

25 March 2010

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## Transport Update

### Summary

This paper provides an update on the LGA's work and recent announcements on transport issues since the last meeting of the board.

#### Recommendations

Members are asked to note the report.

#### Action

Subject to members' comments, officers to take forward suggested actions.

Contact Officer: Caroline Green  
Phone No: 020 7664 3359  
Email: [caroline.green@lga.gov.uk](mailto:caroline.green@lga.gov.uk)

## Transport update

1. This paper provides an update on LGA activities relating to Transport since the last Board meeting in January. Member are asked to note the report and submit views on LGA response to the DfT discussion paper on the Urban Challenge Fund (para 9).

## Bus Subsidies

2. In response to the DfT announcement that the Bus Service Operators' Grant (BSOG) will be replaced with an incentive per passenger (IPP) subsidy, Cllr David Sparks wrote to Sadiq Khan MP to outline councils' concerns about the decision (attached at **Annex A**). The letter highlighted concerns about the practicability and value for money of the proposals on the future of bus subsidy and put forward the case for devolution of the subsidy. Feedback from councils shows that IPP presents a host of difficulties and transport authorities are concerned that implementing IPP will be a complex and lengthy process that will not result in a system that will serve taxpayers as well as it should.
3. LGA officers will continue to work with DfT in developing the detail of the proposals, but will continue to argue the case for a rethink and to promote localisation of bus subsidy as a policy that is both better value, and more effective than IPP. The LGA will be producing a report targeted at national decision makers following the general election setting out proposals for reform of the bus subsidy system and promoting a stronger role for councils in commissioning bus services.
4. We are also working to ensure that short term changes to BSOG to incentivize smartcard systems and Real Time Information are effective and result in improved access to information on local bus services.

## Concessionary Fares

5. The LGA has continued lobbying for all councils to receive sufficient funding for concessionary fares and for government to deal with shortfalls suffered by a number of councils by providing an additional £30million funding. In January, Government announced that they intended to re-allocate the special grant funding for concessionary fares for 2010/11. The redistribution was subject to debate in Parliament on 2 March and will be implemented from April 2010.
6. We are also continuing to work with DfT and our advisors to ensure that future changes to Concessionary Fares planned to take effect from April 2011 result in an equitable and stable system. LGA lobbying on concessionary fares for the next year will focus on ensuring:

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- that no area is left out of pocket as a result of transferring the function from Districts to Counties in two-tier areas;
- that the future funding formula accurately reflect the costs of the scheme; and
- that changes to reimbursement methodology result in a simpler system that retains flexibility to negotiate locally.

## **Severe Winter Weather and Damage to Roads**

7. As the cold weather and requirement for road gritting continued throughout February in many parts of the country, the LGA has continued to represent councils both in the national media and in the "Salt Cell" process set up to prioritise supply of salt to Highways authorities. We have also raised councils concerns about salt supply issues with Ministers and officials. Following the end of the winter season, the LGA will be conducting a review of events which will provide further evidence on the need for a more resilient supply chain and make recommendations for how we can be better prepared in future.
8. As the extensive damage to roads caused by the extreme cold has become more apparent we are arguing for government to provide additional funding to enable councils to repair roads and deal with potholes. See letter from David Sparks to Lord Adonis attached at **Annex B**.

## **Urban Challenge Fund**

9. On 2<sup>nd</sup> March, Sadiq Khan announced plans for a new Urban Challenge Fund designed to support local authorities in cities in delivering economic growth, improve the environment and health of their residents and secure best returns from transport investment. The Urban Challenge Fund will be top sliced from the department's overall funding allocation, though the size of the fund has not yet been determined. The initiative will supersede the TIF congestion fund and will incorporate a wider range of ambitions including sustainable travel measures, investment to encourage modal shift and better bus services, demand management measures and improved traffic management. Councils will be invited to submit bids for funding for delivery of transport measures over and above those identified in the next round of Local Transport Plans due in April 2011. The department is seeking comments on the proposals by 4<sup>th</sup> June 2010. Members are asked to submit views to inform the LGA's response to the proposals.

## **Rail**

10. On 11th March, DfT published a Command Paper setting out plans for a second high speed rail line from London to Birmingham (HS2). It also sets out the Government's proposals for a core high speed rail network

extending to Manchester and Leeds, with through services running beyond. The paper envisages that work on HS2 could begin in 2017 and be completed by 2026, and that the core network could be developed and delivered over the next twenty years. Maps of the preferred London to Birmingham line and the proposed initial core network are attached at **Annex C**. The Government has announced it will consult on the HS2 Birmingham to London plans in Autumn 2010 and that HS2 Ltd. will develop detailed plans for extensions to Manchester and Leeds for public consultation in 2011.

11. Following agreement at the last Board meeting, an invitation was extended to rail Minister, Chris Mole MP and Sir Brian Briscoe Chair of HS2 Ltd to attend the March meeting of the Board to discuss High Speed Rail. Both were unable to accept the invitation, but agreed they would be willing to attend a future meeting. We therefore propose that a full discussion on HS2 take place at a Board meeting later in the year. We are also pursuing an alternative date for a meeting with the Rail Minister to discuss investment in rail and concerns about delays and cancellation of commitments to deliver extra carriages.

#### **Implementing part 6 of the Traffic Management Act 2004**

12. Following a meeting of Traffic Management Authorities in February, the LGA has written to Sadiq Khan to urge him to implement provisions of the Traffic Management Act 2004 which would give councils outside London powers to enforce moving traffic contraventions. This would enable councils to take action against illegal and dangerous infringements of, for example, use of bus lanes, weight restrictions and yellow box junctions. We have also provided evidence, collated from councils of the benefits of implementing the provisions.

#### **Utilities and emergency streetworks**

13. The LGA has written to Sadiq Khan on an issue arising from a recent High Court ruling on Hertfordshire County Council's claim against Veolia Water with regard to the council's ability to charge utility companies for emergency repair work to faulty or damaged apparatus. The ruling effectively means that councils will now only be able to recharge the costs of repairs to utilities in very limited circumstances and could result in utilities companies retrospectively reclaiming payments from authorities. This could potentially result in a significant cost to councils with inevitable impact on other services. The LGA is asking government to lay amending regulations to resolve the situation and ensure that councils are able to reflect the policy intention of the Act. A copy of the LGA's letter is attached at **Annex D**.