

**Prosperous Staffordshire Select Committee
14th November 2017**

Briefing Note: West Midlands Rail Ltd

Issue

West Midlands Rail (WMR) Partner Authorities (of which Staffordshire County Council is a member) have been developing a proposal for increasing local involvement and influence over local rail services for approximately four and a half years, in line with government policy on devolution and as evidenced by the benefits elsewhere from the local control of rail services.

Cabinet approved a decision on 18th November 2015 for Staffordshire County Council to become a member of West Midlands Rail Ltd and for the Leader of the Council and the Cabinet Member for Economic Growth to be appointed to the Board of Directors. At this meeting Cabinet also agreed for the Prosperous Staffordshire Select Committee to receive a report regarding the outcomes of the West Midlands Rail Franchise once these became available.

A report to Cabinet on 16th March 2016 discussed how it was essential for Staffordshire County Council to take “advantage of every opportunity to influence proposals which impact on the Authority area and ensure that these regional, pan regional, sub-national and national initiatives complement and enhance the work we are doing at a local level”. To achieve the economic aims of the County Council, the Authority is therefore an active member of West Midlands Rail Ltd.

Cabinet subsequently approved a decision on 20th July 2016 for Staffordshire County Council to authorise the signing of a Collaboration Agreement with the Secretary of State for Transport. This Collaboration Agreement sets out the relationship between WMR Ltd and Department for Transport in relation to the management of the West Midlands Rail Franchise.

Background

Having a high performing rail network with quality facilities and good customer experience which provides for the connectivity needs of Staffordshire’s businesses and communities is considered essential for the delivery of the County Council’s Strategic Plan and its associated outcomes.

Transport connectivity plays a critical role in supporting economic flows and in unlocking investment in the necessary employment, housing and leisure markets. The West Coast Mainline for example provides a strategic link through the County between Scotland, the North West and London for both passenger and freight services. It is transport links like these that provide the strategic connectivity that Staffordshire needs to enhance its economic



competitiveness. However, despite the correlation between rail and economic growth, local influence in rail services in the West Midlands has historically been low.

In recent years Government has committed to putting local communities back in control of the decisions and services that affect their lives. For rail this means transferring power and responsibility to the appropriate local level, so that where railways provide primarily local services, local communities and local authorities have a greater influence in how those services are run.

In response to this commitment, 16 local authorities from across the West Midlands came together to form WMR Ltd, a cohesive and proactive body, owned by partner authorities¹ to represent the regional and local economic transport and strategic objectives for the rail industry. WMR's aim is to translate the Government's agenda by leading the transformation of rail services in the West Midlands to meet the needs of passengers, stakeholders and businesses. In December 2015, WMR Ltd was established with the following objectives:

- a. To promote the devolution of responsibility for rail passenger services and (where appropriate) associated facilities in the WMR area to local transport authorities or other appropriate local authorities or other bodies within that area (acting through WMR Ltd);
- b. To manage or to assist in managing the performance of rail passenger services operating within the WMR area pursuant to rail franchise agreements or other similar agreements;
- c. To improve rail passenger services and associated facilities within the WMR area;
- d. To develop and oversee the implementation of a long-term strategy for rail passenger services in the WMR area.

Cllr Mark Winnington, Cabinet Member for Economic Growth is currently the Vice Chair of the Board of Directors. He has previously also held the post of Chair of the Board. The Board is supported by an Officers' Rail Devolution Group comprising representatives from each Partner Authority. Clare Horton currently Chairs this Group.

Discussions with the Secretary of State for Transport led to a proposition for rail devolution in the West Midlands which has enabled WMR to have a meaningful level of influence over the specification and evaluation of the new West Midlands Franchise. The County Council was heavily involved in this process having an officer restricted within Government thereby enabling a positive and strong local influence. The County Council also undertook independent commercially confidential discussions with bidders to help inform and shape their bids to Government.

¹ Full Members of West Midlands Rail Ltd are Birmingham, Coventry, Dudley, Herefordshire, Northamptonshire, Sandwell, Solihull, Shropshire, Staffordshire, Telford and Wrekin, Walsall, Warwickshire, Wolverhampton and Worcestershire. Affiliate Members are Cheshire East and Stoke -on-Trent



The Government also agreed that once the new Franchise commenced in December 2017, WMR will be responsible for managing those services operating locally within the WMR area.

Current Position

The West Midlands Rail Franchise provides a combination of commuting, regional and longer distance services in the West Midlands and on the West Coast Main Line. These are:

- a. Local and regional services in the West Midlands area used by commuter, business and leisure travellers on the Cross City Line, Chase Line and Shrewsbury Line
- b. Long distance services along the West Coast Mainline from Liverpool to Birmingham via Stafford and Penkridge and Crewe to London via Kidsgrove, Stoke-on-Trent, Stone, Stafford, Rugeley, Lichfield and Tamworth.

The Franchise is currently operated by London Midland, owned by Govia and operates 60% of all the rail services in the WMR area. On the 10th August the Department for Transport announced that the new Franchise would be awarded to West Midlands Trains Ltd, a joint venture of Abellio, Japan East Railway Company and Mitsui & Co Ltd.

The new franchise will deliver nearly £1 billion of investment on services in the West Midlands. This will mean more space on trains, more frequent services and better facilities for passengers. For further information on the key benefits please refer to Appendix A.

The new Franchise will run from 10th December 2017 until March 2026.

Comments and Next Steps

WMR's interests extend beyond rail franchising and it is more than simply transferring powers from one tier of government to another. It is instead about translating those devolved responsibilities into meaningful actions that benefit local passengers, stakeholders and businesses

WMR has therefore published its aspiration for a regional rail network that is characterised by consistently high standards of customer service and service delivery regardless of the identity of the train operator. This is known as the Single Network Vision.

WMR are also pioneering a new approach to the management of rail stations. This involves working with Network Rail, who own the stations, and the train companies who manage them, to identify and secure funding to enable an agreed programme of station enhancements to be developed and delivered.



Finally WMR is developing a rail investment strategy for the WMR area. This covers a 30-year time period and is split into four time frames. The Strategy will build upon individual local authority rail strategies and focus on outputs and evidence based priorities to meet the region's goals.

A future update will be presented to the Prosperous Staffordshire Select Committee outlining how the County Council's active involvement in influencing the rail agenda is delivering improvements to the rail offer for Staffordshire's rail passengers if the Committee deems it appropriate.

Conclusion

Greater local control over the region's rail network will further stimulate economic growth as local and national investment can be channelled into meeting local needs. At the same time, the rail franchises can be designed and managed to be responsive to the requirements of the communities they serve, bringing people and businesses across the region together. This will not only benefit Staffordshire but also the West Midlands and the country as a whole, as a more effective railway supports sustainable economic growth, offers an attractive option for business and leisure travels, and provides value for money for the tax-payer and the fare-payer.

Contact details

Clare Horton
Connectivity Strategy Officer
Clare.horton@staffordshire.gov.uk
01785 276636

