
Meeting: Rail North Committee Consultation Call
Subject: North West Regional Business Unit
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Meeting Date: Wednesday 22 February 2022

1. Purpose of the Report:

- 1.1 To seek approval to establish a North-West Regional Business Unit as permitted under the Rail North Partnership Agreement.

2. Recommendations:

- 2.1 That Committee approves the establishment of a North-West Regional Business Unit as set out in this paper and Appendix 1.
- 2.2 That the Committee notes that the establishment of Business Units was highlighted to the December 2022 Transport for the North Board consultation call as one of the 'quick wins' on rail reform that the North can take ahead of full implementation of the planned rail reform.

3. Main Issues:

- 3.1 The Williams-Shapps Plan for Rail and Levelling-Up White paper emphasises the importance of local collaboration for delivering improved local outcomes for passengers. At the Transport for the North Board meeting in December 2022, it was highlighted that through the Rail North Partnership arrangements that already exist in the North, it is possible to make progress on some of the key rail reform initiatives ahead of the planned legislation to create the new industry structure. The establishment of a North-West Regional Business Unit is one of the initiatives highlighted. The recent speech¹ by the Secretary of State for Transport set out the Government's intention to proceed with the rail reform agenda, but full implementation will take some time.
- 3.2 To support this national agenda as well as deliver local and regional objectives, authorities in the North-West of England are committed to close partnership working to improve rail services in their region. They have decided to come together through the formation of a Regional Business Unit (NWRBU).
- 3.3 Within Transport for the North and Rail North Partnership governance, a Regional Business Unit is defined as 'a group of two or more Transport for the North Rail Authorities formed to jointly oversee rail matters in their geographical area.' Partners in the North-West have developed a proposal to establish a NWRBU with responsibilities to help forge collective positions amongst Local Transport Authorities in the North-West on rail matters.
- 3.4 There is already a pre-existing Regional Business Unit in the North East (North East Regional Business Unit). In the light of the work in the North West and the recent signing of the North East Devolution deal, the North East Authorities are looking to review and refresh their own business unit. Any revised proposals will be reported through to a future meeting of the Committee.

¹ [George Bradshaw address 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/speeches/george-bradshaw-address-2023)

- 3.5 Subject to approval, the NWRBU will be established by mid-2023, and will be enabled through a formal agreement between its members, including clear governance and management arrangements that will create accountability, aid decision making, minimise complexity and represent 'one voice' for the North-West. The NWRBU will also help Rail North Partnership manage stakeholders in the region and directly engage with Train Operating Companies (TOCs).
- 3.6 Initial development of a Collaboration Agreement between NWRBU members is under way, and advisors are in place drafting a framework document. It is important to note the governance arrangements of the NWRBU, in terms of voting shares, will mirror those within the Rail North Partnership Agreement, and therefore there is no material impact to this overarching agreement.
- 3.7 The detailed proposition for a North-West Regional Business unit is set out in Appendix 1.
- 3.8 Under Transport for the North's governance, Rail North Committee is required to approve the creation of a Regional Business Unit. Following this, it can be presented to the Rail North Partnership Board as a Transport for the North-endorsed proposal.

4. Corporate Considerations

Financial Implications

- 4.1 Greater Manchester Combined Authority (as the proposer) has confirmed that there are no financial implications for Transport for the North as a result of the establishment of the Business Units.

Resource Implications

- 4.2 Greater Manchester Combined Authority (as the proposer) has confirmed that there are no resource implications for Transport for the North as a result of the establishment of the Business Units. Transport for the North's interaction with the Business Unit can be managed within existing resources.

Legal Implications

- 4.3 The establishment of the Business Unit, also referred to in Transport for the North's Constitution, requires the agreement of Transport for the North under the 2018 Franchise Management Agreement between Transport for the North and Local Transport Authorities. That agreement is being sought through this report. Such agreement is not reserved to Board, so can be given by Rail North Committee.

Risk Management and Key Issues

- 4.4 This report relates to corporate risk 310: There is a risk that Transport for the North could have a reduced role in the rail industry following the implementation of rail reform under Great British Railway. The establishment of Business Units is a positive action and mitigation that Transport for the North (and partners) can take.

Environmental Implications

- 4.5 There are no environmental implications from the report.

Equality and Diversity

- 4.6 There are no environmental implications from the report.

Consultations

- 4.7 Transport for the North Rail Authorities have been consulted on the proposals.

5. Background Papers

5.1 None.

6. Appendices

6.1 Appendix 1: North West Regional Business Unit Proposal

Glossary of terms, abbreviations and acronyms used (*if applicable*)

- | | |
|----------|-----------------------------------|
| a) NWRBU | North West Regional Business Unit |
| b) TOCs | Train Operating Companies |