

Transport for the North Board – Minutes

Meeting: Transport for the North Board
Date: Thursday 7 February 2019, 11.50am – 2.00pm
Location: Council Chamber, Chester Town Hall, 33 Northgate Street,
Chester, CH1 2HQ

Chairman:

John Cridland

Chairman

Attendees:

Andrew Jones MP

Minister of State for Transport

Constituent Authority Attendees:

Councillor Phil Riley
Councillor Fred Jackson
Councillor Rachel Bailey
Councillor Samantha Dixon
Councillor Keith Little
Mayor Andy Burnham
Councillor Daren Hale
Mayor Steve Rotherham
Councillor Rob Waltham
Councillor Don Mackenzie
Mayor Dan Jarvis
Councillor Stephen Harker
Councillor Hans Mundry
Councillor Judith Blake
Councillor Ian Gillies

Blackburn with Darwen
Blackpool
Cheshire East
Cheshire West & Chester
Cumbria
Greater Manchester
Hull
Liverpool City Region
North Lincolnshire
North Yorkshire
Sheffield City Region
Tees Valley
Warrington
West Yorkshire
York

Rail North Authority Attendees:

Councillor Trevor Ainsworth

Derbyshire

Local Enterprise Partnership (LEP) Attendees:

Pete Waterman
Steve Curl
Kishor Tailor
Mark Whitworth
Matthew Lamb
Peter Kennan
Jerry Hopkinson

Cheshire and Warrington LEP
Cumbria
Hull and the Humber LEP
Liverpool City Region
North Yorkshire
Sheffield City Region LEP
Tees Valley LEP

Delivery Partners:

Tricia Hayes	Department for Transport
Elliot Shaw	Highways England
Lorna Pimlott	HS2
Sir Peter Hendy	Network Rail

In Attendance:

Chris Melling	Chair of Audit & Governance Committee
Richard George	SNC Lavalin
Nick Bisson	Department for Transport
Rob McIntosh	Network Rail
Anna-Jane Hunter	Network Rail
Leo Goodwin	TPE
David Brown	Northern
Rob Warnes	Northern

Transport for the North Officers in Attendance:

Barry White	Chief Executive
Oyetona Raheem	Democratic Services Officer (DSO)
Iain Craven	Finance Director
Tim Foster	Head of Economic Advice
Jim Bamford	Head of Investment Planning, RN
Sasha Wayne	Head of Legal
Dawn Madin	Director of Business Capabilities
Alastair Richards	IST Programme Director
Peter Molyneux	Major Roads Director
Tim Wood	Northern Powerhouse Rail Director
Robin Miller-Stott	Senior Policy Officer
Deborah Dimock	Solicitor
David Hoggarth	Strategic Rail Director
Jonathan Spruce	Strategy Director

Apologies:

Councillor Simon Blackburn	Blackpool
Jim Jackson	Cumbria LEP
Mike Blackburn	Greater Manchester LEP
Councillor Michael Green	Lancashire
Councillor Carl Marshall	North East Combined Authority
Councillor Mathew Patrick	North East Lincolnshire
Councillor Jon Collins	Nottingham
Councillor Daniel Jellyman	Stoke-on-Trent

1.0 Welcome and Apologies **Action**

1.1 Members of the Board were welcomed to the meeting.

1.2 Apologies for absence were noted.

1.3 Governance Updates

1.4 New appointments to the Board and Scrutiny Committee were noted as follows:

- Cllr Mathew Slater as the Scrutiny Committee Member for Lancashire
- Cllr Andrew Snowden as the Substitute Scrutiny Committee Member for Lancashire County Council
- Cllr Carl Marshall as the Rail North Committee Member for the North East
- Cllr Nick Forbes as the Substitute Rail North Committee Member for the North East”
- Cllr Chris Read as the Substitute TfN Board Member for Sheffield City Region.

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 6 December 2018 were considered.

3.2 At item 7.5, line 8, Sir Peter Hendy corrected the spelling of his name.

RESOLVED: That the minutes of the Transport for the North Board held on 6 December 2018 be approved as a correct record, subject to the above amendment.

Matters Arising

3.3 All matters arising were discussed under the relevant agenda items.

4.0 Draft Business Plan 2019/20

4.1 Barry White presented the draft business plan during which he highlighted some of the tasks for the year ahead, one of which is to produce a Five-Year Strategic Plan. There was a projected increase in staff members by 30 posts. Additional

space was needed in Manchester for NPR staff and co-delivery teams from HS2/Network Rail.

- 4.2 Mayor Andy Burnham queried if TfN had dedicated sufficient resources to the recommendations from the Williams' Rail Review which had recently emerged. Barry White advised that there was a plan to make a submission to the Williams' Review and he will be consulting with members ahead of the April 2019 Board in that regard.

Cllr Judith Blake noted that the Williams Rail Review will lead to more powers/responsibilities and that there was need to acknowledge that TfN will need more resources for that purpose. She suggested a more robust analysis of TfN's role in that regard, in order to make a good case for additional resources.

- 4.3 The Chairman and Barry White expressed TfN's pride with the introduction of the apprenticeship scheme.

Cllr Daren Hale commented positively on the apprenticeship scheme and suggested that these should be expanded to include more of those from the disadvantaged group.

- 4.4 Matthew Lamb suggested the adoption of flexi working arrangements to avoid getting locked into long term leases. Iain Craven advised that options for additional work space were being considered and that the additional space required was to accommodate the NPR Team which had grown significantly.

The Chairman noted that TfN already operated some form of agile and flexi working arrangements.

RESOLVED: To approve the TfN Business Plan for 2019/20 and delegate the Chief Executive to update the document, prior to publication of the final version, in relation to:

- I. The final recommendations of the Joint Review of the Rail North Partnership;
- II. Agree with the Vice Chairs, final wording for their forewords as required;
- III. Final drafting amendments.

5.0 TfN Budget and Reserves Strategy 2019/20

5.1 Iain Craven talked the meeting through aspects of the report which was taken as read.

- RESOLVED:**
- I. To note the changes to the budget structure, particularly the isolation of contingency resource from base forecasts.
 - II. To approve the TfN budget for 2019/20, including the proposed treatment of reserves.

6.0 Treasury Management Strategy 2019/20

6.1 Iain Craven talked the meeting through aspects of the report which was taken as read.

6.2 Cllr Sam Dixon suggested that ethical investment should be considered as part of the Strategy in the future. IC

- RESOLVED:** To approve the proposed Treasury Management Strategy for 2019/20.

7.0 TfN Budget Revision 3 and Year-to-Date Monitoring

7.1 Iain Craven talked the meeting through aspects of the report which was taken as read.

- RESOLVED:**
- I. To note the year-to-date underspend of £2.96m and the forecast full year underspend of £3.61m, against the Revision 2 budget.
 - II. To approve the proposed full-year Revision 2 budget of £38.54m.
 - III. To note the requirement to carry-forward grant to support slipped activity in the new financial year, as referenced at 1.6 and Appendix 1.
 - IV. To note the reporting of cost overruns on three professional services contracts detailed in Appendix 1.

8.0 Final Strategic Transport Plan (STP) and Initial Investment Programme

- 8.1 Jonathan Spruce talked the meeting through the Final STP. He pointed out that correspondence had been received from Mr Rae, the previous day (6 February 2019) and hard copies of the letter were circulated to members at the meeting.
- 8.2 As previously detailed in the response to a prior correspondence from Mr Rae, Jonathan Spruce explained that aviation was a national issue and TfN looked forward to working with the government in that regard. He added that aviation was outside the scope of the STP. Jonathan Spruce said that TfN had taken a similar position to the Mayor for London in their strategy, which had specifically excluded aviation from its emissions target.
- 8.3 Mayor Andy Burnham expressed satisfaction that a number of his suggestions had been included in the plan. He suggested that more emphasis on cycling and walking could be included and that there should be a specific mention of tram-trains in the Plan due to its significance in the Greater Manchester area following a recent visit by the Secretary of State.
- Mayor Andy Burnham commented positively on the comprehensive response that had been given to Mr Rae's letter and expressed that the aviation emissions matter raised needed to be considered at some point with the relevant government department.
- 8.4 Cllr Rachel Bailey welcomed the strategic document and noted the challenges faced by TfN to accomplish the initiatives. Rachel Bailey noted the connection with HS2 in the document and would like clarification that HS2 will arrive at Crewe in 2027 and that TfN supported the preferred option for the connection at Crewe. It was confirmed that Crewe North Junction (CNJ) would be part of the HS2 Phase 2b Hybrid Bill and funding would be requested in SR19.
- 8.5 Cllr Rob Waltham acknowledged that the strategic document did not contain every detail, but it was important to continue to work together in order to see the document developed and to spread the benefits across the borders.

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- 8.6 Jonathan Spruce offered to take another look at the Investment Programme wording in answer to Cllr Rachel Bailey's question. Suitable areas would be identified in the document where the issues of cycling/walking and tram-trains raised by Mayor Andy Burnham could be inserted. A new aviation framework was being developed by the government in 2019 so that would be the most appropriate time to revisit the issue of aviation emissions. JS
- 8.7 Peter Kennan offered to take interested members on a tram-train journey from Sheffield to Rotherham after the official launch of the STP on Monday 11 February 2019. PK
- 8.8 Tricia Hayes commended the professionalism that had gone into the production of the document since it was last reviewed. She noted that the issue of aviation emissions was a very important matter for the government and offered to put TfN officers in contact with a member of the Government working on aviation matters so that they can work together to ensure that regional issues were taken into account when developing the new aviation framework. JS/TH
- 8.9 Cllr Blake expressed the need to do more work around how TfN was dealing with communications strategy at local level. She suggested that the STP should be linked with the communication strategy and that an additional structure should be added to make responsibility for communications of the strategy a lot clearer.
- Barry White gave some explanations on how the communications team had been working to ensure that TfN activities were widely publicised.
- 8.10 The Chairman noted that environmental matters had evolved significantly since the draft STP was published. He paid tribute to the environmental organisations that have made significant contributions to the final outcome. TfN was aware that aviation emission needed to be considered and Members will hear more from TfN in that regard when appropriate.
- The Chairman also noted that the STP was a living document that was subject to reasonable adjustments from time to time.

RESOLVED: I. To approve the Final Strategic Transport Plan as the statutory plan

under Section 102I of the Local Transport Act, subject to the addition of relevant text on active travel and tram-trains.

- II. To approve the Initial Investment programme.
- III. To submit the Strategic Transport Plan and the Initial Investment programme as advice to the Government as per TfN's Regulations.

9.0 Rail Performance

9.1 Richard George made a presentation to the meeting on his work on performance improvement. That was followed by short presentations from Anna-Jane Hunter (NR) with support from representatives of the Train Operating Companies (Leo Goodwin, David Brown and Rob Warnes) on general update on rail franchise matters for Northern and TPE.

These were followed by a question and answer session on the implementation of the recommendations from Richard George's work and key steps that had been taken to improve train services and customer experience.

9.2 The Chairman welcomed the news of the suspension of industrial action by the RMT and hoped that it would be the beginning of meaningful talks.

Mayor Steve Rotherham noted that industrial action had been called off to allow for a meaningful dialogue with the RMT and hoped that the talks that would follow will be truly meaningful to prevent a return to industrial action. Mayor Steve Rotherham would like to see key steps taken to tighten governance and improve mechanism for flagging up structural issues at the earliest point.

9.3 Cllr Daren Hale requested clarifications about specific actions that had taken place to ensure that disruption to rail services that happened in 2018 would not happen again.

9.4 Mayor Andy Burnham commended the work done by Richard George. He expressed concern that uncertainties about delivery of new trains could be echoing the service disruptions of 2018. Greater clarity on the current position

would be very helpful. He thanked the Minister for help with RMT matters and asked that Brendan Barber be kept involved and not to lose the ground achieved once discussion got into the final stages. He would like to see a full restoration of Sunday services as soon as possible.

- 9.5 Richard George gave explanations on the three structural issues and a cultural issue that needed to be addressed to prevent a recurrence of train disruptions of May 2018.

Anna-Jane Hunter (NR) explained that there had been a huge change nationally and that it would not be right to start to contemplate another 'May 2018' because the situations were not comparable.

Leo Goodwin (TPE) updated that a lot of progress had been made in the testing of new trains. A technical issue that was holding up progress had been resolved and deliveries of new trains were expected in March 2019. The remaining element of testing have been completed. With regard to existing trains, there had been a technical fault due to cold weather. A small modification was being made to address the issue.

David Brown (Northern) advised that his company was accepting rolling stock, some of which was needed for May 2019, with driver training to be undertaken in advance.

Subject to Network Rail completing the Bolton electrification, the company will be operating electric trains from later in February.

- 9.6 Cllr Blake welcomed identification of the issue of 'loss of local knowledge' in Richard George's report. She would like the recommendations on governance to include clear identification of who was responsible for what and the measure of performance. She considered it unacceptable that passenger experience was not currently measured even though there was available technology to do that.

The Chairman advised that the matters raised by Cllr Blake should be picked up as part of TfN's work on the Williams' Rail Review. DH

- 9.7 Pete Waterman noted that the issue of freight was more complex. He expressed that freight was not a subsidised part of the railway. He was satisfied with the bigger picture in terms of proposed investments in infrastructure. There

were constraints in the industry itself such as very low margin of profit and the industry needed to reflect that in addressing freight issues.

9.8 Cllr Keith Little expressed that the industry needed to look at itself and where grave mistakes had been made to prevent a recurrence in the future including the identified cultural issues. He thanked the RMT for agreeing to come to the table and Northern for working hard to find a resolution of the dispute.

9.9 Richard George said that he had avoided making recommendations about things outside of his remit. He was satisfied with making his recommendations to the Board and to the Minister. He believed with the Williams' Review, there would be an opportunity to reset the governance arrangements.

9.10 David Brown (Northern) advised that there had been a significant re-organisation and that passengers would see a more resilient timetable which will continue on a positive trajectory. He noted that there was still a lot of work to be done to reach a final deal with RMT.

Leo Goodwin echoed the points on stabilisation of the network. TPE performance had been raised to what it was before May 2018.

9.11 Mayor Andy Burnham expressed that getting a written position from the operators on their new rolling stock delivery plans would be helpful considering that promises had been made previously that were not delivered.

The Chairman requested, and it was agreed that ToCs provide a written statement to be circulated to Board Members.

DH

9.12 Mayor Andy Burnham asked for specific dates when the new rolling stock would be in service. The timeline given was two months' time. Leo Goodwin (TPE) gave explanations on contingencies that have been put in place if needed. At the moment, the plan was to put new trains into service by spring 2019.

9.13 The Chairman noted that all operators have got the message that the Board was not prepared to put up with poor service delivery.

9.14 The issue of layers of reporting lines in the rail industry was noted as an issue that needed to be addressed.

Cllr Sam Dixon echoed the issue with governance structure which was seen as vague and unclear and queried 'when and who' within the reporting line was responsible for publishing when service delivery 'will be met' or 'will not be met' as recommended in Richard George's report.

9.15 Cllr Daren Hale expressed that though there have been improvements in TPE performance, short forming had remained.

RESOLVED: To note the update on performance and the work undertaken by Independent Industry Expert, Richard George.

10.0 Exclusion of Press and Public

RESOLVED: That the public be excluded from the meeting during consideration of the following items of business because it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, there will be disclosure of confidential information as defined in s100A(2) of the Local Government Act 1972 (as amended) and exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

11.0 Northern Powerhouse Rail – Strategic Outline Business Case

11.1 Tim Wood presented his report which summarised the conclusions of the Strategic Outline Business Case (SOBC), including the additional work undertaken following the December 2018 Board. He highlighted some of the life changing opportunities that the programme will bring to the more than 15 million people of the North of England and beyond. He therefore sought Board approval to submit the SOBC to the government.

- RESOLVED:**
- I. To approve the Strategic Outline Business Case for submission to government, noting the significant progress made in the development of NPR and the further work undertaken since the December Board.
 - II. To agree the statutory advice to the Secretary of State that emphasised the need for full commitment to NPR, supported by funding to ensure that rapid progress can be made by the early 2020s.

DRAFT