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## **Transport Update**

### **Purpose of report**

For discussion and direction.

### **Summary**

This paper provides early warning on the Department for Transport's (DfT) development of a National Transport Statement, a Roads Strategy and a feasibility study into future institutional arrangements for the strategic highways operator. It sets out a draft position statement in **Appendix A** for consideration. The paper also reflects on the increased use of bus partnerships and asks how the LGA can support the dissemination of good practice on partnerships and support authorities that are still seeking franchising as an option for managing bus services locally. Finally the paper provides brief updates on the Traffic Management Act Part 6 and Streetworks.

### **Recommendation**

Members are asked to:

1. consider and agree a final version of the position statement on Local Authorities and the Strategic Roads Network, which is set out in **Appendix A**.
2. consider the increased use of partnerships to achieve bus service improvement, and their promotion by government.
3. consider how the LGA can support the dissemination of good practice on partnerships and support authorities that are still seeking franchising as an option for managing bus services locally.
4. note the continuing work on the Traffic Management Act Part 6 and Streetworks.

### **Action**

Officers to take actions as directed.

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## **Transport Update**

### **National Transport Statement, Roads Strategy and Feasibility Study**

1. As discussed at previous Board meetings, the Department of Transport (DfT) is preparing a national transport statement and a roads strategy and is set to produce these before the end of the year. A feasibility study looking at the future institutional arrangements needed to increase roads infrastructure investment has also been prepared.

#### **National Statement**

2. The National Transport Statement is expected to be a very high level document that will set out the broad principles that will shape transport policy over the next spending review and beyond. Growth is likely to feature as a very prominent priority for transport as is the user experience, which is in line with the LGA's position. It is not clear however, whether it will go further and say how this might be achieved. There is unlikely to be a strong statement on investment priorities over the longer term. Currently the DfT does not intend to consult on the statement. The intention is to publish without consultation before the end of the year.
3. The LGA pushed for and was successful in getting access at an early stage to the process of developing the National Transport Statement. We brought technical experts from the sector together to advise the DfT. The key message was that the DfT, in developing the statement, must engage across Whitehall to make the links with desired health, employment, environment and business outcomes. Transport is facilitative rather than an outcome in itself and the National Transport Statement needs to reflect this.

#### **Roads Strategy**

4. The development of the roads strategy and feasibility study provides an opportunity for local government to consider and press for a more localised approach to investment in the whole network (both strategic and local).
5. The roads strategy will be more substantial than the National Transport Statement. It will reflect on future trends & pressures on the network and set out how investment and technology can resolve problems and unlock growth. The strategy will take a route based approach which has the potential to see greater local authority involvement in decision-making on the strategic network.
6. The route based approach is currently being piloted on three routes: the A1 west of Newcastle; the M62 between Leeds and Manchester; and the A12 (between M25 and A14 and including the A120 Colchester to Harwich). The choice of pilots is to provide a range of different issues, road types and governance arrangements.
7. The roads strategy is likely to try and marry a range of outcomes including achieving a reliable higher quality national network which is run efficiently is safer, greener and meets

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user needs. The strategy is also likely to include a performance framework for the network manager and outline a long-term investment plan.

8. The feasibility study's prime intention is to identify the best model for increasing investment in the road infrastructure, recognising the constraints on public finances. The Prime Minister has spoken about the utilities model, particularly water, as a possible model for highways management and this has been picked up and championed by the CBI in its recent report.
9. In developing the roads strategy and future institutional models for the network operator, it is important that local government takes a central role. It is key that:
  - 9.1. local authorities should have a primary role in decision-making on the Strategic Roads Network (SRN)
  - 9.2. decisions on investment on the SRN and the local roads network should be taken together
  - 9.3. a route based and partnership approach to addressing problems is essential, but the governance should be centred locally.
10. A position statement on the role of local authorities is set out in **Appendix A**. We have worked with the sector in developing the statement on local authorities and the strategic roads network. We have met with officials and pressed our view and there is recognition within the DfT that local authorities have an important role to play in the governance of the SRN. This is a policy area that is developing quickly and we have recognised the need to be proactive in advance of any formal consultation.

**Bus Partnerships**

11. Following successful lobbying by the LGA, the DfT is devolving a substantial proportion of the Bus Service Operators Grant (BSOG), around 60 per cent, to local authorities. This money has previously been used as a fuel subsidy for bus operators. Giving the money instead to local authorities will mean that it can be used more strategically to benefit the needs of communities. The money devolved to local authorities will consist of all BSOG that is currently paid to services tendered by local authorities and for all services that operate within the new Better Bus Areas (BBAs). In line with these developments the government has been pushing partnerships between local authorities and bus operators as the best approach to achieving better outcomes, including increased bus patronage and increases in the quality of services. Board members have asked that partnership arrangements be explored and the following paragraphs begin that process.
12. In the foreword to the DfT's *'Green Light for Better Buses'* Norman Baker MP noted that bus partnerships were making a difference "up and down the country". He went on to say: "We're doing everything we can to make the environment more conducive to these types of collaboration. Whether it's improving the regulatory environment, making more money available at a local level or ensuring local people have more power to make local decisions about transport in their area".

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13. Voluntary and statutory bus partnerships are both recognised in the 2000 and 2008 Transport Acts as legitimate mechanisms for improving bus patronage and quality of provision. And there are currently a range of examples of both voluntary and statutory partnerships in existence. Some of these cover single routes and some cover broader geographic areas.
14. The introduction of the BBA initiative provides further incentives for partnerships, in the form of top-up funding, equivalent to about an additional 30 per cent of the regular BSOG payment in a given area. Local authorities in BBA areas will receive all relevant BSOG funds, which are currently paid to operators.
15. Nottingham is an example where voluntary and statutory partnerships are in operation for some time. There are eight bus operators in Nottingham, all under local ownership. The City Council has progressed a substantive scheme of joint improvement works with these operators over the past 15 years, under voluntary Bus Quality Partnership approach. This agreed approach focuses on action rather than detailed formal prescriptive processes. However, there is tightly focussed joint delivery and careful monitoring to quantify progress and prioritise future investment. There is also a formal statutory bus quality partnership covering the whole of the city centre. This aims to set given standards on exhaust emissions, vehicle quality, accessibility and management, together with ticketing and infrastructure. This has ensured that bus services are planned into all parts of the growing city centre and fully integrated into key developments.
16. Other areas with a history of bus partnerships include Norfolk (Norwich), Cheshire, Hertfordshire (St Albans), Greater Manchester, Sheffield and South Tyneside.
17. Sheffield is a pilot for the new BBA initiative. The Sheffield Bus Partnership comprises South Yorkshire Passenger Transport Executive, Sheffield City Council, First Group, Stagecoach, TM Travel and Sheffield Community Transport. The partnership aims to deliver a simpler bus network, co-ordinated timetables, a new range of tickets which you can use on any bus or tram in Sheffield, more services on many routes, fewer changes to timetables and more buses with low-floor access.
18. The LGA has a long held position that franchising (the suspension of deregulation) should be available to those authorities that believe it is the best approach to managing their local bus networks. The LGA has pursued this aim with government over a number of years. In our recent work with authorities as demonstration projects for devolution it is clear that there is still an appetite for some form of franchising by local authorities. The current method for achieving this is Quality Contracts (QC). Although this option has been available since 2000, no QC has been established. An opportunity to develop a new franchising approach was lost when the Competition Commission ruled in favour of on street competition rather than competition through franchising. Further, the decision to rule out top-up funding for QC as part of the BBA initiative is a further blow to franchising. West Yorkshire is currently pursuing the QC approach and if it is successful it will be the first in the county.
19. Buses are very important to our economy. One billion bus passenger journeys annually are taken by people to their work place. 50 per cent of students are reliant on buses to get them to school and college. Local authorities have a vested interest in seeing bus

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networks succeed and the LGA can support them to achieve this locally by gathering and disseminating good practice on partnership working and by continuing to press for franchising where local authorities wish to pursue this option. An update on bus statistics is set out in **Appendix B**.

**Traffic Management Act Part 6**

20. Enforcement of moving traffic regulations is a key to improving transport's contribution to growth, particularly in urban areas. Following recent correspondence between the Board and Norman Baker MP, the Minister hosted a meeting attended by Cllr Tony Ball from the LGA and representatives from Sheffield and Nottingham Councils who have both sought the implementation of Traffic Management Act (TMA) part 6 through their city deals. The Minister asked the two councils to prepare statements setting out the reasons why the implementation of TMA Part 6 was necessary in those cities and is seeking responses by December. The LGA is working with Sheffield and Nottingham, supported by TAG, to ensure that the best case is submitted. The Minister made it clear both in his letter to the Board and in the meeting with the two authorities that this would ultimately be a political decision.

**Streetworks**

21. The LGA has commissioned a survey of local high street retail businesses with a view to understanding the impact of utility works on their businesses. The survey is now complete and the findings are being analysed. The report into the impact on businesses will be launched on 12 December 2012 at an event in the House of Commons. All members of the Economy and Transport Board have been invited to attend the launch.

**Conclusion and next steps**

22. Once agreed, the position statement will be used in discussions with DfT on the future institutional arrangements for route based strategies and future institutional reform.