

#### **Appendix 4 : Further information on the proposed arrangements for TfN as a statutory sub-national body.**

The powers and functions which will be given to TfN through the Regulations and by legislation. These are as follows:

- To prepare a Transport Strategy for the Combined Area in accordance with section 102 of the Local Transport Act 2008;
- To provide advice to the Secretary of State about the exercise of the transport functions in the Combined Area;
- 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;
- To be consulted in relation to rail franchise agreements for services to and from or within its area;
- To co-manage with the Secretary of State the TransPennine Express and Northern Rail Franchises;
- 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;
- To promote and co-ordinate road transport schemes;
- To make proposals to the Secretary of State for the transfer of transport functions to TfN;
- To make other proposals to the Secretary of State about the role and functions of TfN;
- To undertake Smart Ticketing within the Combined Area;
- To promote and oppose local or personal bills in Parliament;
- To pay Capital Grants to support the funding and delivery of joint projects;
- To exercise the powers of a highway authority to acquire land and to construct highways.

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.

TfN have prepared a Frequently Asked Questions briefing which provides a summary of the powers it is seeking – this is attached for information as Appendix 2.

### **Concurrent Functions**

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. It is therefore recommended that the agreement to any future protocol is reserved to Cabinet and Cabinet's formal decision would authorise the appointed Member in the direction of voting for the authority on the TfN board for protocols (see paragraph 2.1 (ix) above).

### **Responsibility for Functions**

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

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.

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.

### **Audit and Governance Committee**

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.

### **Scrutiny Committee**

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

The role of the Scrutiny Committee will include:-

- reviewing the decisions of TfN and of officers of TfN under the scheme of delegations;
- 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.

### **The Rail North Committee**

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.

### **Officers**

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.

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

### **Procedure Rules**

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.

### **Scrutiny Procedure Rules**

These set out the role of Scrutiny within TfN.

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.

### **Financial Procedures**

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.

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.

### **Codes and Protocol**

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.

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.

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.

The Code of Conduct for Officers sets out the standards of behaviour expected from TfN's officers.

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.

The Code of Corporate Governance sets out the core principles and values which will govern the way in which TfN operates.

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.

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.

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

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-Nation 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.

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.

### **Rail North Limited**

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.

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.

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.

### **The Rail Partnership Board**

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

### **The Highways North Board**

TfN will participate in the Highways North Board 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.

### **The Chief Executives Meeting**

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 (this currently operates as the TfN Executive Board).