

Economy & Transport Programme Board – report from Cllr Peter Box CBE (Chair)

Concessionary fares

1. Following the proposals for concessionary fares funding announced in the Provisional Local Government Finance Settlement, I have written to Norman Baker MP and Bob Neill MP, to emphasise councils' serious concerns. Far from resolving the existing problems, the proposals will, if implemented, create further examples of significant underfunding. Many of our member authorities have expressed deep concern about this matter. The Settlement's proposals will not result in the fair and equitable transfer in funding from Districts to Counties that we argued for. It also fails to ensure that councils who will be responsible for concessionary travel from April 2012 (Counties, Unitaries and Integrated Transport Authorities) receive sufficient funding to meet the costs of the statutory scheme.
2. In order to avoid financial turmoil for councils, and the consequent impact on local bus services, I have urged the government to return to the LGA's proposals for a single subsidy pot for all bus subsidies. This would provide a localist, simpler and cheaper way to administer the concessionary fares scheme. In the short term, I have called on government to fund the entire concessionary fares scheme by Special Grant and to take urgent action to address the funding difficulties facing Districts and Unitaries who have been adversely affected by adjustments to their 2011/12 Formula Grant entitlement.

Welfare reform

3. Following a discussion at the Economy and Transport Programme Board about the introduction of universal credit and the potential impact on councils, I wrote to Baroness Eaton to highlight a number of concerns that the Board hoped would be useful in informing on-going discussions with the Department of Work and Pensions. In particular, the Board emphasised the important role councils have to play in ensuring that the reforms do not impact adversely on local people and the local housing market, and the need for Ministers to think about the implications of the reforms in different types of community, particularly rural ones.
4. Baroness Eaton has arranged a meeting with the Minister for Pensions to discuss the localisation of the Social Fund, in particular the financial risk associated with increasing claims and the practical difficulty of administering the service. Baroness Eaton has also written to the Secretary of State for Work and Pensions setting out concerns about the localisation of council tax benefit, especially the financial risks.

Regional Development Agency (RDA) assets and liabilities and European Regional Development Fund (ERDF)

5. I have written to Mark Prisk MP and to Baroness Hanham to request meetings to discuss councils' on-going concerns about their involvement in decisions regarding the future of RDA assets and liabilities, and their ability to match-fund ERDF in the current economic climate. Office Holders from the Programme Board will be joining me for these meetings.

Road damage resulting from severe winter weather

6. I wrote to the Secretary of State for Transport on 7 January about the impact of this winter's harsh weather on local roads, and consequently on local highways authorities' maintenance budgets. My letter emphasised that the additional damage caused by the severe weather comes at a time when councils have to scale back budgets for highways maintenance as a result of spending review decisions. Without additional funding to deal with the damage, the condition of the roads will present a safety risk to road users and disruption to traffic. I therefore asked Philip Hammond to consider as a matter of urgency the case for directing emergency financial assistance to councils to deal with this high profile pressure. I have also given broadcast and media interviews representing councils' views on this issue.

Bus Partnership Forum meeting with Norman Baker MP

7. A cross party delegation of members from the Economy and Transport Programme Board attended the regular Bus Partnership Forum meeting chaired by Norman Baker MP, Transport Minister, on 26 January. Members raised councils' very serious concerns about the impact of spending cuts on bus services, particularly the issues around funding of the national concessionary fares scheme and the pressure councils are under to cut the socially necessary services they support locally in order to deliver spending cuts. Other issues discussed at the meeting (which is also attended by bus operators) were the need for closer partnership working and improving punctuality, including enhancing councils' powers to enforce utilities' streetworks.

The Future of Bus Services

8. I chaired a successful one day LG Group conference on the Future of Bus Services on 11 January, which was attended by over 80 delegates. The conference heard from Transport Minister, Norman Baker MP, Stephen Joseph from the Campaign for Better Transport, bus operator representatives as well as lead Members for transport and senior officers on the future of bus services in the light of spending cuts and the new government's agenda. There was considerable support for the LG Group's proposals for reform of the bus subsidy system to enable public funding to be better targeted at crucial local bus services and improving standards for all bus users.

LG Group Economy and Transport Programme Board, 20 January

9. The Board agreed lobbying positions and actions on key issues, including the future of RDA functions in promoting local growth, universal credit and localising council tax, concessionary fares, rail investment and streetworks. They also agreed an outline LG Group improvement offer on the economy to inform the LG Group's business planning process for 2011/12.

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