

AGENDA ITEM 7 : ADDENDUM UPDATE – RAIL DEVOLUTION

SUMMARY

In addition to the devolution agenda on major transport schemes the Department for Transport is running a parallel devolution agenda for rail services in the North of England. Cabinet considered a report on 7 March 2013 which provided an update on the process of rail devolution and a context regarding the North East of England. The rail devolution agenda is being led by Leeds, Manchester and South Yorkshire Integrated Transport Authorities however all other Northern Local Authorities from Derbyshire and Shropshire to the Scottish Border are involved and are key stakeholders. An organisation has now been formed by the three major city areas called Rail North and this was previously known as Rail in the North of England (RiNE).

DETAIL

The purpose of this update to Cabinet is to provide information relating to the governance, long term rail strategy for the North and the next steps in the devolution process.

1. Governance

The governance of the rail devolution agenda is being dealt with through the ANEC umbrella with a number of officer groups beneath that. Both the Tees Valley Leaders and Mayors and Regional Leaders and Mayors groups receive regular reports on the work being undertaken with Rail North and the Department for Transport. The next Regional Leaders and Elected Mayors Group meeting to be held late July 2013 will consider a more detailed report on the North East position which includes a North East Business Unit (NEBU) being formed within the wider franchise. This business unit would see the North East determining its own level of service for local rail but this would also come with the risk and rewards associated with doing so. The current governance model proposed by Rail North is a two tier structure of standing or associate partners, whereby only standing partners would have voting rights and must be able to take franchise wide risks. The opportunity for the North East as a collective to become a standing partner remains an option should the North East Business Unit concept not be deliverable.

The entire devolution model is predicated on the level of dowry that would be passed down from the Department of Transport to the North of England in whichever form the governance takes. Until this dowry is known only the principles of devolution can be considered.

2. Long Term Rail Strategy for the North of England (LTRS)

In parallel with governance work Rail North have developed a draft long term rail strategy for the North of England and reference was made to this in the March Cabinet report. An executive summary of this work is attached to this Addendum at **Appendix**

1. It is the intention that this document will enter into public consultation in the coming weeks. It is anticipated that the Council, TVU and ANEC will all respond to this consultation with a common view. As part of this consultation process the Council will also share the document through the website to ensure as wide a public engagement as possible is achieved. The LTRS is a fairly high level document and to that end the North East is developing a region specific rail strategy that will focus more upon the economic outcomes and infrastructure needs that are identifiable at a more local level. This will set out the ambition and specification for any future rail franchises.

3. Next Steps

There have now been two meetings of all 33 Transport Authority Leaders in the North of England, the latest being 4 July. At those meetings the principle of devolution is broadly supported however there remains some significant questions over the proposed governance model. Rail North are wanting all 33 Authorities to write a letter of support with their final submission to DfT for the devolution process to be accepted. The concerns over governance remain to be overcome however the principle of devolution is one that is widely accepted as having benefit to the North. In the coming weeks, Regional Leaders and Mayors will consider an appropriate response that all 12 North East Authorities will use in response to Rail North's proposition to Government.

In conclusion Cabinet are asked to note the contents of this Addendum report and that the Council's input to the Rail Devolution agenda was previously delegated to the Head of Technical Services in consultation with the Leader of the Council and Cabinet Member for Regeneration & Transport. Dialogue through the TVU and ANEC structures will continue on that basis of delegation and regular appropriate updates to Cabinet will be brought to future meetings.