

Transport for the North

Rail North Committee Meeting

Item 8

Subject: Rail Reviews and Governance

Author: David Hoggarth, Strategic Rail Director

Sponsor: David Hoggarth, Strategic Rail Director

Meeting Date: Wednesday 31st July 2019

1.0 Purpose of the Report:

1.1 This report provides an update on the Rail Reviews and two governance matters:

- The Blake Jones Review
- The Williams Review
- Rail North Partnership Board Members
- Rail North Partnership Board Independent Chair.

2.0 Executive Summary:

2.1 The report provides updates on the Blake Jones and Williams reviews which the Committee is asked to note.

2.2 The report also sets out proposals for replacing one of the Transport for the North Rail North Partnership Board members and the joint Independent Chair which the Committee is asked to approve and endorse.

3.0 The Blake Jones Review:

3.1 The Blake Jones Review of the Rail North Partnership was published on 19th July 2019. It recommends a number of solutions to help avoid the events of May 2018 happening again.

3.2 The Blake Jones Review includes an Action with a key focus on:

- A need to strengthen existing arrangements to give a greater focus on passenger impacts including the need for closer collaboration with passenger representation groups; and

- a need for greater engagement of decision-makers in strategic choices and franchise development, and in ensuring the priorities they set carry through to the Train Operating Companies and Network Rail.

3.3 The Action Plan has **Six key areas of focus**: working with train operators on a Passenger Promise; creating a clearer and more effective mechanism and environment for decision-making; reviewing and enhancing the process of information sharing; integrated forward planning and an enhanced communications protocol; determining and deployed the required resources and, considering wider changes building on the Call for Evidence response to the Williams Review.

3.4 The Transport for the North Board, meeting on 31 July 2019, is being asked to adopt the Action Plan. It is envisaged that the detailed work associated with implementing the Action Plan will be overseen by the Rail North Committee with regular reporting to the Transport for the North Board.

4.0 The Williams Rail Review:

4.1 The Williams 'root and branch' review of rail is described as the most significant since privatisation and will consider ambitious recommendations for all aspects of the industry. Recommendations are expected to be published in a government White Paper in Autumn 2019. Reform is expected to begin in 2020.

4.2 An update on the Williams Rail Review and Transport for the North's input to the call for evidence was provided to the Transport for the North Board meeting in Bradford on 20 July 2019 and explained:

- At the end of May 2019 Transport for the North submitted principle elements that underpin an emerging proposition to the call for evidence.
- Any form of greater involvement from the North will require a business case to be developed setting out how the proposals would work in detail. This will need to be undertaken in close collaboration with Transport for the North member authorities, many of whom have made their own submissions to the review.
- An intention to commence work on the more detailed development of the proposition, starting with a scoping exercise for the business case for greater devolution of the governance and commercial arrangements of railways in the North.

4.3 On 16 July 2019 Keith Williams, independent Chair of the Rail Review, gave a speech to update on progress of the Rail Review at a Northern Powerhouse Partnership event in Bradford. The speech did not set out recommendations, but it did explain the building of the evidence base

and understanding of what passengers, the industry, and communities across the UK see as the key challenges and opportunities for the railway.

- 4.4 The speech set out the fundamental passenger needs that the recommendations of the review must satisfy. Keith Williams stated that the review is using these alongside assessment criteria published earlier in the year. He also stated:

“What comes next must be anchored in the regions and communities – and nearer to the people – the railway serves.”

“And for regions like the north and cities across the country, there must be greater opportunities to influence and inform decisions about services and upgrades in your area.”

- 4.5 The speech introduced that reform should be focused on 5 key areas:

- A new passenger offer, customer service excellence;
- simplified fares and ticketing;
- a new industry structure;
- a new commercial model - “the current franchising model has had its day”; and
- leadership, skills, diversity.

In explaining the new industry structure, it was emphasised this needs to reduce fragmentation, better align track and train, create clear accountability and a greater distance between government and the railway service provider. Also, that a structure is needed that enhances strategic planning, including at the local level, and facilitates better engagement on specification, and delivery of regional enhancements.

- 4.6 Keith Williams explained he is not considering giving Network Rail ‘engineers’ control over the trains, as speculated. He concluded:

“The industry is complex, and getting to our final destination may take some time, but passengers must see and feel tangible changes quickly if we are to turn around declining satisfaction and trust.”

“Change will need tough decisions to be taken and require collaboration and partnership working across the sector, but the prize will be big.”

- 4.7 An officer workshop was facilitated on Tuesday 9th July 2019 to assess scenarios against the Transport for the North Williams Review initial proposition. This identified a number of challenges that require further discussion, engagement and analysis work to progress towards a business case proposition for greater devolution to the North. These include:

- Interactions with other devolved bodies that the North interfaces with;
- How to ensure decision -making is made at the right level (i.e not just upwards for resolution);
- Ensuring political oversight at the right strategic level and the need for trust in the system;
- Clarity on exactly where decision-making and accountability lie;
- How the North is brought together efficiently without more extended consultation and giving adequate weight to less well-resourced members;
- Understanding where risks sit;
- Day to day spending on operations is very significant and needs to work efficiently;
- Major efficiencies could be possible within day-to-day decision making and delivery, rather than in interactions across the industry; and
- Weighting of local connectivity benefits in any appraisal.

4.8 Engagement with the DfT's Williams Review team regarding Transport for the North's initial proposition submitted in response to the call for evidence has commenced.

5.0 The Rail North Partnership Board

5.1 The Rail North Partnership Board is the joint decision-making body governing the operation of the partnership with the Department for Transport for overseeing the management of the Northern and TransPennine Express franchises. It consists of an Independent Chair and three senior officers from DfT together with the equivalent officer representatives appointed by Transport for the North. The Blake Jones Review makes a number of recommendations in relation to strengthening the flow of information between elected members and the Rail North Partnership Board.

5.2 There are two vacancies as set out below:

Transport for the North Representatives

5.3 There is a vacancy on the Board as a result of one of the representatives leaving the employment of Transport for Greater Manchester earlier in the year.

5.4 Following the process set out in the Franchise Management Agreement (part of the Transport for the North constitution), nominations were sought from each of the 25 Rail North authority members of Transport for the North. The proposed new board member is Bob Morris, the Chief Operating Officer at TfGM.

5.5 The two existing Transport for the North representatives are David Hoggarth (Transport for the North's Strategic Rail Director and lead officer) and Toby Hughes (Nexus Managing Director). The Franchise

Management Agreement sets out an aspiration to have a representative drawn from both metropolitan and non-metropolitan areas. In line with the previous situation, non-metropolitan areas did not provide a nomination. This should not present a problem as all three Transport for the North representatives represent the collective interests and the representatives do provide an appropriate east-west balance (in terms of geographical knowledge). The Blake Jones Review also recommends 'direct reporting of the Rail North Partnership Board Members who represent Transport for the North to the Rail North Committee' providing a more explicit link with the Committee representing the whole of the North.

Independent Chair

- 5.6 Under the terms of the Rail North Partnership Agreement, the Partnership Board has an Independent Chair. The role of the Chair is limited to preparing for and attending Board meetings (usually held once per month). The current Independent Chair is Bill Reeve (a Director at Transport Scotland whose services are procured through a Secondment Agreement with that organisation).
- 5.7 The current Chair has indicated that he wishes to stand down from the role by the end of 2019. It is therefore proposed to start the recruitment process for a new Independent Chair.
- 5.8 Whilst independent, the Chair is hosted by Transport for the North and recruitment will follow Transport for the North's procedures. As previously, an executive search agency will be utilised as this is a specialist role.
- 5.9 A copy of the draft role profile is attached as Appendix 1. The Committee is asked to endorse the draft role profile. In parallel, consultation will also take place with the Department for Transport as it is a joint appointment.
- 5.10 There is provision for the appointed Chair (which is estimated to be up to 25 days per year) to be either directly employed by Transport for the North or operate under a Secondment Agreement with their employer.
- 5.11 It is proposed to advertise the post in the first week in September 2019 with a target to make an appointment in October 2019. A recruitment panel will be established which will consist of one Transport for the North representative, one Department for Transport representative and one Human Resources representative. Once a preferred candidate has been identified, Committee members will be notified. At this point the final role profile will also be shared – following the consultation process outlined above.

6.0 Conclusion

- 6.1 The report provides updates on two Rail Reviews and seeks agreement on a number of governance matters relating to the Rail North Partnership Board.

7.0 Recommendations:

- 7.1 That the updates on the Blake Jones and Williams Reviews are noted.
- 7.2 That the Committee approves the appointment of Bob Morris to the Rail North Partnership Board.
- 7.3 That the Committee endorses the process for replacing the Rail North Partnership Board Independent Chair.
- 7.4 That the Committee endorses the draft role profile for the Independent Chair and notes that a copy of the proposed final version will be provided following consultation with the Department for Transport.

8.0 Appendices:

- 8.1 Appendix 1 – Rail North Partnership Independent Chair Draft Role Profile.

List of Background Documents:

The following background papers were considered in preparation of this report –

The Blake Jones Review of the Rail North Partnership

<https://transportfornorth.com/reports/blake-jones-review-rail-north-partnership-technical-annex/>

Required Considerations

Equalities:

Age	Yes	No
Disability	Yes	No
Gender Reassignment	Yes	No
Pregnancy and Maternity	Yes	No
Race	Yes	No
Religion or Belief	Yes	No
Sex	Yes	No

Sexual Orientation	Yes	No
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Consideration	Comment	Responsible Officer	Director
Equalities	A full Impact assessment has not been carried out because the only decisions required do not have any direct impacts	Strategic Rail Director	Strategic Rail Director

Environment and Sustainability

Yes	No
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Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out because the decisions required relate to governance matters only.	Strategic Rail Director	Strategic Rail Director

Legal

Yes	No
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Consideration	Comment	Responsible Officer	Director
Legal	Transport for the North Legal Team has confirmed there are no legal implications.	Strategic Rail Director	Strategic Rail Director

Finance

Yes	No
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Consideration	Comment	Responsible Officer	Director
Finance	The estimated maximum cost of the Independent	Strategic Rail Director	Finance Director

	<p>Chair is £25,000 p.a, The estimated cost of the recruitment process is £13,500 (plus advertisement costs, and exclusive of VAT). The funding arrangement underpinning the Partnership Agreement included for the costs of the Independent Chair, but this potential change to the budgeted costs, will have to be considered as part of TfN's next Budget Revision.</p>		
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Resource

Yes	No
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Consideration	Comment	Responsible Officer	Director
Resource	The resource implications have been considered and are included in the report.	Strategic Rail Director	Head of HR

Risk

Yes	No
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Consideration	Comment	Responsible Officer	Director
Risk	A risk assessment has not been carried out as it's not required.	Strategic Rail Director	Strategic Rail Director

Consultation

Yes	No
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Consideration	Comment	Responsible Officer	Director
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<p>Consultation</p>	<p>A suitable consultation has been carried out with Transport for the North members on the Blake Jones Review and input to the Williams Review.</p>	<p>Strategic Rail Director</p>	<p>Strategic Rail Director</p>
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