

## **Transport Devolution LGA/DfT Pilot Work**

### **Purpose of report**

For discussion and direction.

### **Summary**

This paper sets out the proposed approach for taking forward the LGA/DfT decentralisation programme.

### **Recommendation**

To agree the approach to be taken in joint working with the DfT.

### **Action**

Officers to take forward as directed by members.

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## **Transport Devolution LGA/DfT pilot work**

### **Background**

1. The Chairman of the LGA together with the Chair and Lead Members of the Economy and Transport Board met with Justine Greening MP, Secretary of State for Transport, and DfT officials on 1 February to discuss and agree a programme of work to reflect an enhanced partnership approach to transport.
2. The DfT is supportive of our position that transport is central to economic development and the department is keen to explore with councils how, through devolution and adjustments to its own practices, it can support growth in local economies.
3. Four areas emerged which can form the basis of a virtual real-time programme that will help frame the approach to and delivery of devolution:
  - 3.1. Place offer for investors. The Town Hall debates have been consistent in identifying transport issues as a key influencer of inward investment and increasing employment - good infrastructure is attractive to investors, but processes that delay decision-making can be a deterrent.
  - 3.2. Community budgets. Transport has been conspicuously absent from the discussions on community budgets, even though it is a central factor in determining outcomes for vulnerable groups.
  - 3.3. Highways Agency processes. The Town Hall events have flagged the challenges presented by Highways Agency processes, particularly when local authorities are trying to move quickly to secure investment.
  - 3.4. Capacity building. The LGA's peer and leadership work across a range of corporate and service areas have supported councils in significant improvement. Transport is an area that has not featured significantly in this work. The move to greater devolution means that there is a case for developing this capacity building offer.

### **Taking the work forward**

4. In the meeting with the Secretary of State members explored options for taking forward the issues raised. Aspects of the approach discussed during the meeting included:

- 4.1. working with a number of authorities, as virtual pilots, in order to understand how devolution of transport decision-making and delivery can be implemented practically to maximise its economic and social impact
- 4.2. galvanising sector support to ensure that local authorities can benefit for the knowledge and best practice in the sector
- 4.3. identifying and prosecuting some early successes.

### **Working with local authorities**

5. Through working with councils we can look at innovative approaches for bringing funding streams together as well as the powers and flexibilities that might benefit economic social and environmental outcomes. For these virtual pilots to be effective, it is useful that we work with councils that are already in the process of seeking devolved powers or will be working with recent decisions to generate better economic outcomes in their areas. A number of authorities have been keen to explore the options for devolution through pilot work with the DfT:

### **Cambridgeshire**

Cambridgeshire has expressed a definite interest in acting as a pilot area and the County Council is developing a proposal that would centre on the recently-approved new station at Chesterton. This will be called Cambridge Science Park and will connect rail links to London, Norwich, Birmingham and Kings Lynn with the guided busway to St Ives and Huntingdon, while car and cycle parking will also be provided. Part of the point of the pilot will be that schemes such as this, which are very beneficial locally and often nationally, take so long to bring forward. In this case, efforts have been made over 20 years to no avail. The "in-principle" approval has now been given for this project, but only because the County Council has agreed to borrow the funds up front and at risk (through prudential borrowing) and then recoup them from the train operating companies' additional revenues. The decision on whether this can happen still lies entirely with DfT. Even this current phase of the work has taken a year to get to this point and there are still further discussions to go. This sort of a proposal could have happened much more quickly if the Council had more power in franchising (as has been floated by Government as part of the potential "City Deal" packages) and so had the ability to take measured risks and judge these against the potential rewards. The other element of the pilot will be things that flow from the station – i.e. how TMA part 6 powers and other elements can help enhance the benefits of having a new station.

## **Cornwall**

Cornwall is keen to explore further through the pilot work a range of opportunities to increase its role in transport decision-making and delivery. These include:

**Detrunking** – Cornwall has been lobbying DfT to take on responsibility for the A30 and A38 trunk roads in the county. The Council has demonstrated that it can secure alternative funding sources that the Highways Agency (HA) does not have access to and thereby improve the trunk roads where HA cannot, e.g. £4 million investment at A30 Chiverton Cross to release development constraints. The Minister has already allowed the Council to fund the development of the design for the dualling of the A30 at Temple which had been suspended by DfT/HA. Detrunking would allow the Council to be more in control of the constraints on economic growth in Cornwall and allow the schemes to progress more quickly by removing the need to adopt HA procedures in addition to the councils' own. The ability to deliver schemes more quickly would allow the Council to respond more quickly to funding opportunities as they arise which could bring significant economic benefits to the Cornish Economy.

**Rail Franchising** – There have already been informal discussions around the possibility of Cornwall commissioning rail services on branch lines in the county. The forthcoming award of the Great Western franchise need not in our view impose an absolute deadline on resolving this issue as the franchise could allow for an early break in respect of these services. Cornwall Council has a record of successful support for improvements to rail services in the county, having invested £30 million in the Cornish railway infrastructure in the 10 years to 2009 and supported the Truro – Falmouth Improvement that has seen a 98% growth in patronage in the three years since completion.

**Bus** – a commitment on DfT's part to support examination by Cornwall of how bus subsidies and Quality Contracts or other innovations can be used to improve bus services and integrate bus and rail. Cornwall Council has submitted a bid through the Local Sustainable Transport Fund to deliver a quality bus network in Central Cornwall, and this could be used as an opportunity to consider how these improvements are implemented. Cornwall has started to investigate opportunities for improving the delivery of bus services for the needs of the customer.

## **Staffordshire**

Staffordshire County Council has expressed an interest to be involved as a pilot area. The county and district councils have been successful in attracting substantial inward investment into the local area for example, Jaguar Land Rovers recent investment in the i54 site. Staffordshire County Council and Wolverhampton are investing nearly £40 million in local transport infrastructure improvements to secure this investment. The themes of the pilot work with the DfT provide an opportunity to explore options for improving the responsiveness to inward investors through greater local involvement in transport decision-making across road, bus and rail.

Improvements to road infrastructure have been an important aspect of recent successes in Staffordshire. However, through this pilot work we would also like to explore the potential for improving access to jobs through greater local bus franchising and also greater involvement in rail - particularly in relation to the capacity for new rail stations to transform local areas and improve access to development sites.

The Council is also keen to explore how it can work more effectively with the Highways Agency to prioritise economic development in Staffordshire.

6. In addition, **Leeds City Region, Greater Manchester** and **Durham** are also interested in exploring how they can support this development through their involvement as virtual pilots.

## **Capacity building**

### **Leadership and strategic decision-making**

7. Members discussed with the Secretary of State the potential need for capacity building in local authorities and DfT to accompany the devolution programme. There is scope for the LGA to support strategic leaders in dealing with devolution issues. Some areas of potential devolution, such as rail, will move councils into new areas. Support for leadership, decision-making and partnership working will be key.
8. At Item 3 on this agenda there is a report on the development support we can offer councils. Support with strategic leadership around transport can be incorporated through that route.

**Support for authorities in rail franchising**

9. In the area of rail we are already seeing that some authorities are sensing that they are not being fully engaged in the debate. Our work with councils is showing that there is a need for a support/improvement offer from LGA, designed to facilitate the exchange of best practice in navigating the rail franchising process. The existence of such an offer should help to raise ambition across the sector and empower councils to take advantage of a vital opportunity which if missed is unlikely to come round for a generation, if at all.
10. Our support here can be through intercession with the DfT and through the further development and sharing of best practice through an officer network.

**Early successes**

11. We are also keen to demonstrate that the closer working with the DfT can result in some quick wins. From the perspective of the LGA the first of these should be the Traffic Management Act Part 6.

**Traffic Management Act Part 6**

12. Giving councils outside of London the powers to enforce the measures in the Traffic Management Act Part 6 (banned turns, bus lanes, cycle lanes, box junctions etc) is in itself in line with localist principles but would also enhance other measures. We have made the point to DfT that giving councils the power to enforce cycle lanes seems likely to enhance the benefits of giving them the money to promote cycling under Local Sustainable Transport Fund projects and TMA bus lane powers would enhance any measure to give councils greater say in the provision of local bus services etc. As such these measures would help embed the concept of transport as a key place-shaping tool for councils.
13. We have consulted with the Technical Advisory Group (TAG) and they have expertise in regulation-making which we can offer to DfT as a counter to the department's lack of resource to devote to this issue. TAG is confident that the regulations could be made in a way that would allow for piloting rather than a 'big-bang' introduction.
14. This is an area where we could move quickly to support the DfT and those authorities which want to progress with Part 6. We are providing currently working with the sector to provide DfT with additional evidence of the likely beneficial impacts of implementation.

## **Other potential areas**

### **Concessionary fares**

15. Concessionary fares has also been raised as an area where local authorities would like to work with government to improve the benefit of the scheme to local communities. The LGA's position is that concessionary fares should be devolved for local determination by councils. Councils are already beginning to explore options and councils are keen to innovate in this area, working with their communities to generate solutions. The Board may wish to comment on further work in this area.
16. Through our work with the DfT there are opportunities for options to devolve bus subsidies and there is the scope to include this within our pilot programme.

## **Conclusion and next steps**

17. Following the agreement with the DfT for targeted pilot work with authorities, we have established a number of councils who would be keen to participate in virtual pilots. The pilot councils discussed above are already somewhat down the road in developing and/or having their plans agreed. Therefore these councils provide a great opportunity for the LGA to work with them to help identify and address barriers and also to look at implementation and the lessons that can be learnt and shared with others.
18. Through the work with authorities we will be able to address the key areas discussed with the Secretary of State, namely: the place offer; innovative use of budgets; capacity building; better working with the Highways Agency. We will also be able to take forward some quick wins and generate the debate on some particularly difficult issues such as bus subsidy and concessionary fares.
19. Members may wish to discuss the pilots and offer other innovative pilots from councils.
20. Once we have finalised our list of pilots and the areas we want to pursue we will formalise these with the DfT and firm up the milestones.

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