the Committee discussed on their agenda. He stated that TfN have been instrumental in advocating the need for the blueprint with the Rail North Committee championing this. He explained that there has been a lot of work going on with the Manchester Recovery Taskforce and this is being reported to the Committee. The Committee were informed of the regular communication that goes out to Rail North Committee Members.
- 5.12 The Chair requested that the fortnightly communications that are circulated to the Rail North Committee also be sent to Members of the Scrutiny Committee as well.

**Resolved:**

- 1) That the report be noted.
- 2) That the Committees comments on the proposed structure for STP2 be noted.
- 3) That the Committees comments on the principles outlined in section 4 of the report be noted.