

The Region's Transport Authority

Committee: Integrated Transport Authority
Date: 25 June 2012
From: Chief Executive
Subject: Rail Decentralisation - Response to Department for Transport

Purpose of Report

1. To seek ITA support for the proposed response to the DfT consultation on Rail Decentralisation.

Recommendations

2. The Authority is recommended to:
 - a) Note that the DfT is consulting on Rail Decentralisation with a deadline of 28 June:
 - b) Note that Centro has been undertaking work to develop a proposal for a devolved local rail franchise for the West Midlands.
 - c) Note that extensive engagement has occurred with regional stakeholders and that endorsement in principle has been received from the Regional Rail Members Group.
 - d) Note and support the response to the consultation questions agreed by the West Midlands Regional Rail Members .
 - e) Approve the covering letter and Expression of Interest being submitted to the DfT.
 - f) Agree to receive future reports on the arrangements for taking this work forward.

Background

3. The DfT is currently consulting on the principle of devolving responsibility for rail services to appropriate local bodies with a 28 June deadline in its "Rail Decentralisation: Devolving decision-making on passenger rail services in England" document.

4. The consultation requests responses to a number of questions and asks for Expressions of Interest to be submitted by authorities interested in taking forward a devolved franchise proposition.
5. Centro believes that there are significant benefits to be obtained from a devolved rail franchise structure in the West Midlands and these are outlined in the proposed “Expression of Interest” and the response to the consultation questions.
6. The proposed covering letter is attached in Appendix 1, the Expression of Interest is Appendix 2, and the consultation response from the Regional Rail Forum is Appendix 3.

Stakeholder Support

7. A devolved rail franchise would need to operate across authority boundaries and therefore officers have been actively engaging with the Regional Rail Forum and Authorities in the wider region on the case for a devolved franchise in the West Midlands.
8. At the ITA-chaired Regional Rail Members Group meeting on 25 May there was unanimous support for the principle of Centro developing a devolved franchise proposition for the region as well as endorsement for the consultation questions response and Centro’s proposed “Expression of Interest”

Next Steps

9. Centro will continue to develop the franchise proposition and will keep the ITA and other authorities and stakeholders informed of progress at the appropriate time.
10. Centro will seek to formalise the Regional Rail Members Group into a body which can oversee the development of a West Midlands franchise proposition on behalf of all regional local transport authorities.
11. It is expected that we will receive a formal response to our Expression of Interest from the DfT in the Autumn.

Financial Implications

12. There will be significant financial implications arising from a devolved franchise structure in the West Midlands. Centro officers are currently seeking to understand these through the various workstreams supporting devolution and through ongoing dialogue with DfT officials.
13. There will be a requirement for some budget availability in 2012/13 to support the development work on the new franchise. It is currently too early to scope the exact budget requirements at this stage, although some initial workstreams have been initiated within existing budgets. There will be a future report to the ITA once we have clarity on budget requirements.

Legal Implications

14. There are no legal implications arising from this report at this stage, although legal implications are being actively considered as we develop the proposition.

Geoff Inskip
Chief Executive

Background Papers – NIL
Listing Officer Peter Sargant, Head of Rail Development

Papers for public inspection	File Number (if applicable)	Location of file	Contact Officer
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Appendix 1 – Draft Covering Letter

Dear

DfT Consultation on Rail Decentralisation

We are writing to respond to your consultation on rail decentralisation. We firmly believe that rail decentralisation can deliver significant benefits for the West Midlands. We are pleased that the DfT is engaging with Centro on its proposal for a devolved rail franchise (or other form of contract) to operate from the end of the current London Midland franchise in 2015.

We have been undertaking considerable work to develop a proposal for the West Midlands, and the attached Expression of Interest outlines the principles behind the proposition. We hope it demonstrates how serious we are on taking this potential opportunity forward. The work we have done to date certainly indicates that a devolved franchise is practical and deliverable and would offer benefits for passengers, stakeholders and taxpayers and would support economic growth.

We have also engaged with our regional stakeholders through the West Midlands Regional Rail Members Group as we have developed our expression of interest and we have received strong expressions of support for the principle of a locally specified rail franchise. This was endorsed at their meeting on 25 May, where members representing various shire and metropolitan authorities unanimously supported the principle of Centro leading the development of a devolved local rail franchise for the West Midlands area. This support recognised that there is still much to do, and we will continue to work closely with our partner authorities as we develop the proposition further.

We therefore have pleasure in attaching an Expression of Interest, and confirming Centro's support to the consultation response submitted by the West Midlands Regional Rail Forum (also attached).

Geoff Inskip
Chief Executive

Cllr John McNicholas
Chair