

**Appendix 1**

**THE ORDER**

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STATUTORY INSTRUMENTS

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**2018 No. 103**

**TRANSPORT, ENGLAND**

**LOCAL GOVERNMENT, ENGLAND**

**The Sub-national Transport Body (Transport for the North)  
Regulations 2018**

*Made - - - - 22nd January 2018*

*Coming into force - - 1st April 2018*

These Regulations are made in exercise of the powers conferred by sections 102E, 102G, 102H, 102J, 102K, 102L and 102S of the Local Transport Act 2008(a).

The Secretary of State, having regard to a proposal made under section 102F(3)(a) of the Local Transport Act 2008, considers that the making of these Regulations will facilitate the development and implementation of transport strategies in the area to which these Regulations relate, and that the objective of economic growth in the area would be furthered by the development and implementation of such strategies.

The Secretary of State is satisfied that the area to which these Regulations relate meets the condition set out in section 102E(4) of the Local Transport Act 2008.

The constituent authorities for the area to which these Regulations relate, after consulting in accordance with section 102F(5) of the Local Transport Act 2008, have made a proposal for there to be a sub-national transport body for that area and have consented to the making of these Regulations in accordance with section 102F(3)(b) of that Act.

Consent has been obtained to the provisions made in these Regulations under section 102J of the Local Transport Act 2008 from those local authorities from which it is required under section 102J(6)(a) of that Act.

A draft of these Regulations has been approved by a resolution of each House of Parliament pursuant to section 102T of the Local Transport Act 2008.

Accordingly, the Secretary of State makes the following Regulations:

(a) 2008 c. 26; these sections were inserted by the Cities and Local Government Devolution Act 2016 (c.1), section 21.

### **Citation and commencement**

1.(1) These Regulations may be cited as the Sub-national Transport Body (Transport for the North) Regulations 2018.

(2) These Regulations come into force on 1st April 2018.

### **Interpretation**

2.(1) In these Regulations, “constituent authorities” means the following authorities:

- Blackburn with Darwen Borough Council;
- Blackpool Borough Council;
- Cheshire East Council;
- Cheshire West and Chester Council;
- The Council of the City of York;
- Cumbria County Council;
- The Durham, Gateshead, South Tyneside and Sunderland Combined Authority (North East Combined Authority);
- Newcastle upon Tyne, North Tyneside, Northumberland Combined Authority (North of Tyne Combined Authority);
- The East Riding of Yorkshire Council;
- Greater Manchester Combined Authority;
- Kingston upon Hull City Council;
- Lancashire County Council;
- Liverpool City Region Combined Authority;
- North East Lincolnshire Council;
- North Lincolnshire Borough Council;
- North Yorkshire County Council;
- Sheffield City Region Combined Authority;
- Tees Valley Combined Authority;
- Warrington Borough Council;
- West Yorkshire Combined Authority;

“TfN” has the meaning given by regulation 3.

(2) References in these Regulations to the area of TfN are to the area for which TfN is established (see regulation 3(1)).

### **Establishment of Transport for the North**

3.(1) A sub-national transport body is established for the area consisting of the areas of the constituent authorities.

(2) The body is to be known as Transport for the North (“TfN”).

(3) TfN is to be a body corporate.

(4) TfN has the functions conferred or imposed upon it, or delegated to it, by these Regulations or by or under any other enactment (whenever passed or made).

## Constitution

4. The Schedule makes provision about TfN's constitution.

## General Functions

5. TfN has the following general functions:

- (a) to prepare a transport strategy for its area;
- (b) to provide advice to the Secretary of State about the exercise of transport functions in relation to its area (whether exercisable by the Secretary of State or others);
- (c) to co-ordinate the carrying out of transport functions in relation to its area that are exercisable by different constituent authorities, with a view to improving the effectiveness and efficiency in the carrying out of those functions;
- (d) if TfN considers that a transport function in relation to its area would more effectively and efficiently be carried out by TfN, to make proposals to the Secretary of State for the transfer of that function to TfN;
- (e) to make other proposals to the Secretary of State about the role and functions of TfN.

## Capital grants

6.(1) The function of the constituent authorities as local authorities specified in section 56(2) of the Transport Act 1968(a) (power to make capital grants) is exercisable by TfN in relation to its area.

- (2) This function is exercisable concurrently with the constituent authorities.

## Ticketing schemes

7.(1) The functions of the constituent authorities as local transport authorities specified in the following provisions of the Transport Act 2000(b) are exercisable by TfN in relation to its area

- (a) section 134C(1)(c) (power to make advanced ticketing schemes), and
- (b) section 135(1)(d) (power to make other kinds of ticketing schemes).

- (2) These functions are exercisable concurrently with the constituent authorities.

- (3) For the purposes of this regulation, the following provisions apply to TfN as they apply to a local transport authority—

- (a) section 134C(9) to (11) (duties applicable when carrying out functions in relation to an advanced ticketing scheme);
- (b) sections 134D to 134G(e) (other provisions applicable in connection with advanced ticketing schemes);
- (c) section 135(7) and (8) (duties applicable when carrying out functions in relation to other kinds of ticketing schemes);
- (d) sections 136(f) and 137(g) (other provisions applicable in connection with such ticketing schemes).

(a) 1968 c. 73; section 56 was amended by the Local Transport Act 2008 (c.26), Schedule 4, paragraph 12, and the Local Democracy, Economic Development and Construction Act 2009 (c.20), Schedule 6, paragraph 6.

(b) 2000 c. 38.

(c) Section 134C was inserted by the Bus Services Act 2017 (c.21), section 7.

(d) Section 135 was amended by the Local Transport Act 2008 (c.26), Schedule 1, paragraph 3(2).

(e) Sections 134D to 134G were inserted by the Bus Services Act 2017 (c.21), section 7.

(f) Section 136 was amended by the Local Transport Act 2008 (Traffic Commissioners) (Consequential Amendments) Order 2013 (S.I. 2013/1644), Schedule 3.

(g) Section 137 was amended by the Railways Act 2005 (c.14), Schedule 12, paragraph 17(2) and the Local Transport Act 2008 (Traffic Commissioners) (Consequential Amendments) Order 2013 (S.I. 2013/1644), Schedule 3.

## Franchise agreements

**8.**(1) Section 13 of the Railways Act 2005(**a**) (functions relating to franchising) has effect as if—

- (a) references to a Passenger Transport Executive included references to TfN, and
- (b) references to the area of a Passenger Transport Executive (or the integrated transport area) included references to TfN's area.

(2) The functions of a Passenger Transport Executive specified in that section are exercisable by TfN in relation to its area concurrently with the constituent authorities by which the functions are exercisable in relation to their areas.

## Highways

**9.**(1) TfN has in relation to its area the functions set out in the Highways Act 1980(**b**) that are mentioned in regulations 10 and 11.

(2) The functions mentioned in regulation 10 are exercisable by TfN in relation to its area jointly with the Secretary of State.

(3) The functions mentioned in regulation 11 are exercisable by TfN in relation to its area:

- (a) concurrently with the local authorities by which the functions are exercisable in relation to areas within TfN's area (whether as highway authorities or in other capacities), and
- (b) subject to regulation 14 (in the case of the function mentioned in regulation 11(b)) and regulation 15 (in the case of any other functions mentioned in regulation 11).

**10.** The functions exercisable jointly with the Secretary of State are—

- (a) the function in section 6(5)(c) (power to enter agreement with local authority for works relating to trunk road),
- (b) the functions in sections 105A to 105C(**d**) (functions relating to environmental impact assessments),
- (c) the functions in section 239(1)(e) and (2)(f) (powers to acquire land in connection with highways), in relation to trunk roads,
- (d) the functions in section 239(3), (4) and (5) (powers to acquire land for improvement of a highway), insofar as those functions are exercisable by the Secretary of State,
- (e) the functions in section 240(1), (2)(a) and (6) (acquisition of land in connection with highways: further general powers), insofar as those functions are exercisable by the Secretary of State,

**(a)** 2005 c. 14; section 13 was amended by the Local Transport Act 2008 (c.26), Schedule 4, paragraph 66(2) and the Deregulation Act 2015 (c.20), Schedule 8, paragraph 7. **(b)** 1980 c. 66.

(c) Section 6(5) was amended by the Local Government Act 1985 (c.51), Schedule 4, paragraph 4(c) and the Infrastructure Act 2015 (c.7), Schedule 1, paragraphs 7(8)(a) and 7(8)(b).

(d) Section 105A was inserted by the Highways (Assessment of Environmental Effects) Regulations 1988 (S.I. 1988/1241), regulation 2 and amended by the Highways (Assessment of Environmental Effects) Regulations 1999 (S.I. 1999/369), regulation 2, the Countryside and Rights of Way Act 2000 (c.37), Schedule 10, paragraph 5, Schedule 15, paragraph 5 and Schedule 16, Part 3, the Highways (Environmental Impact Assessment) Regulations 2007 (S.I. 2007/1062), regulation 2, the Conservation of Habitats and Species Regulations 2010 (S.I. 2010/490), Schedule 6, paragraph 3 and the Infrastructure Act 2015 (c.7), Schedule 1, paragraph 30. Section 105B was inserted by the Highways (Assessment of Environmental Effects) Regulations 1999 (S.I. 1999/369), regulation 2 and amended by the Highways (Environmental Impact Assessment) Regulations 2007 (S.I. 2007/1062), regulation 3, the Natural Resources Body for Wales (Functions) Order 2013 (S.I.

2013/755), article 4(1) and Schedule 2, paragraph 161 and the Infrastructure Act 2015 (c.7), Schedule 1, paragraph 31. Section 105C was inserted by the Highways (Assessment of Environmental Effects) Regulations 1999 (S.I. 1999/369), regulation 2 and amended by the Highways (Environmental Impact Assessment) Regulations 2007/1062, regulation 4 and the Infrastructure Act 2015 (c.7), Schedule 1, paragraph 32.

(e) Section 239(1) was amended by the Infrastructure Act 2015 (c.7), Schedule 1, paragraph 45(2).

(f) Section 239(2) was amended by the Infrastructure Act 2015 (c.7), Schedule 1, paragraphs 45(3)(a) and 45(3)(b).

- (f) the functions in section 246(1), (2)(a), (2A)(b) and (5) (powers to acquire land to mitigate effects of constructing or improving highway), insofar as those functions are exercisable by the Secretary of State, and
- (g) the functions in section 250(1) and (2) (powers relating to acquisition of rights over land), insofar as those functions are exercisable by the Secretary of State.

**11.** The functions exercisable by TfN in relation to its area concurrently with local authorities in relation to their areas are:

- (a) the function in section 8(1)(c) (power to enter agreement with local highway authorities etc for doing certain works),
- (b) the function in section 24(2)(d) (power of local highway authority to construct new highways),
- (c) the function in section 25(1)(e) (power to enter into agreement for creation of footpath etc),
- (d) the function in section 26(1)(f) (compulsory powers for creation of footpaths etc),
- (e) the function in section 239(1), in relation to a highway which is to be a highway maintainable at the public expense, other than a trunk road,
- (f) the functions in section 239(3), (4) and (5), insofar as those functions are exercisable by local authorities in relation to areas within TfN's area,
- (g) the functions in section 240(1), (2)(a) and (6), insofar as those functions are exercisable by local authorities in relation to areas within TfN's area,
- (h) the functions in section 246(1), (2), (2A) and (5), insofar as those functions are exercisable by local authorities in relation to areas within TfN's area, and
- (i) the functions in section 250(1) and (2), insofar as those functions are exercisable by local authorities in relation to areas within TfN's area.

**12.** For the purposes of regulations 10 and 11, the following references in the Highways Act 1980 have effect as if they included references to TfN

- (a) the references to the Minister in:
  - (i) section 6(2)(g), (6)(h), and (8)(i),
  - (ii) section 10(2)(a)(i)(j),
- (b) the references to an "other" highway authority in section 8(3),
- (c) the references to a local authority in

- (a) Section 246(2) was amended by the Planning and Compensation Act 1991 (c.34), Schedule 15, paragraph 26.
- (b) Section 246(2A) was inserted by the Planning and Compensation Act 1991 (c.34), section 62(2).
- (c) Section 8(1) was amended by the Infrastructure Act 2015 (c.7), Schedule 1, paragraphs 8(2)(a) and 8(2)(b).
- (d) Section 24(2) was amended by the Local Government Act 1985 (c.51), section 102 and Schedule 17 and the Infrastructure Act 2015 (c.7), Schedule 1, paragraphs 17(4)(a) and 17(4)(b).
- (e) Section 25(1) was amended by the Restricted Byways (Application and Consequential Amendment of Provisions) Regulations 2006 (S.I. 2006/1177), regulation 2 and Schedule 1, Part 1.
- (f) Section 26(1) was amended by the Restricted Byways (Application and Consequential Amendment of Provisions) Regulations 2006 (S.I. 2006/1177), regulation 2 and Schedule 1, Part 1 and the Infrastructure Act 2015 (c.7), Schedule 1, paragraphs 2(2)(a) to 2(2)(c).
- (g) Section 6(2) was amended by the Infrastructure Act 2015 (c.7), Schedule 1, paragraphs 7(5)(a) and 7(5)(b).
- (h) Section 6(6) was amended by the Local Government Act 1985 (c.51), Schedule 4, paragraph 4(d) and Schedule 17, the Local Government (Wales) Act (c.19), Schedule 7, paragraphs 2(3)(a) to 2(3)(c) and the Infrastructure Act 2015 (c.7), Schedule 1, paragraph 7(9).
- (i) Section 6(8) was amended by the Contracting Out (Highway Functions) Order 1995 (S.I. 1995/1986), article 3 and the Infrastructure Act 2015 (c.7), Schedule 1, paragraphs 7(10)(a) and 7(10)(b).
- (j) Section 10(2)(a)(i) was amended by the New Roads and Street Works Act 1991 (c.22), section 22(2)(a) and the Infrastructure Act 2015 (c.7), Schedule 1, paragraph 10(2).

- (i) section 25(3), (5)(a) and (6)(b),
- (ii) section 26(2)(c), (3)(d) and (3A)(e),
- (iii) section 27(1)(f) and (3),
- (d) the reference to “Councils” in section 29(g),
- (e) the reference to the Secretary of State in section 105D(1)(h),
- (f) the reference to a “local highway authority” in section 247(1)(i), (g) the references to a highway authority in—
  - (i) section 247(6),
  - (ii) section 249(1),
  - (iii) section 250(1) and (2),
  - (iv) section 251(1), (2) and (4),
  - (v) section 252(1), (2) and (4),
  - (vi) section 260(1),
  - (vii) section 261(1)(j), (3)(k), (4)(l) and (6),
  - (viii) section 272(1)(m),
  - (ix) section 274,
  - (x) section 282(1) and (3),
  - (xi) the definition of “proposed highway” in section 329(1)(n),
- (h) the references to “the authority” in section 252(3), and
- (i) the reference to “the acquiring authority” in section 261(2)(o).

**13.—**(1) Section 14 of the Highways Act 1980(p) has effect as if the references to “the highway authority” in subsections (1)(a) and (7) included references to TfN.

(2) An order under section 14 of the Highways Act 1980 in relation to TfN is to be made by the Secretary of State.

- (a) Section 25(5) was amended by the Restricted Byways (Application and Consequential Amendment of Provisions) Regulations 2006 (S.I. 2006/1177), regulation 2 and Schedule 1, Part 1.
- (b) Section 25(6) was inserted by the Wildlife and Countryside Act 1981 (c.69), section 64 and amended by the Restricted Byways (Application and Consequential Amendment of Provisions) Regulations 2006 (S.I. 2006/1177), regulation 2 and Schedule 1, Part 1.
- (c) Section 26(2) was amended by the Restricted Byways (Application and Consequential Amendment of Provisions) Regulations 2006 (S.I. 2006/1177), regulation 2 and Schedule 1, Part 1.
- (d) Section 26(3) was amended by the Infrastructure Act 2015 (c.7), Schedule 1, paragraph 18(3)(a) and 18(3)(b).
- (e) Section 26(3A) was inserted by the Countryside and Rights of Way Act 2000 (c.37), Schedule 6, paragraph 1 and amended by the Restricted Byways (Application and Consequential Amendment of Provisions) Regulations 2006 (S.I. 2006/1177), regulation 2 and Schedule 1, Part 1 and the Infrastructure Act 2015 (c.7), Schedule 1, paragraph 18(4).
- (f) Section 27(1) was amended by the Restricted Byways (Application and Consequential Amendment of Provisions) Regulations 2006 (S.I. 2006/1177), regulation 2 and Schedule 1, Part 1.
- (g) Section 29 was amended by the Countryside and Rights of Way Act 2000 (c.37), Schedule 6, paragraph 2.
- (h) Section 105D(1) was inserted by the Highways (Environmental Impact Assessment) Regulations 2007 (S.I. 2007/1062), regulation 5 and amended by the Infrastructure Act 2015 (c.7), Schedule 1, paragraph 33.
- (i) Section 247(1) was amended by the Infrastructure Act 2015 (c.7), Schedule 1, paragraph 48.
- (j) Section 261(1) was amended by the Transfer of Tribunal Functions (Lands Tribunal and Miscellaneous Amendments) Order 2009 (S.I. 2009/1307), Schedule 1, paragraph 134.
- (k) Section 261(3) was amended by the Transfer of Tribunal Functions (Lands Tribunal and Miscellaneous Amendments) Order 2009 (S.I. 2009/1307), Schedule 1, paragraph 134.
- (l) Section 261(4) was amended by the Transfer of Tribunal Functions (Lands Tribunal and Miscellaneous Amendments) Order 2009 (S.I. 2009/1307), Schedule 1, paragraph 134.
- (m) Section 272(1) was amended by the Planning (Consequential Provisions) Act 1990 (c.11), Schedule 2, paragraph 45(16).
- (n) Section 329(1), to which there are amendments not relevant to these Regulations.
- (o) Section 261(2) was amended by the Transfer of Tribunal Functions (Lands Tribunal and Miscellaneous Amendments) Order 2009 (S.I. 2009/1307), Schedule 1, paragraph 134.
- (p) Section 14 was amended by the Water Act 1989 (c.15), section 190 and Schedule 27, Part 1, the Planning Act 2008 (c.29), Schedule 2, paragraph 23 and the Infrastructure Act 2015 (c.7), Schedule 1, paragraphs 12(a) and 12(b).

**14.** TfN may not exercise the function in section 24(2) of the Highways Act 1980 to construct a new highway unless the manner in which it proposes to exercise the function has been approved by—

- (a) each council, within the meaning of section 329(1) of that Act, through whose area the highway is to pass,
- (b) the person who is proposed to be the highway authority for the highway (if not a council within the meaning of section 329(1)),
- (c) the highway authority for any highway with which the new highway will communicate (if not a council within the meaning of section 329(1)), and (d) the Secretary of State.

**15.** TfN may not exercise any other function mentioned in regulation 11 in relation to the area of a local authority unless the manner in which it proposes to exercise the function has been approved by the local authority.

**16.** Section 36(2) of the Highways Act 1980(a) has effect as if a highway constructed by TfN were a highway maintainable at the public expense.

**17.** Section 39 of the Road Traffic Act 1988(b) (functions in relation to road safety etc) has effect as if TfN were a “relevant authority” for the purposes of subsection (3)(c) of that section (duty to take measures when constructing new roads to reduce the possibility of accidents arising out of the use of vehicles).

## Finance

**18.—(1)** The constituent authorities must make a contribution in respect of any reasonably incurred costs of TfN if they all agree on— (a) the need for a contribution, and (b) the amount required.

(2) The amount of any contribution under paragraph (1) is to be apportioned between the constituent authorities—

- (a) in proportion to the total resident population of the area of each authority at the relevant date as estimated by the Statistics Board(c), or
- (b) on such other basis as may be agreed by all the constituent authorities.

(3) For the purposes of paragraph (2) the relevant date in relation to a payment for a financial year is 30th June in the financial year which commenced two years previously.

(4) Each constituent authority may contribute to the costs of TfN individually if it chooses to do so.

## Incidental

**19.(1)** Section 9(5) of the Transport Act 1968(d) (power to provide services within passenger transport areas) has effect as if—

(a) Section 36(2) was amended by the Housing (Consequential Provisions) Act 1985 (c.71), Schedule 2, paragraphs 47(a) and 47(b), the Transport and Works Act 1992 (c.42), sections 64(2), 64(3) and Schedule 4, Part 1, the Planning (Consequential Provisions) Act 1990 (c.11), Schedule 2, paragraph 45(3), the Restricted Byways (Application and Consequential Amendment of Provisions) Regulations 2006 (S.I. 2006/1177), regulation 2 and Schedule 1, Part 1 and the Countryside and Rights of Way Act 2000 (c.37), Schedule 6, paragraph 5.

(b) 1988 c. 52; relevant amending instruments to section 39 are the New Roads and Street Works Act 1991 (c.22), Schedule 8, paragraph 121(3) and the Greater London Authority Act 1999 (c.29), sections 279(3) and 279(4)(a) to 279(4)(c).

(c) Section 25 of the Statistics and Registration Service Act 2007 (c.18) provides that the Statistics Board is responsible for the functions in section 19 of the Registration Service Act 1953 (c.37).

(d) 1968 c. 73; section 9(5) was amended by the Transport Act 1985 (c.67), sections 57(1)(b) and 58(2)(c), the Local Transport Act 2008 (c.26), Schedule 4, paragraph 2, the Greater Manchester Combined Authority Order 2011 (S.I. 2011/908), Schedule 2, paragraph 5 and the Combined Authorities (Consequential Amendments) Order 2014 (S.I. 2014/866), Schedule, paragraph 2(5).

(a) after “combined authority area” there were inserted “or the area of Transport for the North”, and

(b) after “subsidiary of the Executive,” there were inserted “or Transport for the North (as the case may be)”.



(2) Section 1 of the Local Authorities (Goods and Services) Act 1970(a) has effect as if TfN were a local authority for the purposes of that section.

(3) The following provisions of the Local Government Act 1972 (b) have effect as if TfN were a local authority for the purposes of those provisions—

- (a) section 113 (secondment of staff) (c);
- (b) section 116 (member of TfN not to be appointed as officer) (d);
- (c) section 117 (disclosure by officers of interests in contracts) (e);
- (d) section 135 (standing orders for contracts);
- (e) section 142(2) (provision of information) (f);
- (f) section 222 (power to investigate and defend legal proceedings) (g);
- (g) section 239 (power to promote or oppose a local or personal Bill) (h).

(4) Sections 120, 121 and 123 of that Act (acquisition and disposal of land) have effect as if—

- (a) TfN were a principal council;
- (b) section 120(1)(b) were omitted; (c) section 121(2)(a) were omitted.

(5) Section 29 of the Localism Act 2011 (registers of interests) has effect as if—

- (a) TfN were a relevant authority, and
- (b) references to “the monitoring officer” were references to an officer appointed by TfN for the purposes of that section.

(6) In the Local Government Pension Scheme Regulations 2013(i)—

(a) 1970 c. 39; section 1 was amended by the Local Government Act 1972 (c.70), Schedule 30, the Local Government (Scotland) Act 1973 (c.65), Schedule 27, paragraph 195, the Local Government Act 1985 (c.51), sections 1, 102 and 84, Schedule 14, paragraph 47 and Schedule 17, the Education Reform Act 1988 (c.40), sections 231(7), 235(6), 237(2) and Schedule 13, Part 1, the Housing Act 1988 (c.50), section 89(2), the Norfolk and Suffolk Broads Act 1988 (c.4), sections 21, 23(2), 27(2) and Schedule 6, paragraph 8, the Local Government (Wales) Act 1994 (c.19), section 25(8), the Police and Magistrates’ Courts Act 1994 (c.29), Schedule 4, paragraph 5, the Local Government etc. (Scotland) Act 1994 (c.39), Schedule 13, paragraph 84, the Greater London Authority Act 1999 (c.29), section 388, the Criminal Justice and Police Act 2001 (c.16), Schedule 7, part 5, paragraph 1, the Local Government and Public Involvement in Health Act 2007 (c.28), Schedule 13, paragraph 29, the Offender Management Act 2007 (Consequential Amendments) Order 2008 (S.I. 2008/912), Schedule 1, part 1, paragraph 4(2), the Local Democracy, Economic Development and Construction Act 2009 (c.20), Schedule 6, paragraph 9, the Police Reform and Social Responsibility Act 2011 (c.13), Schedule 16, paragraph 94, the Localism Act 2011 (c.20), Schedule 20, paragraph 1 and Schedule 22, paragraph 2, the Deregulation Act 2015 (c.20), Schedule 13, paragraph 6(6) and the Policing and Crime Act 2017 (c.3), Schedule 1, paragraph 22 (b) 1972 c. 70.

(c) Section 113 was amended by the National Health Service Reorganisation Act 1973 (c.32), Schedule 4, paragraph 151(1), the National Health Service and Community Care Act 1990 (c.19), Schedule 9, paragraph 13, the Health Act 1999 (Supplementary, Consequential etc. Provisions) Order 2000 (S.I. 2000/90), Schedule 1, paragraph 10(a), the National Health Service Reform and Health Care Professions Act 2002 (Supplementary, Consequential etc. Provisions) Regulations 2002 (S.I. 2002/2469), Schedule 1, paragraph 7, the Health and Social Care (Community Health and Standards) Act 2003 (c.43), Schedule 4, paragraph 18, the National Health Service (Consequential Provisions) Act 2006 (c.43), Schedule 1, paragraph 51(a), the References to Health Authorities Order 2007 (S.I. 2007/961), Schedule, paragraph 8(2), the Health and Social care Act 2012 (c.7), Schedule 5, paragraph 17, Schedule 7, paragraph 3 and Schedule 17, paragraph 3,

(d) Section 116 was amended by the Local Government Act 1985 (c.51), section 102 and Schedule 17 and, in relation to England, by the Local Authorities (Executive and Alternative Arrangements) (Modification of Enactments and Other Provisions) (England) Order 2001 (S.I. 2001/2237), article 8.

(e) Section 117 was amended by the Criminal Justice Act 1982 (c.48), sections 38 and 46.

(f) Section 142(2) was amended by the Local Government Act 1986 (c.10), section 3(1).

(g) Section 222 was amended by the Greater London Authority Act 1999 (c.29), Schedule 29, paragraph 20 and the Policing and Crime Act 2017 (c.3), Schedule 1, paragraph 26.

(h) Section 239 was amended by the Local Government Act 1985 (c.51), Schedule 14, paragraph 32, the Local Government and Public Involvement in Health Act 2007 (c.28), Schedule 13, paragraph 23, the Local Democracy, Economic Development and Construction Act 2009 (c.20), Schedule 6, paragraph 37, the Local Government (Democracy) (Wales) Act 2013 (anaw 4), Schedule 1, paragraph 1(10) and the Deregulation Act 2015 (c.20), Schedule 13, paragraph 6(7)(u). (i) S.I. 2013/2356.

- (a) in Schedule 2 (scheme employers), in Part 2 (employers able to designate employees to be in scheme), after paragraph 14 insert—

“15. Transport for the North.”;

- (b) in Schedule 3 (administering authorities), in the table in Part 2 (appropriate administering authorities for categories of scheme members), at the end insert—

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“An employee of Transport for the North

Tameside Metropolitan Borough Council”

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Signed by authority of the Secretary of State for Transport

*Jesse Norman*

Parliamentary Under Secretary of State 22nd January 2018 Department for Transport

## SCHEDULE Constitution

Regulation 4

### Membership

1.(1) Each constituent authority is to appoint one of its elected members to be a voting member of TfN.

(2) The person appointed must be—

- (a) in the case of a constituent authority that has an elected mayor, the mayor or the elected member with responsibility for transport, or
- (b) in any other case, the leader of the constituent authority, the Chair or the elected member with responsibility for transport.

(3) Each constituent authority is to appoint another of its elected members to be a voting member of TfN in the absence of the member appointed under sub-paragraph (1) (the “substitute member”).

(4) A person appointed by a constituent authority to be a member or substitute member of TfN ceases to be a member or substitute member of TfN on ceasing to be a member of the constituent authority that made the appointment.

(5) A person appointed to be a member or substitute member of TfN may resign as a member or substitute member by written notice served on the proper officer of the constituent authority that made the appointment and the resignation takes effect on receipt of the notice by that officer.

(6) Where a person ceases to be a member or substitute member of TfN by virtue of subparagraph (4) or (5) the constituent authority that made the appointment must, as soon as practicable—

- (a) give written notice of that fact to TfN, and
- (b) appoint another of its elected members in that person’s place.

(7) A constituent authority may at any time terminate the appointment of a member or substitute member appointed by it to TfN and appoint another of its elected members in that person’s place.

(8) Where a constituent authority exercises its power under sub-paragraph (7), it must give written notice of the new appointment and the termination of the previous appointment to TfN.

(9) The new appointment is to take effect and the previous appointment is to terminate at the end of—

- (a) the period of one week beginning with the day on which notice is given, or (b) such longer period not exceeding one month as is specified in the notice.
- (10) Sub-paragraph (11) applies in relation to each local transport authority—
  - (a) which is a member of Rail North Ltd or, at any time when Rail North Ltd no longer exists, was a member of Rail North Ltd immediately before it ceased to exist, and (b) which is not a constituent authority.
- (11) Each local transport authority to which this sub-paragraph applies is to appoint one of its elected members to be a co-opted member of TfN.
- (12) The chair of the Partnership Board (see paragraph 4) is to be appointed as a co-opted member of TfN.
- (13) The voting members of TfN may appoint further co-opted members if they all agree to do so.
- (14) Co-opted members of TfN are non-voting (subject to any resolution by the voting members under section 102G (5) of the Local Transport Act 2008<sup>(a)</sup>)
- (15) For the purposes of this paragraph, an elected mayor of a constituent authority is to be treated as a member of the constituent authority.

#### **Chair and vice-chair**

##### **2.(1) TfN—**

- (a) must in each year appoint a chair, and (b) may appoint one or more vice-chairs.
- (2) The chair and any vice-chair may be appointed only from among the members of TfN, including the co-opted members.

#### **Proceedings**

##### **3.(1) There are to be at least 4 meetings per year of the members of TfN.**

- (2) A question to be decided by TfN on the matters in sub-paragraph (3) may be decided only if agreed by both—
  - (a) members who together hold at least 75% of the votes in a weighted vote, and
  - (b) a simple majority of the members.
- (3) The matters are—
  - (a) the approval or revision of TfN’s transport strategy,
  - (b) the approval of TfN’s annual budget, and
  - (c) the adoption of and any changes to TfN’s constitution.
- (4) Except as provided in these Regulations, a question to be decided by TfN on any other matter may be decided only if agreed by members who together hold more than 50% of the votes in a weighted vote.
- (5) For the purposes of this regulation, a “weighted vote” is—

<sup>(a)</sup> 2008 c.26; this section was inserted by the Cities and Local Government Devolution Act 2016 (c.1), section 21.

(a) in the case of a question about the management of the Northern or TransPennine Express franchises, a vote in which the number of votes to be cast by a member appointed by a constituent authority is determined by multiplying the percentage of passenger miles on the Northern and TransPennine Express franchises that are in the area of the constituent authority by ten, and, if the result is not a whole number, rounding to the nearest whole number, and

- (b) in any other case, a vote in which the number of votes to be cast by a member appointed by a constituent authority is determined by dividing the total resident population of the area of that constituent authority at the relevant date as estimated by the Statistics Board by 200,000, and, if the result is not a whole number, rounding up to the next whole number.
- (6) For the purposes of sub-paragraph (5)(b) the relevant date in relation to a vote is 30th June in the financial year which commenced two years before the financial year in which the vote takes place.
- (7) If a vote is tied on any matter it is deemed not to have been carried.
- (8) In this paragraph, references to “members”—
  - (a) are to the members present at a meeting of TfN who are entitled to vote in relation to the question to be decided, and
  - (b) include references to “substitute members”.

### **Partnership Board**

4.(1) TfN is to establish a board (the “Partnership Board”) to advise TfN on matters relating to transport to, from or within the area of TfN.

- (2) TfN is to appoint a person to chair the Partnership Board.

### **Scrutiny committee**

5.(1) TfN must appoint a committee (the “scrutiny committee”) to—

- (a) review or scrutinise decisions made, or other action taken, in connection with the discharge by TfN of its functions,
- (b) make reports or recommendations to TfN with respect to the discharge by TfN of its functions, and
- (c) make reports or recommendations to TfN on matters relating to transport to, from or within TfN’s area.

- (2) Each constituent authority is entitled to appoint—

- (a) one member of the authority to be a member of the scrutiny committee, and
- (b) one member of the authority to be a member of the scrutiny committee in the absence of the person appointed under paragraph (a) (a “substitute member”).

- (3) In sub-paragraph (2) the references to a “member of the authority” are to—

- (a) in the case of a constituent authority which is a combined authority, an elected member of the combined authority or of any of the constituent councils of the combined authority, and
- (b) in the case of a constituent authority which is not a combined authority, an elected member of that constituent authority.

(4) No person who is a member of TfN (including as a substitute member or a co-opted member) may be appointed to be a member or a substitute member of the scrutiny committee.

### **Standing orders**

6. TfN may make and vary or revoke standing orders for the regulation of—

- (a) its proceedings and business, and
- (b) the proceedings and business of the scrutiny committee.

## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations establish Transport for the North (TfN) as a sub-national transport body.

Part 5A of the Local Transport Act 2008 (as inserted by section 21 of the Cities and Local Government Devolution Act 2016) (“the 2008 Act”) provides for the establishment of subnational transport bodies for the whole of the area of two or more relevant authorities. Subnational transport bodies are bodies corporate which may be given power to exercise specific functions.

Regulations 1 to 4, and the Schedule, set out the name, commencement, interpretation, establishment and constitution of Transport for the North.

Regulations 5 to 8 provide for TfN’s general transport functions, powers to make capital grants and set up ticketing schemes and confer some Passenger Transport Body powers under s13 of the Railways Act 2005 in relation to rail franchising.

Regulations 9 to 12 provide for TfN to exercise various functions under the Highways Act 1980 as regards highways, concurrently with local authorities and jointly with the Secretary of State.

Regulations 12 and 13 provide for various references in the Highways Act 1980 to be treated as if they included references to TfN, so as to enable TfN to undertake various highways related functions.

Regulation 14 provides that prior to exercising the function of constructing new highways, TfN must first obtain the approval of various authorities and the Secretary of State, as to the manner in which it intends to exercise that function.

Regulation 15 provides that TfN may not exercise any other function listed in regulation 11, concurrently with a local authority, unless the manner in which it proposes to exercise such function has been approved by the local authority.

Regulation 16 ensures that a highway constructed by TfN will be maintainable at the public expense.

Regulation 17 places TfN under a duty, when constructing a new highway, to take such measures as appear to it to be appropriate to reduce the possibilities of accidents when that highway comes into use.

Regulation 18 makes provision for the constituent authorities to make a contribution in respect of any reasonably incurred costs of Transport for the North.

Regulation 19 makes some incidental provisions relating to Transport for the North to enable it to carry out its functions effectively.

An Explanatory Memorandum and a Parliamentary Report by the Secretary of State are available with these Regulations on [www.legislation.gov.uk](http://www.legislation.gov.uk). Copies have also been placed in the Libraries of both Houses of Parliament.

A full regulatory impact assessment has not been prepared as this instrument will have no impact on the costs of business or the voluntary sector.

## Appendix 2

## THE VOTING MATRIX amended September 2021

<b>Constituent Authorities</b>	<b>Population 2017</b>	<b>Population 2019</b>	<b>200,000 Or part</b>	<b>RN Votes</b>
Greater Manchester Combined Authority	<b>2,798,799</b>	<b>2,865,686</b>	<b>15</b>	223
West Yorkshire Combined Authority	<b>2,307,035</b>	<b>2,332,469</b>	12	209
North East Combined Authority (now South of Tyne)	<b>1,152,885</b>	<b>1,160,885</b>	6	14
North of Tyne	<b>819,345</b>	<b>833,167</b>	5	51
Liverpool City Region Combined Authority	<b>1,544,420</b>	<b>1,559,320</b>	8	59
South Yorkshire Mayoral Combined Authority (formerly Sheffield City Region)	<b>1,393,445</b>	<b>1,409,020</b>	<b>8</b>	78
Lancashire County Council	<b>1,201,855</b>	<b>1,219,790</b>	7	55
Tees Valley Combined Authority	<b>672,497</b>	<b>672,497</b>	4	33
North Yorkshire County Council	<b>611,633</b>	<b>611,633</b>	4	32
Cumbria County Council	<b>498,375</b>	<b>500,012</b>	3	40
Cheshire East	<b>378,846</b>	<b>384,152</b>	2	21
East Riding of Yorkshire	<b>338,061</b>	<b>341,061</b>	2	9
Cheshire West and Chester	<b>337,986</b>	<b>343,071</b>	2	11
Hull City	<b>260,673</b>	<b>259,778</b>	2	13
Warrington	<b>209,704</b>	<b>210,014</b>	2	12

City of York	<b>208,163</b>	<b>210,618</b>	2	54
North Lincolnshire	<b>171,294</b>	<b>172,292</b>	1	4
North East Lincolnshire	<b>159,826</b>	<b>159,563</b>	1	6
Blackburn with Darwen	<b>148,772</b>	<b>149,696</b>	1	6
Blackpool	<b>139,870</b>	<b>139,446</b>	1	15
<b>Total Votes</b>			<b>88</b>	

<b>Rail North Authorities</b>				
Staffordshire	(862,562)			1
Nottinghamshire	(805,848)			3
Derbyshire	(782,365)			14
Lincolnshire	(736,665)			7
Nottingham	(318,901)			15
Stoke-on-Trent	(251,648)			8
<b>Total Votes</b>			<b>86</b>	<b>993</b>

“Rail North matters” would be determined on the basis of the Rail North voting metrics.

## Notes

- 1) Column 1 authorities are CAs/LTAs on their existing boundaries.
- 2) Column 2 population figures are ONS 2015 mid-year estimates based on current CA/LTA boundaries.
- 3) Column 3 population figures are ONS mid-year 2017
- 4) Column 4 awards one vote to each CA/LTA for each 200,000 or part thereof of resident population.
- 5) Column 5 shows the number of votes each CA/LTA has as a member of RNL, based on one vote for each 0.1% of passenger miles on the Northern/TPE franchises relating to their area

### Appendix 3

#### FINANCIAL CONTRIBUTIONS

##### The Rail North Support Payment

Each of the Constituent Authorities and each of the Rail North Authorities shall pay to Transport for the North a proportion of the annual contribution of £36,000 calculated in accordance with the proportion that Members' weighted voting rights in relation to Rail North matters bears to the overall number of Rail North weighted votes.

##### Rail North Supplemental Payment

The Secretary of State may pay the sum of £500,000 (indexed) (the Rail North Supplemental Payment) either directly to Transport for the North or to the Constituent Authorities listed below as Rail Administration Grant. In the event that the Rail North Supplemental payment is paid to the Constituent Authorities and is not separately distinguishable from other rail grant or funding amounts received from the Secretary of State by the Constituent Authority (or their Passenger Transport Executive) then the Constituent Authority in receipt of rail administrative grant shall subject to the Secretary of State confirming that the Constituent Authority has actually received the element to be allocated to the Rail North Supplemental Payment and the amount received, pay the Rail North Supplemental Payment to Transport for the North in the proportion and amounts as follows:

Greater Manchester Combined Authority	35%	[redacted]
Liverpool Region Combined Authority	10%	[redacted]
North East Combined Authority /North of Tyne Combined Authority	10%	[redacted]
Sheffield City Region Combined Authority	10%	[redacted]
West Yorkshire Combined Authority	35%	[redacted]

The Rail North Support Payment shall be paid annually on or before the start of each financial year and shall be subject to annual indexation in accordance with RPI from 1<sup>st</sup> April 2015

The Rail North Supplemental Payment shall be paid annually in advance on or before the start of the financial year and shall be subject to annual indexation from 1<sup>st</sup> April 2015 in accordance with RPI ,provided always that should the payment of rail administration grant by the Secretary of State to the relevant Constituent Authority be made in monthly instalments, the annual payment to Transport for the North may be made in monthly instalments and provided that if the Secretary of State should pay the rail administration grant without annual indexation the relevant Constituent Authority may make the annual payment without indexation. In the event that the rail administration grant ceases to be paid to the Constituent Authorities listed above or ceases to include an amount in respect of the Rail North Supplemental payment then these Constituent Authorities shall be under no further obligation to pay the Rail North Supplemental payment to Transport for the North.



**Appendix 4**

**DfT/Transport for the North PARTNERSHIP AGREEMENT**

**Memorandum of Understanding  
between the Department for Transport and Transport for the North**

**Dated**

**31 July**

**2018**

## **Section 1: Vision**

1. The Department for Transport ('the Department') and Transport for the North (TfN) are both committed to delivering transformational economic growth in the North - with transport at the heart of this - and the creation of TfN as the first sub-national transport body (STB) embodies this commitment. The shared vision of the Department and TfN is for a North which has a vibrant and growing economy that builds on the existing strengths of the North, attracts and retains the brightest and best talent and attracts investment from overseas. A strong knowledge economy, centred on thriving cities, is at the heart of this vision for the North's economy. The aim of the partnership between the Department and TfN is to support this vision becoming a reality.
2. Central to TfN's agenda will be to identify the right strategic, transformational transport interventions to connect major centres of population, trade and commerce. TfN is a unique arrangement that sees Government, Northern local authorities and Local Enterprise Partnerships (LEPs) working together, along with Highways England, Network Rail and HS2 Ltd, with the shared aim of transforming Northern growth by rebalancing the economy and establishing the North as a global powerhouse. The role of TfN is to represent the collective views of the North and its constituent bodies, acting as one voice to the Department. Through this partnership, the Department and TfN agree to work together to deliver the following shared objectives:
  - Demonstrable, improved outcomes for passengers, freight and all transport users across the North;
  - Furthering of transport interventions which will boost transformational economic growth and opportunity in the North; and
  - Supporting decisions to be taken at the right level and geography.
3. The Department and TfN agree that they will work in a collaborative spirit to achieve the objectives set out above, ensuring that the North has the voice and powers it needs to set the strategic direction for transport in the North.

## **Section 2: Background**

### *This document*

4. With these objectives in mind, this document has been drawn up collaboratively by the Department and TfN to set down the obligations, principles and working arrangements that underpin the relationship between the two parties. The aim is to provide both the Department and TfN with the information and lines of communication needed to ensure the effective functioning of both bodies and to ensure an effective partnership between the two.
5. This document is not legally binding but both parties agree to operate in line with it. To this purpose, it is signed and dated by the Department and TfN. Copies of the document are placed with TfN and the Department and made available to members of the public on TfN's website.
6. A light-touch review of this document will be carried out annually by the Department and TfN, with a more comprehensive review to be carried out every three years by both parties. However, the Department or TfN may propose amendments to this document at any time.

### *Legislation*

7. Under the Local Transport Act 2008, amended by the Cities and Local Government Devolution Act 2016, TfN has been established as the first STB, with the purpose of developing and implementing transport strategies in the region. TfN's aim is to plan and ensure the development of new infrastructure and the delivery of the improvements needed to truly connect the region with fast, frequent and reliable transport links, driving economic growth and supporting the creation of a Northern Powerhouse. TfN's vision as the first STB is to facilitate transformational economic growth in the North through a world class transport system, representing one legitimate voice for the whole of the North.
8. The Department put forward legislation to establish TfN in statute to ensure it has the stability, permanence, and authority to inform policy and to prioritise investments across the North<sup>1</sup> which the Department must then have regard to in national decision-making. The Regulations establishing TfN as the first STB were passed in January 2018 and became effective on 1 April 2018. As a 'statutory partner', TfN will work with the Department to enable northern priorities to be incorporated in its national level prioritisation decisions, ensuring Ministers have the best evidence and advice on which to take decisions

### **Section 3: TfN's statutory functions and responsibilities**

9. TfN's statutory functions are to:
  - Prepare a transport strategy for the North;
  - Provide advice to the Secretary of State about the exercise of transport functions in relation to the North (whether exercisable by the Secretary of State or others);
  - Co-ordinate the carrying out of transport functions in relation to the area that are exercisable by different constituent authorities, with a view to improving the effectiveness and efficiency in the carrying out of those functions;
10. Consider whether a transport function in relation to the area would more effectively and efficiently be carried out by TfN and if so to make proposals to the Secretary of State for the transfer of that function to TfN; and make other proposals to the Secretary of State about the role and functions of TfN.
11. In order to fulfil its statutory functions, both parties agree that TfN will:
  - Speak with a single, strong voice to the Department, bringing together all the relevant parties across the North;
  - Focus on improving outcomes for passengers and transport users across the North;
  - Prioritise transport interventions that will further transformational economic growth in the North;
  - Make recommendations to the Secretary of State for consideration within the context of the national transport policy.
  - Engage with the Department to ensure the priorities it identifies are understood and recognised in national decision-making; and
  - Provide the Department with information, outlined in this document, to ensure the Department can fulfil its responsibilities as sponsor and funder of TfN.
12. TfN must satisfy the conditions attached to any funding from the Department. These will be set out in an annual funding letter issued by the Department. More information on the annual funding letter can be found in Section 6.

<sup>1</sup> *'The North' in this document refers to the geographical area that Transport for the North, through its Members, represents.*

13. TfN will be accountable to local citizens through its constituent authorities. Further to this, TfN's Head of Paid Service (the Chief Executive), Monitoring Officer and Chief Finance Officer (Finance Director) must comply with their statutory duties defined in sections 4, 5 and 6 of the Local Government and Housing Act 1989, and with the requirements of the CIPFA Code. This includes preparation of an annual statement of accounts in accordance with the Local Audit and Accountability Act 2014. The Department acknowledges these responsibilities placed upon TfN by local government legislation.
14. In addition, in carrying out its statutory functions and responsibilities (including its obligations to its partners) TfN must take into account the Department's obligations (as funder) to deliver value for money in accordance with HM Treasury's *Managing Public Money* and *The Green Book* and the necessary sponsorship arrangements this requires (see sections 5, 6 and 7).

#### **Section 4: TfN's role in the national transport network**

15. TfN was established to represent the collective views of the North, acting as one voice on their behalf. In this respect, an essential function of TfN is to act as a statutory partner in the Department's road and rail investment processes. This provides TfN with a strong, formal and ongoing role in the Department's investment processes insofar as they relate to the North, enabling TfN to set its long-term strategic priorities for the region which will then inform the Secretary of State's decisions on national investments.
16. The Department expects TfN to prioritise the investments that drive economic growth in the North. The Department will have regard for the priorities identified by TfN, however the Secretary of State remains the final decision maker. If TfN considers the Department to have not taken due account of a recommendation, TfN reserves the right for the Chair of the TfN Board to raise this with the Secretary of State.
17. In its role as a statutory partner of the Department, TfN is responsible for:
  - Developing a statutory Transport Strategy;
  - Undertaking statutory consultation on the Transport Strategy;
  - The setting of the North's objectives and priorities with regards to strategic road and rail investments; and
  - Engaging with the Department to ensure that these priorities are understood and recognised in national decision making.

#### ***Road - Highways North Board***

18. The Highways North (HN) Board has been established comprising representatives from TfN, the Department and Highways England (HE). This Board will meet at least quarterly and recommend conclusions, papers, and materials to be shared with decision-making groups, informing the creation of future Road Investment Strategy and other competitive major road funding programmes. The Terms of Reference for this Board, including membership, role and working

practices, is included at Appendix 1.

19. The HN Board will have access to certain key process documents to enable candid discussions to be held. However, these materials will remain confidential and both parties agree to the careful management and handling of this information. An appropriate Departmental Director will provide internal oversight of how any potentially sensitive information is shared with the HN Board.

#### *Rail - Franchising*

20. The North has, through a Partnership Agreement relating to rail franchise management and cooperation on investment planning signed between the Department and Rail North in March 2015 (Partnership Agreement), worked in partnership with the Department in the management of the region's two principal franchises (TransPennine Express and Northern). TfN's proposal to become an STB, agreed by the Secretary of State in March 2017, included the proposal that Rail North's functions for the North's franchises would be transferred to TfN to enable it to best fulfil its statutory role. This has been affected by the novation to TfN and amendment of the Partnership Agreement such that the existing roles and responsibilities of Rail North will in future be discharged by TfN. A copy of the updated agreement (Updated Partnership Agreement) is at Appendix 2.

#### *Rail - Infrastructure Investment*

21. The updated Partnership Agreement gives effect to TfN's 'statutory partner' role in rail investment planning and delivery. TfN will work with the relevant investment planning teams within the Department to identify and progress the case for investments that could assist with the delivery of the TfN Statutory Transport Plan. One of the means by which TfN will discharge its functions will be through its membership of the Rail North Partnership Board in accordance with the separate updated Partnership Agreement, with provision that either the Secretary of State or TfN may seek advice directly from the other on any key issues or priorities relating to the area covered by TfN.

### **Section 5: TfN Governance**

22. TfN's Constitution and Governance Framework sets out the remit and responsibilities of the boards and committees within TfN's structure. These bodies' roles are characterised as decision-making, consultative or review based. These governance arrangements support TfN to function as an independent body. TfN's Governance Framework is included at Appendix 3.
23. It should be noted that individual joint projects, such as the Northern Powerhouse Rail (NPR) programme and the Integrated and Smart Travel (IST) programme (Smart Ticketing) have their own governance and funding arrangements (see section 8 below). However, any and all expenditure that is effected through TfN must comply with the requirements of the TfN Constitution and Scheme of Delegation (irrespective of individual programme governance arrangements).

*Decision-making bodies*

24. Decision-making is the responsibility of TfN meeting as a corporate body (herein referred to as the Board) comprising representatives of the 19 constituent authorities. The regulations establishing TfN also provide for representatives of the 6 Rail North Authorities to be co-opted onto the Board, as well as the independent Chair of the Partnership Board. The Board has also agreed to co-opt the 11 LEPs represented on the Partnership Board and the statutory agencies, HS2 Ltd, Network Rail and Highways England. The Board will, through its constitution, delegate the discharge of its functions to its officers. Expenditure decisions taken are subject to conditions included in this Memorandum of Understanding and related programme funding letters, which are issued by the Department.

*Consultative bodies*

25. The TfN Partnership Board and the TfN Executive Board are consultative bodies. The Membership of these boards is derived from the Department, the TfN Members' Board, plus representatives from key stakeholders. The Terms of Reference for these Boards, including the governance structures, are in TfN's constitution.
26. The Partnership Board's purpose is to contribute to TfN's effective exercise of its powers, and the development and delivery of its strategy and programmes through transparency and inclusivity. The Partnership Board has an independent chair.
27. The Executive Board promotes dialogue on key issues across TfN's portfolio, including finance, risk and business planning from the different work programmes.

*Review bodies*

28. TfN has an Audit and Governance Committee, which has a high-level focus on the audit, assurance and reporting framework that supports the financial management and governance arrangements of TfN. TfN also has a Scrutiny Committee, whose role is to scrutinise the decisions of TfN and to make recommendations to TfN on matters relating to transport in the TfN area.

**Section 6: The Department's role and responsibilities**

29. The Department's role, in the capacity of funder and representation for TfN, is to:
- Have due regard to the priorities identified by TfN when making decisions affecting the North;
  - Review and, where appropriate, approve TfN's proposals to access core funding, based on the requirements of TfN's core funding letter. Review access to programme specific funding in light of previous business case approvals and ongoing monitoring of funding terms;
  - Communicate its requirements as funder and sponsor of TfN and regularly assess and review TfN's progress against these requirements, in line with the working arrangements and practices set out in this agreement and funding letter;

- Support TfN to take forward the delivery of its functions across all areas of the Department's responsibilities; and
  - Support TfN in its dealings with other Government Departments.
30. If TfN considers the Department to have not taken due account of a recommendation, TfN reserves the right for the Chair of the TfN Board to raise this with the Secretary of State.
31. In addition to this role, the Department's Principal Accounting Officer is accountable to Parliament for any funding the Department makes available to TfN and must act in accordance with HM Treasury's *Managing Public Money* and *The Green Book*.
32. In particular, the Department's Principal Accounting Officer must ensure that the financial and other governance and sponsorship controls applied by the Department to TfN (as set out in this agreement and/or accompanying funding letters) are appropriate and sufficiently safeguard public funds. TfN's compliance with these controls, must therefore be effectively monitored by the Department. In doing so, the Department will take into account TfN's additional statutory duties under local government legislation.

#### **Section 7: Annual funding letter**

33. The Department will provide an annual funding letter setting out the conditions attached to TfN's funding. This will cover:
- Ensuring effective governance;
  - The development of specific projects or programmes;
  - The preparation of TfN's Business Plan; and
  - Financial reporting.
34. Beyond these, the conditions in the funding letter will be subject to annual review. The latest version of the letter should therefore be consulted for the current conditions and requirements placed on the Department's funding of TfN. At the time of writing this document these were:
- TfN Board to sign-off reward and pay policy;
  - TfN to seek the Department's approval for recruitments of individuals over £150,000;
  - Report on any financial changes that impact on the conditions set out in the annual funding letter; and
  - Report any single expenditure over £180,000 (which is in keeping with TfN's scheme of delegation) from the core funding, and to provide any information the Department requests in relation to this expenditure.
35. Should the conditions in the funding letter not be met by TfN, a joint discussion will be held to agree any corrective action. This could ultimately include ceasing to make payments to TfN.
36. Government funding is continually subject to regular review given the number of competing priorities, which may adversely impact on TfN's future funding. Any proposed changes to TfN funding will be discussed with TfN such that consequences can be fully understood, and any mitigating financial actions taken.

## **Section 8: Sponsorship and governance arrangements**

### *Sponsorship*

37. The Chair of TfN is responsible for providing strategic direction to the organisation and will be TfN's primary contact with the Secretary of State. However, in addition the Department and TfN will each name an individual to act as a lead liaison officer who is responsible for the day-to-day relationship of the parties. The lead liaison officers are supported by the regular Sponsorship Meeting, which brings together senior officials in the Department and TfN for the purpose of reporting and monitoring.

### *Lead liaison officer's role*

38. The lead liaison officer's role is to facilitate and support the working relationship between the parties across the full range of TfN's programmes. They:
- Ensure that the principles and values contained in the Memorandum of Understanding are adhered to and support the engagement between the organisations;
  - Act as the primary source of information and advice for their organisations;
  - Act as a main channel through which information is exchanged between the organisations;
  - Consider which documents should be shared with officials for wider discussion at the regular Sponsorship Meeting; and
  - Take appropriate actions to ensure any issues are resolved in a timely manner, with the first route of escalation being the regular Sponsorship Meeting.
39. Where a disagreement arises, the lead liaison officer should involve colleagues as necessary with the view to jointly resolving the problem. If an issue cannot be resolved through the working level arrangements, the lead liaison officers are responsible for further escalation through their respective organisations.

### *Regular Sponsorship Meeting and respective obligations*

40. Subject to its Terms of Reference, the regular Sponsorship Meeting provides a regular checkpoint between the senior officials in the Department and TfN. It is the forum through which TfN provides certain information to ensure that the Department can fulfil its responsibilities as sponsor and funder of TfN. It is expected that TfN considers the Department's views expressed during the Sponsorship Meeting in any future discussions and papers going to Executive Board.
41. In order for the Department to fulfil its sponsorship responsibilities, TfN will need to provide a certain level of information on a regular basis. At the regular Sponsorship Meeting, TfN



must therefore provide the following information:

- Provide quarterly updates on actual and planned expenditure against its annual budget, including across its individual programmes (such as Northern Powerhouse Rail and Smart Ticketing) and core activities;
- Report any financial changes that impact on the conditions set out in the annual funding letter;
- Update on resourcing against their baseline plans through a regular update report, and seeking approval from the Department for any proposed individual recruitments over £150,000<sup>2</sup>;
- Provide an update on the Business Plan process, giving the Department appropriate opportunity to review and comment on the draft business plan when it is available (in recognition of the joint delivery of some of TfN's workstreams);
- Provide updates on any changes to the approved Business Plan;
- Update on any proposed changes to TfN's governance structure, as set out in TfN's constitution and governance framework;
- Update on any unplanned use of TfN's financial reserves; and
- Provide an overview of recent and upcoming engagement with the Department.

<sup>2</sup> These figures are correct at the time of publishing, but the latest annual funding letter sets out the current position.

42. At the Sponsorship Meeting it is also expected that TfN and the Department's Sponsorship Team will report on progress on individual programmes and will monitor and consider: risk, communications, value for money and any other issues, as determined by the Chair, in consultation with all attendees.
43. The Department is the Secretariat and Chair for this meeting, reflective of its role as the sponsor of TfN. The Terms of Reference for this meeting is included at Appendix 4.

## **Section 9: Joint working**

44. The Department and TfN undertake a number of projects jointly – currently the NPR programme and elements of the IST programme – and it is expected this will continue in the future.
45. These projects are funded separately from the annual budget TfN is provided with by the Department, and in these instances separate funding arrangements and working practices have been developed. As such, the detailed working arrangements for joint projects are not included here but are instead set out in individual Terms of Reference (or similar documentation). However, when undertaking any joint project, the Department and TfN agree that the principles outlined in this agreement will underpin the development of any project-specific ways of working and governance arrangements. In addition, as noted above any and all expenditure that is effected through TfN must comply with the requirements of TfN's Constitution and Scheme of Delegation. A summary is provided below for the two projects currently being undertaken jointly.

### *Northern Powerhouse Rail*

46. The Department and TfN work in partnership to develop and deliver the NPR programme; a major

strategic rail programme, designed to transform connectivity between the key economic centres of the North.

#### *Smart Ticketing*

47. The Department is sponsor for the IST programme which is being delivered by TfN. The programme focuses on making journeys simpler and faster for people and businesses. TfN will take forward its development for a multi-modal vision by working closely with a wide range of interested parties and stakeholders and business cases are subject to Government approval, through the Department. TfN is also a member of the Department- led Smart Ticketing National Programme Delivery Board that oversees delivery of the Secretary of State's vision for every passenger to have the option of a smart ticket on the rail network at national level.

#### *TfN's relationships with national agencies and public bodies*

48. TfN has working relationships with the Department's national agencies and public bodies, such as Highways England, HS2 Ltd and Network Rail. These relationships are managed by TfN independently of the Department, and as such are not detailed in this agreement. However, both the Department and TfN have undertaken to be transparent at all times when managing these relationships, ensuring that all parties have a mutual understanding of respective roles and responsibilities.

### **Section 10: Adoption, consideration and publication of documents**

49. The TfN Board is responsible for the adoption of the Statutory Transport Plan. TfN is committed to having regard to the recommendations of the Partnership Board for any decisions it makes relating to the Transport Plan.
50. The Board also has responsibility for the adoption of the Business Plan. Prior to the adoption of this Plan, TfN will provide the Department with the opportunity to review and comment on the draft Business Plan, initially via the regular Sponsorship Meeting.
51. In addition to being consulted on the Business Plan, the Executive Board is ordinarily consulted on all papers that TfN officials intend to submit to the Board<sup>3</sup> activity plans with significant expenditure implications; and revenue expenditure over the current OJEU limit.
52. In advance of the adoption or publication of TfN documents, the Department expects TfN to consider the appropriateness of engaging its working level contacts. Such engagement occurs primarily through the lead liaison officers, who may decide that a document should be shared more widely for discussion through the regular Sponsorship Meeting.

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<sup>3</sup> In instances where a paper is submitted to the Board without first consulting the Executive Board, the Department will be informed through the named lead liaison officer.

53. The Department will always respect and give appropriate consideration to the status of TfN as a statutory body before providing any comments on TfN's documents, proposals or recommended priorities for transport investment.
54. The Department and TfN will cooperate with respect to media, press and communications activity and agree working practices in support of this.

## **Section 11: Funding and finance**

### *Long Term Funding*

55. The Department has committed funding to support TfN through to the end of the current spending review period (2019/20). The arrangements relating to the provision of this funding are set out in a separate annual funding letter from the Department to TfN (see Section 6). In addition, future funding decisions may be taken by the constituent authorities; the regulations establishing TfN as a statutory body enables the constituent authorities to individually contribute to the costs of TfN, or as a collective if all authorities agree on the need for a financial contribution and the amount required.
56. Whilst future central government funding decisions will remain the responsibility of the government at the time, establishing TfN in statute ensures it has the stability and permanence to be confident of central government support, however, future central funding decisions will remain the responsibility of the government at the time.
57. In recognition of this, both parties agree that TfN will conduct its financial planning on the basis that funding will continue to be provided to enable it to perform its statutory duties. However, it is expected that TfN will seek to minimise any liabilities, subject to meeting its core objectives as an organisation, outside of the period for which it has secured funding, and that the Department and TfN members will be kept sighted of any expenditure in this category through agreed sponsorship and governance mechanisms.
58. In the event that TfN's funding was to be discontinued by the Government of the day, and TfN was unable to raise sufficient funds from its constituent members to allow it to continue to operate the Department would work with TfN to ensure the orderly winding down of the organisation. Part of this process would be to determine the extent of any future TfN related assets and liabilities and how best to deal with them.

### *Maintenance of Reserves*

59. At present, TfN is reliant on the Department for its funding and, specifically, to progress the NPR programme and the IST programme, and for its core team/back office function.

60. At the same time, establishing TfN as a Local Government body means that it is required to operate within the context of Local Government accounting regulations, including the need to comply with the CIPFA code, which the Department recognises and accepts. These regulations include a requirement for Local Government bodies to adopt a reserves policy and to consider their reserving requirements on an ongoing basis in light of that policy and changes in the nature and quantum of the activity undertaken. A key element of the work performed by TfN's external auditor will be to assess the adequacy of and compliance with this policy.
61. TfN has an extremely limited ability to raise revenue that is additional to the funding that it receives from the Department through voluntary contributions from its Constituent Authorities, under article 18 of the Sub-national Transport Body (Transport for the North) Regulations 2018 and therefore any reserve will de facto be resourced through the funding that it receives from the Department.

#### *TfN Cash Flow / Payment of Grant*

62. In order for TfN to meet its immediate and shorter-term financial commitments it is recognised that it should maintain a level of cash appropriate to the size and nature of its activities, and its obligation to maintain reserves. The minimum level of cash required at any point may change as TfN develops and its programmes progress, and this will be agreed between TfN and the Department.
63. Furthermore, the minimum level of cash will be set at an individual programme / funding stream level, taking into account reserving requirements, which means there will minimum cash levels set for core activities, NPR and IST (and potentially other programmes in the future). This will also provide greater clarity and transparency around exactly which programmes the cash transfers from the Department are funding.

#### *Ways of Working*

64. At the beginning of each quarter, or by reference to the agreed funding terms for individual programmes, TfN will provide the Department with an analysis of actual expenditure incurred in the previous quarter, the current cash balance held together with a forward look of planned expenditure over the next quarter. This analysis will be carried out at individual programme level i.e. core activities, NPR and IST. The cash pay over to TfN from the Department will then be calculated by taking the current cash balances for each programme plus the planned expenditure for the following quarter plus/minus an adjustment to ensure the minimum cash reserve is rebalanced.

### **Section 12: Information sharing and confidentiality provisions**

65. As set out in TfN's constitution, TfN will comply with all legal requirements with regard to the provision of information, including adherence to a publication scheme using the model publication scheme developed by the Information Commissioners Office

66. If either TfN or the Department receives a request for information which was either supplied by or relates to the other body, the party receiving the request shall consult the other. Where appropriate, the parties shall discuss the potential application of any Freedom of Information Act 2000 (FoI) exemption or Environmental Information Regulations 2004 exception.
67. Subject to any statutory and regulatory requirements, either party may request that commercially sensitive or otherwise confidential information provided to the other should not be disclosed.

**Signed on behalf of the parties by:**



**Barry White**

**Date 31 July 2018**

Chief Executive, Transport for the North



**Patricia Hayes**

**Date 12 July 2018**

Director General of Roads, Devolution and Motoring Group, Department for Transport

## **Agreement Appendix 4a**

### **Terms of Reference of the Sponsorship Meeting**

#### **Purpose**

The purpose of the regular Sponsorship Meeting is to provide a checkpoint for senior officials in DfT and TfN.

#### **Membership**

The regular Sponsorship Meeting is attended by senior managers from the key organisations involved in the Programme:

- Department for Transport
- Transport for the North

The following representatives will attend the Sponsorship Meeting.

<b>Organisation</b>	<b>Position and role</b>	<b>Name</b>
DfT	<b>Head of Northern and Transport for the North Engagement Team - Chair</b>	Confidential
	<b>Head of Transport for the North Sponsorship</b>	Confidential
	<b>Transport for the North Sponsorship Manager - Secretariat</b>	Confidential
TfN	<b>Portfolio Director</b>	Dave Abdy
	<b>Business Capabilities Director</b>	Dawn Madin
	<b>Finance Director</b>	Iain Craven
	<b>Project Controls</b>	Ismail Badat

Others may attend by invitation for specific topics.

#### **Role of the Sponsorship Meeting:**

The meeting provides an opportunity for:

- TfN and DfT's Regions, Cities and Devolution Directorate to report progress on individual programmes;
- TfN to provide quarterly updates on actual and planned expenditure against its

annual budget, including across its individual programmes (such as Northern Powerhouse Rail and Smart Ticketing) and core activities.

- TfN to provide an update on the Business Plan process (including any changes to the approved Business Plan), giving the Department appropriate opportunity to review and comments on the draft business plan when it is available;
- TfN to report any financial changes that impact on the conditions set out in the annual funding letter and provide an update on any unplanned use of TfN's financial reserves;
- TfN to update on resourcing against their baseline plans through a regular report to the sponsorship meeting, including seeking approval from the Department for any proposed individual recruitments above £150,000 per year;
- TfN to provide an update on any proposed changes to TfN's governance structure, as set out in TfN's Constitution and governance framework;
- TfN to provide an overview of recent and upcoming engagement with the Department; and
- TfN and the Department to monitor and consider risk, communications and any other issues, as determined by the Chair.

### **Reporting**

The reports presented at this meeting provide an opportunity to monitor and report progress across work streams; and to review finance, HR, risk and any other issues as determined by the Chair. These matters will be covered in either detail or by exception, as part of the regular reporting cycle to TfN and DfT governance groups.

The Sponsorship Meeting serves as the primary route through which the working-level Liaison points in DfT and TfN raise issues for wider discussion. This may include matters relating to work streams, reporting issues, or documents to be published by TfN and the Department.

### **Location and Frequency of Meetings**

Meetings will alternate between the offices of DfT and TfN, in London, Leeds and Manchester respectively. These will take place on a six-weekly basis.

### **Chair and Secretarial Services**

The Chair, and responsibility for producing formal meeting notes and actions arising, will sit with DfT.

The circulation of papers will be as follows:

- Agenda and commissioning of papers – 1 week before
- Circulation of papers – 3 days before
- Minutes circulated – up to 1 week after

## **Appendix 5 – TERMS OF REFERENCE OF THE PARTNERSHIP BOARD**

### **Terms of Reference of the Partnership Board**

The Transport for the North Partnership Board is a partnership made up of all the Local Transport Authorities and Local Enterprise Partnerships (LEPs) across the North of England meeting together with representatives of the Department for Transport, Highways England, Network Rail and HS2 Limited aimed at developing an ambitious, transformational pan-northern transport strategy and delivering transport improvements that will drive economic growth in the region.

#### **Membership**

- a) The Independent Chair;
- b) The Member or Substitute Member of Transport for the North of each of the Constituent Authorities;
- c) The Co-opted Member or Substitute Co-opted Member of Transport for the North of each of the Rail North Authorities;
- d) A nominated representative from each of the 11 Northern LEPs; the person appointed should not be an elected Member of any UK Local Authority.
- e) A representative from the Department for Transport;
- f) Representatives from Highways England, Network Rail and HS2 Limited; and the Transport for the North Chief Executive.
- g) The three regional TUC officers of whom only one shall attend any one meeting
- h) A representative of Disability Rights UK
- i) A representative of the Committee for Climate Change
- k) A representative of Transport Focus
- l) such members as the Transport for the North Board shall appoint from time to time

#### **Role**

The role of the Partnership Board is:

- a) To contribute to Transport for the North's effective exercise of its powers and the development and delivery of its strategy and programmes.
- b) To advise on the strategic direction, policies and priorities of Transport for the North, emerging regional transport issues and the extent to which current and proposed transport infrastructure meets the requirements of the Northern economy, industry and the wider community.
- c) To provide a forum for an exchange of views and information in relation to strategic or policy matters;
- d) To represent to Transport for the North the wider interests of business and the community;
- e) To advise Transport for the North on policies and priorities relating to transport and the effect of transport on the economy of the area of Transport for the North;
- f) To advise Transport for the North on all matters relating to transport to, from and within the area of Transport for the North;
- g) To advise on the development of the Strategic Transport Plan;
- h) To recommend to Transport for the North the adoption of the Strategic Transport Plan;
- i) To advise Transport for the North on the delivery of the proposals set out in the Strategic Transport Plan;
- j) To be consulted on content of the Transport for the North Business Plan, activity plans with significant expenditure implications and the initiation and submission of business cases.



## **Meetings**

- a) The Partnership Board shall meet quarterly or at such intervals as the Transport for the North Board shall determine;
- b) The Partnership Board shall be chaired by an Independent Chair appointed by Transport for the North – this rule to be waived until further notice;
- c) A meeting of the Partnership Board shall be quorate if not less than 10 Members of Transport for the North, 3 Co-opted Members representing Rail North Authorities, and 5 representatives of the LEPs are present; attendance shall be in person
- d) Decisions are expected to be made unanimously and without a vote. Where a unanimous decision cannot be reached a vote will be taken on the basis of one member one vote and a decision will be passed by a simple majority of those present and voting.

## **Appendix 6 – HIGHWAYS NORTH BOARD TERMS OF REFERENCE**

### **Highways North Board Terms of Reference**

Transport for the North has a wide range of interests in the work being brought forward by Highways England, across the area for which Transport for the North is the Sub-National Transport Body. Transport for the North is also actively engaged in establishing a vision for the future of transport in the area, which Highways England has a strong interest in understanding and helping to shape. The Highways North Board is intended to serve as a forum for these discussions to take place.

### **Role and purpose**

1) The Highways North Board will:

- a) Oversee and support the development by Transport for the North of a 'northern vision' for the future of the northern road network, identifying priorities between now and 2050, to shape and inform the creation of future RIS, and other competitive major road funding programmes.
- b) Provide advice on prioritisation of schemes and help manage the political consequences if this advice is followed.
- c) The Board will be clearly identified in the published RIS governance process. The Board's advice will feed directly in to RIS Steering Group but will be non-binding.
- d) Have:
  - (i) access to the high-level plan and key decision points for RIS2;
  - (ii) access to and comment on early drafts of RIS products as relevant to Transport for the North, and with appropriate, protocols in place for sensitive information.
- e) Where projects are taken forward under the RIS, having access to technical advice and reports.
- f) Input into business case development for agreed northern schemes, ensuring their views are represented in the decision-making process.
- g) Oversight of remaining work on northern strategic studies.
- h) Oversee and support the development of any formal Transport for the North contribution to the RIS
- i) As and when required, seek input from ORR to ensure the regulator is kept informed of the work of the Board

1) The remit of the Highways North board extends beyond the development of RIS2 and the Board may produce advice and recommendations to the RIS2 working and steering groups.

2) The operation of the board is intended to ensure better infrastructure for the north. The roles listed in paragraph 2 are to be exercised to better support the provision of infrastructure. Any input to formal processes and documentation will not be exercised in such a way as to place into question the committed dates set out in Highways England's delivery plan. Where there is a risk of this being the case, Highways England will make this clear to the board as early as possible.

### **Membership**

The core membership of the group will be composed of officer representatives from Transport for the North, DfT and Highways England.

In addition to these members, further attendees from HE Major Projects and DfT Local Roads will attend upon request.

**Working Practices**

- 1) Secretariat functions will be provided by Transport for the North. The secretariat will be responsible for arranging meetings, preparing the agenda, circulating papers and taking minutes.
- 2) The group will meet at least quarterly but may arrange additional meetings and invites other attendees as appropriate.

**Appendix 7 – RAIL NORTH PARTNERSHIP BOARD TERMS OF REFERENCE**

The detailed principles of the Rail North Partnership Board are set out in paragraphs 5.1-5.13 and Schedule 2 of the DfT/Rail North Partnership Agreement.

## **Appendix 8 – PROTOCOL FOR THE EXERCISE OF CONCURRENT FUNCTIONS**

### Appendix 8 – PROTOCOL FOR THE EXERCISE OF CONCURRENT FUNCTIONS

Date

Between

Transport for the North (Transport for the North)

And

(Constituent Authorities/ other Authorities)

#### Background

- 1) By Regulations made the 22nd January 2018 Transport for the North has been established as a Sub-national Transport Body with the following key functions.
  - a) The preparation of a Northern Transport Strategy;
  - b) The provision of advice on the North's priorities as a Statutory Partner in the Departments investment processes;
  - c) The co-ordination of regional transport activities (such as smart ticketing);
  - d) The co-management of the TransPennine Express and Northern Rail franchises.
- 2) The carrying out of these functions may entail the exercise of the functions set out in the Regulations which Transport for the North holds concurrently with the Constituent Authorities or other local authorities.  
Transport for the North and the Constituent Authorities have agreed to enter into this Protocol to govern the way in which these concurrent functions will be exercised.

#### Protocols

- 1) Where Transport for the North has defined a project, and this has been approved by Transport for the North, the Constituent Authorities acknowledge in principle that Transport for the North shall exercise those powers and functions which it holds concurrently with the Constituent Authorities so as to enable it to carry out the project, subject to the consent provisions set out in the Transport for the North Regulations. A project shall be any defined proposal for works that is to be proposed to the Partnership Board and to the Transport for the North Board for approval.
- 2) Transport for the North agrees that where it proposes to carry out a project that requires the exercise of concurrent powers within the geographical area of one or more of the Constituent Authorities it will carry out prior consultation with any relevant Authorities including those Constituent Authorities and other Authorities over the exercise of those powers and functions, the outcome of which will be taken into account when considering whether to approve the project.
- 3) Transport for the North agrees that it will not exercise the highway powers or functions it holds concurrently with the highway or other relevant authorities without having first obtained the agreement of the authorities concerned to the exercise of those powers and functions and the manner in which they will be exercised
- 4) Transport for the North agrees that it will request any consents required under the Regulations in relation to:
  - a) The exercise of any concurrent function or

- b) The manner in which Transport for the North proposes to exercise any concurrent function

In a timely manner, and that where practicable, this should be secured before the approval of the project.

Transport for the North will exercise its concurrent functions in such a way as to be compatible with and complementary to the exercise of these functions by the Constituent Authorities

- 5) Where either party consider that the scale and nature of a project are of a complex nature Transport for the North and the Constituent Authority or other Authority will enter into a bespoke Protocol to govern the way in which Transport for the North's activities will interact with those of the Constituent Authority or other Authority.

- 6) The parties will act in a spirit of mutual co-operation but any disagreement between Transport for the North and a Constituent Authority or other Authority about the exercise of concurrent powers and functions will be referred in the first instance to the Chief Executives of Transport for the North and the other party with a view to achieving a resolution between the parties, and in default of agreement to the Partnership Board for resolution provided always that notwithstanding any recommendations made by the Partnership Board under this provision, the consent of any Authority required under the Regulations will still be required..

## **Appendix 9**

### **GOVERNANCE FRAMEWORK**

#### **1. Introduction**

- 1.1 This document sets out Transport for the North's governance and high-level working arrangements and should be read in conjunction with the Transport for the North Constitution. The governance framework forms an appendix to Transport for the North's constitution but can be regarded as a free-standing document. In the case of inconsistency between the two documents, the Constitution prevails.
- 1.2 Corporate Governance is defined as the system by which Transport for the North is directed and controlled.
- 1.3 The Governance Framework:
- Establishes the control environment, by setting out the control activities to be undertaken, how they will be undertaken and who will do them; and
  - Develops the foundations for governance, review and reporting framework around the integrated organisation.
- 1.4 This document will be maintained as a working document. Feedback is encouraged and will be considered on the whole, before being incorporated where practicable.
- 1.5 This document has been prepared in conjunction with the Constitution of Transport for the North and will be maintained and updated accordingly.

#### **2. Overview**

- 2.1 These governance arrangements have been established in accordance with the Constitution of Transport for the North.
- 2.2 The Constitution outlines how Transport for the North operates, how decisions are made and the procedures which are followed in order to ensure that Transport for the North operates efficiently, effectively and in a transparent and accountable manner.
- 2.3 The benefits of an established Governance Framework include:
- Providing assurance to Transport for the North of the effectiveness and efficiency of the overall project and programme delivery;
  - The establishment of high-level working arrangements and practices; and
  - The formalisation of required reporting structures which will allow the performance of functions, projects and programmes to be monitored and measured.
- 2.4 Formal governance arrangements define:
- Lines of authority, accountability and assurance;
  - Governance Bodies / Organisation;

- Frequency of meetings; and
- Terms of Reference of each.

### 3. Governance Framework

Terms of Reference for each body is provided below. This sets out the breakdown of governance roles, and the authorities and responsibilities of each body, in accordance with legislation.

### 4. Governance of Meetings

The Terms of Reference of Transport for the North Committees (described in the constitution in part 4 are approved by Transport for the North at a Full Meeting of its Members and will be reviewed as part of the annual review of the Constitution. The Terms of Reference of other officer meetings are approved by the Operations Board. (OBT)

All meetings of Transport for the North's Boards or Committees which may influence the outcome of a specification, evaluation or procurement should record the Declarations of Interests of attendees at the outset of the meeting.

### 5. Transport for the North Members' Bodies

Section 5 describes those committees which are primarily member bodies.

#### 5.1 Transport for the North

The Transport for the North Board

Entity	The Transport for the North Board
<b>Members and Co-opted Members</b>	Constituent Authority and Rail North Authorities Elected Mayors/Leaders/Chairs or Member with Responsibility for Transport or Substitute Members and the Chair of the Partnership Board and any other Co-opted Members
<b>In attendance</b>	Head of Legal as Secretary (Monitoring Officer) Transport for the North Chief Executive and Finance Director Any other person at the invitation of the Transport for the North Board
<b>Establishment</b>  Transport for the North was established as a corporate body on 01/04/2018 A meeting of all of the Members of Transport for the North is referred to in this document as the Transport for the North Board.  <b>Composition</b>  A meeting of the Transport for the North Board shall be quorate where ten or more Voting Members are present.  <b>Meeting Frequency</b>	



Quarterly or at such intervals as the Transport for the North Board may decide, but not less than four times per year.

**Authority and Responsibilities**

The Transport for the North Board is the ultimate decision-making body within Transport for the North and is responsible for the exercise of all Transport for the North powers.

The Transport for the North Board may delegate its powers to a Committee or any of its officers (to the extent that officer is properly able to exercise that delegation), except:

- (i) Adopting and changing the Constitution;
- (ii) The adoption, approval, amendment, modification, revision, variation, withdrawal or revocation of a Transport Strategy under section 102I of the Local Transport Act 2008;
- (iii) The approval of the Transport for the North business plan and budget;
- (iv) The approval of the staff establishment (overall numbers and grades); and
- (v) The determination of collective terms and conditions of staff.

The Transport for the North Board approves a detailed revenue and capital budget each year and subsequently quarterly budget revisions.

Transport for the North has the statutory functions set out in the Statutory Instrument made on 22<sup>nd</sup> January 2018 creating Transport for the North as a Sub-National Transport Body (the Statutory Instrument) within the meaning of the Local Transport Act 2008.

Transport for the North exercises the role and functions of Rail North Limited and through a Partnership Agreement with the Secretary of State for Transport will exercise management functions in relation to the Trans Pennine Express and Northern Franchise Agreements.

The Transport for the North Board approves the Statement of Accounts and Annual Governance Statement.

The Transport for the North Board may at any time appoint such committees as it thinks fit or dissolve or alter the membership of any such committee.

The Transport for the North Board may co-opt any person as Co-opted Member of the Board provided all the voting Members of the Board agree to do so

## 5.2 Audit and Governance Committee Terms of Reference

Entity	Audit and Governance Committee
<b>Members</b>	Member (Chair) 5 Members or Substitute Members of the Transport for the North Board 3 co-opted Independent Members to be recruited to supply required specialist skills
<b>In Attendance</b>	Finance Director The Head of Legal as Secretary (Monitoring Officer) A representative of DfT Any other person at the invitation of the Committee or the Statutory Officers
<p><b>Establishment</b></p> <p>The Audit and Governance Committee will be established as a committee of the Transport for the North Board in accordance with the Transport for the North Constitution. It has the following purposes:</p> <ul style="list-style-type: none"> <li>(i) assisting the Transport for the North Board in meeting its responsibilities in relation to the integrity of Transport for the North's financial reporting, including the effectiveness of the internal control and risk management systems;</li> <li>(ii) monitoring the effectiveness and objectivity of internal and external auditors; and</li> <li>(iii) assisting the Transport for the North Board in providing leadership, direction and oversight of the overall risk appetite and risk management strategy.</li> </ul> <p><b>Membership</b></p> <p>The Members of the Audit and Governance Committee are the Members of the Transport for the North Board appointed to the Committee and the Independent Members co-opted to the Committee by the Transport for the North Board in accordance with [the powers granted to Transport for the North under the Statutory instrument.</p> <p><b>Meetings</b></p> <p>The Audit and Governance Committee shall meet quarterly or at such intervals as the Chair may decide.</p> <p>A meeting shall be quorate where three Members of whom at least two are Members or Substitute Members of the Board are present.</p> <p>The Committee may invite any individual, whether internal or external, to attend all or part of any meeting in whatever capacity as the Chair of the Committee deems appropriate in order to assist the Committee in its duties.</p>	

The Committee will meet privately with the external auditor at least once a year, without the presence of Transport for the North Officers.

The Head of Legal, or a delegate, will attend each meeting as Secretary.

The Committee shall meet quarterly or at such intervals as the Chair may decide.

### **Authorities and Responsibilities**

The Audit and Governance Committee will advise the Transport for the North Board on the matters set out below:

- (i) financial reporting, internal control, and audit processes; and
- (ii) advising the Transport for the North Board on the risk exposures of Transport for the North, reviewing Transport for the North's risk management framework, and monitoring its effectiveness and adherence to the risk policies.

### **Risk Management**

Independently monitoring and assessing the adequacy and effectiveness of the risk management framework, with particular focus on:

- (i) the risk management strategy for managing key risks;
- (ii) risk ownership, accountability, and the development of mitigating actions;
- (iii) the alignment of internal audit and other assurance planning through a risk-based approach to auditing; and
- (iv) receiving reports from management on the adequacy and effectiveness of the internal control and risk management framework.

### **Financial Control Framework**

Advise the Finance Director in respect of the Annual Governance Statement to be incorporated within the Annual Reports and Accounts.

Consider the robustness of financial controls, including the financial reporting process; the accounting policies; and the Annual Statement of Accounts of Transport for the North, to ensure that published financial information has integrity; is balanced; and is transparent; and also seeking to ensure assets are safeguarded against fraud and irregularity.

Considering, (in the absence of management if appropriate), sensitive audit findings and matters which the internal and external auditors may wish to raise and to report, if appropriate, to the Board with any recommendations for improvements.

Seek assurances regarding the adequacy and effectiveness of Transport for the North's arrangements to satisfy the requirements of the [CIPFA/SOLACE] framework of corporate governance.

### **Internal Audit**

Will consider and advise the Board annually on the adequacy of the rolling work plans for internal audit and ensure that the work plans link appropriately to those of the external auditors and other assurance providers.

At each meeting will receive a report from the Internal Audit Representative which will include:

- (i) progress made on delivery of the audit plan;
- (ii) any proposed changes to the annual audit plan;
- (iii) key findings arising from Internal Audit and, where appropriate, compliance work;
- (iv) the timeliness and suitability of management responses to audit recommendations; progress made in implementing Internal Audit recommendations; and
- (v) any significant resourcing issues affecting the delivery of Internal Audit objectives.

Will discuss with the Internal Audit Representative, as appropriate, any issue relating to their report, in the absence of management where necessary. The Committee may also direct Internal Audit to carry out work in any area where it believes further assurance is required.

Will ensure the Internal Audit function is adequately resourced and has the necessary experience, skills, independence, and appropriate standing within the organisation. Will conduct an annual review of the effectiveness of internal audit; this should include consideration of the effectiveness of any internal audit services provided by third parties.

The Committee may invite to meetings those Functional Leads responsible for internal audit recommendations to explain the reasons for agreed timescales not being met or in instances where Internal Audit are not satisfied that action taken has addressed the risk appropriately.

#### **External Audit**

To review progress reports, to be provided at each meeting, from the External Auditors on work that they are performing including both interim and annual accounts audits, value for money exercises and other reviews.

To oversee Transport for the North's relations with the external auditor.

To consider and make recommendations on the appointment, reappointment and removal of the external auditor as far as the Audit Commission's rules permit.

To approve the terms of engagement and remuneration to be paid to the external auditor.

To assess the qualification, expertise and resources, effectiveness and independence of the external auditors annually.

To discuss with the external auditor, before the audit commences, the nature and scope of the audit.

To review with the external auditors, the findings of their work, including any major issues that arise during the course of their audit that have subsequently been resolved and any issues that remain unresolved; key accounting and audit judgements; and any errors identified during the audit, obtaining explanations from management and where necessary, the external auditors, as to why certain errors might remain unadjusted.

To review the audit representation letters before consideration by the Transport for the North Board, giving particular consideration to matters that relate to “non-standard” issues.

To assess at the end of the audit cycle, the effectiveness of the audit process, by reviewing whether the external auditor has delivered against the agreed audit plan and understanding the reasons for any changes, including changes in perceived audit risks and the work undertaken by the external auditors to assess those risks.

To consider the robustness and perceptiveness of the auditors in their handling of the key accounting and audit judgements identified and in responding to questions from the Audit and Governance Committee, and in their commentary, where appropriate on the systems of internal control.

To obtain feedback about the conduct of the audit from key individuals involved in the process; and

To review the annual Audit Letter to assess whether it is based on a good understanding of the company’s business and establish whether recommendations have been acted upon.

#### **Compliance with laws and regulations**

The Audit and Governance Committee is responsible for:

- (i) Reviewing the effectiveness of the system for monitoring compliance with laws and regulations and advising on the adequacy of Transport for the North’s counter-fraud policies and procedures and ensuring that arrangements are in place by which staff may, in confidence, raise concerns about any potential improprieties.
- (ii) Receiving reports of management’s investigations and any action taken in respect of any fraudulent act or non-compliance with laws and regulations.

#### **Governance and Support**

Minutes of the meetings shall be taken and reported to the Transport for the North Board.

The Committee will undertake an annual review of its own performance and review its Terms of Reference, recommending any changes it considers necessary to the Transport for the North Board for approval.

Appropriate and timely training will be available, both in the form of an induction programme for new Members and on an ongoing basis for all Members.

### 5.3 Scrutiny Committee Terms of Reference

Entity	Transport for the North Scrutiny Committee
Members	Constituent Authority Representatives
In attendance	Any other person at the invitation of the Transport for the North Scrutiny Committee
<p><b>Authorities and Responsibilities</b></p> <p>These arrangements have been established to act as a focus for the scrutiny and challenge of the Transport for the North Board and to investigate matters of strategic importance to the combined administrative area covered by the constituent authorities.</p> <p>The role of these arrangements will include monitoring and to make recommendations for improvement and/or changes on:</p> <ul style="list-style-type: none"> <li>(i) The decisions of Transport for the North;</li> <li>(ii) The decisions of Transport for the North which are taken by Transport for the North in accordance with the delegations set out in Part X Section XI of the Constitution;</li> <li>(iii) Making reports or recommendations to Transport for the North with respect to the discharge of the functions of Transport for the North;</li> <li>(iv) Making reports and recommendations on transport matters that affect the area of Transport for the North or the inhabitants of the area.</li> <li>(v) Making recommendations to Transport for the North in advance of any decisions that Transport for the North proposes to take.</li> </ul> <p>In order to discharge these responsibilities, the Scrutiny Committee has the power:</p> <ul style="list-style-type: none"> <li>(i) To review and scrutinise decisions made, or other action taken by Transport for the North;</li> <li>(ii) To make reports or recommendations with respect to the discharge of the functions of Transport for the North;</li> <li>(iii) To make reports or recommendations on transport matters that affect the area of Transport for the North or inhabitants of the area;</li> <li>(iv) To require members or officers of Transport for the North to attend meetings of the Committee to answer questions;</li> <li>(v) To invite other persons to attend meetings of the Committee.</li> <li>(vi) To make recommendations to the Transport for the North Board in</li> </ul>	

advance of any decision that the Transport for the North Board proposes to take.

### **Key Principles for the Operation of the Scrutiny Committee**

The Constituent Authorities will work together to maximise the exchange of information and views, to minimise bureaucracy and make best use of the time of members and officers of other bodies or agencies.

- (i) Members of the Scrutiny Committee will, when considering reviews, determine whether the issue is more appropriately dealt with by one of the constituent councils or elsewhere and will not duplicate the work of existing bodies or agencies.
- (ii) Subject to prior consultation, the Constituent Authorities will respond positively to requests for information, or for the attendance of a Member or officer at any meetings set up under these arrangements.
- (iii) It is for each Constituent Authority to decide who it considers the most appropriate person(s) to speak on its behalf at any meetings set up under these arrangements.

### **Scrutiny Panels**

The first annual meeting of members of the Scrutiny Committee will establish Scrutiny Panels to undertake agreed scrutiny reviews.

Membership of the Scrutiny Panels will be determined at the annual or any other meeting of the Committee.

Scrutiny Panels established shall include representatives from at least 5 of the Constituent Authorities.

Each Scrutiny Panel shall appoint a Chair and Vice Chair from amongst its members.

Scrutiny Panels established under this protocol must be appointed to carry out specific scrutiny tasks and be time limited. Their continuation will be subject to confirmation at each annual meeting of the Scrutiny Committee.

Different approaches to scrutiny reviews may be taken in each case but members will seek to act in an inclusive manner and will take evidence from a wide range of opinion.

The primary objective of any Scrutiny Panel established under these arrangements will be to reach consensus on its recommendations, but where a minimum number of 2 members express an alternative to the majority view, they will be permitted to produce a minority report.

Voting, if needed, will be by a show of hands and a simple majority will be required to approve any recommendation.

The Scrutiny Panels will meet as appropriate for the scope of scrutiny required.

### **Budget and Administration**

The Scrutiny Budget will be agreed as part of Transport for the North's annual budgetary processes.

The budget will be required to meet all officer support to the scrutiny arrangements, including research support.

The decisions and recommendations of any Scrutiny Panels set up under these arrangements will be communicated to Transport for the North, and other Scrutiny Committee members as soon as possible after resolution by those appointed to any such Scrutiny Panel.

Any external expenditure shall be procured and managed through and in accordance with Transport for the North's adopted financial processes.

## **5.4 Transport for the North Partnership Board Terms of Reference**

<b>Entity</b>	<b>Transport for the North Partnership Board</b>
<b>Members</b>	Independent Chair; Constituent Authority leaders / elected mayors; Representatives from each of the 11 Northern LEPs; A representative from the Department for Transport; Representatives from Highways England, Network Rail and HS2 Limited; Regional TUC, Disability UK, Committee for Climate Change, Transport Focus and Transport for the North Chief Executive.
<b>In attendance</b>	Transport for the North Finance Director, HR and Mobilisation Director, Portfolio Director, Strategy Director, Monitoring Officer (Secretary) and any other person at the invitation of the Transport for the North Partnership Board
<b>Establishment</b>  The Transport for the North Partnership Board was established in accordance with the provisions of the Order to advise Transport for the North on matters relating to transport to, from and within Transport for the North's area and to provide a consultative forum for Transport for the North Members in the development of Transport for the North's Strategy and programmes.	
<b>Composition</b>  The Transport for the North Members Board will appoint an Independent Chair of the Partnership Board who will become a co-opted member of the Transport for the North Members Board. The role of the Chair shall be to:	



- chair the Partnership Board ensuring a strong partnership is maintained across the North
- lead discussions between Transport for the North and the Secretary of State
- represent Transport for the North in the media, and
- be an advocate for Transport for the North with the business community and wider public.

The position of Chair of the Partnership Board is a remunerated position

If the Chair is not present, an alternative Chair shall be elected by and from the Partnership Board members.

#### **Meeting Frequency**

Quarterly or at such intervals as the Transport for the North Board may decide and agree with the Partnership Board. Attendance shall be in person.

#### **Role and Function**

The role of the Partnership Board is:

- To contribute to Transport for the North's effective exercise of its powers and the development and delivery of its Strategy and programmes;
- To advise on the strategic direction, policies and priorities of Transport for the North, emerging regional transport issues and the extent to which current and proposed transport infrastructure meets the requirements of the Northern economy, industry and the wider community;
- To provide a forum for an exchange of views and information in relation to strategic or policy matters;
- To represent to Transport for the North the wider interests of the business community;
- To advise Transport for the North on policies and priorities relating to transport and the effect of transport on the economy of the area of Transport for the North;
- To advise Transport for the North on all matters relating to transport to, from and within the area of Transport for the North;
- To advise on the development of the Strategic Transport Plan;
- To recommend to Transport for the North the adoption of the Strategic Transport Plan;
- To advise Transport for the North on the delivery of the proposals set out in the Strategic Transport Plan;
- To be consulted on content of the Transport for the North Business Plan, activity plans with significant expenditure implications and the initiation and submission of business cases.

## **6. Transport for the North Officer Bodies**

- 6.1 Section 6 describes those bodies which consist of Transport for the North officers and officers representing the Constituent Authorities and other organisations.

## 6.2 Transport for the North Executive Board Terms of Reference

Entity	Transport for the North Executive Board
<b>Members</b>	<p>Chief Executives or nominated representatives from Constituent Authorities.</p> <p>A representative from the Department for Transport.</p> <p>Representatives from Highways England, Network Rail and HS2.</p> <p>Transport for the North Chief Executive.</p>
<b>In attendance</b>	<p>Transport for the North's Finance Director and any other person at the invitation of the Executive Board.</p>
<p><b>Establishment</b></p> <p>The Transport for the North Executive Board will be established to provide a consultative forum for Transport for the North Officers in the development or delivery of programmes and activity required to deliver the objectives of Transport for the North as set out in its Business Plan and varied by the Transport for the North Board from time to time.</p> <p>The Executive Board should reflect the priorities of both private and public-sector organisations within the North. It is the responsibility of the representatives of the Constituent Authorities to ensure that the views of the private sector in their locality are represented.</p> <p><b>Composition</b></p> <p>The Board will elect a Chair from one of its Constituent Authority members.</p> <p>If the Chair is not present an alternative Chair will be elected by and from the Constituent Authority members.</p> <p><b>Meeting frequency</b></p> <p>Monthly, or at such intervals as the Executive Board may decide. Attendance may be in person or via teleconference.</p> <p><b>Role and Function</b></p> <p>The primary objective of the Executive Board is to contribute to Transport for the North's effective exercise of its powers and the delivery of its objectives as set out in the Transport for the North business plan.</p> <p>This might include , but not be limited to, the strategic direction, policies and priorities for Transport for the North; emerging regional transport issues and the extent to which current and proposed transport infrastructure meets the requirements of the Northern economy, industry and the wider community.</p>	

The Executive Board is to:

- (i) Provide a forum for an exchange of views and information in relation to strategic or policy matters;
- (ii) Provide an environment for Transport for the North officers and Constituent Authority representatives to discuss/share strategic information on matters impacting on the objectives of Transport for the North;
- (iii) Provide leadership, information and advice that informs Transport for the North on the transport priorities of the North; and
- (iv) Review the effectiveness of the flow of information to and from the Constituent Authorities and provide advice to Transport for the North regarding improvements as appropriate.

The Executive Board will receive a monthly operating report covering the activities of Transport for the North.

The Executive Board will normally be consulted on all papers that are intended to be submitted for consideration by the Transport for the North Board.

The Executive Board will be consulted on content of the Transport for the North Business Plan, activity plans with significant expenditure implications, the preparation of business cases, and on all revenue expenditure proposals in excess of the EU threshold

The Executive Board may refer any item to the Transport for the North Operating Board (OBT) for consideration.

To ensure the Executive Board remains effective the Terms of Reference should be reviewed on an annual basis.

### 6.3 Transport for the North Operating Board Terms of Reference

Entity	Operations Board (OBT)
<b>Members</b>	Chief Executive (Chair) Finance Director Head of Legal (Monitoring Officer) Other Officers invited to attend by the Chief Executive
<b>Establishment</b>  The Operations Board (OBT) was established as a meeting of the Chief Officers to consider proposals and facilitate the effective management of Transport for the North.	
<b>Composition</b>  The Chief Executive shall chair the meeting. Statutory Officers may nominate a deputy to attend on their behalf as required. Note decisions can only be taken	

by Officers with a formal delegation either from Transport for the North or from a Chief Officer with delegated authority.

Proposing Officers (lead authors of submissions to meetings) and subject matter experts may be invited to attend by any Member of the Operations Board.

### **Meeting Frequency**

Monthly or at such intervals as the Chair may decide.

### **Authorities and Responsibilities**

#### ***General Business***

Assume responsibility for the day-to-day management of Transport for the North.

Approve corporate policies.

Co-ordinate Transport for the North's business planning and performance management processes and, in particular:

- (i) To monitor key performance indicators and the priority tasks being undertaken and report key performance indicators and the priority tasks to the Transport for the North Board.
- (ii) To approve the Transport for the North Business Plan and Budget for submission to the Transport for the North Board.

Approve the submission of functional strategies to the Transport for the North Board.

Approve any changes in the staffing structure/establishment (if within the scheme of delegation). Note significant changes to the establishment would need to go to Transport for the North Members' Board for approval

Implement the risk management strategy, ensuring ownership and the active management of risk and the reporting of significant risks.

Approve the issue of reports to the Transport for the North Board, subject to the responsibilities of the Statutory Officers.

Manage and approve process for external communications and engagement.

Approve the appointment of Transport for the North officer representatives to outside bodies.

Approve the cessation of an activity that was previously approved to proceed by the Operations Board (OBT).

Approve business cases for submission to DfT or other central government departments.

HR matters will be managed via the HR Committee, as set out in section 6.4 below.

Approve the internal audit plan.

At least once per year, review Transport for the North's governance arrangements to ensure that these remain appropriate to Transport for the North's objectives and make changes/recommend changes to the Transport for the North Board as required.

### ***Capital Programme***

Monitor the progress of capital programmes and associated projects with respect to funding and schedule parameters and review performance indicator data.

Ensure that overall programmes are managed to budget, time and quality and focused on the successful delivery of identified benefits.

Monitor and direct common matters between programmes and direct the activities of Programme Boards as required.

### ***Financial Matters***

Be responsible for the following financial matters:

- i) Monitoring of capital expenditure and revenue income and expenditure.
- ii) Subject in all cases to compliance with the Transport for the North Contracts and Procurement Rules and the Transport for the North Financial Regulations, approval of capital expenditure items subject to the limits prescribed within the Schedule of Approvals at Appendix 10], provided that:
  - the relevant capital scheme has previously been approved by the Transport for the North Board; and
  - the item is within the approved capital budget for the scheme.
- iii) Subject in all cases to compliance with the Transport for the North Contracts and Procurement Rules and the Transport for the North Financial Regulations, approval of revenue expenditure items and purchasing and contractual approvals subject to the limits prescribed within the Schedule of Approvals at Appendix 10, provided that:
  - the expenditure is explicitly identified within a budget previously approved by the Transport for the North Board; and
  - the item is within the approved budget for the scheme.
- iv) Approving the waiving of the Contracts and Procurement Rules at Appendix C (subject to the limited delegation to the Finance Director to approve a waiver where the value is below the limit set out in the Scheme of Delegation).

Monitor the performance of marketing and other commercial activity.
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#### 6.4 Transport for the North Human Resources Committee Terms of Reference

Entity	Transport for the North Human Resources Committee
<b>Members</b>	Chief Executive Finance Director HR & Mobilisation Director Other Officers as invited by the Chief Executive
<p><b>Establishment</b></p> <p>The Transport for the North Human Resources Committee was established by the Chief Officers as a sub-committee of Transport for the North's Operating Board (OBT).</p> <p>The Committee is responsible to OBT for considering, approving and monitoring human resource policies, procedures and practice including recruitment, movement and organisation of employees and the conduct of all Officers.</p> <p><b>Meeting frequency</b></p> <p>At such intervals as the HR Committee Members may decide. Attendance may be in person or via teleconference.</p> <p><b>Role and Function</b></p> <p>The primary objective of the Human Resources Committee is to consider and specifically approve:</p> <ul style="list-style-type: none"> <li>a) organisational change and structure</li> <li>b) human resources planning and utilisation</li> <li>c) workforce development</li> <li>d) motivational and welfare issues</li> <li>e) Equality &amp; diversity issues</li> <li>f) employment policies, procedures and practices, inclusive of any Code of Conduct issues</li> <li>g) employment legislation</li> <li>h) job evaluation</li> <li>i) employee terms and conditions</li> <li>j) industrial relations framework</li> </ul> <p>The Human Resources Committee may refer any item to the Transport for the North Operating Board for consideration.</p> <p>To ensure the Human Resources Committee remains effective the Terms of Reference should be reviewed on an annual basis.</p> <p><b>Reporting Arrangements:</b></p>	

Actions taken by the Human Resources Committee will be reported to the OBT.

As appropriate, the OBT and / or the Transport for the North Board will be consulted prior to decisions being made which may have more wide-ranging impact. Equally, on issues that require it, consultation will be held with the Transport for the North's Employee Representatives (Employee Forum), utilising the normal communication channels.

**Appendix 10 – SCHEDULE OF APPROVALS**

Category	Functional Lead	Operations Board	Executive Board	TfN Members Board
1. Approval of Business Plan and Capital and Revenue Budgets	Preparation coordinated by Finance Director	-	Consultation	Approval
2. Virement between heads of expenditure within revenue budgets	<p>Director approval for both the receiving and transmitting budgets up-to £100,000</p> <p>All amounts up-to £25,000 require approval by Financial Controller.</p> <p>All amounts greater than £25,000 require approval by Finance Director.</p> <p>CEO to provide final approval on all virements greater than £100,000.</p>	-	-	<p>Will be provided with a budget revision each quarter.</p> <p>Budget Virements between revisions will be reported in the Quarterly Operating Report.</p>
3. Approval of release of contingency (not including financial reserves)	<p>Director approval for the release budgeted contingency.</p> <p>All amounts up-to £25,000 require approval by Financial Controller.</p>	-	-	-



	All amounts greater than £25,000 require approval by Finance Director.			
4. Approval of release of financial reserves (supplemental estimates resourced from reserves)	Finance Director and Chief Executive to approve non-budgeted draws on reserves			Members to be informed of non-budgeted draws on reserves.
5. Approval to commission budgeted works, goods and services from <b>TfN Core funding</b> .	<p>Up-to £50,000 requires formal budget holder approval and approval from the Financial Controller.</p> <p>Greater than £50,000 also requires functional Director, Finance Director, and CEO approval.</p> <p>Procurement Manager consulted on all amounts.</p>	Greater than the OJEU limit	Consulted on all amounts more than the OJEU limit.	Prior approval of Scope / remit required for contracts more than £1,000,000.
6. Approval to award contracts for which appropriate commissioned approvals exist for the supply of works, good and services from <b>TfN Core funding</b> .	<p>Up-to £50,000 requires formal budget holder and Financial Controller approval</p> <p>All amounts above £50,000 require functional</p>	Contracts above the OJEU limit where the intention is to appoint via single source.	Consulted for contracts above the OJEU limit where the intention is to appoint via single source.	-

	<p>Director and Finance Director approval.</p> <p>All amounts greater than above the OJEU limit also to require CEO approval.</p> <p>Procurement Manager consulted on all amounts.</p>			
7. Approval to submit business cases to access capital funding	Up to £1,000,000 to require approval from the functional Director, the Finance Director, and CEO	Greater than £1,000,000	Consulted on all business case submissions.	Prior approval of Scope / remit required for Business case applying for greater than £5,000,000.
8. Agree terms of funding agreements with DfT / other.	<p>Up to £5,000,000 to include the Finance Director</p> <p>Above £5,000,000 to include the CEO</p>	-	-	-
9. Approval to commission works, goods and services for <b>Programme /Capital</b> items with business case approval / funding approval. NB – these will be subject to	<p>Up-to above the OJEU limit requires formal budget holder and Financial Controller approval</p> <p>Greater than above the OJEU limit requires</p>	Greater than £2,000,000	Consulted on all amounts more than £2,000,000	Actual capital expenditure to be reported against budget in Quarterly reporting.

<p>funding conditions.</p>	<p>functional Director Finance Director approval.</p> <p>Greater than £1,000,000 also to requires CEO approval.</p> <p>Procurement Manager consulted on all amounts.</p>			
<p>10. Approval to award contracts for which appropriate commissioned approvals exist for the supply of <b>Programme / Capital</b> works (potentially including goods and services)</p>	<p>Up-to the OJEU limit requires formal budget holder and Financial Controller approval.</p> <p>All amounts greater than the OJEU limit also require approval from the functional director, the Finance Director, and the CEO.</p> <p>Procurement Manager consulted on all amounts.</p>	<p>Contracts above the OJEU limit where the intention is to appoint via single source.</p>	<p>Consulted for contracts above the OJEU limit where the intention is to appoint via single source.</p>	-
<p>11. Contract cost over-runs to any contracts already awarded (subject to compliance with legislation,</p>	<p>Up-to the OJEU limit requires formal budget holder and Financial Controller approval.</p>	<p>Greater than £500,000</p>	<p>Consulted on all amounts more than £500,000.</p>	<p>All changes to contracts that result in an increase in expenditure of over £30,000 are to be reported to</p>

and commissioning and procurement regulations).	<p>All amounts greater than the OJEU limit require approval from the functional director and Finance Director and CEO.</p> <p>Procurement Manager consulted on all amounts.</p>			TfN Members Board.
<p>12. Contract scope changes to contracts for budgeted works, goods and services from <b>TfN Core funding</b> (subject to compliance with legislation, and commissioning and procurement regulations).</p>	<p>Up-to £50,000 requires formal budget holder and Financial Controller approval.</p> <p>All amounts greater than £50,000 require approval from the functional director, the Finance Director, and the CEO.</p> <p>Procurement Manager consulted on all amounts.</p>	Greater than the OJEU limit	Consulted on all amounts more than the OJEU limit	Prior approval of Scope / remit required for scope changes to contracts where the total aggregate value is more than £1,000,000.
<p>13. Contract scope changes to contracts for the supply of budgeted <b>Programme / Capital</b> items with business case approval / funding</p>	<p>Up-to the OJEU limit requires formal budget holder and Financial Controller approval.</p>	Greater than £2,000,000	Consulted on all amounts more than £2,000,000.	

approval. NB – these will be subject to funding conditions. (subject to compliance with legislation, and commissioning and procurement regulations).	<p>All amounts greater than the OJEU limit require approval from the functional director and Finance Director.</p> <p>Greater than £1,000,000 also requires CEO approval.</p> <p>Procurement Manager consulted on all amounts.</p>			
14. Grant Awards to third parties  (Prior approval of the intention to disburse grant required)	Up-to £200,000 to include functional Director, Finance Director and CEO.	Greater than £200,000.	Consulted on all grants.	
15. Bidding for Grants from DfT or other bodies	<p>Thematic directors to manage the development of bids.</p> <p>Finance Director to formally approve bids following endorsement by the thematic Director.</p> <p>CEO to approve all Grant bids up to £1,000,000.</p>	For bids for Grants greater than £1,000,000.	Consulted on all Grant Bids	<p>Prior approval for bids for more than £5,000,000.</p> <p>All grant bids to be reported quarterly.</p>
16. Approval of Suppliers	Procurement Manager, with	-	-	-

	engagement with the Financial Controller where appropriate for credit checks.			
17. Purchases below £1,000	Budget holder and Financial Controller approval, in accordance with relevant policies (including travel and expenses). If purchase is a call off from an existing contract, a copy of the agreed price is required. If the purchase is from a new supplier, 3 written quotes are required obtained by TfN officer.	-	-	-
18. Purchases likely to exceed £1,000 but below £10,000	Three written quotes obtained by TfN officer, approved by budget holder and Financial Controller.	-	-	-
19. Purchases likely to exceed £10,000.	Three written quotations obtained by Procurement Manger, approved by budget holder and Financial Controller.	-	-	-
20. Purchases likely to	Formal competition	-	-	-

exceed £50,000.	managed by Procurement Manager in consultation with Finance Director			
21. Purchases likely to exceed the OJEU limit or relevant procurement thresholds.	Refer to Procurement Manager	See (5) and (9) above.	See (5) and (9) above.	-
22. Disposal of assets  (values based upon the market value of the assets pre-disposal).	Up-to £50,000  All amounts up to £25,000 Finance Director.  Amounts greater than £50,000 to also to include the CEO.	Greater than £50,000, or where the most economically advantageous sale is not proposed.	To be consulted on all amounts greater than £50,000, or where the most economically advantageous sale is not proposed.	To be informed of asset disposals in Quarterly Operating Report.
23. Write-off of assets, including bad debts	Up-to £500,000  All amounts up to £250,000 Finance Director.  Amounts greater than £250,000 to also to include the CEO.	Greater than £500,000	To be consulted on all amounts greater than £500,000.	To be informed of asset disposals in Quarterly Operating Report.
24. Acquisition of any interest in land (including freehold transfers, contracts for leases or leases on property) or leases of equipment of any form.	Up-to £500,000  All amounts up to £250,000 Finance Director.  Amounts greater than £250,000 to also to include the CEO.	Greater than £500,000	To be consulted on all amounts greater than £500,000.	To be informed of the acquisition / lease of property or the lease of equipment in the Quarterly Operating Report.

25. New (or changes to existing) bank and investment accounts or terms of service.	Finance Director	Any substantive changes to banking arrangements.		To be informed of any substantive changes to banking arrangements in the Quarterly Operating Report.
26. Treasury Strategy Review / sign-off/ in-year amendments.	Finance Director	-	To be consulted.	<p>To approve the Annual Treasury Management Strategy.</p> <p>To approve substantive in-year changes to Treasury Management strategy that can be considered in a timely manner.</p>
27. Short term investment of excess funds	<p>Cash management protocols agreed through a Treasury Management Practices document.</p> <p>Financial Controller where less than one month and less than £2,000,000.</p> <p>Finance Director in all other circumstances.</p>	-	-	-



28. Payments from TfN	Up-to £25,000 – any two authorised signatories  Between £25,000 and £100,000 – two authorised signatories	-	-	-
29. Legal, Financial consultancy / advisory, or IT expenditure of any type.	Subject to normal approval limits but must be approved by the relevant Directorate head (ie Monitoring Officer, Finance Director, HR and Mobilisation Director etc).	-	-	-

Notes to the table of Authority

- 1) For the avoidance of doubt, all values referred to exclude VAT.
- 2) References to the OJEU limit should be taken to mean the OJEU limit (or equivalent) at the point in line the activity is taking place.
- 3) Unless stated otherwise, the authority of budget holders is limited to decisions affecting their own cost centre. Decisions impacting on multiple cost centres must be taken jointly, via the Operations Board.
- 4) Membership of the TfN Operations and Executive Boards are included in the TfN Governance Framework.
- 5) Procurement of any type, whether capital or revenue in nature is subject to the provisions of the Contracts and Procurement Rules contained within this Constitution
- 6) Formal Monitoring Officer advice must be sought for certain procurements per 29.5 of the Constitution.



## **Appendix 11- Terms of Reference of NERMU**

### **Extract from the Report on North East Rail Management of 08/02/16 to the Rail North Partnership Board**

6.4. However, the dialogue with the North East Authorities has identified a way forward that will support the establishment of a North East Rail Management Unit as a guiding mind in engaging with the new Northern Franchisee and delivering greater local accountability for service performance and quality for the North East regional route network.

6.5. RNP will retain 'ownership' of the relationship with the Northern Franchisee, and be solely responsible for franchise management, change management, compliance and enforcement. The North East Rail Management Unit will assume 'ownership' of the relationship with the Northern Franchise Business Unit for the North East and its Regional Director and will lead in the following areas:

- Oversight of the Franchise Business Unit's operational and financial performance through monthly meetings with the Northern's Regional Director, lead on the monitoring of the North East Franchise Business Unit in terms of performance and service quality
- Lead Oversight and influence Guide regional stakeholder interfaces with the Regional Franchise Business Unit including franchise obligations to consult and cooperate with North East Authorities on areas such as integrated transport, ticketing, concessionary travel, marketing, branding etc
- Support and influence the development of local investment schemes required by the Franchise Agreement including station investment and service developments
- Develop bi-lateral commercial arrangements, joint investment schemes or joint feasibility studies for service or infrastructure developments that are not covered by the Franchise Agreement.
- In addition to the responsibilities in relation to the Northern franchise, the North East authorities intend to utilise the RBU resource and governance structure to develop closer links between local authorities, the Northern Franchisee, local communities and the private sector. These links will inform local transport policy and allow closer integration between local rail services and other forms of public transport.

6.6. The RNP Commercial Manager for the Northern Franchise will support the Rail Management Unit in escalating issues and concerns through the formal franchise management process. RNP will also support the Rail Management Unit in developing and delivering amendments, derogations or changes to the Franchise Agreement that are recommended to improve local delivery of services in the North East, subject to an agreed business case and funding approval by the RNP Strategic Board.

**Appendix 12**

**Code of Conduct for Non-Elected Co-opted Members**



**CABINET OFFICE**

**CODE OF CONDUCT FOR BOARD MEMBERS OF PUBLIC  
BODIES**

**JUNE 2011**

## FOREWORD

The Government expects all holders of public office to work to the highest personal and professional standards. In support of this, all non-executive board members of UK public bodies<sup>1</sup> must abide by the principles set out in this Code of Conduct. The Code sets out, clearly and openly, the standards expected from those who serve on the boards of UK public bodies and should form part of individual members' terms and conditions of appointment. Any breach of the Code should be viewed as a breach of those terms and conditions of appointment.

This *Code* replaces *Guidance on Codes of Practice for Board Members of Public Bodies* issued by the Cabinet Office in 2004.

Any questions on the *Code* should be directed to:

Propriety and Ethics Team  
Cabinet Office  
70 Whitehall  
LONDON  
SW1A 2AS

Tel: 020 7276 0269/0387

Copies of the *Code* can be downloaded from:

[www.cabinetoffice.gov.uk/content/public-bodies-and-appointments](http://www.cabinetoffice.gov.uk/content/public-bodies-and-appointments)

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<sup>1</sup> The principles set out in this Code should apply to all non-executive members on the boards of Government Departments, non-Ministerial Departments, Executive Agencies, Executive and Advisory non-department public bodies (NDPBs) and national public corporations.

## **CODE OF CONDUCT FOR BOARD MEMBERS OF PUBLIC BODIES**

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## **CODE OF CONDUCT FOR BOARD MEMBERS OF PUBLIC BODIES**

### **1. INTRODUCTION**

- 1.1 As a public office-holder, your behaviour and actions must be governed by the principles set out in this Code of Conduct. It is your responsibility to ensure that you are familiar with, and comply with, all the relevant provisions of the Code.

### **2. KEY PRINCIPLES OF PUBLIC LIFE**

- 2.1 The key principles upon which this Code of Conduct is based are the Seven Principle of Public Life<sup>2</sup>. These are:

#### **Selflessness**

You should take decisions solely in terms of the public interest. You should not do so in order to gain financial or other material benefits for yourself, your family or your friends.

#### **Integrity**

You should not place yourself under any financial or other obligation to outside individuals or organisations that might, or might be perceived to, influence you in the performance of your official duties.

#### **Objectivity**

In carrying out public business, including awarding contracts and recommending individuals for rewards and benefits, you should make choices on merit.

#### **Accountability**

You are accountable for your decisions and actions to the public and must submit yourself to whatever scrutiny is appropriate for your office.

#### **Openness**

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<sup>2</sup> *Standards in Public Life: First Report of the Committee on Standards in Public Life*. Volume 1: Report. CM 2850-I.



You should be as open as possible about the decisions and actions that you take. You should give reasons for your decisions and restrict information only when the wider public interest clearly demands.

### **Honesty**

You have a duty to declare any private interests relating to your public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### **Leadership**

You should promote and support these principles by leadership and example.

- 2.2 These principles should inform your actions and decisions as a board member.

## **3. GENERAL CONDUCT**

### **Use of Public Funds**

- 3.1 You have a duty to ensure the safeguarding of public funds<sup>3</sup> and the proper custody of assets which have been publicly funded.
- 3.2 You must carry out your fiduciary obligations responsibly – that is, take appropriate measures to ensure that the body uses resources efficiently, economically and effectively, avoiding waste and extravagance. It will always be an improper use of public funds for public bodies to employ consultants or other companies to lobby Parliament, Government or political parties.

### **Allowances**

- 3.3 You must comply with the rules set by the board and the public body regarding remuneration, allowances and expenses. It is your responsibility to ensure compliance with all relevant HM Revenue and Customs' requirements concerning payments, including expenses.

### **Gifts and Hospitality**

- 3.4 You must not accept any gifts or hospitality which might, or might reasonably appear to, compromise your personal judgement or integrity or place you under an improper obligation.

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<sup>3</sup> This should be taken to include all forms of receipts from fees, charges and other sources.

- 3.5 You must never canvass or seek gifts or hospitality.
- 3.6 You must comply with the rules set by the body on the acceptance of gifts and hospitality. You should inform the Chief Executive (or equivalent) of any offer of gifts or hospitality and ensure that, where a gift or hospitality is accepted, this is recorded in a public register in line with the rules set by the body.
- 3.7 You are responsible for your decisions on the acceptance of gifts or hospitality and for ensuring that any gifts or hospitality accepted can stand up to public scrutiny and do not bring the public body into disrepute.

### **Use of Official Resources**

- 3.8 You must not misuse official resources<sup>4</sup> for personal gain or for political purposes. Use of such resources must be in line with the body's rules on their usage.

### **Use of Official Information**

- 3.9 You must not misuse information gained in the course of your public service for personal gain or for political purpose.<sup>5</sup>
- 3.10 You must not disclose any information which is confidential in nature or which is provided in confidence without authority. This duty continues to apply after you have left the board.

### **Political Activity**<sup>6</sup>

- 3.11 In your public role, you should be, and be seen to be, politically impartial. You should not occupy a paid party political post or hold a particularly sensitive or high-profile role in a political party. You should abstain from all controversial political activity and comply with Cabinet Office rules on attendance at Party Conferences<sup>7</sup>.
- 3.12 On matters directly related to the work of the body, you should not make political statements or engage in any other political activity.

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<sup>4</sup> This includes facilities, equipment, stationery, telephony and other services.

<sup>5</sup> Board members who misuse information gained by virtue of their position may be liable for breach of confidence under common law or may commit a criminal offence under insider dealing legislation

<sup>6</sup> If you are an MP, Member of the House of Lords, Member of a Devolved Administration or Local Councillor, you are exempt from these requirements - although you should still exercise proper discretion on matters directly related to the work of the body and recognise that certain political activities may be incompatible with your role as a board member.

<sup>7</sup> [www.cabinetoffice.gov.uk/content/public-bodies-and-appointments](http://www.cabinetoffice.gov.uk/content/public-bodies-and-appointments)

3.13 In your official capacity, you should be even-handed in all dealings with political parties.

3.14 Subject to the above, you may engage in political activity but should, at all times, remain conscious of your responsibilities as a board member and exercise proper discretion. You should inform the Chair and/or the parent Department before undertaking any significant political activity.

### **Employment and Appointments**

3.15 If you wish to take up new employment or appointments during your term of office, you must inform the Chair and/or the relevant parent Department.

3.16 On leaving office, you must comply with the rules of the body on the acceptance of future employment or appointments.

## **4. MEMBERS' INTERESTS**

4.1 You must ensure that no conflict arises, or could reasonably be perceived to arise, between your public duties and your private interests – financial or otherwise.

4.2 You must comply with the rules of the body on handling conflicts of interests. As a minimum, these will require you to declare publicly any private interests which may, or may be perceived to, conflict with your public duties<sup>8</sup>. The rules will also require you to remove yourself from the discussion or determination of matters in which you have a financial interest. In matters in which you have a non-financial interest, you should not participate in the discussion or determination of a matter where the interest might suggest a danger of bias.<sup>9</sup>

4.3 It is your responsibility to ensure that you are familiar with the body's rules on handling conflicts of interests, that you comply with these rules and that your entry in the body's register of members' interests is accurate and up to date.

## **5 RESPONSIBILITIES AS A BOARD MEMBER**

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<sup>8</sup> In general, all financial interests should be declared. When considering what non-financial interests should be declared, you should ask yourself whether a member of the public, acting reasonably, would consider that the interest in question might influence your words, actions or decisions.

<sup>9</sup> These are common law provisions.

- 5.1 You should play a full and active role in the work of the body. You should fulfil your duties and responsibilities responsibly and, at all times, act in good faith and in the best interests of the body.
- 5.2 You should deal with the public and their affairs fairly, efficiently, promptly, effectively and sensitively, to the best of your ability. You must not act in a way that unjustifiably favours or discriminates against particular individuals or interests.
- 5.3 You must comply with any statutory or administrative requirements relating to your post<sup>10</sup>.
- 5.4 You should respect the principle of collective decision-making and corporate responsibility. This means that, once the board has made a decision, you should support that decision.
- 5.5 You must not use, or attempt to use, the opportunity of public service to promote your personal interests or those of any connected person, firm, business or other organisation.

## **6. RESPONSIBILITIES TOWARDS EMPLOYEES**

- 6.1 You will treat any staff employed by the body with courtesy and respect. It is expected that employees will show you the same consideration in return.
- 6.2 You will not ask or encourage employees to act in any way which would conflict with their own Code of Conduct.

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<sup>10</sup> In the case of a body incorporated under the Companies Act or the Companies (Northern Ireland) Order, you will also be subject to the duties of directors under company law. In the case of a body that has charitable status, you will also be subject to the duties of trustees under charities law.