

Appendix 5 – West Midlands Rail Ltd Governance Evolution Briefing to Mayoral Candidates



West Midlands Mayoral Candidates Briefing Note

WMRE Governance Evolution

July 2020

Purpose

1. A briefing note to make prospective candidates for the role of Mayor of the West Midlands aware of proposals to evolve and strengthen the governance of West Midlands Rail Limited (WMRL).

Background

2. West Midlands Rail Limited, trading as West Midlands Rail Executive (WMRE), is a company limited by guarantee, owned by 14 partner authorities, and created with the purpose of specifying and managing rail franchising for the West Midlands.
3. Through a legally binding Collaboration Agreement with the Department for Transport, WMRL has responsibility for overseeing the delivery of the West Midlands Separable Business Unit (WMSBU) of the West Midlands Franchise. It also undertakes rail activity on behalf of Transport for West Midlands (TfWM).
4. The 14 partner authorities are the seven Metropolitan Boroughs plus the seven Unitary and Shire local transport authorities that surround them (see Appendix 1). The most senior layer of governance in WMRL is the Board of Directors. This provides local democratic oversight for WMRL. The Board is made up of Leaders or senior cabinet members appointed by each of the Partner Authorities. The Board provides WMRL with strategic and policy guidance towards developing a new, local passenger rail franchise for the West Midlands, as well as gaining influence over other key routes across the region.
5. The current Chair of WMRL Board is Cllr Mark Winnington, Cabinet Member for Economic Growth Staffordshire County Council. He was elected by the Board to serve a two-year term, commencing June 2019. The Chair is supported by a Vice Chair, who is currently Cllr David Welsh of Coventry City Council. He was elected by the Board for a term concurrent with that of the Chair. The WMRL Articles of Association prohibit the Chair and Vice Chair from both being from either the Metropolitan Boroughs or the Unitary and Shire authorities. The Chair and Vice Chair also rotates between the Metropolitan Boroughs and the Unitary/Shire authorities every two years.

The Need for Change

6. The principles underpinning the governance of WMRL were developed in 2015, before the emergence of the Mayoral Combined Authority (CA). This has led to the development of two democratically accountable bodies, both with an interest in transport, but with different political powers and geographies.

7. Whilst these distinctions have not unduly hampered the activities of either WMRL or the CA, it is felt that both bodies would gain from a closer relationship. For WMRL, association with the more high-profile role of the Mayor would enhance its credibility and provide it with a stronger voice in central government. For the Mayoral CA, closer ties with WMRL would allow a greater say in rail strategy and mean that reality will finally fit the public perception that the Mayor is responsible for rail matters.
8. Furthermore, a closer relationship may increase the likelihood of the region being able to make the case for greater local control of rail matters, should it be desired. Emerging government policy direction indicates that further devolution may be offered, but only to bodies that are able to demonstrate the necessary capability and levels of democratic accountability. A closer alignment between WMRL and the Mayor should meet these tests and increase the possibility of more powers being transferred.
9. Consequently, WMRL and the Mayor's Office are exploring ways in which WMRL's governance can be evolved to include a role for the Mayor of the West Midlands.

Progress to Date

10. Based on conversations between Officers, WMRL Board members, as well as between the WMRL Chair and the current Mayor of the West Midlands, there is a recognition that change will be valuable to both bodies.
11. It has been decided to explore incorporating a role for the Mayor within WMRL rather than the other way around, as WMRL has developed a strong reputation and has been effective at promoting and delivering change and investment in the region's rail network. The political partnership has proved itself to be both stable and effective, and appropriately maps the geography of both the 'travel to work' area for the conurbation, as well as the network of commuter and regional services over which further local influence and control might be desirable in the longer term. The Combined Authority area, by contrast, whilst home to half of the WMRL area's residents, does not feature a sensible geography for the oversight of rail services, but does feature a directly elected Mayor.
12. Principles that have found favour during discussions to date include:
 - A role for the Mayor of the West Midlands in the governance of WMRL, enabling the influence of the office to promote investment in rail for the wider region;
 - No change to voting rights – maintaining the existing balance of votes between Shire/Unitary and Metropolitan Boroughs; and
 - A stronger role for Vice Chairs
13. In total six options have been considered by a sub-committee of the WMRL Board. The option being explored in further detail is for the Mayor to become a non-voting, non-director chair of the WMRL Board.

14. This option would result in the role of the Mayor gaining direct and formal influence over local rail services and rail strategy - something the public believe is already the case but is in fact not. For WMRL, the non-voting nature of the Mayor's involvement means that the delicate political and geographical balance is undisturbed.
15. Any changes to the Articles of Association for WMRL will need to be ratified by the WMRL Board and by each of the partner authorities. It is intended that any changes will be agreed before the purdah period for the 2021 West Midlands Mayoral election.

END

Appendix 1 – Map showing WMRL Partner Authorities with principal rail routes overlaid



West Midlands Rail Executive is a movement for change,
driving a revolution in rail services for West Midlanders