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noted the apologies by Cllr Cathy Mitchell (Chair) and that Cllr Paraskos (Vice-Chair) from North Yorkshire had been replaced by Cllr Paul Haslam.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

**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 suggestion was received that Members should consider the use of other communication method, 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 Included in the proposed changes highlighted was a reduction in the number of Members required to achieve quoracy at Board and

Committees; a recommendation to allow public speaking at Scrutiny Committee (subject to providing notice in advance and limited to three minutes of speech); 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 Board Members (or substitute Board Members) as a sub-committee to TfN Board; and 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 presented the report which was taken as read.

4.2 The meeting noted the report and the duties of the internal auditors and external auditors as detailed therein.

**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, highlighting 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 Iain Craven summarised the process that had been undertaken in relation to VAT prior to TfN being established as a statutory body. This included the discussions that had taken place with DfT and HMRC, and the HMRC adjudication that TfN did not meet the criteria for S.33 exemption under the VAT Act 1994.

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

made 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. Iain Craven 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. Tim Wood agreed to provide more regular updates.
- 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. Iain Craven agreed to provide the detail to Cllr Friel as it was not immediately available.

**Action:** Iain Craven

**RESOLVED:** *To note the report*

## **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 greater devolved powers 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 that the plans were of a long-term nature. Lessons have 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 fully devolved train service and had proved to be very successful.

**RESOLVED:** *To note the report*

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**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.
- 7.3 Tim Wood noted that NPR will free up capacity on other lines (e.g Chat Moss). TfN was working with Network Rail on diversionary routes to minimise disruption. He added that freight had been built into the Strategic Transport Plan and SOBC.
- 7.4 Cllr Friel asked if there were plans in place to deal with the problem of land banking. Tim Wood said that was not an issue for NPR at this stage.
- 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, in particular by freeing up capacity on the existing network. Conversations were ongoing with Network Rail about these. TfN had been involved in the Cumbrian Coast project and there was a 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 had 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 infrastructure for the existing routes and how this 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 patterns 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 cancelled.

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 in full. If HS2 was cancelled, TfN would need to consider how the NPR plan should be amended to deliver the required outcomes and come back to Members once the evidence had been evaluated.

**RESOLVED:** *To note the presentation.*

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

## **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 strong 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 many rail investment decisions that could have a positive impact on climate change/carbon emission issues were decided nationally not locally so TfN was requesting greater devolution 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.

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David Hoggarth gave explanations on how TfN had been working with delivery partners in this regard.

- 8.7 Cllr Haslam 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).

## **10.0 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, including the key risk of operator commitment in Phase 3, ABBOT.

**RESOLVED:** To note the progress on the IST programme and the associated risks.

## **11.0 Date of next meeting:**

**RESOLVED:** That the next meeting will be held on Thursday, 29 August 2019 at Committee Room A, Wellington House, Leeds, LS1 2DE at 11:00 to 13:00.