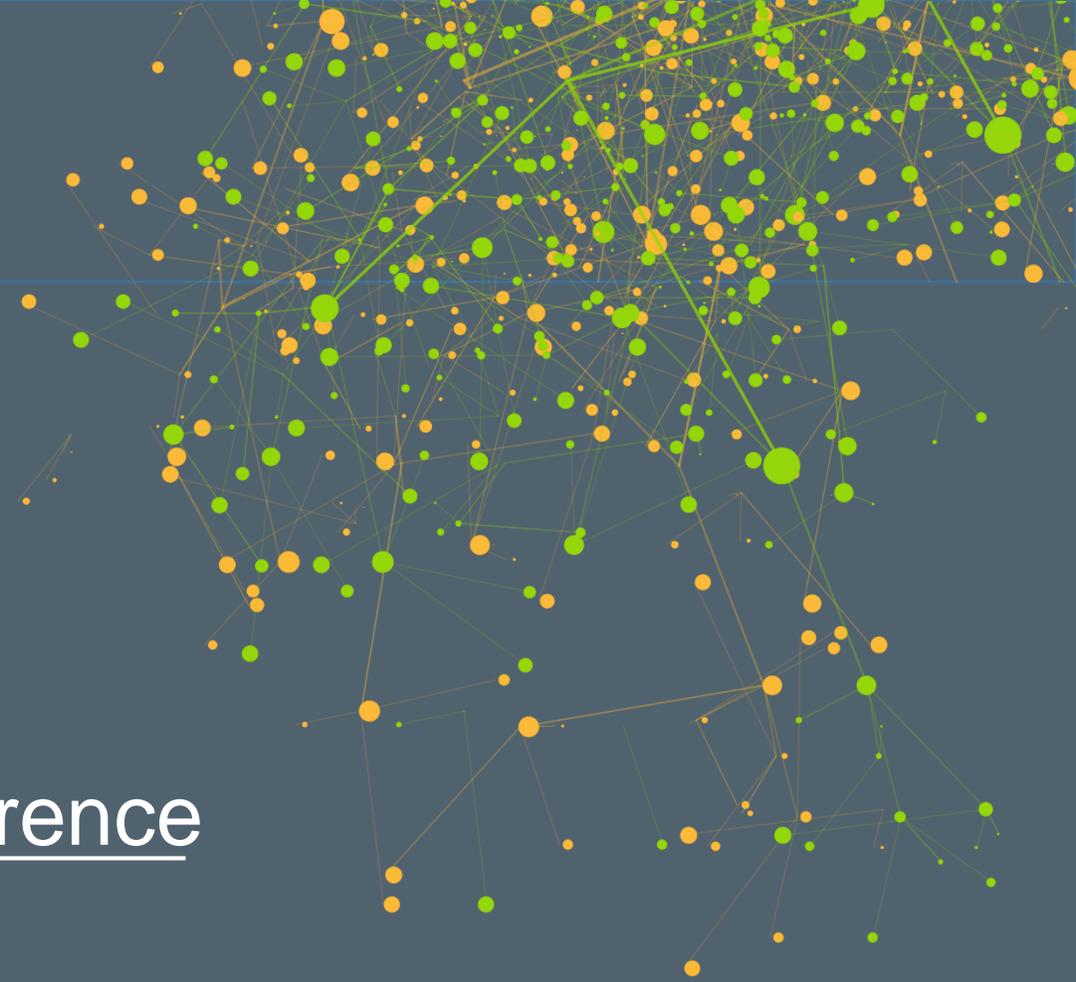


URBAN TRANSPORT GROUP



Rail Delivery Group Conference

Devolution workshop

2 February 2016

Jonathan Bray (Director UTG)

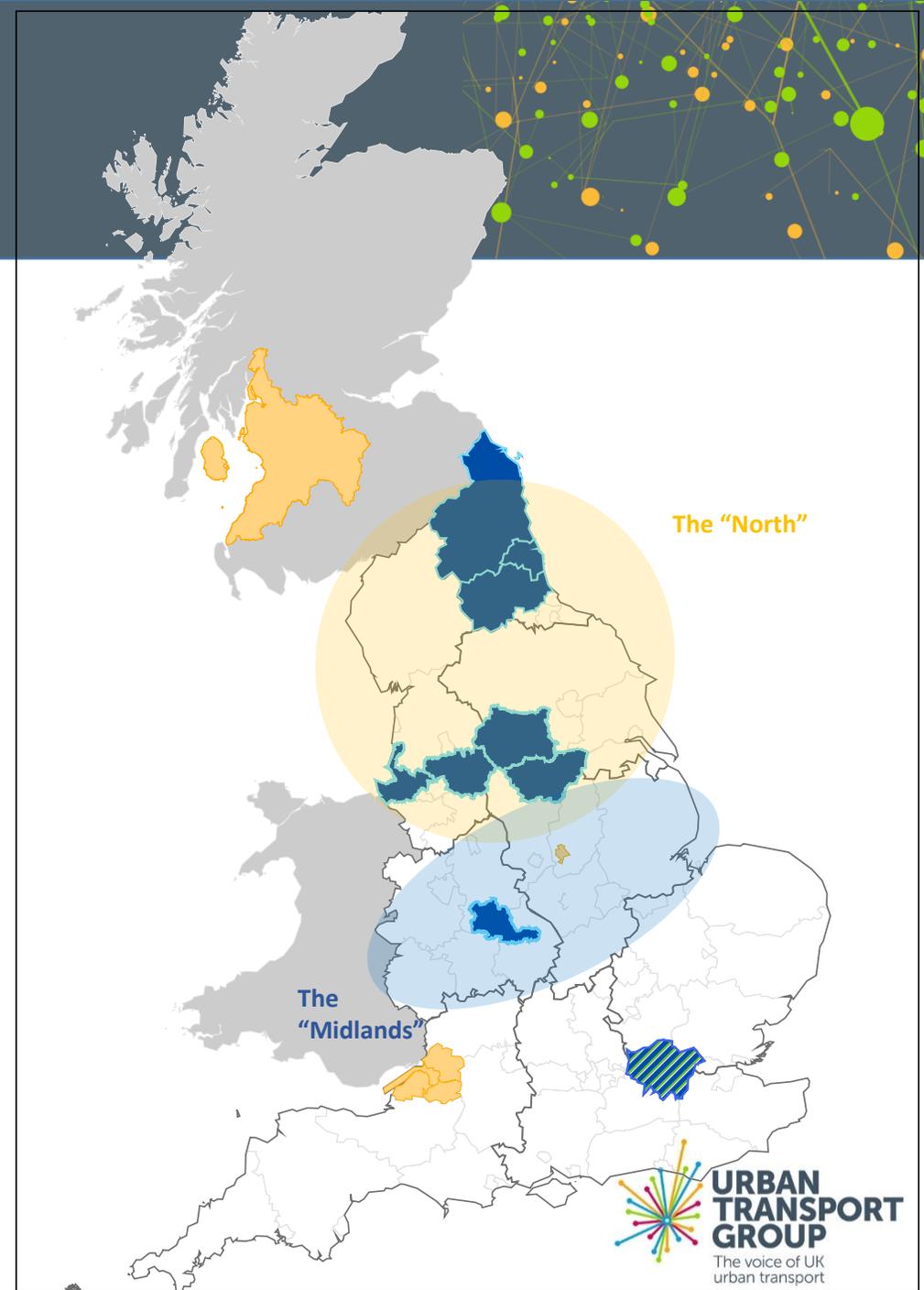
Tobyn Hughes (MD Nexus; UTG Board Rail Lead; Rail North Board member)

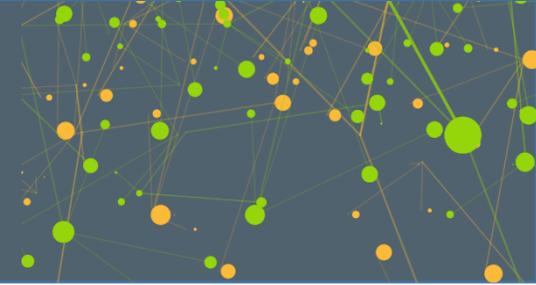
Urban Transport Group

Represents strategic transport authorities in the seven largest English city regions:

- Liverpool City Region (Merseytravel)
- Greater London (TfL)
- Greater Manchester (TfGM)
- North East (NECA)
- Sheffield City Region (SYPTe)
- West Midlands (Centro)
- West Yorkshire (WYCA)

Formerly known as the Passenger Transport Executive Group





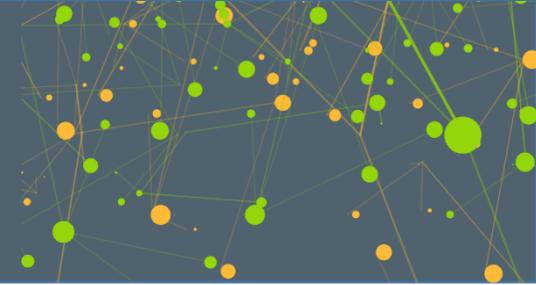
The Urban Transport Group does three things:

1. Makes the case for urban transport, giving our members the funding and powers they need
2. Thought leadership for the wider sector
3. Britain's premier network for public sector urban transport professionals, learning from each other and doing more for less

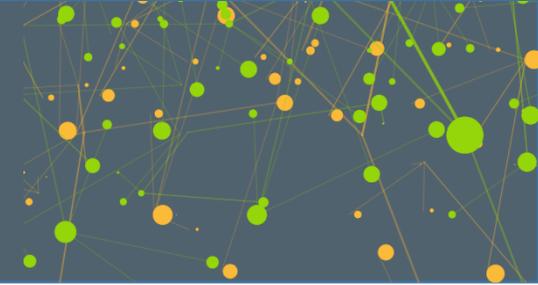
Our members are at the core of:

- Rail North, West Midlands Rail (rail franchising and strategy – covering wider TOC geography)
- Transport for the North, Midlands Connect (new strategic transport bodies: focus on links between city regions)

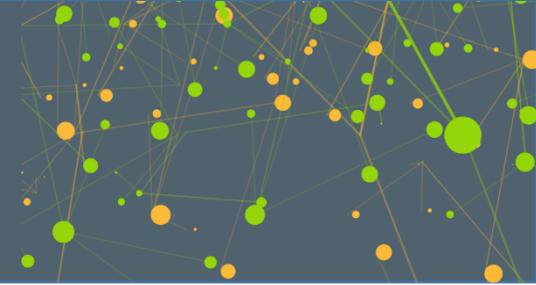
Why devolution?



- Devolved bodies best placed to align transport decisions with wider economic, social and environmental priorities and opportunities:
 - More alive to the key role that transport plans in supporting local economies
 - Closer to the outcomes of transport decision making and more responsive to successes and failures as they bear the political consequences
- Remote control from Whitehall has led to under investment, micro-management and stop-start funding by central Government
- Devolution in place in London, Scotland and Wales and political and economic imperative to extend the benefits to England outside London



- Background: wave of political devolution to Scotland, Wales and London from 1998
- After demise of Regional Development Agencies from 2010, government focus has shifted to English **city regions**:
 - **Combined Authority** model now being applied to several city regions, bringing more focussed and strategic governance
 - Move to Mayoral Combined Authorities to provide greater accountability and focus
 - Transport likely to be key issue in mayoral contests, but now within the context of wider economic and social agenda



- Merseyrail / Scotrail / London Overground =

More investment +

More frequent and reliable trains +

New stations and new routes +

More effective integration with wider public transport network +

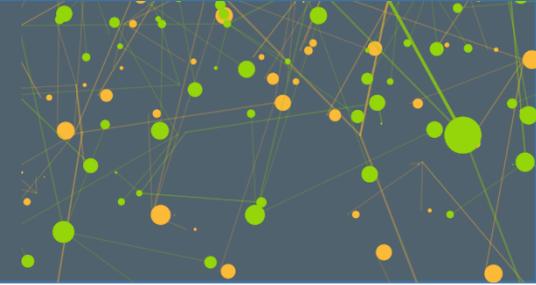
Greater responsiveness to local challenges and opportunities

= Higher customer satisfaction

= **GROWTH**

Regional rail is key to city region economies

Destination growth report

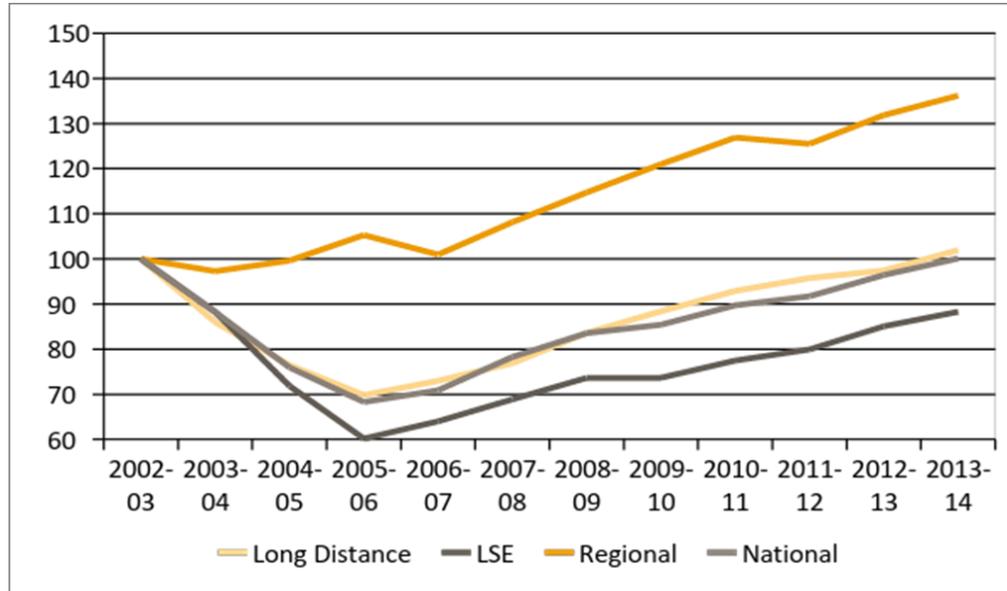


- Regional rail = key asset and major success story:
 - £1.34 bn farebox revenue; highest growth sector since 2002/03
 - 365 million pax/year: 2.7x Inter-City
 - 12 bn pax-kms > Sweden; US
- But severe constraints on growth
 - Ageing infrastructure + rolling stock
 - Under-investment in North, Midlands
- Step change in investment would pay for itself
 - By 2045, expanded all-electric regional railway , could generate 67% more revenue at no extra operating* cost and require zero operating subsidy
 - PVB = £136bn; PVC = £31bn; BCR = 4.4

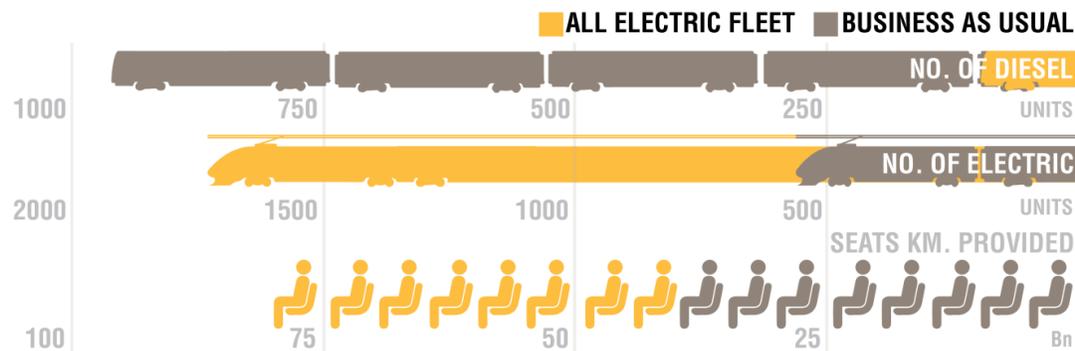
Regional rail is key to city region economies

Destination growth report

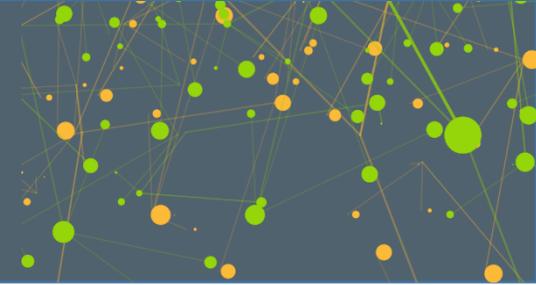
Average Age of Rolling Stock by Sector (2002/3 = 100)



Electric world 2045:
 +186% pax
 -56% cost/pax-km
**Farebox revenue covers
 infra+train operating costs**

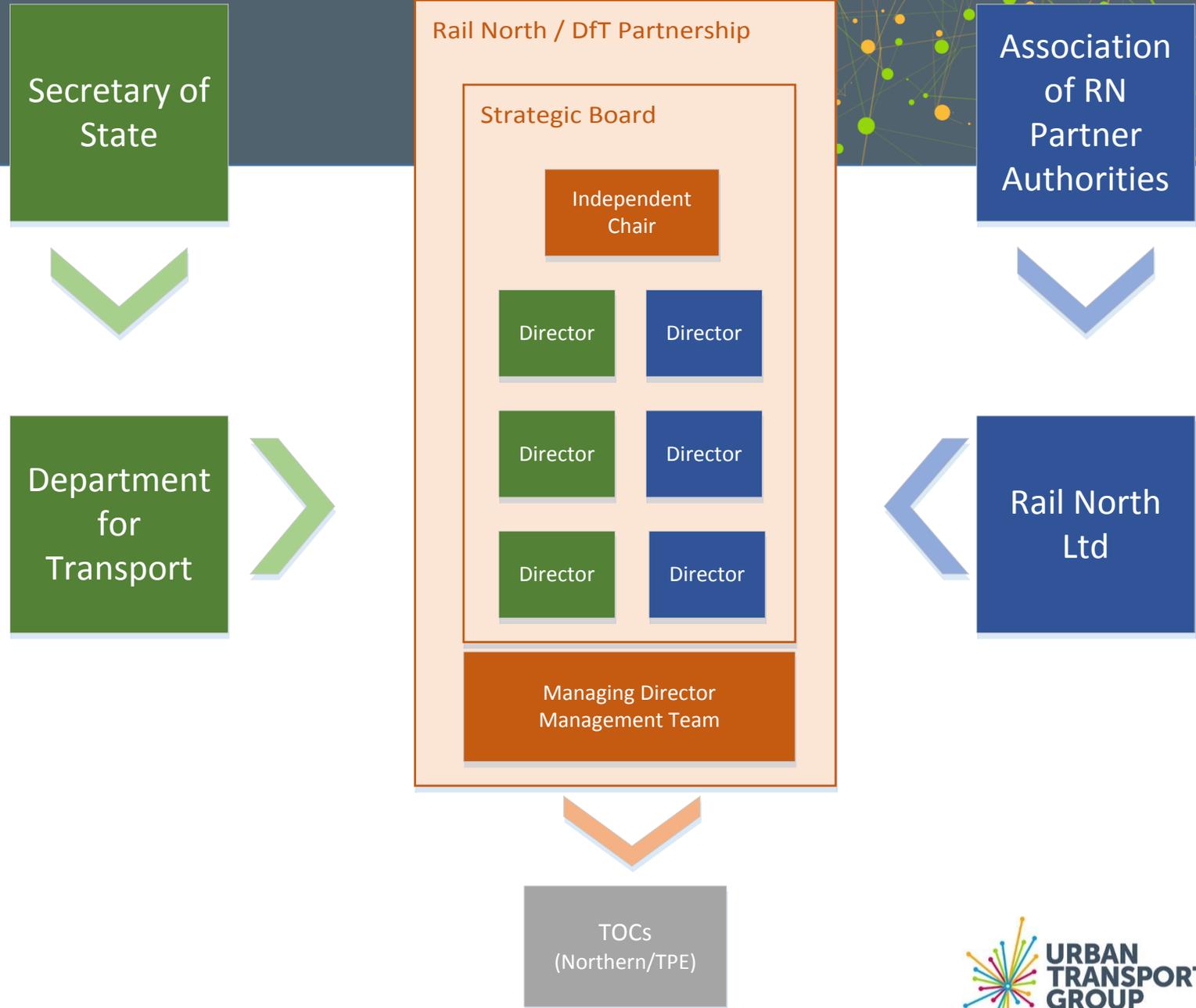


Rail franchising devolution



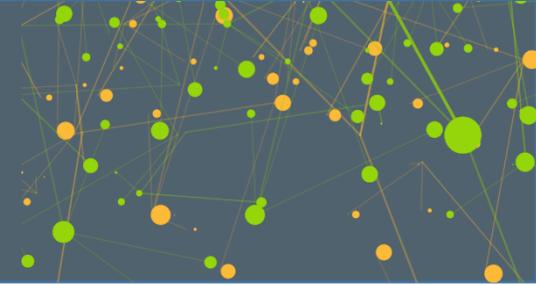
- Providing a united view from local authorities who are linked by a common railway service
- Significant input into franchise specification
- Sharing franchise management responsibilities with DfT
- Progressive steps towards full devolution of franchise responsibility

Rail North / DfT Partnership *governance structure*



Infrastructure

New strategic transport bodies to join up regional economies



- Improving regional connectivity to unlock economic growth potential
- Pan-regional transport strategy
- Statutory powers
- Prioritisation of investment projects

Infrastructure

Political v Network Rail devolution

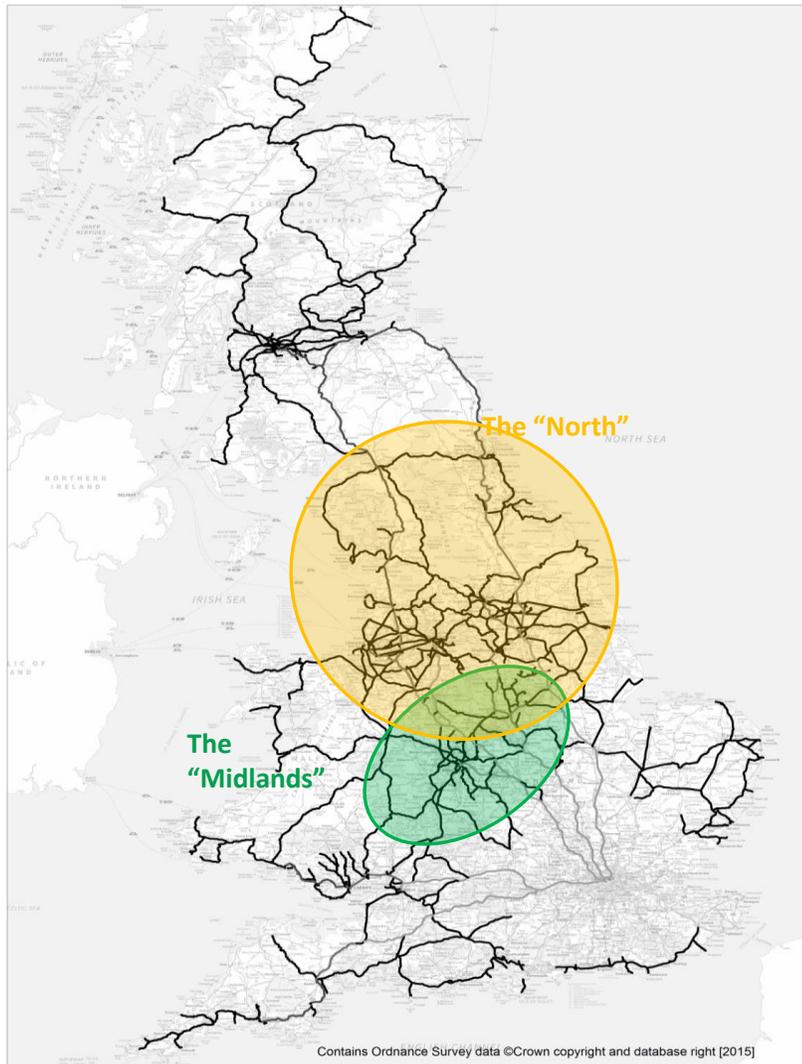
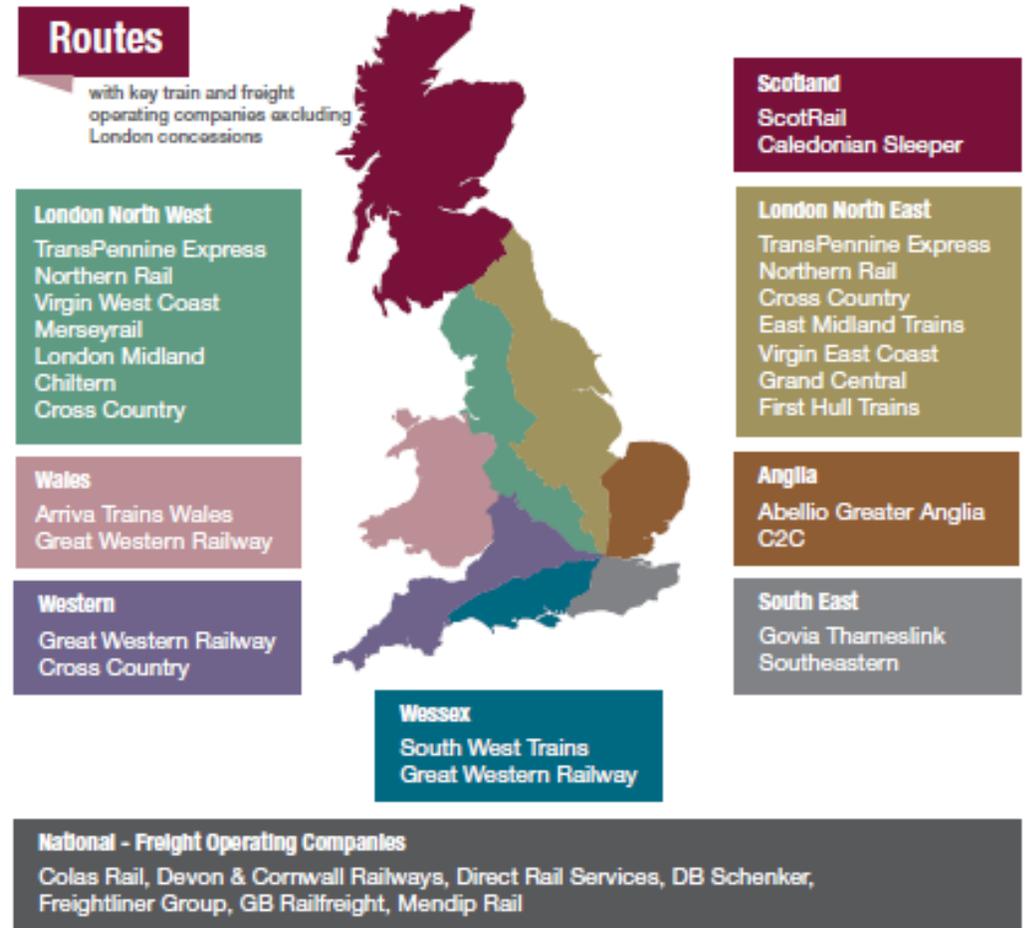
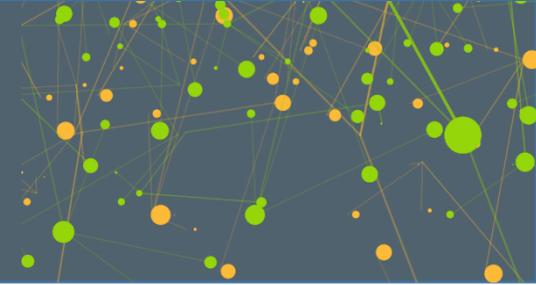


Figure 5: Network Rail's route structure

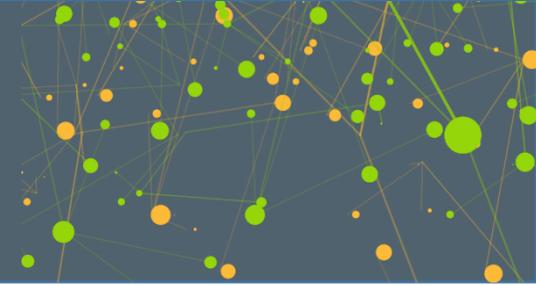


Network Rail structural reform: *key principles*



- Recognition that effective, reliable and efficient infrastructure is key to local economic growth
- **Strategic planning, scheme delivery**, capacity allocation & operational decisions should:
 - take greater account of local priorities and economic evidence
 - be more accountable to local stakeholders
- NR's future **structure** (geography and function) must take account of devolved political structures and wider economic/transport planning processes

Discussion



What opportunities are presented to the rail industry by devolution?

What are the risks of devolution that you would like to work through with us?

How would you like to engage with us in the future?

Your thoughts...