

Transport Update

Purpose of report

For discussion and direction.

Summary

This paper provides an update on the establishment of an HS2 environmental forum by the Secretary of State for Transport, rail decentralisation, the Department for Transport/LGA demonstration projects and rail investment.

Recommendation

Members are asked to consider the issues set out in the paper and to provide comment and direction.

Action

Officers to take actions as directed.

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Transport Update

HS2 Environmental Forum

1. The Government announced its decision to develop a new national high speed rail network (HS2) on 10 Jan 2012. In the timetable for HS2, it proposes engagement on environmental issues along phase 1 of the route in spring 2012, with the publication of an Environmental Statement in spring 2013.
2. In June 2012, the Secretary of State for Transport invited a number of groups to attend an Environmental Roundtable discussion. The meeting took place on 28 June. The stated purpose of the meeting was to provide the Secretary of State with the opportunity to hear from environmental groups on “key strategic and national level themes, such as the ways in which environmental organisations can engage with the design of HS2, and the Environmental Impact Assessment process”.
3. The invited groups were:
 - 3.1. Campaign for Better Transport
 - 3.2. Campaign to Protect Rural England
 - 3.3. Ramblers Association
 - 3.4. RSPB
 - 3.5. Friends of the Earth
 - 3.6. National Association of AONBs
 - 3.7. Woodland Trust
 - 3.8. National Trust
 - 3.9. Greenpeace
 - 3.10. Heritage Alliance
 - 3.11. Local Government Association

LGA attendance

4. The invitation to the LGA to attend the roundtable discussion was initiated by the Department for Transport (DfT) and sent to officers. Given the divergence of views on HS2 in the sector, advice on LGA attendance was sought from the Chair and Vice Chair of the Economy and Transport Board. In accepting the invitation, it was made clear to DfT officials that an LGA officer would be attending with a watching brief and our participation would be reviewed with members once the purpose of the forum was clearer.

Issues discussed on 28 April

5. Discussion at the forum was conducted at a strategic level and focused on how best to ensure an effective strategic framework in which local decisions on the design of HS2, and mitigation of the negative environmental impact could take place.
6. The environmental groups present had coordinated a view in advance of the meeting. The view was broadly supportive of HS2 and optimistic that there could be environmental gains through the creation of a “green corridor” along the proposed HS2 route.
7. The environmental groups expressed a view that the development had to reflect a commitment to the equality of the economic, environmental and social factors.
8. There was some discussion of phase 2 of HS2 and it emerged that the location of stations would be a major issue in the discussion of this phase.
9. In these discussions, our watching brief was understood by DfT and other participants.
10. To note, in the course of the meeting, it emerged that the DfT was working on a national strategy statement for transport which it is hoping to publish in December 2012. The LGA stressed the need for local government to have a major stake in the development of the Statement, not least because of the programme of devolution which will place an increasing amount of decision making in the hands of local authorities and their communities. We are now in talks with the DfT on our participation in the development of the strategy.

Future role of the group

11. A key aim for the LGA in attending the first meeting was to seek clarity on the future role of the forum. The group does not currently have terms of reference and participants did not proceed beyond the statement of broad positions.
12. The Secretary of State requested that the group meet quarterly as a regular forum and this was agreed.
13. The environmental groups asked for the establishment of a design stakeholder group to support the development of HS2. This is under consideration.

LGA role

14. Based on this broad remit for the group, the role for the LGA can be clarified.

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15. As there are distinct and different views amongst councils on this issue, the LGA will be unable to represent a single collective view to DfT. In response to future invitations to this forum, it will be the LGA's role to ensure that a broad range of council views is represented. Thus members may wish to consider writing to the Secretary of State requesting that local government interests at future meetings should be from four councils to ensure the widest views of the sector are heard.

Rail Decentralisation

16. The consultation on Rail devolution closed on 28 June. The LGA's response to the consultation can be found in **Appendix A**. In summary the LGA was positive about rail devolution. We argued for maximum flexibility in the use of the various models put forward by the DfT for devolution. However, we also noted that a realistic funding regime was required emphasising that it was not devolution at any price.

18. The Governments response to the consultation is awaited, but we are aware that negotiations on localisation in the Northern Franchise (including the Trans Pennine) and in the South West Franchise are advancing. The recently announced City Deals contain rail devolution as a key element.

19. Cllr Shona Johnstone gave evidence to the House of Commons Transport Select Committee on 10 July 2012, together with representatives from Passenger Transport Executive Group (PTEG). Cllr Johnstone stressed the importance of good governance arrangements to ensure that local authorities outside ITA areas had an opportunity to inform and influence the localisation of rail. Cllr Johnstone also spoke about the value of the regional network and the capacity of authorities, for example Cornwall, to make significant improvements to patronage through targeted investment.

LGA/DfT Demonstration Projects

20. The LGA's campaign identified a number of barriers to growth including transport. The LGA met with the Secretary of State for Transport and got agreement to examine approaches to making devolution work for the benefit of growth and also to explore different ways for councils to work with the department and key agencies such as the Highways Agency (HA). We are currently working with a number of councils as demonstration projects.

21. The DfT continues to liaise closely with LGA on our work to use demonstration projects to highlight how devolution can work effectively and also to identify continuing challenges.

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22. We have met with Cornwall Council, Staffordshire County Council, Cambridgeshire County Council and Manchester City Council, at officer level, to scope out further work to be undertaken in the autumn.
23. What has emerged from these meetings is a substantial amount of ambition for greater transport devolution across the modes.
24. There is evidence of good partnership working with the HA, but some frustration with the framework in which the HA operates, which can have negative impacts on the growth ambitions of councils. We have also heard how councils are overcoming some of these barriers to growth.
25. The timetable for the continuing work is set out in Table 1.

Table 1

Date	Activity
June/July 2012	Scoping meetings with demonstration authorities
Sept/Nov 2012	Summits held in each area involving senior members and officers senior DfT Officials
Dec 2012	Meeting with Secretary of State to address opportunities and issues raised through the summits

Rail Investment

27. Following a meeting between Lead Members and Office for Rail Regulation (ORR) we were asked to provide some examples of how Network Rail (NR) could consult in a more effective way with councils. A document was sent to ORR on this before the end of May at ORR's request, so that it could influence their steer to NR and 'ensure they are having the right conversations'.
28. From further discussion with ORR, there does seem to be a debate developing in the rail industry about how councils can be better involved in decision-making. For example, we have been asked by ORR to consider two further issues to strengthen council involvement with Network Rail:
- 28.1. An understanding of what involvement the Economy and Transport Board would like once ORR has received NR's strategic business plan. This plan is due to be published on 7 January 2013 and ORR will seek comments by 19 February 2013 and hold a workshop. Whilst we will send a formal LGA response and attend any consultation events, it is recommended that we request a formal meeting in advance of the plan being submitted to ORR to influence NR thinking.

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28.2. In the longer term, what involvement the Economy and Transport Board would like in franchises. It is likely that individual councils and groups of councils would be involved in the detail of franchise and the LGA's role would be to ensure that this occurs. Our LGA role would be to ensure capacity building and sharing best practice. In order to support councils, we do need to press ORR on their role in relation to franchising especially on how ORR will engage with the sector in framing the next performance review, to ensure that a framework for engagement is put in place

29. Members are asked to consider these issues and officers will then respond to ORR.

Wider issue of engagement with Network Rail

33. The LGA has been lobbying for a greater role for councils in transport investment decisions. Given the indications from ORR that this message is being heard, members may wish to consider some of the principles which could form the basis of future work/relationship with Network Rail to influence its plans.

34. Members are asked to consider some of the issues below from which a more detailed report will be delivered.

What local engagement might look like for Network Rail

35. The DfT's move to devolve decision-making on rail, the likelihood that this will in practice be linked to other devolutionary moves within transport (major schemes, bus subsidy Local Sustainable Transport Fund and possibly others) and the Government's wider devolution agenda, mean there is advantage for both councils and NR in more effective engagement at local and in particular sub-regional level.

36. Transport is a key element of the LGA's Local Growth Campaign. Thus we would need to ensure that transport issues are dealt with within a wider debate about how investing in rail can support growth in Britain's and local economies. ORR is keen to press NR to meet councils at a sub-regional level to discuss joined-up investment strategies. Members may wish to comment on how this is best achieved.

What is the offer from councils?

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37. We will need to ensure that the rail industry is aware of the wider role that councils play and how rail investment decisions affect a wide-range of policy areas. For example:

- 37.1. Councils undertake sustainability assessments in relation to local development plans; many have voluntary sustainability statements and policies on meeting climate change and air quality targets as well as Local Transport plans.
- 37.2. There is an increasing emphasis on preventing ill health through the work of local health and wellbeing boards will involve local transport planning.
- 37.3. NR properties, in particular station sites, are fundamentally affected by and intrinsic to many micro economic initiatives – for example regenerating high streets – as well as public safety (crime reduction) initiatives.

38. The important issue is to ensure that NR is aware of the widest impact of its decisions at a strategic level and that detailed technical presentations and consultations on a 'route' basis tend not to engage local partners on key issues.

39. Given that councils may now be in the frame for a more involved role it is important to establish some principles for engagement. Members are invited to comment on this issue. From their view a more detailed report will be delivered.

Traffic Management Act (TMA) Part 6

40. As we previously noted, officials have reviewed the evidence from London's experience in order to inform discussions at ministerial level on the enactment of TMA Part 6. DfT has now agreed that as part of the City Deal process it will be working with Sheffield City Council and Nottingham City Council in order to conduct a thorough assessment of the costs and benefits of implementing TMA Part 6. In both cases the councils will be taking forward a project to analyse the traffic benefits of enacting Part 6 of the Traffic Management Act 2004, to allow local enforcement of moving traffic contraventions and facilitate the efficient control and management of traffic. We do not have all the detail but this seems to fall short of piloting any new powers.