
Meeting: Transport for the North Board
Subject: TfN Appointments
Author: Stephen Hipwell, Head of Human Resources
Sponsor: Dawn Madin, Director of Business Capabilities
Meeting Date: Tuesday, 25 January 2022

1. Purpose of the Report:

1.1 The purpose of this report is for Members to consider and resolve upon the appointments of a Chair for the Transport for the North (TfN) Partnership Board & TfN Board and Interim Finance Director.

2. Recommendations:

2.1 That the Board:

1. **Approves** the appointment of Lord McLoughlin, the Appointment Panel's recommended candidate, as the Chair of the TfN Partnership Board from 26 January 2022;
2. **Notes** that in approving this candidate, Lord McLoughlin is by operation of the Sub-national Transport Body (Transport for the North) Regulations 2018 co-opted to the TfN Board;
3. **Approves** the appointment of Lord McLoughlin, the Appointment Panel's recommended candidate, as Chair of the TfN Board from 26 January 2022;
4. **Notes** the formal start date for the Chair and support to be provided by TfN officers;
5. Approves that the Vice Chairs with the support of TfN's CEO agree Lord McLoughlin's probationary objectives and monitor performance;
6. **Approves** the appointment of Paul Kelly, as Interim Finance Director (S151 Officer) from 17 March 2022.

3. Appointments of the Chair of the TfN Board & Partnership Board:

3.1 At its September 2021 meeting, the TfN Board approved the process for recruiting an Independent Chair for the TfN Board and TfN Partnership Board, establishing an Appointment Panel to lead the process.

3.2 Membership of the Appointment Panel was as follows:

- Councillor Louise Gittins – Chair of the Appointment Panel
- Councillor Heather Scott
- Councillor Daren Hale
- Councillor Craig Browne
- Peter Kennan, SCR LEP
- Ben Smith - DfT Representative – Observer Capacity
- Martin Tugwell - TfN Chief Executive – Observer Capacity

3.3 The Board also made several key decisions in September, namely, that there should be the same Chair for both Boards, approval of the role profile and approval to amend the TfN Constitution to remove restrictions on candidates.

3.4 As was noted in the progress reported to the November 2021 TfN Board meeting, following completion of the first stage selection process, the Appointment Panel

identified two closely matched candidates which they wished to take through to a second stage selection process that included:

- Candidate meetings with the CEO to discuss how the role of Chair/CEO work effectively together;
- Second stage panel interview focusing on the implications of the Integrated Rail Plan (IRP) and each candidate's approach to this.

3.5 Having completed this second interview stage, given the importance of this role, the Appointment Panel wished to give elected Board Members and their preferred candidate at that stage, the opportunity of an informal discussion chaired by Cllr Louise Gittins (Chair of the Appointment Panel) before the Appointment Panel reached a final decision. The following TfN Board members attended the informal session:

- Mayor Tracy Brabin
- Mayor Jamie Driscoll
- Councillor Martin Gannon
- Councillor Daren Hale
- Mayor Dan Jarvis
- Councillor Carl Les
- Councillor Heather Scott
- Councillor David Tucker

3.6 **The Preferred Candidate:**

Having now completed all stages of the process, the Appointment Panel has identified Lord McLoughlin as its preferred candidate. The Panel is therefore recommending that the TfN Board approves a formal offer to this candidate.

3.7 Lord McLoughlin is a Life Peer of the House of Lords and a former Secretary of State for Transport. His tenure included government investment in rail including electrification of the Great Western Main Line and the Northern Powerhouse Rail. He is the Chair of Airlines UK and a Board advisor to XRail.

3.8 As set out in Paragraph 38.3 of the Constitution, all non-elected members co-opted to the Transport for the North Board as a co-opted member are expected to abide by the Code of Conduct for Board Members of Public Bodies published by the Cabinet Office and reproduced at Appendix 12 of the Constitution. The recommended candidate has confirmed his belief that he is able to comply with that Code and his other known current or past roles disclosed upon application do not at this stage give rise to any reasonable concern in respect of such compliance; all non-elected members have an obligation to keep their ability to comply under review. The Independent Chair's duties and obligations to TfN are set out within a contract for services with TfN.

3.9 All other required pre-engagement checks including receipt of satisfactory references and right to work in the UK have been completed.

3.10 **Appointment to TfN Board and TfN Partnership:**

The Sub-national Transport Body (Transport for the North) Regulations 2018 provide that whoever is appointed as Chair of the Partnership Board will become a co-opted member of the TfN Board without formal co-option by the Board and so becoming eligible to Chair the TfN Board.

3.11 Given the previous Board decision re-stating the wish for the same person to chair both Boards, the Board is asked to first appoint the Chair of the TfN Partnership Board, consequently triggering the automatic co-option of the candidate onto the TfN Board.

- 3.12 TfN's Constitution provides that Board will endeavour to reach decisions by consensus. However, if a formal decision is required, voting is on the basis of a weighted vote as set out in the matrix in the Constitution. Approval of both the Chair of the TfN Partnership Board and Chair of the TfN Board position is undertaken by vote. Both are decided on the basis of a simple majority of members who together hold more than 50% of the population weighted vote.
- 3.13 It is proposed that the new Chair of the TfN Board & Partnership Board will take up this appointment from 26 January 2022. He will be supported by a formal handover with the current Interim Chair, Cllr Louise Gittins, alongside completing a thorough induction process, which will include early engagement with all Board Members and several Constitution/governance sessions led by the TfN Monitoring Officer.
- 3.14 As previously agreed, the contract for service for this role will be for an initial period of up to four years, with three months' notice on either side. This post is accountable to the TfN Board, it is suggested that performance monitoring is via the Vice Chairs.
- Continuation of the appointment will be contingent on the continued satisfactory performance of the post holder and re-election on an annual basis as Chair of TfN Board & Partnership Board in accordance with the rules set out within TfN's Constitution. In this case the next vote will take place in Annual General Meeting of the Board scheduled for July 2022. It is proposed that the Vice Chairs with support from TfN's CEO, set Lord McLoughlin probationary objectives and monitor performance.
- 3.15 **Appointment of Interim Finance Director (S151 Officer)**
- The current TfN Finance Director (S151 Officer) has recently tendered his resignation and will officially leave TfN on 16 March 2022 (his last working day being 25 February 2022).
- 3.16 In light of the recent budget settlement, IRP announcement and on-going business planning activities, it is recommended that interim cover arrangements are put in place at this time. This will ensure TfN has sufficient time to consider and determine the long-term future requirements from this role, before going out to market for a permanent replacement.
- 3.17 In the meantime, it is recommended that TfN's existing Financial Controller (Deputy S151 Officer), Paul Kelly, be appointed to act-up into the role of Interim Finance Director with effect from 17 March 2022, initially for a period of six months, or until such time a new permanent Finance Director is appointed and commences employment with TfN. This recommendation is presented to Board because the designation of the Finance Director is one of the functions reserved to Board.
- 3.18 A full and documented handover will be completed between Finance Director and Financial Controller during February 2022 a copy will also be held by the TfN HR team to ensure a seamless transfer of responsibilities ahead of the departure of the current Finance Director. A backfill for the role Financial Controller will also be put in place for the duration of this acting-up arrangement.
- 3.19 TfN's Stakeholder Engagement and Communications Team will implement an internal and external communication plan to proactively promote both these appointments.

4. Corporate Considerations:

4.1 Financial Implications

The TfN Chair will receive an annual salary of up to £60,000 per annum based on working up to 60 days per annum.

The costs associated with covering the role of Finance Director will be met from the existing TfN revenue budget.

4.2 Resource Implications

The resource implications have been considered and addressed within the report.

4.3 Legal Implications

The legal implications have been considered and are addressed within the report.

4.4 Risk Management and Key Issues

The risk management and key issues have been considered and addressed within the report.

4.5 Environmental Implications

No environmental, decarbonisation or sustainability implications envisaged as a result of recommendations.

4.6 Equality and Diversity

There are no equality and diversity implications as a result of this report.

4.7 Consultations

There was no Consultation required.

5. Background Papers

5.1 There are no background papers.