

# **CHESHIRE EAST COUNCIL**

## **BRIEFING NOTE: Informal Cabinet**

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**Date of Meeting: 30<sup>th</sup> August 2016**

**Report of: Andrew Ross, Director of Infrastructure & Highways**

**Subject/Title: TRANSPORT FOR THE NORTH**

**Portfolio Holder: Cllr David Brown, Deputy Leader of the Council; Highways & Infrastructure Portfolio Holder**

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### **1.0 Report Summary**

- 1.1 This briefing provides Members with an update on the emerging proposals for Transport for the North (TfN) and seeks backing for the Portfolio Holder to send a letter of support to TfN which will be sent on to the Government.

### **2.0 Background**

- 2.1 TfN is the proposed sub-national transport body (STB) to serve the north of England comprising all the northern city regions, Local Enterprise Partnerships, Highways England, Network Rail and HS2 Ltd. It has been commissioned by the Government to drive forward the delivery of transformational Northern Powerhouse transport investment projects.
- 2.2 To date the Council has been represented on the Transport for the North Partnership and Executive Boards by Warrington Borough Council and the through the Cheshire & Warrington Enterprise Partnership.
- 2.3 Following a major Independent Economic Review, the TfN Partnership Board has adopted a vision economic transformation, with transport as a key enabler. Transport for the North's spring report sets out this vision as:

*"Our shared vision is for a vibrant and growing economy across the north of England which builds on its unique economic strengths, attracts and retains the brightest and best talent, and plays globally in terms of its research, development, and business activities. The North will be one of the world's most competitive regions, playing host to successful and innovative global and local companies, offering its skilled workforce to businesses, and using its advanced transport connectivity to link clusters of thriving businesses – across the North, across the United Kingdom, and globally".*

2.4 From the perspective of Cheshire East, the key pan northern transport issues that are of sufficient influence to be prioritised in a Northern Transport Strategy include;

- HS2 Crewe Superhub,
- HS2 Northern Gateway Growth Strategy, including strategic road links to M6 at Jct. 16 and Jct 17.
- Rail connections to be improved to support the Northern Gateway Outcomes from the SEMMMS re-fresh linked to Airport growth and access plans,
- Support on cross-boundary dialogue with Midlands Connect (the sub-national transport body for the Midlands) and,
- Support on negotiations for strategic rail franchises including Intercity West Coast, London Midland and Wales franchises.

It is proposed that TfN should aim to support the prioritisation of these strategic transport improvements. TfN have provided a template letter of support to local authorities (see Appendix 2). Members are asked to consider whether a letter of support for TfN's bid for powers from Cheshire East should also reference these projects.

### **3.0 Transport for the North Priorities**

3.1 The Transport for North Partnership Board has considered a draft business plan for 2016/17. The Business Plan priorities are:

- To establish TfN as a statutory body through the Cities and Local Government Devolution Act 2016.
- To successfully position TfN as the client body for Government on setting investment on pan-northern transportation infrastructure and services in the north of England, over and above the needs of individual authorities. This means that TfN will, in coordination with local transport authorities, become the client body, and through its transport strategy, to: -
  - i. Set the specification and development of strategic rail infrastructure across the north of England for Network Rail's Control Period 6;
  - ii. Set the specification of highway infrastructure across the north of England's Strategic Road Network i.e. Highways England's motorways and trunk roads Route Investment Strategy process;
  - iii. Ensure successful management of the Northern and TPE rail franchises through Rail North Ltd and
  - iv. Deliver Smart and Integrated ticketing options integrated across The North.

### **4.0 Transport for the North Governance and Legislation**

- 4.1 Royal Assent has been granted for changes to primary legislation to allow TfN to progress to its aim of being a statutory STB by the end of 2016.
- 4.2 The Act to establish TfN as a STB does not create the powers for it to operate. The Act enables the functions of the STB to be derived from a limited number of sources including:
- General functions provided for in section 102H of the Local Transport Act 2008, including the preparation of a transport strategy and powers to advise, coordinate and make proposals;
  - Other public authority functions (i.e. including functions of the Secretary of State) to be exercisable either instead of by, or jointly (but not concurrently) with the public authority;
  - Local transport functions (i.e. functions of Combined Authorities, Local Transport Authorities or Passenger Transport Executives) exercisable instead of by, or concurrent with, the Combined Authority, Local Transport Authority or Passenger Transport Executive.
- 4.3 It is envisaged that an effective TfN, in its final form, would have the responsibility to set the strategic pan northern transport objectives for Highways England and Network Rail, in addition to fully devolved responsibility for specifying franchised rail services. This model follows similar principles of devolution in Scotland and Wales where transport investment priorities are determined by devolved bodies, rather than national government, according to economic priorities.
- 4.4 The above would require certain powers that are currently exercised by central government to be exercised by TfN instead. These powers include:
- Setting the objectives and priorities for the Rail Investment Programme;
  - Determining the franchise rail service specification; and
  - Setting and varying the objectives and priorities for the strategic Road Investment Programme.
- 4.5 It is envisaged that the journey to fully devolved status would include an interim 'co-decision' making role with government as the capacity and capability of TfN matures. This is similar in the way that Rail North and government's relationship has evolved.
- 4.6 It is not intended that the use of any concurrent powers would reduce the powers available to local areas, and the intention is that TfN would only exercise these powers with the explicit agreement of the Local Transport Authority in question. It is important that this limitation is contained within the Order.
- 4.7 The elements of the constitutional arrangements upon which TfN would be established are also being developed and would include the following key principles:
- Voting arrangements;
  - Integration of Rail North;
  - Local accountability and operating model; and

- Funding.

It is proposed that TfN could seek statutory contributions with the unanimous support of its constituent authorities.

- 4.8 Because northern transport authorities differ so much in their size, it is proposed to introduce a weighted system of voting. TfN anticipate that issues should be resolved by consultation and consensus, rather than through formal voting, but it is a required element of the statutory arrangements that some provision is made for voting if required. There are a number of options for voting structures, but an appropriate option could be to assign weights based on population. This would avoid any bias between urban and rural authorities, and reflect the ambition that TfN should be representative of all the citizens of the North of England. Safeguards to protect both the largest and smallest members would be required.
- 4.9 It is proposed that most issues be determined on a simple majority of votes in line with the appropriate metrics once consensus is agreed. However, certain decisions such as agreeing the strategy and budget would require a super-majority vote.
- 4.10 It is proposed that Rail North would be incorporated within TfN once it has been established as a SRB. Rail North Partnership Board currently operates on a model of voting weighted by the share of each authority in the overall rail patronage of those services. It is proposed that, for Rail North matters, this voting mechanism is retained.
- 4.11 The Council will be consulted on the proposed governance and legislation proposals for TfN. It is suggested that key considerations during this consultation will be, as follows:
  - Local Transport Authorities must be consulted on the draft order/scheme/detailed proposals in advance of any submission to Government.
  - TfN should articulate clearly the case for any concurrent powers over the (more inclusive) model of each Local Transport Authority exercising its own power to the same effect.
  - Private sector gets little mention, and LEPs should be asked to consider whether they consider the business engagement proposals adequate.

In addition, more Local Transport Authority /LEP involvement and debate in the development of TfN would be beneficial and TfN should be asked to consider how to facilitate this as the current quarterly meeting schedule is insufficient to ensure sufficient clarity, transparency and buy-in.

- 4.12 Further details on the proposed governance arrangements for TfN as a sub-national body are included in the Appendices to this paper.

## **5.0 Additional information**

The attached weblink is to the Transport for the North web pages, which provide further information on the Partnership and strategic priorities of TfN.

<http://www.transportforthenorth.com/>

## **6.0 Recommendations**

- a. That a letter is sent from the Portfolio Holder supporting the direction of travel for Transport for the North in seeking powers as a statutory sub-national body for pan-Northern transport. The letter of support should reference the priority projects of importance to Cheshire East (see Paragraph 2.4).
- b. That any future proposals to transfer of powers from the Council to Transport for the North, including any proposals for concurrent powers, be subject to full consultation and agreement through a report to full Cabinet.
- c. That Cheshire East Council, in the absence of a Combined Authority for Cheshire and Warrington, shall be represented at any meetings of the TfN Partnership Board.

## **Appendices**

TfN proposals for a Statutory sub-national transport body; paper from TfN Executive Board, June 2016.

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