

**Meeting:** Transport for the North Board  
**Subject:** Governance Report  
**Author:** Julie Openshaw, Head of Legal  
**Sponsor:** Martin Tugwell, Chief Executive  
**Meeting Date:** Thursday, 14 December 2023

**1. Purpose of the Report:**

- 1.1 To extend the term of office of two Independent Members of Audit and Governance Committee in order to allow an appropriate transition period between existing and new members.
- 1.2 To recommend that Board appoints Stuart Green as an Independent Member of Audit and Governance committee with effect from 1 October 2024.

**2. Recommendations:**

- 2.1 That Kevin Brady's term of office as an Independent Member of Audit and Governance Committee be extended from 31 March 2024 until 30 September 2024.
- 2.2 That Graham Bell's term of office as an Independent Member of Audit and Governance Committee be extended from September 2021 until 30 April 2025.
- 2.3 That Board appoints Stuart Green as an Independent Member of Audit and Governance Committee with effect from 1 October 2024.

**3. Audit and Governance Committee Membership**

- 3.1 Audit and Governance Committee forms a vital and integral part of Transport for the North'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.
- 3.2 This Board has increased the number of Members of the Committee to 6 elected members and 4 Independent Members, to ensure quoracy issues are minimised. Five of the elected member positions are currently filled.
- 3.3 Board's appointment of two new Independent Members at its September 2023 meeting, such that all four Independent seats are now filled, means that there are two new members, and two who have developed experience of undertaking the role for TfN. Mr Graham Bell, appointed in September 2021 and current Chair of the Committee, is in his first three-year term of appointment which is due to expire in September 2024, and Mr Kevin Brady, who was appointed in 2018 when TfN first became a statutory body, is serving his second three-year term, due to end on 31 March 2024.
- 3.4 Board has previously noted that it would be beneficial to seek to develop a position resulting in a more cyclical beginning and end point for Independent Members' appointments, which had not been the case when the original three members were appointed in 2018. Since then, start and end dates have become more distributed across months and years. Given the independent nature of the

role, it is necessary to balance the need for experience with the need to have “new blood” joining the committee from time to time.

- 3.5 During the national recruitment process carried out earlier this year to find the two candidates appointed in September, interviewees were asked whether, if they were not in the top two selections, yet found to be appointable, they would be willing to be reapproached if another vacancy occurred within the following year, with a view to reducing the need for a further resource intensive process within a short time. Candidates confirmed that they would, and accordingly the scores have been revisited, and those with the next highest scores contacted to check ongoing interest in the role. Mr Stuart Green has confirmed he would still wish to take on the role, and accordingly it is recommended that he is appointed for a three-year term commencing on 1 October 2024. His summarised CV is appended at Appendix 1. Independent Members are normally appointed for a period of 3 years (which can be reviewed and extended at the end of the term) and it is recommended that he be appointed for this initial period.
- 3.6 Mr Brady has confirmed that in order to allow an appropriate transition period providing experience whilst the newer members to become accustomed to their roles, he would be willing to serve a further 6 months in the role. It is therefore recommended that Mr Brady’s term of office be extended until 30 September 2024.
- 3.7 Mr Bell, the current Chairman, has indicated that he had initially anticipated being a member of the Committee until April 2025, and has confirmed that he would be able and willing to fulfil the role until then. Extending his tenure until then would also enable a balance between experience and newer independent members and allow time to plan for transition of the Chairship. It is therefore recommended that Mr Bell’s term of office be extended until 30 April 2025.

#### **4. Corporate Considerations:**

##### ***Financial Implications***

- 4.1 Payments to Independent Members are provided for within Transport for the North’s budget.

##### ***Resource Implications***

- 4.2 Independent Members are paid a fee of £250 for each meeting attended.

##### ***Legal Implications***

- 4.3 Legal implications are included within the report.

##### ***Risk Management and Key Issues***

- 4.4 Ensuring that the seats on Audit and Governance Committee are filled mitigates the risk of Transport for the North being unable to fulfil its constitutional and legal obligations and supports a wide range of debate enabling robust and carefully considered governance arrangements.

##### ***Environmental Implications***

- 4.5 None.

##### ***Equality and Diversity***

- 4.6 The recruitment process has been carried out in accordance with Transport for the North policies which reflect legislative provisions.

##### ***Consultations***

- 4.7 Following the recruitment process, General Purposes Committee has agreed to recommend the two candidates.

**5. Background Papers:**

5.1 None.

**6. Appendices:**

6.1 Summarised CV of Stuart Green.

<b>Glossary of terms, abbreviations and acronyms used</b>
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LEP – Local Enterprise Partnership
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