

Report to: **Partnership Board –Transport for the South East**

Date of meeting: **13 June 2022**

By: **Cllr Tony Page**

Title of report: **Governance Sub-Group Update**

Purpose of report: **To provide an update on the Governance sub-group**

RECOMMENDATIONS:

The members of the Partnership Board are recommended to:

- (1) Note the discussions at the recent meeting of the Governance sub-group;**
 - (2) Agree the proposed amendments to the constitution, a final version of which will be presented to the Board for agreement in autumn 2022; and**
 - (3) Note the support from the accountable body’s legal team.**
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1. Overview

1.1 At the January 2022 Partnership Board meeting it was agreed that the governance sub-group should be reconvened, with the first meeting scheduled for March 2022.

1.2 The Partnership Board subsequently agreed the Terms of Reference for the sub-group in March 2022. It was agreed that the group should have a focus on ensuring that the governance arrangements for Transport for the South East (TfSE) remain robust and appropriate to support the implementation of the Strategic Investment Plan (SIP).

1.3 Membership of the sub-group is as follows:

- Cllr Tony Page – Berkshire Local Transport Body
- Cllr Rob Humby - Hampshire County Council
- Cllr Daniel Watkins – Kent County Council
- Cllr Amy Heley – Brighton and Hove City Council
- Daniel Ruiz – Enterprise M3 LEP
- Geoff French – Chair, Transport Forum

1.4 The governance sub-group met on 9 May 2022. This paper provides a progress report on the key issues discussed and sets out the proposed next steps.

2. TfSE Constitution

2.1 The Partnership Board agreed the TfSE constitution in December 2019. The constitution had been revised from an earlier iteration to reflect the imminent proposal to Government for statutory status and to demonstrate that the constitution was fit for purpose for a statutory body. It is timely to review the constitution to ensure it reflects the current position of TfSE and the emerging strategic investment plan.

2.2 The sub group considered a number of key issues in the constitution at their 9 May meeting and make the following proposals to the Board:

- Co-opted Board members – the constitution makes provision for co-opted members to be appointed to the Partnership Board and for voting rights to be allocated. The group proposed that this approach continues. It was discussed that it may be appropriate to co-opt Great British Railways and other operators at an appropriate time and this should be kept under consideration.
- Voting mechanism – the constitution sets out that decisions on the following matters:
 - a) the approval or revision of the Transport Strategy
 - b) the approval of the Annual Budget, and
 - c) the adoption of and any changes to the Constitution.may be decided only if agreed by both:
 - a) the members who together hold at least 75% of the vote in a weighted vote, and
 - b) a simple majority of the members present and voting.

This was further expanded in the proposal to Government (June 2020) which sets out an allocation of votes to Local Transport Authorities by 140,000 population (equivalent to IoW population as the smallest TfSE authority).

The sub-group propose that this approach should continue.

- Financial arrangements – the group discussed the current model for local contributions. This has been in place since 2018 and uses a relatively simple apportionment of costs between county and unitary authorities. The proposes that this approach continues.
- Powers and responsibilities – the constitution was agreed in 2019 to ensure that TfSE was able to meet the requirements of a statutory body. This included setting out the powers and responsibilities that the organisation would hold.

The constitution currently contains reference to the 'general functions' of an STB as identified in the Cities and Local Government Act. These include the focus on developing a transport strategy for the area and providing advice and guidance to the Secretary of State. It also highlights that STBs are able to have further discussions with the department about powers that they might

need to deliver their strategy. The sub-group proposes that the general functions, as outlined in the Act, remain in the TfSE constitution.

It is proposed that the constitution retains reference to the fact that we may need to have discussions with the Secretary of State about delivery of our SIP and does not preclude a future bid for statutory status.

- Sub-Committees of the Board – as part of our bid for statutory status TfSE was required to include proposals to create a scrutiny function. It was also proposed that an Audit and Governance committee should be established and although this was not a statutory requirement it would ensure that TfSE followed best practice.

The sub-group proposes that the requirement for a dedicated scrutiny committee should not be pursued at the current time, but should remain in the constitution so that it could be put in place in the event of a future bid for statutory status.

Due to the increasing financial responsibilities on TfSE it is proposed that an Audit and Governance committee is established. This will be responsible for approving accounts, recommending the approval of the annual statement of accounts for TfSE, risk and control and reviewing corporate governance arrangements.

It is proposed that the member sub-group on governance would evolve to become the Audit and Governance Committee and terms of reference will be presented to the Board once the sub-group concludes its current task.

2.3 The group has also requested additional work to be undertaken on the scheme of delegations and will report on this to the next meeting of the Partnership Board. A similar review will be undertaken of the current intra-authority agreement.

2.4 The work of the sub-group will be supported by the accountable body's legal team, who will support the review of the constitution and the intra-authority agreement.

3. Conclusions and Recommendations

3.1 The Partnership Board are recommended to note the progress of the sub-group and agree that the group continues with the review of the constitution.

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