

**North Yorkshire County Council**

**EXECUTIVE**

25 July 2017

**Transport for the North Governance**

**Report of the Corporate Director – Business and Environmental Services and  
Assistant Chief Executive – Legal and Democratic Services**

**Appendix 5 to this report contains confidential information of the description in  
Regulation 2 of the Local Authorities (Executive Arrangements) (Meetings and  
Access to Information) (England) Regulations 2012**

<b>1.0</b>	<b>Purpose of Report</b>
1.1	To seek the Executive's authorisation to become a 'constituent authority' of Transport for the North (TfN).

**2.0 Background**

- 2.1 Members will be aware that the County Council has been engaged for some time in developing proposals for TfN to move from an informal partnership arrangement to become the first statutory 'Sub-national Transport Body' (STB).
- 2.2 At the meeting of the Executive on 26 July 2016 Members agreed the following:
- i) The Executive agree to the submission to Government of the draft proposal for TfN to become a Sub-national Transport Body.
  - ii) The Executive inform Transport for the North of its requirements for full and final agreements and further clarification as set out in 4.1 above prior to any final and binding agreement to become a constituent authority of Transport for the North.
  - iii) The Corporate Director of Business and Environmental Services be instructed to engage with Transport for the North to seek the agreements and clarification as set out in ii) above.
- 2.3 The Corporate Director of Business and Environmental Services subsequently wrote to TfN informing them of this decision and seeking the required clarification. A copy of the letter can be seen at Appendix 1 to this report. Members will note that this letter was sent on behalf of all three Local Transport Authorities in the York, North Yorkshire and East Riding Local Enterprise Partnership area. The County Council continues to work with the City of York and East Riding of Yorkshire Councils on this matter however all decisions on future membership of TfN remain a matter for each individual council.
- 2.4 Since the sending of this letter the County Council has continued to engage with TfN with regards to Governance (and other matters). On 15 May 2017 the

County Council finally received a letter of response from TfN. This can be seen in Appendix 2.

- 2.5 After careful review and discussion with TfN it is the view of Officers that the response of 15 May 2017 provides satisfactory answers to the County Council's initial queries and as such the further clarification we initially sought in July 2016 has been satisfied.

### **3.0 Proposal for TfN to become an STB**

- 3.1 Since the submission of the draft proposals to become a STB TfN have been engaged with Government to further develop the proposals. These have now developed to a point where TfN and Government have established a draft of the 'Regulations' required for TfN to formally become a STB with a provisional start date of 1 April 2018.
- 3.2 The Department for Transport has made clear that the draft regulations should be regarded as a 'working draft' and have indicated that these should not be published at this time. They are therefore included in this report as a confidential Appendix (Appendix 5). Officers from Business and Environmental Services and Legal and Democratic Services have scrutinised the draft regulations and will continue to do as and when future drafts are available.
- 3.3 In order to assist potential constituent authorities in the decision TfN have provided a sample report, which includes a summary of the purpose of TfN and the details of the proposals. This is attached for information at Appendix 3 to this report.
- 3.4 Members should note that, as set out in sections 6.10, 6.11, 6.18 and 6.19 of Appendix 3, one of the proposals is that Rail North will become part of TfN rather than a separate organisation. As the County Council are members of Rail North Officers have considered the proposals in detail and agree with the principle that Rail North should become part of TfN and the suggested way forward for enabling this to happen.
- 3.5 Members will also note that the TfN sample report makes reference in section 6 to the Constitution of TfN. Whilst this will not be formally adopted by TfN until their first meeting Officers are already working with TfN to help further develop this Constitution. Most of the issues identified to date are matters of detail rather than fundamental to the role of TfN. However, as Members will be aware the purpose of TfN is to consider transport and connectivity at a 'Pan Northern' scale, in essence considering large-scale interventions that would have benefits across the whole or significant parts of The North. At the present time the details of the current draft constitution do not sufficiently make a distinction between this Pan Northern role and 'Local' transport which is properly the responsibility of Local Transport Authorities, in the case of North Yorkshire the County Council. This could potentially lead to confusion for Members and Officers of TfN and its constituent authorities as well as for the public and could potentially lead to duplication of work and some conflicting views. In ongoing discussion with TfN they have clarified that they recognise this issue and that it is not their intention to become involved in local transport matters. Officers will therefore continue

discussions with TfN to ensure that the final constitution presented to the first meeting of TfN clearly differentiates between the Pan Northern remit of TfN and the Local remit of Local Transport Authorities.

- 3.6 At this stage it is the view of Officers that the draft Regulations provided are consistent with our previous engagement and as such present no impedance to the County Council agreeing to become a 'constituent authority' of TfN as and when it becomes a STB.

#### **4.0 Financial Implications**

- 4.1 At this stage the only significant financial implication of the recommendations of this report are that the County Council contribution towards the costs of Rail North (currently £1300 p.a.) will now be payable to TfN.
- 4.2 In the longer term should Government funding for TfN be removed or reduced there is the potential for TfN to seek a financial contribution from the County Council. As any statutory contribution would require a unanimous decision of the TfN members there is in effect the ability to 'opt out' of a contribution. Notwithstanding this, should any request be made to the County Council in future careful consideration will need to be made of the benefits of such a contribution to North Yorkshire and the wider North in proportion to the size of the contribution requested.
- 4.3 Whilst the funding mechanism for schemes identified by TfN as high priorities has yet to be agreed by Government there is the potential in future for additional investment in transport infrastructure in North Yorkshire either directly by TfN or through the provision of funding to the County Council. This is to be welcomed.

#### **5.0 Equalities Implications**

- 5.1 Consideration has been given to the potential for any adverse equalities impacts arising from the recommendations of this report. It is the view of officers that the recommendations included in this report do not have an adverse impact on any of the protected characteristics identified in the Equalities Act 2010. A copy of the equality impact assessment screening form is attached as Appendix 4.

#### **6.0 Legal Implications**

- 6.1 This report seeks authority to enable Transport for the North to become a Sub-national Transport Body under section 102E of the Local Transport Act 2008. In order to do this, the Secretary of State has to pass the necessary Regulations and, the SoS has now formally responded to say that he is minded to make regulations to create TfN as the first Sub-National Transport Body with the following functions:

- (a) The preparation of a Northern Transport Strategy;
- (b) The provision of advice on the North's priorities, as a Statutory Partner in the Department's investment processes

(c) The coordination of regional transport activities (such as smart ticketing) and the co-management of the TransPennine Express and North Rail franchises through the acquisition of Rail North Ltd.

6.2 A complete list of powers and functions that are expected to be granted to TfN through the regulations is listed in Paragraph 6.5 of Appendix 3. It is expected that, subject to all authorities' consent, the drafting of the regulations will be concluded by August 2017. The Regulations are not subject to public consultation as this is a parliamentary process lead by the Secretary of State who will formally ask each constituent authority to sign up to the Regulations to make TfN a Statutory Transport Body.

6.3 Therefore it is anticipated that the Secretary of State will write to each of the Constituent Authorities requesting formal consent to the making of the Regulations and once the Regulations are made, TfN will have its first formal meeting as a Sub-National Transport Body and will formally be asked to approve the Constitution.

## **7.0 Recommendations**

7.1 It is recommended that the Executive:

- i) Formally consent in principle to:
  - a) the making by the Secretary of State of Regulations under section 102E of the Local Transport Act 2008 to establish Transport for the North as a Sub-National Transport Body.
  - b) The transfer of Rail North Limited to TfN so that it can be subsumed within TfN
  - c) The signing of a new Rail Franchise Management Agreement with TfN replicating as far as possible the current Rail North Limited Members Agreement
  - d) Continuation of the payment of the current funding for Rail North Limited to TfN after its inauguration.
- ii) Authorise the Chief Executive in consultation with the Corporate Director of Business and Environmental Services and Assistant Chief Executive – Legal and Democratic Services to confirm the above consent in principle following publication of the final Regulations.

DAVID BOWE, Corporate Director Business and Environmental Services  
BARRY KHAN, Assistant Chief Executive Legal and Democratic Services

Author of report: Andrew Bainbridge

Background documents: None

# APPENDIX 1



30 August 2016

David Brown  
Transport for the North (TfN)  
2<sup>nd</sup> Floor  
4 Piccadilly Place  
Manchester  
M1 3BN

Dear David

### **TfN Governance - Proposal to establish a Sub-National Transport Body**

Thank you for the opportunity to comment on the draft proposal to establish Transport for the North (TfN) as a Sub-National Transport Body. The draft proposal has been formally considered by each of the Local Transport Authorities (LTAs): City of York Council; North Yorkshire County Council; and East Riding of Yorkshire Council in the York, North Yorkshire and East Riding LEP area, in accordance with their individual constitutional arrangements.

We are pleased to be able to inform you that all the respective authorities have agreed to authorise TfN to submit the draft proposal to Government.

Notwithstanding the above, all three LTAs agree that prior to making any final agreement to become a constituent authority of TfN further clarification and agreement on a number of matters is required. This includes:

1. Full and final agreement of the voting arrangements for Members of TfN including the mechanisms and terms of reference for the suggested 'super majority'.
2. Full and final agreement of the mechanism and quantum of the proposal for raising statutory contributions from constituent authorities of TfN.
3. Further clarification of the financial and other liabilities on both TfN and its individual constituent authorities of the proposed powers that TfN propose to adopt.

We look forward to working with TfN on the further development of the governance arrangements and ultimately TfN becoming the first Sub National Transport Body.

Yours sincerely

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## APPENDIX 2



Date: 15/05/2017

**Transport for the North**  
2nd Floor  
4 Piccadilly Place  
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M1 3BN  
Tel: 0161 244 1450

Dear Colleagues,

**Re: TfN Governance Proposal to Establish a Sub-National Transport Body**

I write in connection with the letter sent to me on behalf of North Yorkshire, City of York and East Riding Councils dated 30<sup>th</sup> August 2016 in connection with the above.

As you will be aware from updates at Partnership and Executive Board meetings and the discussions between our two organisations, good progress is being made towards the establishment of TfN as a Sub-national Transport Body (STB) consistent with the formal proposal submitted to the Secretary of State in October 2016.

Your letter dated 30<sup>th</sup> August 2016 sets out three specific questions upon which you have sought written assurance. The following responses are made using the same numbering method engaged in the 30<sup>th</sup> August letter.

1. Voting arrangements - Schedule A of the Proposal set out weighted voting mechanism reflecting the populations of the proposed Constituent Authorities. The Proposal document (paragraph 4.4 of Appendix A) also identified the requirement for a 'super majority' for the three specific matters specified.

We are in communication with the Department for Transport (DfT) to ensure that both the weighted voting mechanism and the 'super majority' arrangements are embedded within the Regulations. Those arrangements will be reflected in the draft Constitution. In confirmation of earlier assurances, a copy of the draft constitution will be made available to you to assist your forthcoming decision making process.

2. Statutory financial contributions - Appendix A, paragraph 13.1 of the Proposal sets out the agreed position on statutory contributions. Any such contributions would need to be unanimously agreed by the TfN members appointed by the Constituent Authorities. Were this to occur, the quantum of the resultant contributions from each Constituent Authority would be calculated on the weighted voting basis specified in the Proposal and described in paragraph 1 above. TfN has asked DfT that the draft Regulations reflect that agreed position. In any circumstances where such contributions are agreed by Constituent Authority representatives, each Constituent Authority will be required to provide TfN with its consent in writing. With regard to contributions that are currently made in relation to Rail North, from the point at which TfN assumes the responsibilities of Rail North, these will be paid (on the same basis) to TfN in order to allow it to continue Rail North's activities.
3. Liabilities - Section 102E of the Local Transport Act 2008 makes it clear that an STB will be established as a body corporate. It follows that TfN will itself be responsible for any financial



or other liabilities it incurs. There is nothing in the legislation pointing towards any residual liability upon Constituent Authorities in relation to TfN. Moreover, establishing TfN as a statutory body should ensure that it has the stability and permanence to be confident of long term support, although obviously future funding decisions will remain the responsibility of the government at the time). In the event that TfN's funding were to be discontinued, it is anticipated that the Department would be responsible for putting in place arrangements to ensure the orderly winding down of TfN.

I trust this gives you the assurances you seek. As you will be aware, TfN officers will continue to work with you upon the next steps in the process.

Yours sincerely,

**David Brown**  
Chief Executive Officer

*Sent to:*

*David Bowe*  
*Neil Ferris*  
*Alan Menzies*

## APPENDIX 3

### Transport for the North – Incorporation as a Sub-National Transport Body

#### Background

- 2.1 Getting transport right is central to achieving the Northern Powerhouse ambition which is itself central to a successful UK industrial strategy. A world class transport system linking towns and cities across the North will create a unified economic area, attracting new business, improving productivity in the North and thereby rebalancing the UK economy.
- 2.2 There has been long term underperformance of the Northern economy when compared with other parts of the UK. There is a significant economic performance gap between the North and the rest of the UK economy – a difference in income of £4,800 per person in 2014, compared with the national average, and £22,500 compared with London. Having been on a downward trend since the early 2000s, the gap has widened since the 2008/09 recession.
- 2.3 Productivity accounts for the largest proportion of the ‘performance gap’, driven by an underdeveloped skills base, under-investment by the private sector and low enterprise rates. This has worsened since the recession, in part due to out-migration of skilled workers to the southern regions where employment prospects are better.
- 2.4 Poor connectivity is central to understanding the economic challenges of the North. There is disproportionately low investment in the North compared with London and other city regions across Europe. A series of studies have shown how investing in transport infrastructure can unlock the economic potential of the North.
- 2.5 The Independent Economic Review of the Northern Powerhouse shows the scale of the benefits to the UK of closing the productivity gap. Advances in productivity, driven by key sectors of digital technologies, health innovation energy and advanced manufacturing have the potential to transform the North of England’s economy adding £97 billion and 850,000 jobs by 2050.
- 2.6 The North has had no way of agreeing strategic priorities, with the responsibility for transport divided over many organisations at different geographical levels. This has made it hard to properly consider and prioritise the right strategic transport interventions to transform economic growth at the regional scale. As a result, the North has been unable to speak with one clearly evidenced voice to Government on its transport priorities in Spending Rounds or rail and road investment plans.
- 2.7 To address these concerns in 2014 Local Transport Authorities and Local Enterprise Partnerships across the North of England came together in partnership with the Department for Transport and the National Transport

Agencies to form Transport for the North (TfN). Together they have developed an ambitious pan-northern transport strategy to drive economic growth in the North. The purpose of TfN is to transform the transport system of the North of England and the aim of TfN is to plan and deliver the improvements needed to truly connect the region with fast, frequent and reliable transport links, driving economic growth and creating a Northern Powerhouse.

- 2.8 The ambition of TfN over time is to achieve significant devolution of transport responsibilities for the North of England and specifically to:
- Develop and deliver a multi-modal, integrated strategic transport plan that drives transformational economic growth in the North;
  - Set the strategic outcomes, outputs and priorities for the North of England's rail infrastructure and strategic road network; and
  - Determine specifications and contracts for future rail service franchises in the North of England.
- 2.9 As part of this programme of improvements and devolution of transport strategy to a more local level the Local Transport Authorities came together to form Rail North Limited a company whose objects include the management of the TransPennine Express and Northern Rail Franchises on behalf of the Secretary of State for Transport.
- 2.10 In October 2016 with the agreement of all the Constituent Authorities TfN submitted a proposal to the Secretary of State for Transport that TfN should be established as the first Sub-national Transport Body (STB) under the provisions of section 102E of the Local Transport Act 2008 as amended by the Cities and Local Government Devolution Act 2016.
- 2.11 The 19 Constituent Authorities of TfN are:
- Greater Manchester Combined Authority
  - Liverpool City Region Combined Authority
  - North East Combined Authority
  - Sheffield City Region Combined Authority
  - Tees Valley Combined Authority
  - West Yorkshire Combined Authority
  - Cumbria County Council
  - Lancashire County Council
  - North Yorkshire County Council
  - Blackburn with Darwen Unitary Authority
  - Blackpool Unitary Authority
  - Cheshire East Unitary Authority
  - Cheshire West and Chester Unitary Authority
  - Warrington Unitary Authority
  - City of York Unitary Authority
  - East Riding of Yorkshire Unitary Authority
  - Hull Unitary Authority
  - North Lincolnshire Unitary Authority
  - North East Lincolnshire Unitary Authority

## **The Submission Proposal**

- 3.1 The Proposal submitted by the Constituent Authorities included the following key provisions:
- a) All Constituent Authorities will be entitled to appoint a representative to TfN, such representative to normally be the Elected Mayor, Leader or Member with delegated responsibility for transport;
  - b) Decisions will be expected to be unanimous but where voting is required votes will be weighted in accordance with the populations of the Constituent Authorities;
  - c) Decisions in relation to the Budget, the adoption of a Transport Strategy and the Constitution will require a Super Majority;
  - d) Funding will be provided by the Secretary of State and no decision to require financial contributions from Constituent Authorities can be made without the agreement of each Authority;
  - e) There will be appropriate mechanisms for Scrutiny of TfN's decisions;
  - f) Rail North Limited will be wholly owned by TfN;
  - g) A wider Partnership Board including representatives of government bodies and the LEPs will be set up to inform TfN's decision making.

## **The Secretary of State's Response**

- 4.1 The Secretary of State has now formally responded to the Proposal and has indicated that he is minded to make Regulations creating TfN as the first Sub-national Transport Body with the following functions:
- a) The preparation of a Northern Transport Strategy;
  - b) The provision of advice on the North's priorities, as a Statutory Partner in the Department's investment processes;
  - c) The coordination of regional transport activities, (such as smart ticketing), and the co-management of the TransPennine Express and Northern rail franchises through the acquisition of Rail North Ltd.

## **The Draft Regulations**

- 5.1 TfN are positively engaging with the Department for Transport to ensure that the draft regulations reflect the terms of the Proposal in so far as they have been agreed by the Secretary of State and will give TfN the statutory powers necessary to carry out these functions. Engagement thus far has provided TfN with confidence that the regulations will do this, however TfN will continue to work closely with the Department as this work progresses, and will of course update Constituent Authorities as soon as possible with any further information.

## **The Draft Constitution**

- 6.1 A Draft Constitution has been drawn up which includes provisions which reflect and implement the Submission Proposal. The Constitution contains the following Provisions:
- 6.2 **Articles**
- 6.2.1 The Articles sets out the statutory basis for TfN and its membership. TfN is made up of representatives from the 19 Constituent Authorities who are the Transport Authorities for the North of England. TfN will operate through a delegation to its Chief Officers of all its functions other than decisions in relation to the Constitution, the Budget and the statutory Transport Strategy and any other matters which are specifically reserved to TfN by statute.
- 6.2.2 The Articles contains an overview of the functions of TfN and the major partnerships through which it will exercise these functions, in particular its role as Statutory Partner in determining priorities for road (Highways North Board) and rail investment and its role in managing the TransPennine Express and Northern Rail Franchises.
- 6.2.3 TfN will establish a Partnership Board with representatives of all the Constituent Authorities, representatives of the other Authorities who were members of Rail North Limited, representatives of the 11 LEPs and representatives of the Department for Transport and of other Government Agencies. This Board will be responsible for setting the strategic agenda for transport in the North of England.
- 6.2.4 TfN will also engage with its partners in the Rail North Partnership Board setting the strategic priorities for rail investment and in the Highways North Board setting the strategic priorities for road investment.
- 6.2.5 TfN will co-manage the TransPennine Express and Northern Rail Franchises through a Committee which will include representatives of all the other Authorities who were members of Rail North Limited.
- 6.3 **Voting**
- 6.3.1 The Articles provide for weighted voting in accordance with a matrix which gives the representative of each Constituent Authority a vote which is weighted to reflect the population of the area of the Constituent Authority.
- 6.3.2 A decision to approve the Budget, to approve the Constitution or to adopt the Transport Strategy will require an increased majority of 75% of the weighted votes and a simple majority of the Members of TfN.
- 6.3.3 It is proposed that TfN should be entitled to co-opt Members and that such co-opted Members should have voting rights. It is further proposed that those Authorities which are members of Rail North Limited but which will not be a Constituent Authority of TfN (the Rail North Authorities) should each be entitled to appoint a representative to be a co-opted Member of TfN with a right to speak and vote on rail franchise matters. The voting in relation to rail franchise matters

shall be weighted in accordance with a voting matrix which reflects the voting arrangements for Rail North Limited.

#### **6.4 Financial Contributions**

- 6.4.1 TfN is funded through government grant and although future funding decisions will remain the responsibility of the government at the time, establishing TfN in statute ensures it has the stability and permanence to be confident of long term central Government support.
- 6.4.2 At present the Constituent Authorities and the Rail North Authorities make the Rail North Support Payment and the Authorities in receipt of rail administrative grant make the Rail North Supplemental Payment to support Rail North Limited. Upon TfN assuming the responsibilities and functions of Rail North Limited these payments will continue to be made to TfN to enable it to continue to support rail franchise management.
- 6.4.3 The Submission Proposal provides that the Constituent Authorities may all agree to contribute to the costs of TfN in the future. However a decision to raise such contributions and the amount would require a unanimous decision of the Constituent Authorities and could only be taken after written consent to the proposal has been received from each of the Constituent Authorities.
- 6.4.4 Unless unanimously agreed otherwise, the apportionment of any financial contributions would be determined on the basis of the Resident Populations of each of the Constituent Authorities.
- 6.4.5 TfN would be entitled to accept voluntary contributions towards its costs from any of the Constituent Authorities.

#### **6.5 Powers and Functions**

- 6.5.1 This section sets out the powers and functions which will be given to TfN.
- 6.5.2 These are as follows:
  - a) To prepare a Transport Strategy for the Combined Area in accordance with section 102I of the Local Transport Act 2008;
  - b) To provide advice to the Secretary of State about the exercise of the transport functions in the Combined Area;
  - c) To be a Statutory Partner with the Secretary of State in both road and rail investment processes and to be responsible for setting the objectives and priorities for strategic road and rail investments in the Combined Area;
  - d) To be consulted in relation to rail franchise agreements for services to and from or within its area;
  - e) To co-manage with the Secretary of State the TransPennine Express and Northern Rail Franchises;
  - f) To co-ordinate the carrying out of specified transport functions that are exercisable by its different Constituent Authorities with a view to improving the effectiveness and efficiency of the carrying out of those

functions;

- g) To promote and co-ordinate road transport schemes;
- h) To make proposals to the Secretary of State for the transfer of transport functions to TfN;
- i) To make other proposals to the Secretary of State about the role and functions of TfN;
- j) To undertake Smart Ticketing within the Combined Area;
- k) To promote and oppose local or personal bills in Parliament;
- l) To pay Capital Grants to support the funding and delivery of joint projects;
- m) To exercise powers to acquire land and to construct highways under sections Section 24.

6.5.3 In carrying out these functions, TfN will be a statutory partner of the Department for Transport, devolving responsibilities from the Secretary of State and speaking to the Department with a strong, single voice for the North. It is not intended that TfN should take responsibilities away from the Constituent Authorities, instead exercising a coordinating role in relation to specified transport functions and continuing to work in partnership with members. It is not the intention that TfN becomes a Highway Authority.

## 6.6 Concurrent Functions

6.6.1 Before exercising any transport powers or functions it holds concurrently with any of the Constituent Authorities or Highways Authorities within the TfN area, TfN will consult those Authorities and enter into a Protocol covering the way in which those functions will be exercised.

## 6.7 Responsibility for Functions

6.7.1 The Membership of TfN will together be responsible for approving the Budget, the Constitution and the Transport Strategy.

6.7.2 Officers of TfN will have delegated responsibility to carry out all of TfN's day to day functions and to implement the strategic decisions made by TfN.

6.7.3 In carrying out these functions TfN and its officers will have due regard to the views and advice of the Partnership Board, DfT and other Statutory Agencies.

## 6.8 Audit and Governance Committee

6.8.1 TfN will appoint an Audit and Governance Committee 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.

## 6.9 Scrutiny Committee

6.9.1 Each of the Constituent Authorities will be entitled to appoint a representative (and a substitute) to the Scrutiny Committee.

6.9.2 The role of the Scrutiny Committee will include:-

- a) reviewing the decisions of TfN and of officers of TfN under the scheme of delegations;
- b) making reports or recommendations to TfN with respect to the discharge of the functions of TfN and on transport matters that affect the TfN area.

#### 6.10 **The Rail North Committee**

6.10.1 TfN will establish a Rail North Committee which will advise on TfN's Statutory Partner role in relation to rail investment and will have oversight of the management of the TransPennine Express and Northern Rail Franchises. This will replace the Association of Rail North Authorities and will include representatives of the six non-TfN Rail North Authorities as co-opted Members. Voting in the Rail North Committee will be on the basis of weighted votes which replicate the voting provisions of Rail North Limited.

#### 6.11 **The Rail North Sub-Committee**

6.11.1 TfN will also establish a Rail North Sub-Committee that will be appointed according to provisions which replicate the provisions for appointing the Rail North Limited Board.

6.11.2 Rail North Area Sub-Committees - Where requested TfN will also establish Rail North Area Sub-Committees to take the place of the Regional Business Units permitted under the provisions of the Rail North Members Agreement.

#### 6.12 **Officers**

6.12.1 TfN will appoint its 3 Statutory Officers, the Chief Executive as the Head of Paid Service, the Monitoring Officer and the Finance Director as its Chief Officers to whom it will delegate day to day operations of TfN.

6.12.2 Chief Officers will have due regard to the recommendations of the Partnership Board, the Rail Partnership Board and Highways North Board in carrying out their functions.

#### 6.13 **Procedure Rules**

6.13.1 This section sets out the procedures which shall apply to meetings of TfN. The Rules of Debate reflect the nature of the business of TfN and that most decisions are expected to be consensual without the need for formal debating procedures.

#### 6.14 **Scrutiny Procedure Rules**

6.14.1 These set out the role of Scrutiny within TfN.

6.14.2 The Scrutiny Procedure Rules provide for Scrutiny Committee to set up smaller Scrutiny Panels to review discreet topics and to allow these Panels to invite representatives of outside bodies to attend to inform their Reviews.

## **6.15 Financial Procedures**

- 6.15.1 This section sets out the financial rules and controls which will govern all expenditure by TfN. It also contains the Contract Procurement Rules which will govern how TfN tenders and awards contracts.
- 6.15.2 It is expected that more detailed financial controls in relation to individual projects will be set out in the Funding Letter from the Secretary of State.

## **6.16 Codes and Protocols**

- 6.16.1 It is not intended that TfN should have its own Code of Conduct for Members but Members will be expected to adhere to the Code of Conduct of their appointing Authority in the conduct of TfN's business and any Standards issue would be referred back to the appointing Authority by the Monitoring Officer.
- 6.16.2 The section includes the Codes of Conduct for Officers of TfN, the Protocol on Member/Officer Relations, the Code of Corporate Governance, the Anti-Fraud and Corruption Policy and the Whistleblowing Policy.
- 6.16.3 Although TfN is not required to adopt its own Code of Conduct for Members it will need to have a separate Disclosure of Interests by each Member in respect of their interests within the whole of the TfN geographical area.
- 6.16.4 The Code of Conduct for Officers sets out the standards of behaviour expected from TfN's officers.
- 6.16.5 The Protocol on Member/Officer Relations sets out guidance on the mutual respect which should exist between officers and Members and the way in which they should interact with each other.
- 6.16.6 The Code of Corporate Governance sets out the core principles and values which will govern the way in which TfN operates.
- 6.16.7 The Anti-Fraud and Corruption Policy sets out the measures that TfN will put in place to avoid and address fraud and corruption in any of its dealings.
- 6.16.8 The Whistle Blowing Policy sets out the ways in which whistle-blowers may bring their concerns to management and the protections that are in place to ensure that whistle-blowers are not victimised or discriminated against.

## **6.17 Role of the Partnership Board**

- 6.17.1 TfN has evolved over the years from the inception of Transport for the North as a partnership representing all those with an interest in the improvement of transport in the North of England to the creation of TfN as the first Sub-National Transport Body. Although TfN as a corporate body will consist of the representatives of the 19 Constituent Authorities there is an aspiration that it will continue to operate through the Partnership Board taking decisions in partnership with the representatives of the 11 LEPs as representatives of the business community

and with representatives of the Department for Transport and other Government Agencies and will continue to have an independent chair.

6.17.2 The Draft Constitution reflects the legal requirements for decision making within TfN as a corporate body but it will be open to TfN to operate these constitutional arrangements in a way that is consistent with continuing the present arrangements of the Partnership Board if Members so agree.

#### **6.18 Rail North Limited**

6.18.1 One of the drivers for the creation of TfN as a Sub-National Transport Body was to create a body which could speak with one voice on all transport matters affecting the North of England. To achieve that, it is proposed that TfN should take over ownership of Rail North Limited and subsume all of its functions directly into TfN.

6.18.2 Rail North Limited would be replaced by a Committee of TfN on which the former Rail North Member Authorities would be represented and have the same voting rights as under the Memorandum and Articles of the Company.

6.18.3 Before this can be achieved all the current members of Rail North Limited will need to formally agree to the proposals for the transfer of Rail North Limited to TfN

6.18.4 The current Members Agreement with Rail North Limited will be replaced by a Rail Franchise Management Agreement between TfN and the current Members of Rail North Limited which will replicate as far as possible the provisions of the Members Agreement.

#### **6.19 The Rail Partnership Board**

6.19.1 A Rail Partnership Board will be set up which will replicate the existing Rail North Board and will include Members of TfN along with representatives of the Department for Transport. This Board will make recommendations in relation to strategic priorities for rail investment and in relation to existing and future rail franchises.

#### **6.20 The Highways North Board**

6.20.1 TfN will participate in the Highways North Board which will consist of the Members of TfN along with representatives of the Department for Transport and Highways England. The role of the Board will be to make recommendations in respect of the future Roads Investment Strategy and competitive major roads funding programmes.

#### **6.21 The Chief Executives Meeting**

6.21.1 The Chief Executives or their representatives will continue to meet to provide oversight of the activities of TfN and review draft Board papers and advise on policy and strategy proposals.

## 6.22 **Consent to the Regulations**

- 6.22.1 Draft Regulations are being drafted to create TfN as a Sub-National Transport Body. Before the Secretary of State may make these Regulations each of the Constituent Authorities must consent to the making of the Regulations. It is anticipated that the Secretary of State will send a letter to each of the Constituent Authorities requesting formal consent to the making of the Regulations to be provided by early September 2017.

APPENDIX 4

<p><b>Initial equality impact assessment screening form</b> (As of October 2015 this form replaces 'Record of decision not to carry out an EIA')</p> <p><b>This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.</b></p>			
<b>Directorate</b>	Business and Environmental Services		
<b>Service area</b>	Highways and Transportation		
<b>Proposal being screened</b>	Decision for North Yorkshire County Council to become a 'constituent authority' of Transport for the North		
<b>Officer(s) carrying out screening</b>	Andrew Bainbridge		
<b>What are you proposing to do?</b>	To agree to become a 'constituent authority, of Transport for the North		
<b>Why are you proposing this? What are the desired outcomes?</b>	To work with Government and other northern Local Transport Authorities to improve transport connectivity across The North to help contribute towards greater economic prosperity		
<b>Does the proposal involve a significant commitment or removal of resources? Please give details.</b>	No significant financial commitment. Some commitment of Officer time.		
<p><b>Is there likely to be an adverse impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYCC's additional agreed characteristics?</b></p> <p>As part of this assessment, please consider the following questions:</p> <ul style="list-style-type: none"> <li>• To what extent is this service used by particular groups of people with protected characteristics?</li> <li>• Does the proposal relate to functions that previous consultation has identified as important?</li> <li>• Do different groups have different needs or experiences in the area the proposal relates to?</li> </ul> <p><b>If for any characteristic it is considered that there is likely to be a significant adverse impact or you have ticked 'Don't know/no info available', then a full EIA should be carried out where this is proportionate. You are advised to speak to your <a href="#">Equality rep</a> for advice if you are in any doubt.</b></p>			
<b>Protected characteristic</b>	<b>Yes</b>	<b>No</b>	<b>Don't know/No info available</b>
Age		✓	
Disability		✓	
Sex (Gender)		✓	
Race		✓	
Sexual orientation		✓	

Gender reassignment		✓	
Religion or belief		✓	
Pregnancy or maternity		✓	
Marriage or civil partnership		✓	
<b>NYCC additional characteristic</b>			
People in rural areas		✓	
People on a low income		✓	
Carer (unpaid family or friend)		✓	
<b>Does the proposal relate to an area where there are known inequalities/probable impacts</b> (e.g. disabled people's access to public transport)? Please give details.	No		
<b>Will the proposal have a significant effect on how other organisations operate?</b> (e.g. partners, funding criteria, etc.). Do any of these organisations support people with protected characteristics? Please explain why you have reached this conclusion.	None		
<b>Decision (Please tick one option)</b>	EIA not relevant or proportionate:	✓	Continue to full EIA:
<b>Reason for decision</b>	<p>The purpose of transport for the North is to boost economic growth for all groups of people across The North. As such it is expected to be beneficial to all groups.</p> <p>Additionally Transport for the North will become in legal terms a Public Body in its own right and as such all its decisions and actions will be subject to the Equality Act 2010.</p>		
<b>Signed (Assistant Director or equivalent)</b>	<i>Barrie Mason</i>		
<b>Date</b>	<i>14 July 2017</i>		