

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET RECOMMENDATIONS**

**PROFORMA**

Cabinet Meeting .....7th March 2013

1. Title of Item/Report

Rail Devolution in the North of England

2. Record of the Decision

Consideration was given to a report on rail devolution in the North of England.

In March 2012 the Government published a consultation document on potential options for devolving decision-making on passenger rail services in England. This followed the review of value for money within the rail industry that had been undertaken by Sir Roy McNulty in 2011 and was in line with the Government's wider localism agenda. In response to the consultation, the concept of devolution was broadly welcomed by the Tees Valley authorities, and their partners across the North East, who recognised the potential benefits it could deliver. The Northern Rail and Transpennine franchises, both of particular interest to the Tees Valley, had been identified as two of the franchises that the Government may look to devolve.

The development of a North East Business Unit within a wider franchise, to give the authorities the required input to the specification and operation of local rail services, had emerged as the preferred option. The business case for such a unit was being worked up by the NE local authorities to ensure that all the costs and benefits of this option were fully quantified. A consortium of Integrated Transport Authorities in Manchester, West and South Yorkshire, collectively known as the Rail in the North Executive (RiNE) had been actively pursuing the devolution of Northern and Transpennine services into their control for some time and the NE had recognised the importance of working with RiNE to ensure that NE priorities were fully incorporated into a new franchise.

It was anticipated that RiNE would consult more widely on its long term rail strategy and it would be important for them to get the necessary strategic 'buy in' across the North of England. It was likely that the NE view would be that the strategy provided an adequate overview of the key rail issues from their perspective. Further consultation on the RiNE governance prospectus was also anticipated, following the recent

Leaders' event in Leeds, and it was important that the key challenges from the NE to some of the assumptions made by RiNE in the document were addressed in future drafts.

It was important for the NE authorities to maintain an active dialogue with RiNE, had the necessary input to on-going RiNE workstreams and generally keep pace with all the work that RiNE were leading. However, as a result of the Brown Review, it was anticipated that there would be an inevitable delay in the progression of some of the key franchises. For example, prior to the review, new East Coast franchise was due to start in December 2013 meaning that the bidding and consultation process should have been well under way. The Northern and Transpennine franchises were due to follow shortly after in spring 2014 but again the review had dictated that this would not now be achievable given the lead in times for the bidding process. It had been suggested that each franchise could be delayed by a year but the Brown Review recommends that the Government confirmed revised franchise timescales and sequencing by March 2013. It was noted that a delay in the renewal of the Northern and Transpennine franchises could actually be advantageous to the NE as it would give sufficient time to develop the required business case for a separate business unit.

The development of this business case to fully evaluate all the costs, risks and benefits associated with a separate operational unit for the NE was the key short-term priority. Until this work was complete, the NE lacked the necessary evidence to make an informed decision on whether such a business unit was a feasible option that would be in the best future interests of both the local authorities and crucially rail passengers across the area. Along side the business unit work, it was critical that the NE developed a detailed future rail specification for the area and ensured that this was fully reflected in the on-going specification work that RiNE was leading.

RESOLVED that:-

1. The progress of the long term rail strategy for the North of England be noted.
2. The current proposal of governance proposed by the rail in the north of England body be noted.
3. It be noted that the north east local authorities under the ANEC umbrella will continue to develop a proposal for a north east rail business unit within the proposed greater northern franchise.
4. It be noted that the Head of Technical Services, in consultation

with the Leader of the Council and the Cabinet Member for Regeneration & Transport, continue to work with other north east authorities through the LEP and ANEC structures to ensure that the north east interests are adequately considered within any proposed devolution mechanism.

3. Reasons for the Decision

The programme of rail devolution affects all Local Authorities across the north of England and engagement in the North East is under the ANEC architecture. The purpose of the recommendations is to provide awareness to Cabinet of the likely decision making process that will be required through the LEP leadership Board.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

N/A

7. Date and Time by which Call In must be executed

Midnight on Friday, 15th March 2013

Proper Officer  
11 March 2013