

TELFORD & WREKIN COUNCIL

CABINET – 2 FEBRUARY 2017

WEST MIDLANDS RAIL COLLABORATION AGREEMENT

REPORT OF: ASSISTANT DIRECTOR, CUSTOMER & NEIGHBOURHOOD SERVICES

LEAD CABINET MEMBER – COUNCILLOR ANGELA McCLEMENTS

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 The purpose of this report is to advise Cabinet of a change to the drafting of the Collaboration Agreement between West Midlands Rail Limited and the Department for Transport since being approved by the Council on July 21st 2016. The change has come about because of a change of opinion by the new Secretary of State for Transport.
- 1.2 The change of thinking by the Secretary of State for Transport reflects his concern about the benefits of full devolution of rail responsibilities across the United Kingdom and has resulted in the Collaboration Agreement draft that has been approved by all West Midlands Rail member authorities being amended to remove reference to full devolution.

2. RECOMMENDATIONS

- 2.1 **That Cabinet note the change of position to rail devolution being adopted by the new Secretary of State for Transport.**
- 2.2 **To delegate authority to the Cabinet Member for Transport, Customer & Neighbourhood Services on behalf of Telford & Wrekin Council to cast its vote in favour of the special resolution that is necessary under Article 8.3 of West Midlands Rail Limited Articles of Association to authorise the signing of the amended Collaboration Agreement (included with this report as Appendix 1), whether that resolution is passed in writing or at a general meeting of the Company.**

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	Contributes to all by improving access within the Borough but specifically: “Protect and create jobs as a Business Supporting, Business Winning Council”

	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/ DELIVERY DATE	Contract Award - June 2017 Commence Service - October 2017	
FINANCIAL/ VALUE FOR MONEY IMPACT	No	There are no additional financial implications arising from the amendment to the Collaboration Agreement between WMR and DfT. The authority's contribution to support this agreement is £5,000 per year which is met from transport budgets. MB 01.12.16
LEGAL ISSUES	No	None directly arising from this report. DR 01.12.16
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

- 4.1 On July 21st 2016 Telford & Wrekin Council approved that West Midlands Rail Limited should sign the draft Collaboration Agreement with the Department for Transport. Since that time there have been changes at National Government level and a new Secretary of State for Transport, Chris Grayling MP, has indicated a change of policy with regards to future devolution of rail franchising.
- 4.2 The change of thinking by the Secretary of State for Transport reflects his concern about the benefits of full devolution of rail responsibilities across the United Kingdom and has resulted in the Collaboration Agreement draft that has been approved by all West Midlands Rail member authorities being amended to remove reference to full devolution.
- 4.3 The new Secretary of State for Transport has confirmed his full support for the collaborative approach that West Midlands Rail has developed with the Department for Transport and is keen to highlight this as best practice for other partnerships that the Department for Transport may enter into in future.
- 4.4 This change of approach raises a number of challenges for West Midlands Rail, not least that the premise of the current Collaboration Agreement was based on the members being on a journey to full devolution. However, it is considered that the change of approach is manageable, and in practical and legal terms it changes nothing with regard to involvement in franchise bid evaluation, the management of the franchise after award and West Midlands Rail's role in the

competitions for other franchises, meaning that the level of influence will remain the same. The Collaboration Agreement did not commit the Secretary of State or West Midlands Rail to full devolution and as that decision is not required until the early 2020s, there is plenty of time to build confidence with the ministerial team now and in the future.

- 4.5 Included with this report at Appendix 1 is the revised drafting of the Collaboration Agreement. This revised draft removes reference to longer term full devolution to which there were no firm commitments on either party.
- 4.6 In accordance with the West Midlands Rail Limited Articles of Association, paragraph 8.3, any change to the West Midlands Rail Limited relationship with the Department for Transport or substantial changes to that agreement must gain the prior approval of West Midlands Rail 'Member' authorities by special resolution. As such, the change to the Collaboration Agreement drafting must be endorsed by a minimum of 75% of member authorities.
- 4.7 The financial implications remain unchanged from the paper submitted to Telford & Wrekin Council Cabinet during July 2016. The commitment from Department for Transport to fund West Midlands Rail Limited for franchise management costs (£500,000 per year) remains in force.
- 4.8 There are no changes to the risk implications associated with the Collaboration Agreement.
- 4.9 There are no additional legal implications arising from the change to the Collaboration Agreement drafting.
- 4.10 There are no further implications affecting equality, environment, corporate landlord or human resources arising directly from this report.

5. PREVIOUS MINUTES

15th October 2015 – Telford & Wrekin Cabinet – West Midlands Rail Governance

26th November 2015 – Telford & Wrekin Full Council – West Midlands Rail Governance

21st July 2016 – Telford & Wrekin Cabinet – West Midlands Rail Collaboration Agreement

6. BACKGROUND PAPERS

Appendix 1 – Amended Collaboration Agreement

Cabinet Report – WMR Collaboration Agreement – 21st July 2016

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