

Transport for the North Scrutiny Committee Meeting – Item 5

Subject: Corporate Governance Review and Review of the Scrutiny Function

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Sponsor: Julie Openshaw

Meeting Date: Thursday 15 April 2021

1. Purpose of the Report:

- 1.1 a. To review the draft Annual Governance Statement and recommend it for approval
- 1.1 b. To review the operation of the Scrutiny Function since the Inaugural Meeting in April 2018.

2. Executive Summary:

- 2.1 Under Regulation 6(1) of the Accounts and Audit Regulations 2015 Transport for the North is required to carry out an annual review of the effectiveness of its system of internal controls and to publish a report of the review in its Annual Governance Statement
- 2.2 In the Annual Governance Statement for 2018/19 an action was included in the action plan for 2019/20 to develop the Scrutiny Function. This action has been carried forward to the current financial year and this report looks at the way in which Scrutiny has developed over the last three years and seeks Scrutiny Committee's views on how the function should be developed going forward.

3 Annual Governance Review

- 3.1 Under the provisions of the Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 Transport for the North is required to carry out an annual review of the effectiveness of its internal systems of control and to publish a report of that review. This report, the Annual Governance Statement must be published before the beginning of June

in each year along with the Statement of Accounts and Narrative Statement.

- 3.2 In carrying out this annual review we have reviewed Transport for the North's operations during the current year against the seven principles set out by CIPFA in its guidance "Delivering Good Governance":

A Behaving with integrity, demonstrating strong commitment to ethical values and respect for the rule of law

B Ensuring openness and comprehensive stakeholder engagement

C Defining outcomes in terms of sustainable economic, social and environmental benefits

D Determining the interventions necessary to optimise the achievement of the intended outcomes

E Developing the organisation's capacity including the capacity of its leaders and the individuals within it

F Managing risks and performance through robust internal control and strong public financial management

G Implementing good practices in transparency, reporting and audit to deliver effective accountability

The draft Annual Governance Statement is attached at Appendix 1 for review.

4 Scrutiny Review

- 4.1 One of the governance actions for 2021/22 identified in the Annual Governance Statement is a review of the Scrutiny Function with particular emphasis on the principle of "Scrutiny First".
- 4.2 At the meeting of the Transport for the North Shadow Board held in February 2018 before Transport for the North gained statutory status it was decided that Transport for the North should adopt a policy of "Scrutiny First" meaning that proposals would be considered by the Scrutiny Committee before they were decided by the Board so that the Scrutiny Committee would have an opportunity of influencing the decision of the Board before it was taken rather than only having the opportunity of considering a decision after it had been taken, with no power to call decisions in. The Transport for the North Regulations and Constitution do not include a power for Scrutiny Committee to Call In decisions of the Board. The "Scrutiny First" principle has been included

in the TfN Constitution so any alteration to this would require an amendment of the Constitution by the TfN Board. The Terms of Reference of the Scrutiny Committee are set out in Appendix 2 for reference.

- 4.3 It is now appropriate for the Scrutiny Committee to review the Scrutiny First policy and to consider how well it has worked and whether the Committee wishes to recommend to the Board any amendments to the policy particularly in relation to the types of decisions which are referred for Scrutiny First.
- 4.4 The Scrutiny First principle has ensured that the Scrutiny Committee has an opportunity to comment on and inform every decision being taken by the Transport for the North Board but it has meant that the Agenda of the Scrutiny Committee has been to a large extent determined by the decisions being taken to the Board rather than the Committee developing its own work programme.
- 4.5 The Scrutiny Committee has also called for special reports to be presented to it including in respect of climate change and decarbonisation, freight and the Assurance Framework.

5 Scrutiny Panels

- 5.1 The Constitution makes provision for the Scrutiny Committee to set up Scrutiny Panels to explore particular issues of interest to the Committee but so far, the Committee has not done so. Meetings of Scrutiny Panels could be less formal than meetings of the Scrutiny Committee and could continue to be held virtually even after the current relaxation is ended and the legal requirement for attendance at Committee Meetings to be in person is reinstated.
- 5.2 The Constitution enables the Scrutiny Committee to invite anyone it chooses to attend its meetings. This means that if the Committee was carrying out an in-depth review of a particular topic it could invite an independent expert to attend its meeting to provide evidence. It is also a forum at which members of the public are allowed to speak subject to the agreement of the Committee Chair and the giving of advance notice. Previously representatives of Environmental Groups have been invited to address the Committee particularly in relation to the preparation of the Strategic Transport Plan.
- 5.3 It is appropriate for the Committee to consider as part of this review whether there are particular issues which it wishes to explore in more depth in order to make detailed recommendations to the Board. Unlike many Local Authorities Transport for the North does not have any

dedicated Scrutiny Officers but the Committee has been assisted at its meetings by senior officers from relevant programme teams and it is anticipated that this will continue to be the case.

- 5.4 Following this meeting it is proposed that a consultation exercise will be carried out to gather Members detailed views of how the Scrutiny function should be developed going forward.

6. Recommendation:

- 6.1 That the Annual Governance Statement be received and recommended for approval

That the report on the Scrutiny function be received and a that a consultation of members be undertaken, and a report brought back to a future meeting.

7 Appendices:

1. Annual Governance Statement
2. Terms of Reference of the Scrutiny Committee

List of Background Documents:

Constitution

Required Considerations

Equalities:

Age	No
Disability	No
Gender Reassignment	No
Pregnancy and Maternity	No
Race	No
Religion or Belief	No
Marriage and Civil Partnership	No
Sex	No
Sexual Orientation	No

Consideration	Comment	Responsible Officer	Director
Equalities	A full impact assessment has not been carried out because the report does not propose any new strategy or service provision	Deborah Dimock	Julie Openshaw

Environment and Sustainability

Yes	No
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Consideration	Comment	Responsible Officer	Director
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Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out because the report does not propose any new strategy or service provision	Deborah Dimock	Julie Openshaw
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Legal

Yes

Consideration	Comment	Responsible Officer	Director
Legal	The legal implications have been considered and are included in the report.	Deborah Dimock	Julie Openshaw

Finance

No

Consideration	Comment	Responsible Officer	Director
Finance	TfN Finance Team has confirmed there are no new financial implications.	Paul Kelly	Iain Craven

Resource

No

Consideration	Comment	Responsible Officer	Director
Resource	TfN HR Team has confirmed there are no	Stephen Hipwell	Dawn Maden

	new resource implications.		
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Risk

No

Consideration	Comment	Responsible Officer	Director
Risk	There are no new risks identified as a result of this report.	Haddy Njie	Iain Craven

Consultation

Yes

Consideration	Comment	Responsible Officer	Director
Consultation	No consultation has been carried since no new policies are being proposed.	Deborah Dimock	Julie Openshaw