

Date: 30 November 2018

Subject: Appointment of Non-Executive Directors Transport for Greater Manchester

Report of: Andy Burnham, Mayor of Greater Manchester, Portfolio Leader for Transport and Eamonn Boylan, Interim Chief Executive, TfGM

PURPOSE OF REPORT

To approve the extension of the appointments of Mr Edward Pysden and Mr Les Mosco as Non-Executive Directors, and to re-appoint Mr Richard Paver as a Non-Executive Director of Transport for Greater Manchester following the re-designation of Mr Eamonn Boylan as Interim Director General of TfGM.

RECOMMENDATIONS:

Members are recommended to:

1. Approve the re-appointment of Mr Richard Paver as Non-Executive Directors of TfGM until 30th June 2019 following the re-designation of Mr Eamonn Boylan from Non-Executive Director to Interim Director General and Chief Executive of TfGM;
2. Approve the re-appointment of Mr Edward Pysden and Mr Les Mosco as Non-Executive Directors of TfGM until 30th June 2019;
3. Delegate authority to the Interim Chief Executive of TfGM to formalise the terms of Mr Pysden's, Mr Mosco's and Mr Paver's re-appointments; and
4. Delegate authority to the GMCA Resources Committee to extend the appointments of the fixed-term members of TfGM's Board, as part of the interim senior management arrangements, if needed.

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Comments and/or recommendation from the relevant Overview & Scrutiny Committee

N/A

Risk Management – N/A

Legal Considerations – see paragraphs 1.1

Financial Consequences – Revenue – N/A

Financial Consequences – N/A

BACKGROUND PAPERS:

- 26 October 2018 – Senior Management Arrangements report to GMCA Resources Committee
- 29 March 2018 – Appointment of Non-Executive Directors Transport for Greater Manchester report to GMCA;
- 28 July 2017 - Appointment of Non-Executive Directors Transport for Greater Manchester report to GMCA;

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| TRACKING/PROCESS | | |
| Does this report relate to a major strategic decision, as set out in the GMCA Constitution | | No |
| EXEMPTION FROM CALL IN | | |
| Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency? | | No |
| TfGMC | Overview & Scrutiny Committee | |
| N/A | N/A | |

1. INTRODUCTION

- 1.1 The GMCA, in consultation with TfGM's Director General, is responsible for the appointment of members to TfGM's Executive Board under s9(2) of the Transport Act 1968.

2. SENIOR MANAGEMENT ARRANGEMENTS

- 2.1 At its meeting of 29 March 2018, the GMCA agreed to extend the appointments of Mr Pysden and Mr Mosco as Non-Executive Directors of TfGM until 31 December 2018, and for Mr Boylan to replace Mr Paver as a Non-Executive Director until 31 December 2018.
- 2.2 At its meeting of 26 October 2018, the GMCA Resources Committee agreed to re-designate the GMCA Chief Executive, Eamonn Boylan, from Non-Executive Director to Interim Director General of TfGM for a period of six months, with an option to extend this arrangement, if needed, following the announcement by Dr Jon Lamonte that he will be leaving his post as Director General of TfGM.
- 2.3 The interim arrangements are designed to provide stability and ongoing support for TfGM whilst options are considered in relation to filling the TfGM Director General role, and to enable the GMCA to pursue options to develop the TfGM Board and the TfGM Committee, and to develop a revised role map and job description for the future role of Director General.
- 2.4 Mr Boylan held the post of Non-Executive Director at TfGM until his re-designation as Director General. During this period Mr Paver, at the invitation of the TfGM Board, has continued to attend TfGM Board meetings in an advisory capacity.
- 2.5 To facilitate the GMCA's interim arrangements and to ensure the continuity of stability and support for TfGM, it is prudent to extend the current arrangements for Mr Pysden and Mr Mosco, and to re-appoint Mr Paver as a Non-Executive Director for the period in which the interim arrangements agreed by the GMCA's Resources Committee are in place.

3. ROLE OF NON-EXECUTIVE DIRECTOR

- 3.1 The TfGM Executive Board as a whole is collectively responsible for the success of TfGM. The Board's role is to:
- contribute to strategic planning and structured decision-making;
 - ensure effectiveness and efficiency in the discharge of TfGM business, securing value for money for the Greater Manchester public purse;

- monitor the performance of the Executive in meeting its strategic objectives; and
 - offer constructive criticism and challenge to the Executive Directors.
- 3.2 All members of the Executive must act in the way they consider, in good faith, would be most likely to promote the success of TfGM. In doing so, the Non-Executive Directors must when performing their role, have regard (among other matters) to: the likely consequences of any decision in the long term; the impact of TfGM's operations on the community and the environment; and the desirability of TfGM maintaining a reputation for high standards of business conduct. The Non-Executive Directors must also satisfy themselves that TfGM has appropriate financial reporting and risk management procedures in place.
- 3.3 The Non-Executive Directors are expected to spend up to 20 days a year in the performance of their duties which shall include being a member of and attending all relevant Board committees, including the Audit and Risk Assurance Committee, in addition to attending the monthly Executive Board meetings.

4. CORPORATE GOVERNANCE

- 4.1 The role of a Non-Executive Director of TfGM is a public office and, as such, subject to the “Seven Principles of Public Life” published by the Nolan Committee in 1995.
- 4.2 The governance arrangements for TfGM's Executive Board reflects best practice guidance for corporate governance, adapted for TfGM's specific circumstances, including the UK Corporate Governance Code published by the Financial Reporting Council (which is intended for limited companies) and the second report of the Nolan Committee published in 1996. For example, the use of fixed term appointments for Non-Executive Directors, and the composition of the Board (with 50% of its members being Non-Executive Directors) all reflect the recommendations in the guidance.

5. EXTENSION TO APPOINTMENTS OF NON-EXECUTIVE DIRECTORS

- 5.1 The GMCA have previously approved the appointments of Mr Edward Pysden, Mr Les Mosco and Mr Eamonn Boylan as the three Non-Executive Directors of TfGM's Executive Board for fixed terms, which expire on the 31 December 2018.
- 5.2 At the request of the GMCA, during the period of the GMCA governance review, TfGM has managed the expiry of the terms of appointments of its Non-Executive Directors by seeking approval for short-term extensions. Mr Pysden's and Mr Mosco's appointments were extended by the GMCA in July 2017 for 8 months; and were extended again in March 2018, for a further 9 months to 31 December 2018.

- 5.3 The Interim Director General of TfGM has been instructed by the GMCA Resources Committee to develop options that the Resources Committee consider it requisite to extend the interim arrangements beyond the current six month period, it is proposed that the GMCA delegate authority to the Committee to extend the appointments of the fixed-term members of TfGM's Board in tandem for the role of Director General beyond the interim period, and to report back to the Committee for further consideration. In the event

6. RECOMMENDATIONS

6.1 Members are recommended to:

1. Approve the re-appointment of Mr Richard Paver as Non-Executive Directors of TfGM until 30th June 2019 following the re-designation of Mr Eamonn Boylan from Non-Executive Director to Interim Director General and Chief Executive of TfGM;
2. Approve the re-appointment of Mr Edward Pysden and Mr Les Mosco as Non-Executive Directors of TfGM until 30th June 2019;
3. Delegate authority to the Interim Chief Executive of TfGM to formalise the terms of Mr Pysden's, Mr Mosco's and Mr Paver's re-appointments; and
4. Delegate authority to the GMCA Resources Committee to extend the appointments of the fixed-term members of TfGM's Board, as part of the interim senior management arrangements, if needed.

Eamonn Boylan

Interim Chief Executive, TfGM