

Cabinet

Date of Meeting: 10 April 2018

Report Title: Transport for the North – Response to Consultation

Portfolio Holder: Leader of the Council

Senior Officer: Frank Jordan, Executive Director of Place

1. Report Summary

- 1.1. This report sets out progress on the governance arrangements and strategic planning under the auspices of Transport for the North (TfN). TfN will become the first English statutory sub-national body for transport in April 2018.
- 1.2. This report also seeks Cabinet agreement to Cheshire East Council's response to TfN's consultation on the draft Strategic Transport Plan. Agreement to the proposed constitution for Transport for the North.
- 1.3. Transport for the North (TfN) is the proposed sub-national transport body (STB) serving the north of England. On 22nd August 2017, Cabinet agreed that Cheshire East Council participate in the development of TfN. The necessary parliamentary procedures are complete, enabling TfN to assume its statutory role.
- 1.4. Since August 2017, TfN has made significant progress in preparing for the role of a sub-national transport body, including:
 - 1.4.1. Production of a Constitution and associated membership agreements;
 - 1.4.2. Preparation of a draft pan-Northern Strategic Transport Plan (STP) covering the strategic road and rail networks across the north. This strategy is currently out to public consultation;
 - 1.4.3. Development of an updated Long Term Rail Strategy and arrangements to transfer into TfN the functions of Rail North, which manages the rail franchises for both Northern and Trans-Pennine Express.
- 1.5. Transport for the North and Rail North have both demonstrated the benefits of all parts of the North collaborating to achieve transformational improvements in transport. The proposed STP consultation response highlights those areas where the Council seeks particular support from TfN to realise local policy priorities. It is considered vital that Cheshire East Council

work through TfN to influence continued improvement in strategic transport infrastructure and services.

2. Recommendations

2.1 Cabinet is recommended to:

- 2.1.1 To approve the submission of a consultation response to Transport for the North's draft Strategic Transport Plan by 17th April 2018 and to delegate arrangements for submitting a final version to the Chief Executive in consultation with the Leader of the Council.
- 2.1.2 To note the proposed governance arrangements for Transport for North as set out in Section 5.2 of this report.
- 2.1.3 To delegate authority to the Leader of the Council to approve the final governance arrangements at Transport for the North's Board and to agree all future changes to these arrangements on behalf of the Council.

3. Reasons for Recommendations

- 3.1. Getting transport right is central to achieving the objectives of the Northern Powerhouse and the success of the UK's industrial strategy. The economy of Cheshire East is vital to these pan-Northern outcomes. Poor connectivity is a key component of the economic challenges experienced by the North, where there is disproportionately low investment compared with London and other city-regions across Europe. Studies⁽¹⁾ have shown how investing in transport can unlock the economic potential of the North.
- 3.2. Without TfN, the North has no way of agreeing strategic priorities, as responsibility for transport is spread over many organisations. This has made it hard to properly consider transport interventions to transform economic growth at the pan-Northern scale. Consequently, the North has been disadvantaged in Government Spending Rounds for rail and road investment plans.

Footnote (1) – The Independent Economic Review was commissioned by TfN in 2016.

- 3.3. On 16th January 2018, TfN launched a public consultation on its draft Strategic Transport Plan (STP) for the North. The objectives of the STP are to:
- 3.3.1. Increase efficiency, reliability and resilience in the transport system
 - 3.3.2. Transform economic performance
 - 3.3.3. Improve access to opportunities across the North Promote and
 - 3.3.4. Support the built and natural environment
- 3.4. The STP states that having a reliable and resilient transport network for journeys to, from and within the North is an integral part of TfN's vision. The Plan aims to support economic growth in key economic sectors, namely; Advanced Manufacturing, Education (particularly Higher Education), Financial & Professional Services, Logistics, Digital, Energy, and Health Innovation. The STP identifies 3 key themes to contribute to transformation economic growth across the North, as follows;
- 3.4.1. Connecting people: Creating faster, more reliable transport connections to improve job opportunities, give access to leisure activities & support tourism.
 - 3.4.2. Connecting businesses: Supporting commerce by improving national and international connections in, out of and across the region.
 - 3.4.3. Moving goods: Improving links across the North and to our ports and airports to enable freight and goods to move more efficiently.
- 3.5. A summary of the key messages in the draft STP is included at Appendix1. The full document can be found at <https://transportforthenorth.com/stp>
- 3.6. Cheshire East Council has the opportunity to submit a response to this consultation, with a view to shaping the final document in a way that reflects the wider strategic ambitions of the Council. A proposed consultation response accompanies this report which takes account of the current and future context throughout the Borough, emphasising the following key themes;
- 3.6.1. Cheshire East response welcomes the development of TfN's Strategic Transport Plan as a means of responding to the need for economic transformation across the North. The response to consultation will emphasise that the STP should focus on delivering "additionality" by working to deliver those pan-

Northern initiatives that are beyond the scope of any individual local authority.

- 3.6.2. The Council is seeking greater recognition of the transformational importance of HS2 Crewe Hub Station, as the first gateway to the high speed rail network to be delivered in the north of England. In particular, the response emphasises the need for the STP to reflect the requirement for a full design solution at Crewe, enabling 7 HS2 trains per hour and including the completion of the Crewe North junction.
- 3.6.3. Emphasising the importance of sustained investment in the strategic roads network for the North, including that part which is Cheshire East. In particular, noting the national importance of the M6 corridor which bisects the Borough. We are seeking recognition from TfN and Highways England that the interfaces between the national network and our local roads require sustained improvement, for instance at M6 junction 17, if they are to support our economic growth ambitions whilst protecting and improving the environment.
- 3.6.4. Stating the importance of the Wales and West Strategic Corridor Study to the transport aspirations for Cheshire East and the wider sub-region. This study needs to effectively define a set of transforming infrastructure improvements to develop the economy of Cheshire East, Cheshire West, Warrington and North Wales.
- 3.6.5. Confirming that there should be greater recognition of the importance of the Constellation Partnership in realising the full economic benefits of future transport investments, including HS2, to drive economic growth and regeneration. Importantly, Constellation is a demonstration of the need for Cheshire East to work across a wider footprint than TfN, to collaborate with neighbouring authorities who are members of the Midlands Engine. Hence there needs to be recognition that the arrangements for different sub-regional bodies need to be as consistent as possible to facilitate growth.
- 3.6.6. Noting the need for the Northern Powerhouse Rail (NPR) initiative to reach beyond the 6 main cities of the north plus Manchester Airport. The nature of NPR needs to reflect the travel-to-work catchment areas of the main cities, such as the need for residents of Crewe and south Cheshire to travel by rail into central Manchester or Liverpool. Our aspiration is that NPR will evolve to include onward connections from Manchester Airport to Crewe.
- 3.6.7. Acknowledgment that the Strategic Environmental Assessment (which accompanies the STP) identifies the significant impacts of strategic infrastructure proposals including HS2/NPR “touch

points” in the north of the Borough. The Council’s view is that these impacts can only be considered acceptable subject to the highest levels of environmental mitigation.

4. Other Options Considered

- 4.1. The option of not joining Transport for the North has been considered and discounted. Not joining TfN would be likely to reduce the Council’s influence over strategic investment decisions affecting the Norths transport networks, reducing the opportunity for Cheshire East to receive its fair share of future funding for transport.

5. Background

- 5.1 Cheshire East Council has played a full role in both TfN and Rail North, working closely alongside the Cheshire & Warrington Local Enterprise Partnership, Cheshire West and Warrington Councils. In August 2017, the Authority consented to the making of Statutory Regulations. The Secretary of State has now confirmed those Regulations to create a statutory sub-national transport body have completed parliamentary procedures.
- 5.2 A meeting of TfN, in shadow form, was held on 9th February 2018. The meeting was attended by the Leader of Cheshire East Council and the following matters were agreed in principle:
 - 5.2.1 **Governance Arrangements** - The 19 Constituent Authorities will be TfN’s primary governance body but will for convenience be referred to as “the Members Board”. The Shadow Board endorsed the draft Constitution and the transfer of the business and assets of Rail North Limited to TfN. Also, that the LEPs, statutory agencies and DfT who currently sit on the Partnership Board will be invited to appoint representatives to be co-opted onto the Members Board for most decision-making purposes. No decision was made as to voting rights for co-opted members. The voting members (i.e. the 19 Constituent Authority members) may confer voting rights upon those 6 co-optees if they so choose.
 - 5.2.2 **Chairing the Member Board:** The Members Board be chaired by the Independent Chair of the Partnership Board – John Cridland CBE. There will be two Vice Chairs to be appointed from the Members, taken from the two major political parties of the Constituent Authorities. As with the 6 Rail North Authorities, the chair of the Partnership Board does not have automatic voting rights.
 - 5.2.3 **Rail North Committee:** decisions relating to rail strategy and investment would be taken by the Members Board and that the Rail North committee would make decisions relating to detailed rail franchising arrangements. Membership of the Rail North Committee would be, as now, made up of representatives of Regional Groups i.e. Cheshire & Potteries authorities.
 - 5.2.4 **Scrutiny:** a ‘scrutiny-first’ approach would be taken, with the Scrutiny Committee meeting in future in advance of the Members Board.

Scrutiny Committee members could be executive members / portfolio holders, provided they are not designated Members or Substitute Members of TfN. Scrutiny Committee will have a Chair and two Vice Chairs to be appointed from the two major political parties.

- 5.2.5 **Audit and Governance Committee:** Independent members would be recruited, based on relevant skills.
 - 5.2.6 **Operating protocols:** The drafting of a protocol was endorsed and it was suggested that the draft Protocol should be extended to cover existing Officer Reference Groups.
 - 5.2.7 **DfT & Transport for the North Partnership Agreement:** the draft Partnership Agreement is expected to be circulated in advance of the Agenda for the inaugural meeting of TfN on 5th April 2018.
- 5.3 On 19th February 2018, TfN hosted a public consultation event in Crewe, which was attended by a number of stakeholders and members of the public. At this event the following principal issues were raised:
- 5.3.1 Ensuring that the role of local buses is fully reflected in the STP and that the Plan takes account of the economic importance of buses and the need for greater reliability of services.
 - 5.3.2 That the Long Term Rail Strategy takes account of the affordability of rail fares, which can act as an impediment to travel opportunities. Concern was expressed at the inconsistency of rail services and rail fares, which discouraged reliance of train travel.
 - 5.3.3 The need to influence the delivery of HS2 to fully meet local expectations, such as the expected need for enhancing the A500 to enable better access to the Crewe Hub station.
 - 5.3.4 The importance of the M6 corridor for Cheshire East, including the need for junction improvements to reduce the adverse impacts on congestion and road safety for communities adjacent to the M6.
 - 5.3.5 Concern was expressed about the potential impacts on funding security for local major projects including as Middlewich Eastern Bypass and Congleton Link Road. Attendees commented that they did not wish TfN's role to put funding for these projects at risk.
 - 5.3.6 Specific questions were raised about the future arrangements for rail services at Macclesfield, and more broadly on the Stoke-Manchester line via Macclesfield and Congleton. There was a particular concern about the future of rail connections to London from Macclesfield.
 - 5.3.7 TfN were questioned about the link between their STP and the role of the National Infrastructure Commission, particularly regarding the transfer of freight from road to rail.

- 5.3.8 Concern was expressed about the ability of the strategy to take account of the capacity of infrastructure supply chains to deliver the ambitions of the plan. Similarly, there was concern that training and skills sectors were not geared-up to provide the capacity for transformation.
- 5.3.9 The role of the Local Transport Bodies was queried when TfN is fully established.
- 5.3.10 There was a discussion about the proposed Major Roads Network and who would be responsible to deliver improvements on this network.
- 5.3.11 Comments emphasised the need to take account of safety considerations and build greater resilience for safety and security into new infrastructure.
- 5.4 Many of the issues are consistent with the strategic considerations for Cheshire East Council.

6. Implications of the Recommendations

6.1 Legal Implications

6.1.1 The draft TfN Constitution includes a draft protocol on the exercise of concurrent functions, in recognition that in the carrying out of its functions in the Regulations, TfN may exercise functions which it holds concurrently with Constituent Authorities.

6.1.2 The protocol on the Exercise of Concurrent Functions recognises that TfN will only exercise those functions which it holds concurrently with other local authorities to further proposals implementing the Strategic Transport Plan (STP). The STP will be the subject of widespread consultation prior to its adoption by TfN and may only be adopted if passed by a Super Majority⁽²⁾ on a vote. The regulations also require that a specific agreement will need to be entered into before TfN exercises any of the highways powers it holds concurrently with other local authorities.

Footnote (2) – A super majority is defined by the TfN Constitution to be more than 66% of membership votes.

6.2 Finance Implications

6.2.1 There is currently a contribution payable by Cheshire East to Rail North Limited, for 2017/18 this amounts to £772.58 per annum (determined by the share of rail passengers on Northern and TransPennine services originating in the Borough). This is unaffected by changes to either Rail North or TfN and is paid by the Strategic Infrastructure - Transport Policy budget.

6.2.2 There is no requirement for financial contributions to be paid to become a member of TfN. Any contributions made would be on a voluntary basis – it is not anticipated that these will be required in the foreseeable future. Voluntary contributions may take the form of in-kind support from members, such as where particular staffing skills and knowledge may be offered to assist TfN in delivering its ambitions.

6.3 Equality Implications

6.3.1 TfN is expected to have beneficial impacts on opportunities arising from enhanced connectivity across the North, potentially reducing economic and social inequality. At this stage, no specific equalities issues have been identified by TfN. It is expected that TfN's intended programmes of work will be accompanied by a full Equalities Assessment in due course.

6.4 Human Resources Implications

6.4.1 There are no human resource implications identified.

6.5 Risk Management Implications

6.5.1 TfN maintains a detailed Risk Register across its programme, where all identified risks are monitored and actions taken to mitigate these risks. This approach is unaffected by the move to a statutory sub-national body.

6.6 Rural Communities Implications

6.6.1 There are no specific, direct implications for rural communities arising at this stage. In principle, the Strategic Transport Plan will deliver improved connectivity and accessibility from rural areas to centres of employment across the north of England. The impacts for rural areas will be clearer when specific programmes of work are defined and supported by a detailed impact assessment.

6.7 Implications for Children & Young People

6.7.1 There are no specific, direct implications for children and young people at this stage. In principle, the Strategic Transport Plan will deliver improved connectivity and accessibility for young people to centres of employment, further/higher education and training across the north of England. The impacts for children and young people will be clearer when specific programmes of work are defined and supported by a detailed impact assessment.

6.8 Public Health Implications

6.8.1 There are no specific, direct implications for public health arising at this stage. In principle, the Strategic Transport Plan will deliver a more sustainable transport system with reduced congestion, improved air quality and a greater reliance of public transport (rail) as a means of access to economic centres across the north of England. The impacts for public health will be clearer when specific programmes of work are defined and supported by a detailed impact assessment.

7. Ward Members Affected

7.1. All Wards in Cheshire East.

8. Consultation & Engagement

8.1. On 16th January 2018, TfN launched a public consultation on its draft Strategic Transport Plan (STP) for the North. Cheshire East Council has the opportunity to submit a response to this consultation before 17th April 2018. A proposed consultation response accompanies this report.

9. Access to Information

9.1. Documents are held on file at:

\\ourcheshire.cccusers.com\East\LTPEast\TfN\MembersAgreement

10. Contact Information

10.1. Any questions relating to this report should be directed to the following officer:

Name: Richard Hibbert

Job Title: Head of Transport (Interim)

Email: Richard.hibbert@cheshireeast.gov.uk