

19 May 2016**Agenda Item: 5****REPORT OF INTERIM SERVICE DIRECTOR HIGHWAYS****RAIL ISSUES – EAST MIDLANDS RAIL FRANCHISE****Purpose of the Report**

1. The purpose of this report is to seek Committee approval for a contribution to financially support a new East Midlands Rail Franchise Officer managed by East Midlands Council. The post will report to a steering group of the relevant Local Transport Authorities that are funding the post. The reports also seeks approval for resources to cover the wider rail agenda.

Information and Advice**Background**

2. The County Council has until recently employed a dedicated rail officer who would have undertaken this work on behalf of the County Council. The rail officer is currently on secondment at West Yorkshire Combined Authority but will not return to his substantive post having secured alternative employment recently.
3. Rail issues in Nottinghamshire extend beyond those covered by the East Midlands Rail Franchise, with wider interest including the Midland Mainline, the East Coast Mainline, Northern Rail and High Speed Rail. The County Council will continue to lobby and seek opportunities to secure improvements to the surrounding rail network, for both improvements to services within Nottinghamshire as well as longer distance connections to major centres across the UK. This work will include further feasibility/design studies for schemes such as Ollerton as well as work on station improvements, interchanges, parking facilities and other local upgrades.

East Midlands Rail Franchise

4. In the past, the rail franchising process has been managed and determined by Government with little involvement from third parties. Local authorities in particular have been treated only as consultees, with little real traction over the final outcome. However, following the problems with the West Coast Franchise competition, the Department for Transport is now taking a much more open approach.

5. As a result there have been significant progress in some parts of England to devolve some or all of the powers to scope, determine and manage rail franchises to local partnership bodies, which have started to deliver real improvements for local communities. In particular through the establishment of Rail North and West Midlands Rail, which are joint companies owned by the relevant local authorities. The impending competition for the new East Midlands franchise presents an opportunity to consider the potential for rail devolution in the East Midlands. The timescales for the competition are set out below:
 - Potential bidders passport application – April 2016
 - Issue of Franchise Expressions of Interest – July 2016
 - Issue of Invitations to Tender shortlist – December 2016
 - Award – October 2017
 - Start of new franchise – March 2018 (likely to last for at least 7 years).
6. An initial discussion at the EMC Executive Board on the 18th March indicated a willingness to engage with DfT as partners in the franchise competition and to explore the potential for a collaborative approach under the EMC banner, consulting with other interested areas such as Sheffield City Council and Staffordshire County Council as appropriate. At the formative stage, there is an opportunity to develop a regional consensus on the key outcomes local partners want from a future franchise, and to use this as a basis for an EMC insert in the franchise prospectus document issued by the DfT to potential bidders.
7. This initial activity has been met from existing EMC resources. Whilst it is not necessary or appropriate to establish an East Midlands equivalent of West Midlands Rail at this stage, further engagement in the franchise competition itself will require a dedicated staffing resource to be made available, and co-located at least on a part time basis with the DfT in London, to act a shared resource for the DfT and local partners.
8. Ideally, this could be one or more existing Local Transport Authority member of staff. However, given recent restructuring, informal discussions have indicated that suitably qualified and experienced individuals are unlikely to be available. As a result, there is likely to be a need to establish a new jointly funded post, temporary until the franchise is awarded in October 2017.
9. Based on the above, the following proposal has been put forward:
 - A new joint funded temporary post of 'East Midlands Rail Franchise Officer' is established and is co-located with EMC in Melton Mowbray and with DfT in London, starting as soon as practical and ending at the end of October 2017.
 - The post will represent the interests of local stakeholders in the franchise competition and support the Department for Transport in its statutory responsibilities as appropriate.
 - The post and associated activities (including additional studies to evidence need / justify proposals) is funded from contributions from the nine Local Transport Authorities (LTAs) in the East Midlands and any other interested LTAs at the following rates: East Midlands LTAs (excluding Rutland) £20,000, Rutland (plus any LTAs outside the East Midlands) £10,000

- The post would be line managed by EMC's Director of Policy of Infrastructure, and report to a steering group of senior officers from the funding LTAs. Political accountability would rest with the EMC Executive.

Other rail issues

10. The proposal detailed in the report would cover an element of the current rail officer's job description and roles and responsibilities in the short term. This would still leave a significant gap that needs to be resourced to cover the remainder of the rail work area. It is proposed, to increase flexibility, that the more strategic work is picked up by the existing principal officers (and that the current rail officer post is deleted - £38,405 band C top of scale) within the team by creating a new post (predicted scale 5 - £24,472 top of scale) to relieve the pressure on these existing principal officers. This proposed change to the staffing establishment will result in an annual net revenue budget saving estimated at £18,000 per annum. This new post will therefore be funded from existing team staffing budgets.

Other Options Considered

11. It is considered that if NCC did not support this collaboration process it would weaken the Authority's position within the East Midlands region in negotiating and influencing rail improvements as compared to those supporting the new joint role.

Reason/s for Recommendation/s

12. The funding for the new post can be managed within available staffing budgets as set out in paragraph 10. The funding for the joint post, as it is a temporary arrangement with anticipated costs in 2016/17 and 2017/18, can be met from the savings arising from the proposed staffing establishment.

Statutory and Policy Implications

13. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

It is recommended that Committee:

- a) approve the proposal for a joint East Midlands Rail Franchise Officer with a County Council contribution of up to £20k as set out in paragraph 9
- b) approve the creation of a new post to support the remainder of the rail work area as set out in paragraph 10.

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For any enquiries about this report please contact:

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Constitutional Comments (LMC 09/05/16)

14. The recommendation in the report fall within the Terms of Reference of the Transport and Highways Committee

Financial Comments (RWK 09/05/16)

15. The financial implications of the proposals detailed in the report are set out in paragraphs 10 and 12. The additional costs proposed will be offset by proposed savings. Net expenditure in 2016/17 and 2017/18 will therefore be maintained within existing budget allocations.

Background Papers and Published Documents

- None

Electoral Division(s) and Member(s) Affected

- All