
Meeting:	Transport for the North Board
Subject:	Governance Update
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Meeting Date:	Monday, 9 December 2024

1. Purpose of the Report:

- 1.1 To enable Board to consider and approve the recommendations of the General Purposes Committee:
- (i) Proposals to revise the membership of Rail North Committee (RNC) and General Purposes Committee (GPC);
 - (ii) Proposals to allow and appoint Substitute Members for Audit & Governance Committee (AGC);
 - (iii) Proposals to amend TfN's constitution in light of the Greater Lincolnshire devolution deal; and
 - (iv) The extension of the term of office of an Independent Member of Audit & Governance Committee.

2. Recommendations:

- 2.1 It is recommended:
- (i) That with effect from the date when the Greater Lincolnshire Combined County Authority (GLCCA), the Lancashire County Combined Authority (LCCA) and the Hull and East Yorkshire Combined Authority (HEYCA) are in place, the groupings for Rail North Committee (RNC) and General Purposes Committee (GPC) membership are abolished and each Constituent Authority and co-opted member of TfN be allocated a separate seat on RNC;
 - (ii) That from that time, each Constituent Authority of TfN be allocated a seat on GPC, and that there be one Business representative co-opted to the GPC from those co-opted on TfN Board on a non-voting basis;
 - (iii) That Board resolves that with effect from the date of the establishment of the GLCCA, North Lincolnshire Council and North East Lincolnshire Council are removed as Constituent Authorities of TfN and that the Secretary of State for Transport be advised of this resolution; and
 - (iv) That once the GLCCA is established:
 - it be co-opted as a Rail North Authority on to TfN Board; and
 - the voting shares at Rail North Committee formerly allocated to Lincolnshire County Council, North Lincolnshire Council and North East Lincolnshire Council are allocated to GLCCA.
- 2.2 It is recommended:
- (i) That substitute members for the Audit and Governance Committee be permitted;
 - (ii) That the Members in Appendix 1 be appointed as AGC Substitute members for the remainder of the municipal year; and

(iii) That the Constitution be amended accordingly.

2.3 It is recommended:

(i) That Mr Graham Bell's term of office as an Independent Member of Audit & Governance Committee be extended from 30 April 2025 until 30 September 2027.

3. Rail North and General Purposes Committee Memberships

3.1 On 30 October 2024, GPC considered a report relating to the future proposed membership of RNC and GPC.

3.2 Before TfN's establishment as a statutory body in April 2018, Rail North Limited (a limited company), was set up by the local transport authorities in the North and parts of the Midlands. The functions undertaken by the company were subsumed into TfN on its establishment and are overseen by the RNC on behalf of the Board. RNC's membership composition was established according to Rail North Limited's regional grouping matrix. This was adopted to ensure that the number of RNC representatives was manageable whilst at the same time providing all constituent authorities with some form of representation. It was based on geography, each group containing one or more of TfN's Constituent Authorities (voting) and the (then) six former Rail North Authorities, who were co-opted (non-voting) onto the TfN Board.

3.3 The associated voting matrix allocates each authority a number of votes based on the passenger miles in their area: the vote held by each group is the sum of the votes held by the Authorities in that group. This ensures that each authority holds an appropriate voting power, if a vote was required. More recently, and on a temporary basis, the "Humber" grouping was divided into "North of Humber" and "South of Humber" (creating a total of 12 groups) until the groupings as a whole could be considered in more detail.

3.4 When the GPC was established, its membership template followed that used for RNC, including the use of the regional groups. Membership of the GPC does not include the 'Rail North Authorities' (which had no relevance for GPC matters) but it has included a LEP representative to reflect the role of the business community on the TfN Board.

3.5 Following changes to LEP arrangements in Spring 2024, the TfN Board has co-opted members from each of the former LEP areas to sit alongside the Political leaders. The Terms of Reference for the GPC state its membership will include "one Member and one Substitute Member to be appointed by the LEP Co-opted Members on the Board". Discussions at GPC have benefited from having a business representative in the past and it is therefore proposed that this arrangement be continued with the business representative coming from the co-opted business representatives on the TfN Board.

3.6 Since 2018, changes to TfN membership arising from the devolution deals at the local and city region level have led to a reduction in the number of Constituent Authorities. As a consequence of those changes there are currently only three RNC groups remaining which contain more than one member, those being:

"Lakeland"

- Blackburn with Darwen
- Blackpool Council
- Cumberland Council
- Westmorland and Furness Council

- Lancashire County Council

“Potteries”

- Cheshire East Council
- Cheshire West and Chester Council
- Staffordshire County Council
- Stoke on Trent City Council
- Warrington Borough Council

“East Midlands”

- Derbyshire County Council
- Lincolnshire County Council
- Nottinghamshire County Council
- Nottingham City Council

It should be noted that the “Potteries” and “East Midlands” groups contain a mix of TfN Constituent Authorities and (co-opted) Rail North Authorities.

3.7 A report presented to the TfN Board in March 2024 noted further changes to the list of authorities because of devolution deals, specifically:

- The East Midlands Combined Authority has taken on the role of local transport authority from Derbyshire County Council, Nottinghamshire County Council, and Nottingham City Council
- The Greater Lincolnshire County Combined Authority (GLCCA) is expected to take on the role of local transport authority from North East Lincolnshire Council, North Lincolnshire Council and Lincolnshire County Council
- The Lancashire Combined County Authority (LCCA) is expected to be formed from May 2025 and will become a TfN member in place of Blackburn with Darwen, Blackpool Council and Lancashire County Council
- The Hull and East Yorkshire Combined Authority (HEYCA) is expected to be formed from May 2025 and will become a TfN member in place of Hull City Council and East Riding of York Council.

3.8 The practical implications of the devolution deals either already in place or scheduled to be put in place is to reduce the number of Constituent Authorities from May 2025 to fourteen as follows:

- Cheshire East Council
- Cheshire West and Chester Council
- Cumberland Council
- Hull and East Yorkshire Combined Authority
- Greater Manchester Mayoral Combined Authority
- Lancashire Combined County Authority
- Liverpool City Region Combined Authority
- North East Mayoral Combined Authority
- South Yorkshire Mayoral Combined Authority
- Tees Valley Combined Authority
- Warrington Borough Council
- Westmorland and Furness Council
- West Yorkshire Combined Authority
- York and North Yorkshire Combined Authority

- 3.9 It is a requirement under the Rail North Agreement for authorities served by either Northern or TPE to be represented on TfN. This is realised through the TfN Board co-opting what are referred to as 'Rail North Authorities'. On this basis the emerging GLCCA needs to be considered as a Rail North Authority by TfN. In accordance with TfN's constitution the GLCCA would be co-opted on to the TfN Board when the new authority comes into being and that during any shadow period a representative be invited to TfN Board meetings as an observer.
- 3.10 The overall consequence of the devolution deals, and subject to the Board's confirmation, is that there will be four 'Rail North Authorities' on the TfN Board as follows:
- East Midlands Mayoral Combined Authority
 - Greater Lincolnshire Combined Authority
 - Staffordshire County Council
 - Stoke on Trent City Council
- 3.11 With the reduction in the number of TfN Constituent Authorities (due to devolution deals) the reason for adopting the regional grouping matrix (to manage numbers attending meetings of the RNC and GPC) disappears. Rather it is more appropriate moving forward that each Constituent Authority of TfN is entitled to nominate a representative for both RNC and GPC.

4. Audit & Governance Committee Membership

- 4.1 On 30 October 2024, following a request from the TfN Board, GPC considered what recommendations to make in respect of how the role of substitute members for the AGC might operate, as well as any recommendations as to the appointment of such members for the remainder of the municipal year.
- 4.2 The Constitution provides for Constituent Authorities to nominate substitute elected members who may attend meetings in the absence of the nominated member; however, so far this does not apply to the AGC. Its Membership is comprised of 4 non-elected Independent Members (appointed by Board on the basis of relevant skills following an interview process) and 6 Elected Members appointed by Board from across TfN's Constituent Authorities, including those authorities which in turn form the Combined Authorities. The Constitution also stipulates that an Elected Member cannot be appointed to the AGC if they are a TfN Scrutiny Committee member.
- 4.3 In accordance with our established ways of working, following the May elections the TfN executive sought Elected Member nominations from Constituent Authorities for vacant elected member seats. Two nominees had been Members of the Committee in the preceding municipal year, and they were reappointed for the current year to provide continuity.
- 4.4 A further nine nominees were received for the remaining four vacant seats on the Committee. In making the appointment recommendations to TfN Board, the TfN executive considered the importance of seeking a geographically diverse representation on the Committee. The level of interest in the work of the AGC is particularly pleasing given the key role it plays as part of the TfN governance. Accordingly, GPC considered whether there are opportunities to enable those nominees not appointed to be involved in the work of the AGC in some form.
- 4.4 Appointment to the AGC is on the basis of skills and interest, rather than as a requirement on each Constituent Authority to nominate a representative.

- 4.5 After due consideration, the GPC agreed to recommend to the TfN Board that substitute members be permitted for AGC and the constitution amended accordingly.
- 4.6 It is further recommended that there be six Substitute Elected Member positions associated with AGC. These would be drawn from Members or Substitute Members of the TfN Board (not the Chair, or either Vice Chair) or Elected Members of authorities which comprise the Constituent Authorities (other than TfN Scrutiny Members). Officers will seek to encourage Substitute Members from different geographical locations within the TfN boundary. Based on the nominations received at the start of the current municipal year, the GPC recommends that the five members listed in Appendix 1 are appointed as substitutes for AGC.
- 4.7 If the Board is minded to accept these recommendations, it is necessary to consider how main Members would approach nominating a substitute if they were unavailable for a particular meeting. TfN is not subject to political balance rules, so there is no restriction for that reason, and given the nature of the work of AGC, political issues should not be relevant to Members' choices of a potential substitute. It is therefore proposed that main Members, having been provided with a list of Substitute Members, be invited to appoint their substitute adopting a rota system, based on alphabetical order of last names, moving to the next substitute on the list.

5. Independent Member of Audit & Governance Committee Term of Office

- 5.1 AGC forms a vital and integral part of TfN's governance structure and performs an important role, providing an independent, high-level focus on the audit, assurance and reporting framework underpinning financial management and governance arrangements. Its purpose is to provide independent review and assurance to Members on governance, risk management and control frameworks. It oversees financial reporting, the Annual Governance Statement process and internal and external audit, to ensure efficient and effective assurance arrangements are in place.
- 5.2 In addition to six elected members, the Committee membership includes 4 Independent Members appointed by the TfN Board following an open selection process. In December 2023, when Mr Stuart Green was appointed with effect from September 2024 and the terms of office of Mr Graham Bell and Mr Kevin Brady were extended, all four seats were filled. The term of office of Mr Graham Bell, who is also the independent Chair of the Committee, was extended until 30 April 2025. Since then, the term of Mr Kevin Brady, who served for six years until 31 March 2024, has come to an end, and Mrs Jo Reed has also tendered her resignation, and her term of office has ended. There is currently one vacancy, and arrangements to advertise for that role will be taken forward, and a recommendation made to Board in due course.
- 5.3 Meantime, Mr Bell has indicated that he would be willing and able fulfil his term of office until 30 September 2027 if required. If agreed, that would mean that he would have served two concurrent terms of three years, totalling 6 years, as was the case with Mr Brady. Given the current vacancy and the desirability of ensuring a balance between experience and the introduce new membership from time to time, and the need to allow time for a future transition of the Chair role, it is recommended that Mr Bell's term of office be extended to 30 September 2027.

6. Corporate Considerations

Financial Implications

- 6.1 Financial Implications are contained within the report

Resource Implications

6.2 There are no resourcing implications to TfN as result of the recommendations within this report.

Legal Implications

6.3 Legal implications are contained within the report.

Risk Management and Key Issues

6.4 TfN manages a corporate risk in relation to compliance with good practice, governance and corporate processes across the organisation.

Environmental Implications

6.5 There are no environmental implications from this report.

Equality and Diversity

6.6 Equality and Diversity implications are contained within the report.

Consultation

6.7 General Purposes Committee has considered these matters and made recommendations.

7. Background Papers

7.1 None.

8. Appendices

8.1 Appendix 1 – Members appointed as Substitute Members of A&G Committee.

Glossary of terms, abbreviations and acronyms used (*if applicable*)

AGC	Audit & Governance Committee
GLCCA	Greater Lincolnshire County Combined Authority
GPC	General Purposes Committee
HEYCA	Hull and East Yorkshire Combined Authority
LCCA	Lancashire County Combined Authority
LEP	Local Enterprise Partnership
RNC	Rail North Committee
TfN	Transport for the North

Appendix 1 – Members appointed as Substitute Members of A&G Committee

CLr David Leech	South Yorkshire Mayoral Combined Authority
CLr Phillip Lofts	South Yorkshire Mayoral Combined Authority
CLr Ian Pearson	South Yorkshire Mayoral Combined Authority
CLr Ken Richardson	South Yorkshire Mayoral Combined Authority
CLr Jean Flaherty	Warrington