

Item No. 8B

GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: Rail Devolution

DATE: 7 September 2015

FROM: Chief Executive, TfGM

1. INTRODUCTION AND BACKGROUND

- 1.1 The Greater Manchester Agreement that was signed in November 2014, devolved a number of powers to GM including greater responsibility and budgetary control in areas such as health, policing, housing and transport.
- 1.2 In terms of transport, and specifically rail stations, the GM Agreement provided the opportunity for GM to review the case for new models of rail station management in the interests of increasing economic prosperity and increasing opportunities for longer term investment.
- 1.3 This report provides an update on the GM proposal for rail station devolution.

2. PROGRESS TO DATE

- 2.1 An outline proposal for rail station devolution was submitted to DfT and HM Treasury in December 2014 and, since then, TfGM has been progressing work to further explore the benefits and opportunities that rail station devolution may bring and to agree the principles of the proposal.
- 2.2 A number of areas of work are being progressed including the legal framework, the financial case for the proposal and the operational capability of TfGM to deliver the proposition. On 18 May 2015, DfT were taken to visit a number of GM stations in the proposed portfolio, including Irlam and Altrincham. These stations were recently subject to enhancements undertaken by TfGM and illustrate how we can make significant improvements to stations, even with the limited control we have today.

- 2.3 A briefing note was provided to the Director General of the DfT Rail Executive on 1 July 2015 setting out TfGM's aspirations for rail stations devolution and identifying the work TfGM would undertake in developing proposals during the initial phase of work prior to the award of the Northern and Transpennine franchise, which is scheduled for early December 2015.
- 2.4 In parallel with the discussions with DfT, a team has been mobilised to progress key areas of work including:
- Further developing the strategic objectives and approach to deliver the TfGM vision for stations under its control, including the benefits that would be delivered by TfGM becoming a long term active guardians, improved integration of the total public transport offer and the potential for stations investment to act as a catalyst for wider regeneration of our town centres;
 - Development of detailed scope, programme and resources requirements for each of the workstreams needed to deliver the programme;
 - Identifying the detailed delivery models that TfGM could adopt, balancing the benefits of the varying degree of control with the associated implementation and commercial risks of each. Benchmarking and lessons learned are also being undertaken with other industry partners, including Transport for London (TfL), Merseyrail and Essex Thameside;
 - Development of a stakeholder and communication plan;
 - Developing a roadmap and resultant detailed programme for stations devolution.
- 2.5 Recent correspondence with Network Rail and Northern Rail has confirmed their support to assist in accessing information in relation to the portfolio of rail station assets and their management.
- 2.6 TfGM has also held discussions with other key industry partners, including Northern Rail, Network Rail, Office of Rail and Roads (ORR) and Rail Safety and Standards Board (RSSB) to assist with progressing the proposals. Meetings have also taken place with Transport for London (TfL) to discuss their experience of transferring stations from Network Rail and to gather information to help TfGM build detail into the proposition.
- 2.7 A further meeting with DfT took place on 15 July to discuss the alternative delivery models and to identify future areas of work and agree the principles for a cross industry working group to ensure partnership working and collaboration as the work programme is agreed and delivered.

3. NEXT STEPS

- 3.1 We agreed with DfT that the next phase of work, prior to franchise award, will:
- explore further the different asset and operating models with a view to maximising value for money and minimising risk;
 - build an understanding of the baseline asset management and operation arrangements, through data collection from Network Rail and Northern, to provide further guidance to support our proposal and business case; and
 - establish how station quality and performance will be measured and addressed within the franchise.
- 3.2 In conjunction with DfT, the cross industry working group, with representatives from Network Rail, Northern Rail, Rail North being invited to join, will be initiated.
- 3.3 Following franchise award, in December 2015, there will be a need to understand the new franchisee's plans for stations and to undertake a detailed assessment of the costs, benefits and risks of the preferred and alternative models.
- 3.4 With support from key industry partners TfGM will provide a detailed roadmap and timeline with clearly defined critical dependencies on the train operators franchises, national station policy and financial condition before the end of the year.
- 3.5 It will be very difficult to deliver the previously envisaged date of transfer of 1 April 2016 – the start of the new Northern and Transpennine franchises. Any transfer will have to be an in-franchise change. Nevertheless, there is a growing feeling that this can be achieved early in the new franchises, potentially in the latter half of 2016.
- 3.6 An update report will be presented the Combined Authority in January 2016.

4. RECOMMENDATIONS

- 4.1 Note the contents of the report.

Dr Jon Lamonte
Chief Executive, TfGM