

North East Joint Transport Committee

Date: 17 September 2019

Subject: North East Rail Devolution Update

Report of: Managing Director, Transport North East

Executive Summary

This report updates members on emerging updates regarding the Williams review of rail franchising, and offers updates on the development of our regions plans to strive for greater control and accountability over the specification and operation of local rail services.

Recommendations

The North East Joint Transport Committee is recommended to:

- i) Note the updates in this report.

1. Background Information

- 1.1 Broadly one year ago, the Government announced a 'root and branch' review of rail, led by independent chair Keith Williams. JTC have frequently discussed this review and the opportunities it presents for our region as well as positioning our arguments in the national debate through the submission of evidence and by calling review team members to a meeting to reinforce our view point.
- 1.2 Initial review findings are now in the public domain offering insight into issues, which may develop to become included in the eventual whitepaper. Rhetoric covers the need for improved strategic planning including at a local level with better engagement for service specification and delivery for regional planning. The themes of reduced industry fragmentation and better alignment between track and train also feature.
- 1.3 In parallel to the Williams Review, our region and the Tees Valley Combined Authority jointly commissioned a high-level study to explore options for devolution models which could be adopted for local train services in our region, specifically covering the geography of the NERMU, the North East Rail Management Unit. This initial work considers options which could provide an iterative approach to increased devolution ranging from a light touch approach building on today's governance structures through to a fully integrated local franchise including ownership of the majority of local rail assets other than the East Coast Mainline.
- 1.4 The needs of current and future local passengers and customers must sit at the heart of option development. A sound approach for our region would be one which is an enabler to passengers experiencing:
- Fares which are more pertinent to our region's economy and which are integrated with other modes including active travel;
 - Faster and more frequent services, which offer better connectivity across the region;
 - More comfortable, environmentally friendly, modern rolling stock, designed to a higher specification;
 - Safe, clean, well maintained stations which sit at the heart of their community and which are well connected for onward travel, including park and ride sites;
 - Services which connect well with long distance trains to and from our region;
 - A clear, locally identifiable brand which sits alongside other modes.

2. Proposals

- 2.1 It is proposed that the case for greater rail devolution in our region should be further developed.

3. Reasons for the Proposals

- 3.1 A devolved railway should deliver:

- A better regional economy: each new journey on our local rail network brings a benefit of £8.50;
- Improved social mobility with an extended network which is more accessible to all;
- A service offer which attracts modal shift from car to rail, promoting significantly fewer car journeys, less carbon and improved air quality;
- Regeneration across the North East with areas opened up for new development and rail services becoming an improved enabler to the delivery of local spatial and economic plans;
- Better connectivity between employers and potential employees;
- Opportunities for local SMEs in the supply chain, and creating new apprenticeships and jobs on the railway, and;
- The opportunity to hold operators to account locally over the specification and management of services.

4. Alternative Options Available

4.1 Options to deliver an appropriate approach to rail devolution are not yet fully developed; and will be presented to JTC once fully understood.

5. Next Steps and Timetable for Implementation

5.1 In the Autumn, the Rail Review White Paper is expected to be published and this will influence the pace and direction Members may wish to take in the pursuit of improved local rail services.

6. Potential Impact on Objectives

6.1 Greater influence over local rail services in the region will assist the Joint Transport Committee in delivering its objective to maximise the regions opportunities and potential.

7. Financial and Other Resources Implications

7.1 There are no specific financial implications arising from this report. If Rail Devolution is to be pursued through the formal Business Case process for submission to the DfT /TfN, development funding will be required for which there is currently no budget.

7.2 There are no Human Resource or ICT implications at this stage of development.

8. Legal Implications

8.1 There are no specific legal implications arising from this report, however legal input will be required should the rail devolution proposition be fully developed.

9. Key Risks

9.1 The key risk is that the Williams Review may not recommend to Government local rail devolution as part of the rail industry changes. This risk is being

managed through dialogue with the Review team directly and with the support of Transport of the North and the Urban Transport Group.

10. Equality and Diversity

10.1 There are no specific equalities and diversity implications arising from this report.

11. Crime and Disorder

11.1 There are no specific crime and disorder implications arising from this report.

12. Consultation/Engagement

12.1 The Rail Devolution scoping work and the Transport for the North proposition was subject to consultation with each Council in the Joint Transport Committee area.

13. Other Impact of the Proposals

13.1 No specific impacts other than those outlined in the body of the report

14. Appendices

14.1 None.

15. Background Papers

15.1 North East Joint Transport Committee paper on 2nd January regarding the initial Williams review response.

<https://northeastca.gov.uk/wp-content/uploads/2019/01/North-East-Joint-Transport-Committee-22-January-2019-Agenda-Pack.pdf>

16. Contact Officers

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17. Sign off

- The Proper Officer for Transport: ✓
- Head of Paid Service: ✓
- Monitoring Officer: ✓
- Chief Finance Officer: ✓

18. Glossary