



Transport for the North Board – Minutes

Meeting: Transport for the North Board
Date: 6 December 2018

Chairman:

John Cridland	Chairman
---------------	----------

Constituent Authority Attendees:

Councillor Phil Riley	Blackburn with Darwen
Councillor Fred Jackson	Blackpool
Councillor Terry O'Neill	Warrington
Councillor Rachel Bailey	Cheshire East
Councillor Samantha Dixon	Cheshire West & Chester
Mayor Andy Burnham	Greater Manchester
Councillor Darren Hale	Hull
Councillor Michael Green	Lancashire
Mayor Steve Rotheram	Liverpool City Region
Councillor Carl Marshall	North East
Councillor Rob Waltham	North Lincolnshire
Councillor Carl Les	North Yorkshire
Mayor Dan Jarvis	Sheffield City Region
Councillor Judith Blake	West Yorkshire
Councillor Ian Gillies	York

Rail North Authority Attendees:

Councillor Chris Brewis	Lincolnshire
Councillor John Ogle	Nottinghamshire
Councillor Mark Winnington	Staffordshire

Local Enterprise Partnership (LEP) Attendees:

Pete Waterman	Cheshire and Warrington LEP
Jim Jackson	Cumbria LEP
Lord Haskins	Hull and the Humber LEP
Roger Marsh	Leeds City Region LEP
Peter Kennan	Sheffield City Region LEP
Paul Booth	Tees Valley LEP



Delivery Partners:

Sir Peter Hendy	Network Rail
Jim O’Sullivan	Highways England

In attendance:

Andrew Jones MP	Minister of State for Transport
Tricia Hayes	Department for Transport
Richard George	SNC Lavalin

Transport for the North Officers in Attendance:

Barry White	Chief Executive
Alastair Richards	Integrated Smart Travel Programme Director
Iain Craven	Finance Director
Sasha Wayne	Head of Legal
Dawn Madin	HR and Mobilisation Director
Tim Wood	Northern Powerhouse Rail Director
Adam Timewell	Rail North Partnership - Franchise Commercial Manager
James Syson	Rail Strategy Liaison Manager
Deborah Dimock	Solicitor
Jonathan Spruce	Strategy Director
David Hoggarth	Strategic Rail Director
Peter Molyneux	Major Roads Director
Dave Abdy	Programme Director
Mark Hardman	Democratic Services Officer

Apologies:

Councillor Keith Little	Cumbria
Councillor Stephen Parnaby	East Riding of Yorkshire
Councillor Matthew Patrick	North East Lincolnshire
Councillor Nick Forbes	North of Tyne
Councillor Jon Collins	Nottingham
Councillor Daniel Jellyman	Stoke-on-Trent
Mike Blackburn	Greater Manchester LEP
Edwin Booth	Lancashire LEP
Asif Hamid	Liverpool City Region LEP
Christine Gaskell	Cheshire and Warrington LEP
Matthew Lamb	North Yorkshire LEP

1.0 Welcome and Apologies

- 1.1 The Chairman welcomed Members of the Board to the meeting.
- 1.2 Apologies for absence were noted.

- 1.3 The Chairman sought and gained the support of the Board for the deferral and withdrawal from the agenda of agenda item 9 (Northern Powerhouse Rail – Final Strategic Outline Business Case). The matter would now be considered at the meeting of the Board to be held on 7 February 2019. By effect, agenda item 8 (Exclusion of Press and Public) was withdrawn from the agenda.
- 1.4 The Chairman commented on the following matters of note that had occurred since the previous meeting of the Board:-
 - (i) Following the recommendation of the Board that an individual be appointed to resolve rail timetabling issues in the North, Richard George had been appointed and was making good progress. The Chair thanked Mr George for his efforts;
 - (ii) In the Budget an allocation of an additional £37m to proceed with the next stage of development of the Northern Powerhouse Rail project had been made;
 - (iii) Transport for the North had made a significant intervention in the interests of rail passengers in making efforts to end the RMT and Arriva Rail North (ARN) industrial relations issue. ARN and RMT had met but had not been able to resolve the dispute.
- 1.5 The Chairman deferred to Mayor Andy Burnham who addressed the Board in respect of current performance by ARN and TransPennine Express (TPE). Mayor Burnham noted that both companies were delivering well below the levels of the previous year in respect of performance, timetabling, short forming etc and were providing a miserable experience for the travelling public. The Board had been promised by both companies a significant improvement in December which was not demonstrated by most recent data. The Chairman, while noting that the matter was included on the agenda for the meeting of the Rail North Committee (RNC) later in the day, considered that a discussion of this issue as a matter of concern to the Board should be held.
- 1.6 Councillor Judith Blake raised health and safety concerns related to shortforming, particularly highlighting difficulties for disabled passengers. Councillor Darren Hale referred to correspondence from TPE advising of delay in delivery of new trains but which did not address the implications of that delay. The treatment of the Board in this matter was queried in that the Board was partner to the franchise. Mayor Steve Rotheram queried the action that could be taken by Transport for the North and/or the Department for Transport, including a sanction for removing the franchise, or what would happen if an operator returned the franchise.
- 1.7 The Chairman invited the Strategic Rail Director to address issues raised by Board Members. It was confirmed that the Train Operating Companies (TOCs) and Network Rail had been invited to the RNC. Regarding issues raised, there were changes planned in the December timetable designed by the TOCs and Network Rail to deliver an uplift in

performance and which would be considered at the RNC meeting. It was acknowledged that the contractual position over the period since May could be a lever that might be used. With regard to short forming and the autumn leaf fall, it was confirmed that approximately a 10% fall in performance had been seen and detailed information on this had been requested. The Rail North Partnership was continuing to go through the contractual levers and very specific targets, including on short forming and reliability, needed to be delivered. The Strategic Rail Director undertook to discuss issues of health and safety and of passengers with disabilities directly with the Board Member.

DH

1.8 The Chairman invited Mr Richard George to comment on issues raised. Mr George indicated that, with regard to Network Rail, leaf fall had been a challenge and that this had exaggerated an unstable timetable position. The imminent timetable change in December should improve stability.

1.9 Mayor Rotherham, noting that franchise requirements were not being met, queried at what point a recommendation be made that a franchise be withdrawn, or whether it was likely a TOC would return a franchise. While noting the RNC consideration to be given later in the day, Mayor Burnham advised the neither Manager Director of ARN or TPE were to attend due to prior engagements; he expressed concern at this position given the current state of performance and the assurances given previously, considering that in the circumstances representation should be at the highest level.

1.10 The Chairman advised he had seen the replies and proposed that it be seen how successful the RNC was in gaining assurance as to the changes delivering improved performance. The concerns raised regarding the non-attendance of the Managing Directors was understood, particularly given their attendance at the Board meetings held in June and September. The Chairman indicated that the RNC should give their considerations to the matter as scheduled, after which a letter should be forwarded by the Strategic Rail Director to Board Members responding the questions raised by Mayor Rotherham and being specific about the position regarding breach of franchise. The Chairman concluded by noting that, as a Board, rail performance was considered unacceptable despite the best efforts of the Board, and that there needed to be some sign of sustained improvement.

DH

2.0 Declarations of Interest

2.1 There were no declarations of interest.

3.0 Minutes

3.1 The Minutes of the meeting of the Transport for the North Board held on 13 September 2018 were considered.

- 3.2 Further to Minute 4.10, Councillor Fred Jackson noted that the reference to "Rochdale North" should read "Blackpool North".

RESOLVED: That, subject to the amendment of the reference to "Rochdale North" to read "Blackpool North" in Minute 4.10, the Minutes of the meeting of the Transport for the North Board held on 13 September 2018 be approved as a correct record.

4.0 Transport for the North Membership, Appointments to Transport for the North Board and Committees, and Amendments to the Transport for the North Constitution

- 4.1 The Head of Legal Services introduced a report advising on revised Combined Authority arrangements in the North East, seeking confirmation of several appointments to the Transport for the North Board and Committees that arise from these revised arrangements, further seeking a consideration of the membership of the Audit and Governance Committee, and addressing several further vacancies that have arisen.
- 4.2 Further to the submitted report, the Board was advised that the North East Combined Authority (NECA) had confirmed appointments to the Board and the Scrutiny Committee, subject to the call-in procedures of the Combined Authority. A request had been received such that the new regional group on the Rail North Committee be referenced as the 'North East Regional Group', and not 'Tyneside' as referenced within the report; nominations to the Committee were to be considered by the Joint Transport Committee in the near future.
- 4.3 The Board was asked to note that matters relating to the Combined Authorities in the North East and to the membership of the Audit and Governance Committee would require amendment to Transport for the North Constitution and recommendations were presented for the consideration of the Board.
- 4.4 In determining the recommendations to the Board no alternate options had been considered. Appointments to the Transport for the North Board and Committees are necessary for the effective conduct of Transport for the North business. As the governing document of Transport for the North, it is essential that the Constitution reflects accurately the governance arrangements of Transport for the North.

RESOLVED: That (1) the making of the Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority (Establishment and Functions) Order 2018 ('the Order'), the renaming of the existing Durham, Gateshead, Newcastle Upon Tyne, North Tyneside, Northumberland, South of Tyne and Sunderland Combined Authority (the North East Combined Authority (NECA)) to that of the Durham, Gateshead, South of Tyne and Sunderland

Combined Authority (retaining the 'NECA' designation), and the creation of the Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority (the 'North of Tyne Combined Authority' (NTCA)), be noted;

(2) the status of membership of NECA and NTCA as Constituent Authorities of Transport for the North as provided for within the Order be noted and confirmed;

(3) a variation in the membership of the Audit and Governance Committee to permit a total of five Members to be appointed from the membership of the Board be agreed;

(4) the amendments to the Transport for the North Constitution arising from changes to Transport for the North's Constituent Authorities and the composition of the Audit and Governance Committee as shown at Appendix 1 to this report, including changes to the Voting Matrix, be confirmed;

(5) the Board co-opts Mr Peter Kennan, the representative of the Sheffield City Region LEP, as a co-opted Member of the Transport for the North Board;

(6) the following appointments be agreed or otherwise confirmed –

SW

Transport for the North Board	
NECA (member)	Councillor Carl Marshall
NECA (substitute member)	Councillor Graham Miller
NTCA (member)	Councillor Nick Forbes
NTCA (substitute member)	Councillor Peter Jackson
West Yorkshire (substitute member)	Councillor Susan Hinchcliffe
Hull (substitute member)	Councillor Gary Wareing
Sheffield Local Enterprise Partnership (co-optee)	Peter Kennan

Scrutiny Committee	
NECA (member)	Councillor Michael Mordey
NECA (substitute member)	Councillor John McElroy
NTCA (member)	Councillor Carl Johnson
NTCA (substitute member)	Councillor Bruce Pickard
North Yorkshire (substitute member)	Councillor Paul Haslam
York (substitute member)	Councillor Peter Dew

Greater Manchester (member)	Councillor Rachel Skillen
Rail North Committee	
West Yorkshire (substitute member)	Councillor Susan Hinchcliffe
Tees Valley (substitute member)	Councillor Stephen Harker
Audit and Governance Committee	
Cllr Keith Little	
Cllr Liam Robinson	
Cllr Mark Winnington	

(7) the regional grouping for the north east on the Rail North Committee be known as the 'North East Regional Group' and it be noted that nominations are to be made by the Joint Transport Committee in the near future;

5.0 Integrated Smart Travel Programme – Progress Update

- 5.1 The Board considered a report of the Chief Executive updating the Board on the progress made to date in respect of the Integrated Smart Travel (IST) Programme and next steps. Introduction of the item at the meeting was accompanied by a video and a presentation given by the IST Programme Director.
- 5.2 The key headlines advised to the Board were that Phase 1 of the Programme, ITSO Smart Cards on Rail, had commenced live operation in November 2018 with rail customers on Northern and Transpennine services. Also in November, the Phase 2 Full Business Case had been approved at the Department for Transport's (DfT) Investment Committee. With regard to Phase 3, 'Pay As You Go' Account Based Ticketing, the Invitation To Tender had been issued to shortlisted suppliers: tender responses are due to be received back in January 2019 and will be used to develop the Phase 3 Full Business Case, scheduled for submission to DfT in late Summer 2019.
- 5.3 The Minister for Rail noted the very good progress made on this scheme which should provide for the greater encouragement of passengers to use the public transport network. In response to a query from Councillor Rachael Bailey, the IST Programme Director confirmed the interoperability of the system with those elsewhere and confirmed it could be scaled up to cover all the United Kingdom, with the exception of London.

RESOLVED: That the progress made with the IST Programme be noted, with specific acknowledgement of the following matters:-

- (a) the plans and associated expenditure for the Implementation Phase of the ITSO on Rail - Phase 1 project roll-out across the North;
- (b) the progress made with the approval of the Full Business Case for Phase 2 by DfT's investment committee;
- (c) the progress with the procurements for Phase 3 and the reallocation of funding between financial years.

6.0 Transport for the North Budget Revision 2 and Year-to-Date Monitoring

- 6.1 The Board considered a report of the Finance Director providing an update on Transport for the North's financial position after the first six months of financial year 2018/19 and, in taking account of that position and updated forecasts for the remaining six months of the financial year, presenting a revised budget ('Budget Revision 2') for consideration.
- 6.2 The submitted report was supported by two appendices. The first appendix provided an in-depth analysis of the Budget Revision 2 budget proposals. The second appendix comprised a six-month review of the Annual Treasury Management Statement that Transport for the North was statutorily obliged to maintain in order to demonstrate how the organisation would manage the risks inherent in its cash management activity.
- 6.3 The proposed 'Revision 2' budget, developed with budget holders across the organisation, would align to the latest programme delivery timetables. The recommendations were presented to the Board to allow financial monitoring and reporting as financial planning to be aligned to delivery activity.

RESOLVED: That (1) the full-year Revision 2 budget of £42.15m be adopted;
(2) the forecast full-year underspend against the base budget of £37.88m be noted;
(3) the requirement to carry forward grant to support slipped activity in the new financial year be noted;
(4) it be noted that consideration is being given to change how contingency budgets are approved in the new financial year, and that there is an intention to bring forward proposals regarding how Transport for the North manages this through its budgeting process for approval in February 2019 as part of the 2019/20 budget paper; and
(5) the mid-year Treasury Management Statement be noted.

7.0 Williams' Rail Review

- 7.1 The Chairman introduced Mr Keith Williams who had been appointed by the Department for Transport to undertake a national Rail Review.
- 7.2 Mr Williams addressed the Board in respect of the rail review that had been requested by the Secretary of State. The scope of the Review was not to include HS2 and other large scale infrastructure projects, but beyond that would comprise a full review of the railways. In this regard, four key areas were under consideration:-
- Passenger experience – stressed as a key element of the review, and the current experiences of passengers had been heard at first-hand;
 - Commercial models – considering what were the best ways that rail can work for passengers, for the taxpayer etc;
 - Structures – seen as the next level of the review, it was acknowledged that any structure proposed should be based on the interests of the passengers;
 - Enablers for change – what should a 21st century rail system look like and how could IT and other opportunities contribute.
- 7.3 The Review Team had been gathering evidence for 5-6 weeks; a website call for evidence from the public and others had been made, and meetings held with individuals and passenger groups to seek inputs. It was intended to commence review of the evidence gathered by Christmas/early new year, with the Team reporting to participants in the spring as to how the Team saw the Review progressing. It was intended to submit the final report of the Secretary of State later in the year. The input of Transport for the North into the Review process was welcomed, Mr Williams noting that Roger Marsh, the Leeds City Region LEP representative on the Board, was also a member of the Review Team. For his part, Mr Marsh commented that the review needed to progress and not hide from difficult decisions in order to make changes for the future.
- 7.4 The Chairman welcomed the opportunities for Transport for the North to contribute to the Williams' Rail Review, noting the contributions that Mr Marsh could make on behalf of both Transport for the North and Local Enterprise Partnerships. Councillor Judith Blake, advising on the review being undertaken jointly with the Minister for Rail on issues affecting the North, suggested that some of the emerging recommendations from that work could feed into the Review and proposed a meeting in the new year to consider common issues.
- 7.5 The Rail Review was welcomed by all parties to the Board. Mayor Andy Burnham supported the passenger experience being at the heart of the Review, noting that passengers' confidence in the rail network needed to be rebuilt; commented on the difficulty of determining accountability and the need to develop performance indicators that reflected the passenger experience; and asked for a consideration of the extent of devolution in the system in light of the centralisation that

appeared to have happened. Sir Peter Hendry reflected on the views of the rail industry in welcoming the review and an acknowledgement that it was hard to make the current system work. Paul Booth asked that the review also reflected on the economy. Councillor Rob Waltham further asked that in presentation of recommendations arising from the Review these not be presented as one solution for the whole country.

7.6 Mr Williams noted that the review would only succeed with the contributions and inputs from partners. He was conscious of the difference between data and insight and advised that contributions were needed to give insight into those areas needing change.

7.7 The Chairman thanked Mr Williams for his presentation to the Board and encouraged Board Members to ensure they and/or their organisations contributed to the Review.

8.0 Closing Remarks

8.1 The Chairman invited closing remarks -

(a) Peter Kennan advised that the South Yorkshire tram/train system was now open between Sheffield and Rotherham and invited Board members to visit this transformational opportunity.

(b) Jim O' Sullivan advised that Highways England were considering issues around their investment plans and would welcome discussions and engagement on this issue.

(c) Mayor Andy Burnham advised that the Metro areas were currently in the process of finalising clean air plans, noted that Highways England needed to be on board with these plans because of the contribution motorways made to air pollution, and suggested that Transport for the North might have a role in determining consistency across the North. The Chief Executive undertook to consider roles for Transport for the North regarding consistency and links with Highways England. BW

8.2 The Chair closed the meeting, thanking Members for their contributions.