

**Dated**

**2015**

**Cumbria County Council  
Darlington Borough Council  
Hartlepool Borough Council  
Middlesbrough Borough Council  
The North East Combined Authority  
North Yorkshire County Council  
Redcar and Cleveland Borough Council  
and  
Stockton-on-Tees Borough Council**

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**North East Rail Management Unit**

**Collaboration Agreement**

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DRAFT

**This Agreement** is dated                      day of                      2015

**Between**

- (1) Cumbria County Council, The Courts, Carlisle, Cumbria, CA3 8NA (“**Cumbria CC**”);
- (2) Darlington Borough Council, Town Hall, Feethams, Darlington, County Durham, DL1 5QT (“**Darlington BC**”);
- (3) Hartlepool Borough Council, Civic Centre, Victoria Road, Hartlepool, Cleveland, TS24 8AY (“**Hartlepool BC**”);
- (4) Middlesbrough Borough Council, Town Hall, Middlesbrough, Cleveland, TS1 2QQ (“**Middlesbrough**”);
- (5) The North East Combined Authority, Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY (“**NECA**”);
- (6) North Yorkshire County Council, County Hall, Northallerton, North Yorkshire, DL7 8AD (“**North Yorkshire CC**”);
- (7) Redcar & Cleveland Borough Council, Redcar and Cleveland House, Kirkleatham Street, Redcar, Yorkshire, TS10 1RT (“**Redcar & Cleveland BC**”); and
- (8) The Council of the Borough of Stockton-on-Tees of Municipal Buildings, Church Road, Stockton-on-Tees, Cleveland, TS18 1LD (“**Stockton BC**”).

Together, (“**the Parties**”)

[DN: The Agreement will need to accommodate the creation of a Tees Valley Combined Authority – potentially through Cl.16 Variations]

**Background**

- (A) On 22 November 2013 the Secretary of State for the Department for Transport (“**Secretary of State**”) and Rail North Limited issued a statement on how they would take forward their proposals to devolve decision-making on rail services across the North of England.
- (B) In 2014, each of the Parties formally agreed to become members of the Association of Rail North Partner Authorities and Rail North Limited.
- (C) The Parties are local transport authorities in the North of England and they agreed to establish and manage Rail North Limited, a company limited by guarantee which was incorporated under the Companies Act 2006 on 22 September 2014 for the purposes of, inter alia, promoting and improving rail services and managing the Franchise Agreements. The Parties each nominated a director to represent them on the Rail North Limited Board.
- (D) On 20 March 2015 the Secretary of State and Rail North Limited entered into an agreement which sets out the arrangements as to how Rail North Limited will manage the Franchise Agreements and how the Secretary of State and Rail North Limited will work together to transition further devolution in the future (“**Partnership Agreement**”).

- (E) The Partnership Agreement outlines the management structure of the Partnership, and requires the creation of a joint Strategic Board and a Management Team, populated by Rail North and Department for Transport representatives. Pursuant to the Partnership Agreement, the Strategic Board will be responsible for the day to day management of the Franchise Agreements
- (F) The Partnership Agreement allows for the delegation of activities undertaken by the Management Team to Regional Business Units – which are defined as a group of two or more Rail North Limited parties formed to jointly oversee rail matters in their geographic areas.
- (G) [DN once drafted and agreed, insert some background here regarding RN Members Agreement].
- (H) The local rail network within the scope of this Agreement is as follows:
- i. The 'Durham Coast' route – between Middlesbrough and Newcastle via Hartlepool, Sunderland and east Durham;
  - ii. The 'Tyne Valley' route – between Carlisle and Newcastle via west Northumberland;
  - iii. Newcastle to Chathill via the East Coast Mainline (most services terminate at Morpeth currently);
  - iv. Darlington to Saltburn via Thornaby, Middlesbrough and Redcar;
  - v. Middlesbrough to Whitby;
  - vi. Bishop Auckland to Darlington; and
  - vii. Peak services between Saltburn and Newcastle via Darlington and Durham.
- (I) The Parties are seeking to establish a single consolidated resource base through which the parties can progress the delivery of their strategic rail objectives, known as the North East Rail Management Unit ("the NERMU") as more fully described in the NERMU Business Plan as defined below.
- (J) The NERMU is a Regional Business Unit as defined in the Partnership Agreement between Rail North Limited and the Secretary of State for Transport.
- (K) In order to establish and implement the NERMU, the Parties are entering this Collaboration Agreement to mutually commit resource and funding to the NERMU and set out the terms which are to govern the relationship between each of them in relation to the NERMU.
- (L) Each of the Parties has powers of general competence under the Localism Act 2011 (to be exercised having regard to their sustainable community strategy) or in the case of the NECA under s99 Local Transport Act 2008.
- (M) Nexus, as a body corporate by statute, has powers delegated to it under the Transport Act 1968 (as amended). Nexus is also an executive body of the NECA for the purposes of Part 5 of the Local Transport Act 2008 and Part 6 of the Local Democracy, Economic Development and Construction Act 2009. Nexus has power to discharge any function that is the subject of arrangements entered into

with the NECA. In the application of section 101 of the Local Government Act 1972 (arrangements for the discharge of functions), Nexus is to be treated as if it was an officer of the NECA.

(N) Under s99 of Local Transport Act 2008 the NECA may delegate its wellbeing functions to Nexus. Under s10 Transport Act 1968, Nexus has the power to do all things which are in its opinion necessary to facilitate the proper carrying out of its business.

In consideration of the grant finance that may be provided by each of the Parties towards the NERMU and the mutual benefit to the Parties of the NERMU, **it is now agreed as follows:-**

1. **Interpretation**

1.1. The definitions and rules of interpretation in this clause apply in this Agreement.

|                       |  |
|-----------------------|--|
| "Administrator"       | means the person nominated by the NECA under paragraph 3.4 of Schedule 2;  |
| "Attendee"            | Any person who is attendant at Board or Steering Group meetings but is not a Representative;   |
| "-Board"              | means the Board constituted with representatives of the Parties which represents (or together represent) or acts as a decision making forum for the Parties;   |
| "Contributions"       | means the sums set out in Schedule 3;  |
| "Commencement Date"   | means [DN to be advised] or if later the date of this Agreement;   |
| "DPA"                 | means the Data Protection Act 1998 as amended or any re-enactment thereof;   |
| "EIR"                 | means the Environmental Information Regulations 2004;  |
| "Financial Year"      | means the period from 1 April to 31 March inclusive;   |
| "FOIA"                | means the Freedom of Information Act 2000;   |
| "Force Majeure"       | means any cause materially affecting the performance by a Party of its obligations under this Agreement arising from any act beyond its reasonable control and affecting any Party, including without limitation: acts of God, war, industrial action and protests by persons other than the Parties' personnel or contractors, fire, flood, storm, tempest, epidemic, explosion, acts of terrorism, national emergencies or the failure of a third party supplier to the NERMU; |
| "Franchise Agreement" | means the Northern Franchise Agreement and   |

the Transpennine Express Franchise Agreement, and "**Franchise Agreement**" shall be construed accordingly;

|                              |           |   |
|------------------------------|-----------|---|
| "Head of Paid Service"       |           | means the Chief Executive as Head of Paid Service of each Party or such other officer discharging that role;  |
| "Local Transport Authority"  |           | has the meaning given to it in Section 108(4) of the Transport Act 2000;  |
| "NERMU Business Plan"        |           | means the NERMU business plan as detailed at Schedule 3;  |
| "Nexus"                      |           | is the trading name of the Tyne and Wear Passenger Transport Executive, a body corporate by statute, whose principal place of business is Nexus House, St James' Boulevard, Newcastle upon Tyne, NE1 4AX;                                 |
| "Nexus Management Team"      | Corporate | means the team of senior employees who are responsible for the corporate management of Nexus;   |
| "Nominated Proxy"            |           | means a person from a Party who votes at either a Board meeting or Steering Group meeting on behalf of an absentee Representative and who is of equivalent standing to that of the absentee, as set out in paragraph 4.2.7 of Schedule 1; |
| "North East"                 |           | means the area described in paragraph 4.4 of Schedule 3 of this Agreement;  |
| "Objectives"                 |           | means the objectives of the NERMU as set out in the NERMU Business Plan in Schedule 3;  |
| "Principles of Co-operation" |           | means the principles set out in Schedule 5;   |
| "Quarterly"                  |           | means a period of three (3) months starting on 1 April, 1 July, 1 October and 1 January;  |
| "Rail Administration Grant"  |           | means the funding received annually by Nexus from the Department for Transport that is to be spent on rail administration;  |
| "Rail North Limited"         |           | means a company registered in England and Wales (company number 09229441) whose registered office is at Transport for Greater Manchester, 2 Piccadilly Place, Manchester, M1 3BG;   |
| "Rail North Agreement"       | Members   | means the agreement entered into on [TBC—];   |
| "Representative"             |           | means a Party's or Parties' representative appointed to the Board or Steering Group;  |

|                           |  |
|---------------------------|--|
| "Steering Group"          | means the group established under clause 3;  |
| "Tees Valley Authorities" | means Darlington BC, Hartlepool BC, Middlesbrough, Redcar & Cleveland BC and Stockton-on-Tees BC;                  |
| "Term"                    | means the period determined in accordance with clause 2.1; and   |
| "Working Days"            | means a day (other than a Saturday or Sunday) on which banks are open for domestic business in the City of London. |

- 1.2. Clause, Schedule and paragraph headings shall not affect the interpretation of this Agreement.
- 1.3. A person includes a natural person, corporate or unincorporated body (whether or not having a separate legal personality) and that person's legal and personal representatives, successors and permitted assigns.
- 1.4. The Schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement. Any reference to this Agreement includes the Schedules.
- 1.5. A reference to a company shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.6. Words in the singular include the plural and vice versa.
- 1.7. A reference to one gender shall include a reference to the other genders.
- 1.8. A reference to a statute or statutory provision is a reference to it as it is in force for the time being, taking account of any amendment, extension or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.9. A reference to writing or written includes faxes but not email.
- 1.10. Documents in agreed form are documents in the form agreed by the Parties and initialled by them for identification.
- 1.11. References to clauses and Schedules are to the clauses and Schedules of this Agreement; references to paragraphs are to a paragraph of the relevant Schedule.
- 1.12. Where the words include(s), including or in particular are used in this Agreement, they are deemed to have the words "without limitation" following them and, where the context permits, the words other and otherwise are illustrative and shall not limit the sense of the words preceding them.
- 1.13. Any obligation in this Agreement on a person not to do something includes an obligation not to agree that thing to be done.

## 2. **Commencement and Duration**

- 2.1. This Agreement shall begin on the Commencement Date and shall continue on the terms of this Agreement.



2.2. This Agreement wholly supersedes all earlier agreements, arrangements or understandings relating to the NERMU between the Parties and each of the Parties mutually releases and discharges the others from all future claims, demands, actions and proceedings in respect of such agreements or arrangements but without prejudice to any antecedent liabilities.

### 3. **Vires and Governance**

3.1. In order to ensure that the NERMU Business Plan is implemented and managed in an efficient manner the Parties agree to establish the Board on the Commencement Date and the Parties acknowledge and agree that the Board shall be responsible for and shall be entitled to allocate and amend from time to time functions and responsibilities as set out in Schedule 6.

3.2. The Board shall be constituted and governed by the provisions of Schedule 1.

3.3. In order that the Board ensures that the NERMU Business Plan is implemented and managed in an efficient manner the Parties agree to establish the Steering Group. The Parties acknowledge and agree that the Steering Group shall be responsible for those responsibilities as set out in Schedule 4.

3.4. The Steering Group shall be constituted and governed by the provisions of Schedule 1.

3.5. Each Party represents and warrants to each of the other Parties that it has the power to enter into this Agreement and has the powers required to execute the NERMU Business Plan, including establishing the single consolidated resource, the NERMU, through which the parties can progress the delivery of their strategic rail objectives.

3.6. Each Party separately represents and warrants to the other Parties that it has the power to enter into this Agreement and has and will properly delegate its authority for the matters which are the subject matter of Schedule 1 to the Representatives who will sit on the Steering Group and agrees that decisions of the Board in accordance with this Agreement and of the Steering Group made in accordance with the provisions of Schedule 1 will be binding upon it.

3.7. The Steering Group shall as soon as practicable and in any event within three (3) calendar months of the Commencement Date submit to the Board for its approval cost estimates and project plans for the NERMU which shall, in such form as may be approved by that Board, then become part of the NERMU Business Plan.

3.8. The NECA is authorised to delegate the implementation of the NERMU to Nexus so far as it is legally able to do so.

### 4. **The Objectives**

4.1. Each of the Parties acknowledges that the purpose and objectives of the NERMU consist of the following:

4.1.1. Deliver meaningful local influence over the delivery of rail services within North East England.

4.1.2. Develop rail services to facilitate and stimulate economic growth and support the social cohesion of the North East, delivering high quality,

integrated local services in line with the vision established by the Rail North Long Term Rail Strategy and the North East Rail Statement.

5. **Finance**

- 5.1. Each Party will make the Contributions to the NERMU in the amounts set out opposite their names in Schedule 2 but shall not be obliged to make any further or other commitment of funds or resources to the NERMU save as set out in this Agreement.
- 5.2. Each Party may make Contributions over and above those listed at the Commencement Date in Schedule 2 if agreed pursuant to the annual NERMU Business Plan and NERMU Budget setting process defined in clause 6 of this Agreement.
- 5.3. Each Party will ensure that its Contribution is paid to Nexus and irrevocably committed to the NERMU on or before the Commencement Date and on or before the start of each subsequent Financial Year.
- 5.4. The Contributions shall be maintained by Nexus who shall ultimately apply the Contributions only in accordance with the NERMU Business Plan.
- 5.5. Nexus shall, subject to the other Parties complying with their obligations under this clause, apply the Contributions solely towards the NERMU Business Plan.
- 5.6. Title to the assets and software licences acquired using the Contributions shall be held by the NECA (or as it may direct Nexus on its behalf).
- 5.7. This Agreement may be terminated prior to the expiry of the Term only on the recommendation of the Board and with the written agreement of a majority of the Parties and in that event any unused Contributions shall be returned to the Parties in proportion to the Contributions made by them subject to deduction of any sums liable to be payable under any outstanding contractual or other obligation which has arisen under the NERMU.

6. **NERMU Business Plan**

- 6.1. The Parties shall produce and seek the ratification of a NERMU Business Plan annually.
- 6.2. The Parties acknowledge and agree that each NERMU Business Plan shall include:
  - 6.2.1. the NERMU Budget;
  - 6.2.2. the Contributions required by the NERMU Budget;
  - 6.2.3. details of resourcing for the forthcoming Financial Year; and
  - 6.2.4. outline details of any Further Devolution Proposal, Service Quality Programmes, or Franchise Output Adjustments required to deliver the NERMU Business Plan.
- 6.3. The Parties agree that the process for agreeing the NERMU Business Plan in respect of each Financial Year shall be as follows:

- 6.3.1. not less than six (6) months prior to the end of each Financial Year, NECA shall prepare a draft NERMU Business Plan, including draft proposals for the matters set out in clause 6.1;
- 6.3.2. where the draft NERMU Budget would require Contributions above the value of those set out in Schedule 2 of this Agreement, the NERMU Budget shall clearly identify the proposed funding sources for such Contributions.
- 6.3.3. NECA shall issue the draft NERMU Business Plan prepared pursuant to clause 6.3.1 to all Parties not less than six (6) months before the end of each Financial Year.
- 6.3.4. Parties shall be entitled to comment to NECA on the draft NERMU Business Plan, provided that such comments are provided not less than four (4) months prior to the end of each Financial Year.
- 6.3.5. NECA shall take into account comments received by Parties pursuant to clause 6.3.4 and shall prepare a revised version of the NERMU Business Plan and shall issue this revised version to all Parties as soon as reasonably practicable, but in any event not less than three (3) months prior to the end of each Financial Year;
- 6.4. The Board shall vote to approve the NERMU Business Plan not less than two (2) months prior to the start date of the next Financial Year.
- 6.5. If the NERMU Business Plan is not approved pursuant to clause 6.4 as a result of the requirement for Contributions, NECA shall amend the NERMU Budget to include only Contributions which have been agreed by those Parties that have agreed to pay Contributions and amend the NERMU Business Plan accordingly, and shall inform the Parties promptly of any decision.
- 6.6. The Interim NERMU Business Plan, for the remainder of the 2015-2016 Financial Year, is detailed in Schedule 3. By entering into this Agreement, the Parties acknowledge and agree to the Interim Business Plan.

## 7. **Operations**

- 7.1. The NECA:
  - 7.1.1. is authorised to act on behalf of the Steering Group in executing the NERMU Business Plan and delivery of the Steering Group Responsibilities, as defined in Schedule 4;
  - 7.1.2. is authorised to delegate that Nexus shall act as project manager for the NERMU and shall not be liable for the acts or omissions of Nexus in relation to the implementation of the NERMU;
  - 7.1.3. subject to it complying with its other obligations under this Agreement shall not be liable to reimburse any Party in respect of any claw back which may be imposed in respect of the Contributions; and
  - 7.1.4. without prejudice to clause 22 shall not be responsible to the Local Authorities for any loss or damage, claw back or other loss of use which arises from any act of Force Majeure.

- 7.2. Each of the Parties agrees to abide by the Principles of Co-operation.
- 7.3. The NECA and Nexus shall keep all written records and accounts relating to the NERMU for at least seven (7) years and shall make them available for inspection by any of the Local Authorities or their auditors at any reasonable time on reasonable notice.

## 8. **Procurement**

- 8.1. The NECA, acting as lead authority, warrants that the implementation of the NERMU will comply with all relevant procurement rules and regulations which are in force at the Commencement Date or which come into force during the Term.
- 8.2. Regarding those activities and projects listed in the NERMU Business Plan, the Parties agree that the NECA shall act as the lead authority and shall procure them on behalf of the Parties.

## 9. **Variations to this Agreement**

- 9.1. No variation of this Agreement shall be effective unless it is in writing and signed by the Parties (or their authorised representatives).

## 10. **Termination and withdrawal**

- 10.1. Any Party will cease to be a Party to this Agreement with effect from the date that it is no longer a Local Transport Authority.
- 10.2. Should any Party withdraw from Rail North Limited under the mechanism set out in the Rail North Members Agreement, then it shall immediately withdraw from this Agreement.
- 10.3. Subject to clause 10.4, a Party shall be entitled to give notice of its voluntary withdrawal from this Agreement:
- 10.3.1. Twelve (12) months prior to the end of the next Franchise Agreement renewal; or
- 10.3.2. Eighteen (18) months before the start of a Financial Year;
- such notice to be provided to each Party ("**Withdrawal Notice**").
- 10.4. The NECA may give notice at any time prior to the start of a Financial Year of its voluntary withdrawal from the Agreement for that Financial Year in the event that it will not receive the Rail Administration Grant in its entirety, or it receives an amount of Rail Administration Grant that it deems is insufficient.
- 10.5. Where a Party has issued a Withdrawal Notice pursuant to clause 10.3, the Board shall meet within thirty (30) Working Days of such notice to discuss the Withdrawal Notice, and may agree to terminate this Agreement or continue with this Agreement without the relevant Party.

## 11. **Liability and indemnity**

- 11.1. Nothing in this Collaboration Agreement shall limit or exclude a Party's liability:

- 11.1.1. for death or personal injury caused by its negligence, or that of its employees, agents or sub-contractors;
  - 11.1.2. for fraud or fraudulent misrepresentation;
  - 11.1.3. for breach of any obligation as to title or quiet possession implied by statute; or
  - 11.1.4. for any other act, omission, or liability which may not be limited or excluded by law.
- 11.2. Subject to clause 11.3, any Party who is in material breach of any of the provisions of this Agreement shall indemnify and keep indemnified the other Parties from and against all losses, liabilities, expenses and payments resulting from that breach, without prejudice to any other right or remedy of the other Parties howsoever arising PROVIDED that the limit of each Party's total liability in this regard shall be the amount of its Contribution in that Financial Year.
- 11.3. No Party shall be liable to any other in contract, tort (including negligence or breach of statutory duty), misrepresentation or otherwise under or in connection with this Agreement for any of the following losses or damages, whether direct or indirect, and even if such losses and/or damages were foreseeable or known, or the relevant Party was advised of the possibility of them in advance:
- 11.3.1. loss of actual or anticipated profits;
  - 11.3.2. loss of business opportunity;
  - 11.3.3. loss of anticipated savings;
  - 11.3.4. loss of goodwill;
  - 11.3.5. loss of data; or
  - 11.3.6. any indirect, special, future or consequential loss or damage howsoever caused.

## 12. **Notices**

- 12.1. Any notice required by this Agreement to be given by any Party to any other shall be in writing and shall be served personally, by email or by sending it by registered post or recorded delivery to the appropriate address or email address notified to each of the others (and to the Administrator) for such purposes and the address for postal or personal service shall be as set out in clause 12.3.
- 12.2. Any notice served personally will be deemed to have been served on the day of delivery; any notice sent by post will be deemed to have been served 48 (forty eight) hours after it was posted; and any notice sent by email will be deemed to have been served immediately upon receipt.
- 12.3. The address to be used for the purposes of a notice served under the provisions of clause 12.1 above shall be the address listed in in this Agreement against that Party or such other address as shall be notified by that Party to all of the other Parties in accordance with clause 12.1.

13. **Relationship of Parties**

- 13.1. Nothing in this Agreement, and no action taken by the Parties pursuant to this Agreement, shall constitute, or be deemed to constitute, a partnership between the Parties, or shall constitute any Party as the agent, employee or representative of the other.

14. **Entire Agreement**

- 14.1. This Agreement constitutes the entire agreement between the Parties relating to the subject matter of the NERMU. This Agreement supersedes all prior negotiations, representations and undertakings, whether written or oral, except that this clause 14 shall not exclude liability in respect of any fraudulent misrepresentation.

15. **Publicity**

- 15.1. Without prejudice to the Parties' obligations under the FOIA or EIR, none of the Parties shall make any press announcements or publicise the NERMU or any part thereof in any way, except with the written consent of the Board (such consent not to be unreasonably withheld or delayed).
- 15.2. The Parties shall take all reasonable steps to ensure the observance of the provisions of this clause by all of their servants, employees, sub-contractors, agents, professional advisers and consultants.

16. **Data Protection**

- 16.1. Each Party shall (and any of its employees, servants or agents, involved in the provision of the NERMU shall) comply with any requirements under the DPA.

17. **Freedom of Information**

- 17.1. The Parties are each subject to the FOIA and the EIR ("the Acts and Regulations"). As part of each Party's duties under the Acts and Regulations, they may be required to disclose information forming part of this Agreement to anyone who makes a reasonable request. Each Party has absolute discretion to apply or not to apply any exemptions under the Acts and Regulations.
- 17.2. Each of the Parties shall assist and cooperate with each other to enable any Party to comply with the information disclosure requirements under the Acts and Regulations and in so doing will comply with any timescale notified to it by the Party subject to the request.

18. **Quality and Delivery**

- 18.1. Each Party is required to collaborate with the other Parties during the term of this Agreement to achieve continuous improvement in the quality and delivery of the NERMU in accordance with each Party's 'best value' obligations under Part I of the Local Government Act 1999.

19. **Variation**

- 19.1. No variation or modification to the Agreement is valid unless it is in writing and signed by each of the Parties.

20. **Third Party Rights**

20.1. This Agreement is enforceable by the original Parties to it, by their successors in title and permitted assignees. Any rights of any other person to enforce the terms of this Agreement pursuant to The Contracts (Rights of Third Parties) Act 1999 are excluded.

21. **Waiver**

21.1. Failure by any Party at any time to enforce any one or more of the provisions of this Agreement or to require performance by the other Parties of any of the provisions shall not constitute or be construed as a waiver of the provision or of the right at any time subsequently to enforce all terms and conditions of this Agreement nor affect the validity of the Agreement or any part of it or the right of the Parties to enforce any provision in accordance with its terms.

21.2. No waiver of any of the provisions of this Agreement shall be effective unless it is expressed to be a waiver in writing and communicated in accordance with clause 12.

22. **Force Majeure**

22.1. No Party shall be liable for failure to perform its obligations under this Agreement if such failure results from Force Majeure.

23. **Severance**

23.1. If any provision of this Agreement shall become or shall be declared by any court of competent jurisdiction to be invalid or unenforceable in any way, such invalidity shall not impair or affect any other provision all of which shall remain in full force and effect.

24. **Costs and Expenses**

24.1. Each of the Parties will pay their own costs and expenses incurred in connection with the negotiation, preparation, execution, completion and implementation of this Agreement.

25. **Law and Jurisdiction**

25.1. This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of England and Wales.

26. **Counterparts**

26.1. This Agreement may be executed in any number of counterparts each of which shall be an original, but the counterparts shall together constitute one and the same Agreement.

This Agreement has been signed by the Parties and takes effect on the Commencement Date.

## **Schedule 1- Governance**

### **1. Structure of the Board**

- 1.1. Each Party agrees that the Board shall consist of:
  - 1.1.1. one (1) elected member from the NECA;
  - 1.1.2. one (1) elected member from the Tees Valley Authorities;
  - 1.1.3. one (1) elected member from North Yorkshire CC; and
  - 1.1.4. one (1) elected member from Cumbria CC.
- 1.2. Each Party shall inform the Administrator of the identity and contact details for its Representative, any Attendees, and any changes from time to time.

### **2. Structure of the Steering Group**

- 2.1. Each Party agrees that the Steering Group shall consist of:
  - 2.1.1. seven (7) senior officers from the NECA;
  - 2.1.2. five (5) senior officers from the Tees Valley Authorities;
  - 2.1.3. one (1) senior officer from North Yorkshire CC; and
  - 2.1.4. one (1) senior officer from Cumbria CC.
- 2.2. Each Party shall inform the Administrator of the identity and contact details for its Representatives, any Attendees, and any changes from time to time.

### **3. Delivery**

- 3.1. The NECA shall:
  - 3.1.1. act as the lead authority in delivering the NERMU Business Plan; and
  - 3.1.2. take the fullest account of any decisions by the Steering Group as to the preferred or recommended method of implementation of the NERMU Business Plan; and
  - 3.1.3. so far as it is legally able to do so engage Nexus to implement the NERMU Business Plan.
- 3.2. The Steering Group shall act as an advisory and consultative body to the Board in implementing the NERMU Business Plan and will oversee the delivery of the NERMU Business Plan by NECA.
- 3.3. The Steering Group may at any time submit a report to the Board on any aspect of the NERMU Business Plan which it considers it appropriate for the Board to be aware of.
- 3.4. The NECA shall arrange to provide necessary services to support meetings of the Steering Group (and shall nominate an Administrator to co-ordinate such support)



the reasonable costs of which (as agreed by the Steering Group) shall be met by the NERMU Budget.

4. **Meetings and voting of the Board**

- 4.1. Meetings of the Board shall be held Quarterly, or more frequently if agreed by the Board members.
- 4.2. Every meeting of the Board that is convened more frequently than Quarterly shall be governed by the following provisions:
  - 4.2.1. a meeting may be called by any two (2) Board Representatives notifying the Administrator;
  - 4.2.2. a meeting may be held at such time and place convenient to the Parties as the Board Representatives calling the meeting think fit and notify to the Administrator;
  - 4.2.3. a notice of meeting specifying the place, day and time of the meeting and containing a statement of the matters to be discussed and Attendees present at the meeting, shall be served by the Administrator on all of the Board Representatives;
  - 4.2.4. except in the case of an emergency, not fewer than 10 (ten) Working Days' notice of a meeting shall be given to all Board Representatives, provided that shorter notice shall be valid if all the Board Representatives attend the meeting or if it is ratified by the majority of Board Representatives at a subsequent Board meeting. If not sent with the notice of meeting, any report for the meeting shall so far as practicable be provided to each Board Representative no later than two Working Days before the Board meeting;
- 4.3. The NECA and Tees Valley Representative shall serve as the Chair of the meeting on a rotational basis;
- 4.4. Each Board Representative shall be entitled to one (1) vote with votes being weighted as follows:
  - 4.4.1. The Representative from NECA's vote shall be worth 49%;
  - 4.4.2. The Representative of the Tees Valley Authorities' vote shall be worth 37%;
  - 4.4.3. The Representative of North Yorkshire County Council's vote shall be worth 7%; and
  - 4.4.4. The Representative of Cumbria County Council's vote shall be worth 7%.
- 4.5. The quorum for a Board Meeting is four (4) Board Representatives attending in person or by a Nominated Proxy present in person or by telephone or by video-link.
- 4.6. Where the quorum is not present within fifteen (15) minutes of the start time stated in the notice of the meeting the meeting shall be adjourned to a date not less than two Working Days later provided that any resolution passed at a meeting which is

not quorate shall be deemed to have been passed if it is ratified later by the required majority in attendance at a subsequent duly convened quorate meeting;

- 4.7. Minutes shall be prepared of all meetings and shall be approved by a meeting and signed by the Chair of the meeting as evidence of the proceedings and the contents of the duly signed minutes shall be evidence of the proceedings and may be relied upon as authority for the matters set out therein until amended by any subsequent meetings or resolution of the Board.
- 4.8. A Board Representative may, in writing, appoint another Board Representative or a single named individual to be his/her Nominated Proxy with the right to attend and vote on his behalf at any meeting of the Representatives. Any named individual shall be nominated to hold the position for not less than three calendar months and such Nominated Proxy shall also be sent any papers which are sent to the Board Representative at the same time as they are sent to the Board Representative.
- 4.9. Where a matter requires the decision of the Board Representatives under this Agreement, such matter shall be determined by the Board Representatives by simple majority vote (subject to paragraph 4.2.6) at a duly convened meeting.
- 4.10. A written resolution signed by all the Board Representatives (or their Nominated Proxies) shall be valid as if it had been passed at a meeting of the Board Representatives.
- 4.11. The Nominated Proxy of a Representative may:
  - 4.11.1. exercise that Representative's powers; and
  - 4.11.2. carry out that Representative's responsibilitiesin the absence of the Representative.
- 4.12. Any Nominated Proxy, appointed in accordance with this Schedule shall be counted in the quorum for the meeting.

## 5. **Reporting**

- 5.1. Following each Board meeting, the Chair of the Board shall within 20 Working Days of the meeting ensure that a copy of the minutes of such meeting is submitted to the Representative of each Party.
- 5.2. The Chair of the Board shall also procure that there is issued to each Representative and to each Head of Paid Service in advance of each Quarterly meeting of the Board a written statement on the progress of the NERMU Business Plan setting out progress towards the Objectives which shall include at least the following:
  - 5.2.1. a summary of the progress against the NERMU Business Plan to date;
  - 5.2.2. a summary of the current NERMU Budget;
  - 5.2.3. a summary of the expenditure committed to the NERMU and the funds available;

- 5.2.4. any other issues which are considered, by the Chair or the Board relevant for inclusion in the report; and
- 5.2.5. the report ("**the Monitoring Report**") shall be issued by the Chair of the NECA but with the endorsement of the Board not more than 20 Working Days after the expiry of the relevant 6 month period.

6. **Meetings and voting of the Steering Group**

6.1. Meetings of the Steering Group shall be held as often as the Representatives deem appropriate but in any event an ordinary meeting of the Steering Group shall be convened at least once in every alternate calendar month by the Administrator.

6.2. Every meeting of the Steering Group that is convened will be governed by the following provisions:

6.2.1. a meeting may be called by any two (2) Steering Group Representatives notifying the Administrator;

6.2.2. a meeting may be held at such time and place convenient to the Parties as the Steering Group Representatives calling the meeting think fit and notify to the Administrator;

6.2.3. a notice of meeting specifying the place, day and time of the meeting and containing a statement of the matters to be discussed and Attendees present at the meeting, shall be served by the Administrator on all of the Steering Group Representatives;

6.2.4. except in the case of an emergency, not fewer than 10 (ten) Working Days' notice of a meeting shall be given to all Steering Group Representatives, provided that shorter notice shall be valid if all the Steering Group Representatives attend the meeting or if it is ratified by the majority of Steering Group Representatives at a subsequent Steering Group meeting. If not sent with the notice of meeting, any report for the meeting shall so far as practicable be provided to each Steering Group Representative no later than two Working Days before the Steering Group meeting;

6.2.5. a Steering Group Representative shall serve as the Chair of the meeting;

6.2.6. the NECA and Tees Valley Representative shall serve as the Chair of the meeting on a rotational basis;

6.2.7. each Steering Group Representative shall be entitled to one (1) vote, with the Chair having a casting vote in the event of a tie;

6.2.8. each Steering Group Representative shall be entitled to 1 (one) vote and;

6.2.8.1. the quorum for a meeting is that number of Steering Group Representatives attending in person or by a Nominated Proxy present in person or by telephone or by video-link;

- 6.2.8.2. where the quorum is not present within 15 (fifteen) minutes of the start time stated in the notice of the meeting the meeting shall be adjourned to a date not less than two Working Days later provided that any resolution passed at a meeting which is not quorate shall be deemed to have been passed if it is ratified later by the required majority in attendance at a subsequent duly convened quorate meeting;
- 6.2.8.3. minutes shall be prepared of all meetings and shall be approved by a meeting and signed by the Chair of the meeting as evidence of the proceedings and the contents of the duly signed minutes shall be evidence of the proceedings and may be relied upon as authority for the matters set out therein until amended by any subsequent meetings or resolution of the Steering Group.
- 6.2.9. a Steering Group Representative may, in writing, appoint another Steering Group Representative or a single named individual to be his Nominated Proxy with the right to attend and vote on his behalf at any meeting of the Representatives. Any named individual shall be nominated to hold the position for not less than three calendar months and such Nominated Proxy shall also be sent any papers which are sent to the Board Representative at the same time as they are sent to the Steering Group Representative.
- 6.2.10. Where a matter requires the decision of the Steering Group Representatives under this Agreement, such matter shall be determined by the Steering Group Representatives by simple majority vote (subject to paragraph 6.2.6) at a duly convened meeting.
- 6.3. A written resolution signed by all the Steering Group Representatives (or their Nominated Proxies) shall be valid as if it had been passed at a meeting of the Steering Group Representatives.
- 6.4. The Nominated Proxy of a Representative may:
- 6.4.1. exercise that Representative's powers; and
  - 6.4.2. carry out that Representative's responsibilities
- in the absence of the Representative.
- 6.5. Any Nominated Proxy, appointed in accordance with this Schedule shall be counted in the quorum for the meeting.

## Schedule 2- Contributions

### 1. Party Contributions

1.1. The Parties agree to provide the following Contributions at the start of each Financial Year beginning with the 2016-2017 Financial Year. Parties may provide Contributions above the amount listed in this Schedule pursuant to clause 5.2 of this Agreement.

|                                      |      |
|--------------------------------------|------|
| Cumbria County Council               | £nil |
| Darlington Borough Council           | £nil |
| Hartlepool Borough Council           | £nil |
| Middlesbrough Council                | £nil |
| North East Combined Authority        | £TBC |
| North Yorkshire County Council       | £nil |
| Redcar and Cleveland Borough Council | £nil |
| Stockton on Tees Borough Council     | £nil |

## Schedule 3 - Interim NERMU Business Plan

### **1. Purpose**

1.1. This Interim NERMU Business Plan sets out the process through which the Parties will establish a functioning management unit during the remainder of the 2015-2016 Financial Year. The to deliver meaningful local influence over the delivery of North East rail services and achievement of the North East Rail Statement and Rail North Long Term Rail Strategy. These processes will describe how the North East Rail Management Unit will function within the Rail North Partnership, clearly identifying the allocation of tasks between both organisations.

### **2. Timescale**

2.1. This plan shall commence from [01 September 2015] and extend until the commencement of the new Northern and TransPennine Express rail franchises, expected to be 01 April 2016. It is expected that a revised Business Plan will be produced to commence from 01 April 2016.

### **3. Objectives**

3.1. The North East Rail Management Unit has two primary Objectives:

3.1.1. Deliver meaningful local influence over the delivery of rail services within North East England.

3.1.2. Develop rail services to facilitate and stimulate economic growth and support the social cohesion of the North East, delivering high quality, integrated local services in line with the vision established by the Rail North Long Term Rail Strategy and the North East Rail Statement.

3.2. Neither of the two primary Objectives set out at paragraph 3.1 of this Schedule will be achieved in their entirety before the commencement of the new Northern and TransPennine Express rail franchises. In particular, the second primary objective will require several years of co-ordinated engagement and investment, through national rail industry processes and local investment channels.

3.3. This NERMU Business Plan will set out a series of specific tasks to be achieved during the remainder of the 2015/16 financial year ('**Year 0**') which will create a platform on which the Parties can base progress towards the realisation of the primary Objectives in subsequent years. It is recommended that a full Business Plan for Year 1 onwards, which reflects on progress made during Year 0, is agreed prior to 01 April 2016.

### **4. Context: North East Rail Services**

4.1. Passenger rail services in North East England are delivered through a combination of long distance, inter-regional and local operators. In Tyne and Wear, this mix is complemented by the Tyne and Wear Metro.

4.2. Long distance and inter-regional services serve the North East through its principal north-south infrastructure, the East Coast Main Line, either directly or via secondary routes into key regional centres such as Middlesbrough and Sunderland. These long distance and inter-regional services provide vital connectivity between North East England and key markets throughout the rest of

the UK – in London, Scotland, Yorkshire & Humber, the North West and the Midlands. These services also have an important function in providing local connectivity, principally between centres located along the East Coast Main Line corridor, and connecting centres in the Tees Valley and along the Durham Coast route.

4.3. Whilst some improvements to long-distance and inter-regional services have been secured through refranchising, journey times are still lengthy and infrastructure capacity risks limiting future enhancements if not addressed – this could yield overcrowding, stifle demand, and lead to unpalatable choices between services

4.4. Away from the principal routes, the rail geography within the North East is relatively self-contained. As the local operator, Northern Rail currently provides services between the main centres and smaller communities across the North East, with limited direct connectivity into neighbouring areas. The local North East routes currently encompass:

- The Durham Coast – between Middlesbrough and Newcastle via Hartlepool, Sunderland and east Durham;
- The Tyne Valley – between Carlisle and Newcastle via west Northumberland;
- Newcastle to Chathill via the East Coast Mainline (most services terminate at Morpeth currently);
- Darlington to Saltburn via Thornaby, Middlesbrough and Redcar;
- Middlesbrough to Whitby;
- Bishop Auckland to Darlington; and
- Peak services between Saltburn and Newcastle via Darlington and Durham.

Heaton traction maintenance depot in Newcastle provides the majority of the rolling stock fleet which operate on these routes. These local routes comprise the primary focus on the NERMU.

4.5. Although there have been minor improvements in some areas, local services are characterised by low frequencies, poor quality rolling stock, slow journey times and inconsistent station facilities – all symptomatic of a historic lack of investment in services and infrastructure.

4.6. Alongside the passenger services described above, the North East rail infrastructure provides freight access to international gateways including the key ports of Teesport and Port of Tyne. Via the region's principal routes, freight services can access national distribution hubs and key consumers such as power stations.

4.7. The Nexus-owned Metro infrastructure is contained solely within Tyne and Wear, with dual-running operations on infrastructure with Network Rail between Pelaw junction and Sunderland. Rolling stock is stabled and maintained at South Gosforth depot.

4.8. Improvements to services and infrastructure throughout North East England will be required if rail is to adequately support and stimulate economic growth. The Parties endorse the Rail North Long Term Rail Strategy, which sets out a series of recommendations to improve rail in the North of England. In a sub-regional context, the Parties endorse the North East Rail Statement, produced in 2014 to articulate a series of short, medium and long term improvements required to develop rail within the North East.

## **5. Context: Current Rail Management Arrangements**

5.1. Since the creation of the NECA on 15 April 2014, Nexus has functioned as an executive delivery body of the NECA within Tyne and Wear, with Durham and Northumberland County Councils acting as delivery agents in their respective areas. The five Parties within the Tees Valley are consulting over a proposal to form a Combined Authority.

5.2. Local (Northern) rail services are currently operated under a Franchise Agreement between the Department for Transport and the Operator. Nexus, along with the other four former PTEs in the North of England, are co-signatories to this Agreement. Co-signatory status grants Nexus certain limited rights and influence over the delivery of services within Tyne and Wear.

5.3. The other Parties to the NERMU Collaboration Agreement currently have no contractual influence over the current Franchise Agreement, but interact with the Operator as local authority stakeholders.

5.4. In 2014, each of the Parties formally joined the Association of Rail North Partner Authorities, and nominated a representative to the Leaders' Committee. The Parties also nominated four Directors to the Board of Rail North Limited – representing the geographic areas of NECA, Tees Valley, North Yorkshire and Cumbria (the latter through the Director representing the Lancashire and Cumbria region, including Blackpool and Blackburn with Darwen).

5.5. At its first formal meeting on 19 March 2015, the Board of Rail North Ltd agreed that the company should enter into a formal Partnership Agreement with the Secretary of State for Transport, to oversee the management of the new Northern and TransPennine Express rail franchises, which are expected to commence on 01 April 2016.

5.6. The Partnership Agreement outlines the management structure of the Partnership, requiring the creation of a joint Strategic Board and a Management Team, populated by Rail North and Department for Transport representatives.

5.7. The Partnership Agreement allows for the delegation of activities undertaken by the Management Team to Regional Business Units – which is defined as a group of two or more Rail North Parties formed to jointly oversee rail matters in their geographic areas.

## **6. Achieving the Objectives – Year 0 Plan**

6.1. This Plan will define the milestones during Year 0 which should be achieved to realise meaningful progress towards the primary Objectives. Many of these milestones will represent the completion of 'one-off' tasks, necessary to establish the steady-state processes which will define how the NERMU functions from Year 1 onwards. By doing so, a package of tasks will be identified which can be assessed for their resource, and subsequently funding, requirements. The Year 0



Plan will group milestones under each of the primary Objectives. A summary Year 0 programme accompanies the Year 0 Plan.

## **7. Deliver meaningful local influence over the delivery of rail services within North East England.**

7.1. Establishing the governance and management processes for the NERMU will be a crucial task in Year 0. The body must have a full and clear understanding of its delegated responsibilities, carried out on behalf of the Rail North Partnership. To define these, a proposal should be put forward to the Strategic Board as early as possible. Locally, the Parties must populate the governance and management structures described within the Collaboration Agreement, and ensure any necessary dedicated resource is identified as soon as possible. Interim milestones for the achievement of this task are set out below:

### **7.2. Establishing the NERMU Board [October 15]**

7.2.1. The Parties should nominate representatives and deputies to the NERMU Board at the earliest opportunity, ideally prior to the production of the proposal to the Rail North Partnership Strategic Board, but by no later than [September 2015].

### **7.3. Establishing the NERMU Steering Group [October 15]**

7.3.1. Similar to the above, the Parties should nominate representatives and deputies to the NERMU Steering Group. This should be achieved prior to the submission of the NERMU proposal to the Strategic Board to ensure the proposal has been robustly consulted and agreed by all Parties.

7.3.2. In the interim, it is recommended that officers drawn from the Rail Officer's Working Group and/or the Virtual Secretariat Group form the NERMU Steering Group in shadow form until the Collaboration Agreement has been entered into by all Parties

### **7.4. Agreeing the NERMU 'Delegated Tasks' [October 15]**

7.4.1. The Rail North Partnership Strategic Board must allocate activities to the North East 'Regional Business Unit' prior to the start date of the new Northern and TransPennine Express rail franchises. These activities are not defined within the Partnership Agreement. It is suggested that, at the earliest opportunity, a proposal is presented to the Strategic Board setting out the activities which the NERMU believes it should oversee to achieve its primary objective. These activities will need to be agreed by the Parties through the NERMU Steering Group, but may contain the following:

7.4.1.1. Acting as the key interface between the Parties and the Rail North Partnership, and the interface between the Parties and the Northern operator;

7.4.1.2. Visibility of performance data and reports to the level of detail required to manage performance;

7.4.1.3. Ability to liaise locally with the Operator to solve minor issues and discuss performance;

- 7.4.1.4. Ability to escalate contractual concerns to the Partnership Management Team;
- 7.4.1.5. Possess a clear mechanism to exercise the Rail North right of audit over service quality regime results;
- 7.4.1.6. Ability to develop local schemes (at either NERMU or local authority level) feeding in to the Partnership where appropriate;
- 7.4.1.7. Continuation of Nexus' formal consultee status for track access consultations and other industry processes, and the co-ordination of responses to other Rail North consultations on behalf of the Parties;
- 7.4.1.8. Ability to oversee the delivery of franchise Committed Obligations where they affect the North East rail geography; and/or
- 7.4.1.9. Be considered a single 'consultee' on Rail North Matters to the extent that they affect the Northern franchise within the North East rail geography.

7.4.2. It should be noted here that the Northern franchise invitation to tender contains a requirement for bidders to create a North East management unit within their structure. It is hoped that the successful bidder will commit to a series of North East-specific outputs, such as marketing and branding. The NERMU should directly oversee the delivery of any such commitments, working alongside the new franchisee's North East unit. However, it is not expected that these commitments will be known before December 2015. It is suggested therefore that a second proposal is taken to the Strategic Board following the announcement of the successful bidder. A placeholder should feature in the first proposal to identify this objective.

#### 7.5. Defining relationship with CRPs [March 2016]

- 7.5.1. Several Parties have existing relationships with the Community Rail Partnerships within the North East, Cumbria and North Yorkshire. These organisations represent an important link between rail services and the communities they serve, and provide a useful source of information on service delivery and performance.
- 7.5.2. Whilst a formal relationship between the NERMU and the CRPs may be difficult to achieve, not least because the next Northern franchise is expected to create a Community Rail Business Unit, it would be useful for the NERMU to create and maintain strong links.
- 7.5.3. Once the full delegated tasks are understood, it is recommended that consideration is given for how these organisations could add value to the processes.
- 7.5.4. This should not fetter the ability of any Community Rail Partnership to carry out their usual functions, including the provision of services or the specification of fares.

#### 7.6. Nominated contact with other TOC/FOCs [October 15]

- 7.6.1. As set out earlier in this Plan, long distance passenger and freight services provide vital connectivity to and from the North East. Whilst the Parties will

have no direct contractual influence over these Operators, it may be useful to establish (or maintain where this exists currently) regular contact with representatives of the Operators.

#### 7.7. Nominated contact with Network Rail [October 2015]

7.7.1. The NERMU should establish its key points of contact within Network Rail, providing an interface through which to discuss infrastructure performance and future planning. It will be important to co-ordinate this function with the Operators to provide optimum value.

### 8. **Development of local rail services to facilitate and stimulate economic growth and to support the social cohesion of the North East. This should deliver high quality, integrated local services in line with the vision established by the Rail North Long Term Rail Strategy and the North East Rail Statement.**

8.1. The Rail North Long Term Rail Strategy provides a strong vision for a transformed rail network in the North of England, supporting on-going economic growth throughout the region. The strategy provides a detailed list of outputs which should be delivered throughout the North to achieve this vision. On a sub-regional level, the North East Rail Statement identifies specific interventions necessary to support economic growth in the North East.

8.2. To provide a robust foundation on which to base future development work, it is recommended that a report is produced, identifying gaps against the LTRS outputs for local services and the specific objectives of the NERS. This study would then inform development work by the Parties in subsequent years. Ideally, the study should be delivered entirely during Year 0.

#### 8.3. Brief for a Gap Analysis Study [October 15]

8.3.1. To deliver the study by the end of Year 0, it is recommended that a brief be produced and agreed by the NERMU Steering Group at the earliest opportunity.

8.3.2. The brief will need to recognise the achievements of the past 12-18 months, and provide an understanding of the emerging NERMU structure to prospective bidders.

8.3.3. The Strategic Economic Plans published by the Local Enterprise Partnerships will provide a useful understanding of future land use patterns and employment projections throughout the geography, and should be noted as a vital aspect of the baseline evidence provided to consultants.

#### 8.4. Nomination of a project manager and establishment of project governance structure [October 2015]

8.4.1. Based on previous experience, it is likely that the study will require substantial project management time from within the NERMU, and a governance structure agreed that will facilitate consultation with the wider stakeholder community.

8.4.2. This task should be completed prior to the tendering of the brief for the study.

### 9. **Resourcing**

9.1. Based on the tasks above, it is likely that a full-time resource will be required to deliver the Year 0 plan. Whilst this assumption will need to be tested in due course, 1 FTE will be assumed to be required for the purposes of this Plan.

## **10. Funding**

10.1. Nexus will receive Rail Administration Grant funding during Year 0 (2015/16), due to its co-signatory status to the current Northern rail franchise agreement. Nexus is willing to allocate a portion of this grant to fund the required resource until the end of Year 0.

10.2. Any persons employed to carry out this Plan would be appointed under Nexus' terms of employment and approved by the Nexus Corporate Management Team, with the necessary line management, accommodation and support functions (such as ICT, payroll, HR) being provided by Nexus.

10.3. The continuation of these arrangements beyond the end of Year 0 is dependent on the continuation, and value of, Rail Administration Grant. Once the status of this Grant in subsequent years becomes clear, a NERMU funding arrangement can be proposed. It is recommended that this forms part of the Year 1 business plan.

10.4. Funding for the Gap Analysis Study proposed in the Business Plan would be funded from existing funds within the Parties' contributions towards the NESTI scheme.

## **Schedule 4- Board and Steering Group Responsibilities**

### **1. Board Responsibilities**

1.1 The responsibilities of the Board shall include:

- Making changes to the NERMU Collaboration Agreement, name, material changes to the scope of NERMU, changes to the Objectives;
- Approving the annual NERMU Business Plan and NERMU Budget
- Endorsing key appointments;
- Withdrawal Notices and Termination;
- Approving documents deemed of strategic importance towards the achievement of the Objectives;
- Settling indemnity;
- Approving Regional Business Unit proposals to the Rail North Partnership Strategic Board; and
- Providing a feedback loop between the NERMU and the Rail North Ltd Board.

### **2. Steering Group Responsibilities**

2.1 The responsibilities of the Steering Group shall include:

- Giving peer support to the resource appointed to execute the NERMU Business Plan;
- Providing an update report on progress towards the achievement of the NERMU Business Plan to each Board meeting;
- Preparing update/decision papers and recommendations to the Board;
- Providing [local] advice to inform the execution of the NERMU Business Plan;
- Consolidating [local] advice to inform responses to consultations; and
- Overseeing the selection and recommendation of appointments\*.

## **Schedule 5- Principles of Cooperation**

1. The NECA shall be the lead authority and the accountable body for delivery of the NERMU Business Plan and the NECA agrees to use its reasonable endeavours, working in conjunction with the Steering Group to work towards achieving the Objectives set out in the NERMU Business Plan.
2. Each Party agrees and acknowledges that the NECA shall be free to refuse to implement any recommendation of the Steering Group which would result in any action which would be ultra vires, in breach of any grant conditions imposed upon it in relation to the NERMU or which it otherwise considers would be inconsistent with the efficient or effective implementation of the NERMU Objectives.
3. Each Party is obliged and has a duty to co-operate to:
  - 3.1 use its reasonable skills and endeavours to promote and carry on the NERMU for the benefit of the Parties, and conduct itself in a proper and responsible manner, and devote such time and attention as is necessary for the proper performance of its duties under this Agreement;
  - 3.2 identify both its own particular needs in relation to the NERMU and the key issues for the NERMU and promptly to communicate these needs and issues to the Board and the Steering Group; and
  - 3.3 take reasonable steps to ensure that the Board and the Steering Group understands the needs and issues which have been communicated to the Board and the Steering Group.
4. Following communications from each Party in accordance with sub paragraph 3.2 above, the Board in liaison with the Steering Group shall:
  - 4.1 decide whether the identified needs and/or key issues can be met and if so, decide how the needs will be met; and
  - 4.2 in circumstances where the identified needs and/or key issues cannot be met, set out the options and decide on the most appropriate course of action.
5. The Steering Group, the Board and the other Parties shall work together to resolve problems through active co-operation in order to achieve so far as possible the Objectives of the NERMU Business Plan.

This document has been signed by the Parties and takes effect on the date stated at the beginning of it.

Signed by **Cumbria County Council** in .....  
the presence of:

.....

Authorised Signatory Of Cumbria  
County Council

*Signature Of Witness*

.....

.....

Printed Name of Signatory

.....

.....

*Name and Address Of Witness*

Position of Signatory

Signed by **Darlington Borough Council** in the presence of: .....

.....

Authorised Signatory Of Darlington  
Borough Council

*Signature Of Witness*

.....

.....

Printed Name of Signatory

.....

.....

*Name and Address Of Witness*

Position of Signatory

Signed by **Hartlepool Borough Council** in the presence of: .....

.....

Authorised Signatory Of Hartlepool  
Borough Council

*Signature Of Witness*

.....

.....

Printed Name of Signatory

.....

.....

*Name and Address Of Witness*

Position of Signatory

Signed by **Middlesbrough Council** in .....  
the presence of:

.....

Authorised Signatory Of Middlesbrough  
Council

Signature Of Witness .....

..... Printed Name of Signatory

.....

*Name and Address Of Witness* Position of Signatory

Signed by **the North East Combined Authority** in the presence of: .....

Authorised Signatory Of the North East Combined Authority

*Signature Of Witness* .....

..... Printed Name of Signatory

.....

*Name and Address Of Witness* Position of Signatory

Signed by **North Yorkshire County Council** in the presence of: .....

Authorised Signatory Of North Yorkshire County Council

*Signature Of Witness* .....

..... Printed Name of Signatory

.....

*Name and Address Of Witness* Position of Signatory

Signed by **Redcar and Cleveland Borough Council** in the presence of: .....

Authorised Signatory Of Redcar and Cleveland Borough Council

*Signature Of Witness* .....

..... Printed Name of Signatory

.....

*Name and Address Of Witness* Position of Signatory

Signed by **Stockton on Tees Borough** .....



**Council** in the presence of:

.....

*Signature Of Witness*

.....

*Name and Address Of Witness*

.....

Authorised Signatory Of Stockton on  
Tees Borough Council

.....

Printed Name of Signatory

.....

Position of Signatory

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