

17 November 2011

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**Transport**

**Purpose of report**

For discussion

**Summary**

This paper invites members to comment on the next stages of the Board's work on transport.

**Recommendation**

Members are asked to consider the implications for local authorities.

**Action**

Officers to implement programme of support as agreed by members.

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## **Transport**

### **Growth and transport**

1. Coherent, integrated local transport systems are key to creating growth in our cities and rural areas. This involves managing existing systems and infrastructure more effectively and new investment where appropriate.
2. Decisions on these matters need to be taken locally. Local authorities and Integrated Transport Authorities (ITAs) are in the best position to deliver integrated approaches, but to do so they need greater influence over local transport decision-making.
3. Many of our major cities and towns underperform their European equivalents on key economic indicators and at least part of the reason is the quality of the local transport systems, which make these cities attractive places to invest and which enable people to get to the jobs.
4. In the UK, transport infrastructure problems are estimated to cost businesses nearly £20,000 on average and the top two improvements businesses would like to see in their home city are improved transport links with other cities and improved public transport.
5. Another key role for transport in economic development is helping people to get into work. Nearly 40 per cent of jobseekers say transport is a key barrier to getting a job. Studies have shown that this support works best when they are designed with the needs of different individuals and places in mind; they integrate and assist individuals in the use of existing transport provision; and when they work alongside initiatives in other policy areas. Again, this requires decision-making at a local level.

### **Green light on transport devolution?**

6. The LGA has long argued for greater local decision-making in transport and in principle the argument has been won. The localism agenda is now providing opportunities across a range of transport modes, with the Department for Transport (DfT) discussing approaches to devolution with local authorities and ITAs on rail, buses, Local Major Transport Scheme funding and roads.

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7. However there are challenges in devolution for all involved. We are in a period now where the local authorities and the DfT are trying to establish what localism and devolution might mean in practice. This includes trying to understand what the governance principles and the financial risks associated with devolution might be.
8. In the next few months we are likely to see both an announcement on Local Major Transport Scheme funding and a Command Paper on rail. These will be important milestones in the debate and the Economy and Transport Programme Board will want to be active in supporting local authorities to respond to these consultations.
9. However, there have also been setbacks. For example the Competition Commission's provisional decision on remedies for the local bus service markets has not reiterated its initial view that competition would be improved through greater local franchising.
10. It is also still the case that discussions on devolution are taking place on a mode by mode basis. These, of course, are quite technical areas and will require sector specific discussions. But, without a broader context or vision for transport there is a risk that the benefits locally will not be maximised.

**Raising the Game**

11. Given the debate on localism and the concerns expressed in the report about the specific transport debate in this arena, it is suggested that the LGA needs to raise the game on this debate and articulate what a more localist agenda to transport may deliver. There is a clear role for the Economy and Transport Programme Board to be at the forefront of developing this approach to transport, which could include:
  - 11.1 working with local leaders to articulate what tangible outcomes could be achieved through greater local influence over transport decisions
  - 11.2 articulating the arguments for, and examples of the importance of local influence in transport to growth
  - 11.3 being an exchange for knowledge and advice
  - 11.4 helping the local government sector to identify and address barriers to devolution.
12. There are already examples to draw on in the UK and elsewhere. London, Merseyside and Scotland are demonstrating that local decision-making can lead

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to improved usage and higher satisfaction levels with knock on effects for economies. In Europe there are numerous examples where greater control over transport rests with local politicians. In the Netherlands this has led to significant efficiencies and satisfaction levels and also to innovation such as the franchising of whole networks (encompassing bus and rail). Our “town-hall” debate in Leeds on 6 December 2011 will be an opportunity to hear about examples from the UK and the Netherlands.

**The way forward**

13. A number of Board members and individual authorities are keen to explore how they can use local transport to deliver key economic and social priorities. The next stages include working with Government, local authorities and other stakeholders:

- 13.1 We would want to work with DfT on a real time project which will enable innovative practice to flourish and which can give Government, the sector and other stakeholders the confidence to move forward and deliver fully on the localism agenda (John Dowie, Director of Local Directorate at the DfT will be attending the Board meeting to discuss how we can work together with DfT on this issue).
- 13.2 We will continue to work with those local authorities and ITAs that are at the forefront of devolution discussions and we will feed in the good practice from the UK and elsewhere.
- 13.3 We will work with the Office for Rail Regulation to develop the influence of local government, including work on aligning incentives and developing the role of local government in setting and monitoring performance measures.

14. The outputs and outcomes from this work could include:

- 14.1 LGA virtual pilots which will set out the sectors ambition for local integrated decision making
- 14.2 Real-life project with DfT to identify the barriers and issues for discussion with ministers.

15. Through this work the Board will seek to:

- 15.1 influence the outcomes of the review on Bus Services Operating Grant (BSOG)

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- 15.2 test the practical implications of implementing the various devolution work-streams (for buses, local majors, rail and trunk roads) to ensure the eventual outcomes make sense at the working level and synergies between the disparate initiatives are able to be fully exploited. And if they don't, help inform the proposals as they are finalised.
- 15.3 influence the approach to devolution so that it provides the best opportunity for local authorities to develop effective integrated transport systems.