
Item 3 -Scrutiny Committee – Minutes

Meeting: Scrutiny Committee

Date: 06 June 2019

Venue: The Council Chamber, Town Hall, Warrington, WA1 1UH

Members:

Cllr Martin Mitchell
Cllr Brian Roberts
Cllr Matthew Salter
Cllr Gordon Friel
Cllr Lia Nici
Cllr John Davison
Cllr Paul Haslam
Cllr Steve Parish*
Cllr Dave Taylor

Blackpool
Cheshire East
Lancashire
Liverpool City Region
North East Lincolnshire
North Lincolnshire
North Yorkshire
Warrington
York

Officers in Attendance:

Barry White
Oyetona Raheem
Iain Craven
Sasha Wayne
Rosemary Lyon
Tim Wood
Michelle Berman
Deborah Dimock
David Hoggarth
Jeremy Bloom

Chief Executive, TfN
Democratic Services Officer
Finance Director
Head of Legal Services
Legal and Democratic Services Officer
NPR Director
Programme Manager, IST
Solicitor
Strategic Rail Director
Strategy and Programme Director

Apologies:

Cllr Chris Matthews
Cllr Sean Chaytor
Cllr Carl Johnson
Cllr Michael Mordey

East Riding of Yorkshire
Hull City Council
North of Tyne
North East Combined Authority

*Substitute Member in attendance

1.0 Welcome and Apologies

1.1 The meeting noted the apologies by Cllr Cathy Mitchell (Chair) and that Cllr Paraskos (Vice-Chair) from North Yorkshire had been replaced by Cllr Paul Haslam.

1.2 Nominations were requested to appoint a chair for the meeting from amongst the Members in present. Cllrs Paul Haslam and Gordon Friel were nominated. Four Members voted for Cllr Haslam while 3 Members voted for Cllr Friel. It was therefore:

RESOLVED: To appoint Cllr Paul Haslam to chair the meeting.

1.3 Other apologies for absence were duly noted.

1.4 It was noted that the meeting was quorate.

1.5 **Declarations of Interest**

There were no declarations of interest.

2.0 **Minutes of the Previous Committee and Matters Arising**

2.1 The minutes of the meeting of the Transport for the North ("TfN") Scrutiny Committee held on 24 January 2019 were considered.

RESOLVED: *That the minutes of the meeting of the Transport for the North Scrutiny Committee held on 24 January 2019 be approved as a correct record.*

2.2 **Matters Arising:**

It was noted that the issue of meeting locations had been a subject of email exchanges amongst Members. Suggestions were therefore invited on suitable locations that recognised the geographical spread of Members.

2.3 Most of the suggestions received were in favour of locations with mainline train stations. In view of the importance of the matter, it was agreed that the views of Members that could not attend the meeting should be sought.

RESOLVED: *Scrutiny officer to liaise with the Chair to prepare a report to reflect the discussion at the meeting, with a view to finding a consensus at the first meeting of the Committee (on 29 August) after the TfN Annual Meeting.*

Action: Rosemary Lyon

2.4 A suggestions was received that Members should consider the use of other communication methods such as WhatsApp group to informally discuss issues of importance in between meetings.

3.0 Constitution Review

- 3.1 Deborah Dimock (DD) presented the Constitution Review Report and highlighted the proposed amendments.
- 3.2 Amongst the proposed changes highlighted were reduction in the Members required for quorum at Board and Committees; recommendation to allow public speaking at Scrutiny Committee subject to providing notice in advance and limited to three minutes of speech; widening the membership of the Audit and Governance Committee to strengthen its oversight roles; new ToR/Rules of Procedure for Partnership Board (PB) to reinforce that its meetings were private strategic consultation meetings; making it clearer that Rail North Committee Members must be TfN Members as a sub-committee to TfN Board; co-options to LEP and Delivery Partners representatives to the TfN Board to be changed to a blanket approval for the organisation rather than the individual.

RESOLVED: *To recommend the proposed amendments to the TfN Board for approval.*

4.0 Review of Corporate Governance Arrangements - Annual Governance Statement

- 4.1 Deborah Dimock talked the meeting through aspects of the report which was taken as read.
- 4.2 The meeting noted the oversight duties of the internal auditors and external auditors as detailed in the report.

RESOLVED: *To recommend the Annual Governance Statement to the TfN Board for approval.*

5.0 TfN 2018/19 Outturn Report

- 5.1 Iain Craven presented the Financial Outturn report during which he highlighted expenditure against the base budget, and the three revisions of the budget over the course of the year.
- 5.2 Iain Craven also highlighted the implications of unspent budgets and the likelihood that some of the unspent balances could be subject to clawbacks by the government.
- 5.3 Cllr Parish queried if TfN had requested the DfT to reimburse the £4m VAT charges as that amounted to reduction in the grants available to execute its programmes.
- 5.4 Discussion was held on the ongoing steps to recover VAT charges and the assistance being provided by the DfT in that regard. HMRC and Treasury

had interpreted relevant legislation that TfN did not qualify for VAT exemption.

- 5.5 The Committee noted as a concern that TfN was not an attractive option for delivery of investment programmes because the 20% VAT charges makes it more expensive and that the VAT issue needed to be resolved as soon as possible.
- 5.6 Cllr Salter asked how concerned Members should be when there were slippages of programmes such as the IST. IC explained some of the vulnerabilities to programme activity due to TfN being a small organisation and noted that IST was an agenda item for the later part of the meeting.
- 5.7 Cllr Davison spoke about not receiving regular updates on the NPR and asked if it was possible to provide updates in-between meetings. Tim Wood provided an update on the NPR programme and noted the slight underspend by Network Rail. Tim Wood agreed to provide updates in between Committee meetings when there were key developments to consider.
- 5.8 Cllr Friel commented on the significance of investment in rail freight and asked to know how much TfN had spent on rail freight. IC agreed to provide the detail to Cllr Friel as it was not immediately available.

Action: Iain Craven

RESOLVED: *To note the report*

The Committee adjourned for a break at 12:50 and resumed at 13:10.

6.0 Approach to Corporate Plan (r)

- 6.1 The report was presented by Jeremy Bloom, the new TfN strategy and programme director.
- 6.2 Jeremy Bloom reported that the first Member Working Group (MWG) chaired by Cllr Blake had taken place the previous day and that the group had agreed a framework of four key areas to be explored.
- 6.3 Cllr Davison commented positively on the aspiration for TfN to operate a rail service but noted the challenges with the rail system across the country and would like the MWG to be cautious because the risks were significant.
- 6.4 Jeremy Bloom said the discussions by the MWG were guided by ongoing reviews and how the plans were of a long-term nature. Lessons had been shared from the successes of MerseyRail franchise which was managed

locally. He re-reassured the Committee that matters would be worked through before decisions were taken.

- 6.5 Cllr Friel suggested that the ethos of the MerseyRail network which took good care of passengers should be embedded in the corporate plan. He noted that MerseyRail was a train service brought into public ownership and had proved to be more useful for local tax payers.

RESOLVED: *To note the report*

7.0 Northern Powerhouse Rail Update

- 7.1 Tim Wood talked the meeting through the presentation slides.
- 7.2 Cllr Friel congratulated the NPR Team on their achievements so far and noted that coming together under TfN had given government the confidence to allow the North to develop its own strategy for transport. He asked what was being done about freight. He also asked for what was being done about disruption to free movement of goods and people and how NPR will engage with businesses.
- 7.3 Tim Wood noted that NPR will free up capacity on other lines (e.g Chat Moss). TRU was working with Network Rail on diversion of routes to minimise disruption. He added that freight had been built into the Strategic Transport Plan and SOBC. He added that 99% of businesses consulted had indicated that they would like NPR to be built.
- 7.4 Cllr Friel asked if there were plans in place to deal with the problem of land banking. TW said that was an issue for HS2 rather than NPR at this stage as NPR consultative stage was a long way off.
- 7.5 Cllr Salter asked how NPR will ensure that communities in the fringes were not left behind. Tim Wood explained how the infrastructure of HS2 and NPR will draw together and support smaller towns including via touchpoints. Conversations were ongoing with Network Rail about these. TfN had been involved in the Cumbria coastline and there was the need to join up with Scotland and Midlands Connect as they also have impact on the North.
- 7.6 Cllr Salter asked how the NPR had been communicating and engaging with the people and suggested the use of social media. Tim Wood noted that TfN use social media and has a Twitter account. He would be happy to consider committee members feedback on communications.
- 7.7 Cllr Mitchell asked about how places like Blackpool and Fleetwood / St Annes would be connected. Tim Wood said that strategic rail was looking

at big infrastructure systems for existing routes and how they fed into NPR.

- 7.8 Cllr Haslam echoed the call for the fringes to be considered citing the example of Harrogate/Leeds/York route that had not been electrified. He would also like consideration to be given to train usage rather than boundaries.
- 7.9 Cllr Nici noted that North Lincolnshire did not feature in the NPR programme and asked to know how rail freight will be expanded. Tim Wood gave explanations on how the matters raised were being addressed.
- 7.10 Cllr Taylor echoed the call for consideration to be given to the fringe areas. He added that high costs of travelling by trains in the seaside areas was the main reason why people preferred to drive. Cllr Taylor also asked for what would happen if HS2 was pulled.

Tim Wood noted that booking train tickets in advance could significantly reduce the costs. He advised that the NPR programme had been developed on the basis that HS2 would be delivered. If HS2 was pulled, the team would have to go back to the planning stage to identify what NPR could deliver.

RESOLVED: *To note the presentation.*

8.0 Rail Reviews

- 8.1 David Hoggarth presented the update report on rail reviews which was taken as read.
- 8.2 Cllr Salter commented on the industrial action by Northern staff and asked if there was anything more that could be done to achieve an amicable resolution. David Hoggarth gave explanations on how the matters were being resolved.
- 8.3 Cllr Parish asked about how consultation with stakeholders about the input to the Williams' Rail Review had been progressing. David Hoggarth noted that comments and suggestions were still feeding into the process but that there had been overwhelming support for greater devolution.
- 8.4 Cllr Haslam asked about how TfN had been handling the issue of climate change/carbon emissions in its programmes. David Hoggarth said that sustainability was at the heart of the Strategic Transport Plan. At the moment, climate change/carbon emission issues were decided nationally not locally so TfN had requested for powers in order to enable it to make some choices locally.

- 8.5 Cllr Roberts commented on the outdated/not fit for purpose bridges and queried if there was plan for investment in bridges on the rail network. David Hoggarth noted that bridges were not part of the Williams Rail Review. Network Rail maintain bridges and it would be great to have more influence/ability to shape how infrastructures were developed and get the industry to be more responsive.
- 8.6 Cllr Salter requested to know if TfN had been placing emphasis on the issue of emissions/air quality through request for electrification of trains. DH gave explanations on how TfN had been working with delivery partners in this regard.
- 8.7 The Chair suggested, and it was agreed that further comments and suggestions on the Rail Reviews be forwarded to David Hoggarth by email through the Democratic Services Officer.

RESOLVED: *To note the updates.*

9.0 Exclusion of Press and Public

RESOLVED: To exclude from the meeting during consideration of item 10 because it was 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).

10 Integrated and Smart Travel - Update (r)

- 10.1 Michelle Berman and Barry White provided updates on what had been achieved and key issues being considered in the various Phases of the Integrated and Smart Travel programme. They also highlighted the activity in the next phases of the programme.

RESOLVED: To note the progress on the IST programme and the identified risks as detailed in an appendix to the report.