

16 March 2016

Transport paper for Leadership Board

Purpose

For discussion and direction.

Summary

At their last meeting the LGA's Leadership Board agreed to have a discussion on key transport issues affecting local government and the LGA's work in supporting council's interest, which is led by the EEHT Board. The following is a draft report setting out key issues to help the Leadership Board's discussion, which will be led by the Chair of the EEHT Board. This is an opportunity for members of this board to reflect on the draft report and to highlight any issues that they would welcome the Leadership Board's support or views on.

Recommendations

1. To consider the report and work being led by EEHT Board; and
2. To ask for any further steer/input from the leadership board into priority areas of work on transport.

Action

To be taken forward as directed.

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Introduction

1. Local authorities play a vital role in maintaining and improving local transport for the communities and local economies they serve, spending a total of £7.3 billion on transport in 2014/15. With a projected increase of up to 55% in traffic by 2040, the LGA's Economy, Environment, Housing and Transport (EEHT) Board has been leading on work on behalf of the LGA to promote the role of local transport, protect services and ensure relevant powers and funding are devolved to councils. Key live transport priorities include:

- 1.1 funding;
- 1.2 devolution;
- 1.3 buses bill; and
- 1.4 air quality

Funding

2. Local funding sources for transport are currently a mix of a range of government grants, competitive funds (including the Local Growth Fund via LEPs), council's core funding, other local sources, developer contributions and prudential borrowing. The EEHT Board has supported councils call for more simplified and flexible funding arrangements that enable them to:
 - 2.1 deliver the right transport infrastructure investment that is based on the long-term needs of local communities and business, and not skewed to short term projects;
 - 2.2 tackle the £12billion road repairs backlog and focus on preventative measures to make highways more resilient, rather than more expensive reactive repairs;
 - 2.3 shape bus provision so that public subsidies are targeted according to local priorities;
 - 2.4 deliver a locally more joined-up approach to future transport needs, ensuring that other modes of travel, such as cycling and walking can be promoted in a way that makes sense locally; and
 - 2.5 influence strategic transport spending in recognition of its impact on local growth (such as the Highways Agency).
3. The November 2015 Spending Review/ Autumn Statement largely protected local transport budgets as well as the Bus Services Operators Grant (BSOG) and confirmed the Government's commitment to fund the rest of the £12billion Local Growth Fund. However, fragmentation of funding remains and a growing revenue/capital mismatch make it more difficult for local areas to maximise the benefits of their investment.

Devolution

4. The LGA's independently researched report from September 2014, Better Roads for England, provided supporting evidence that the way transport is funded and decisions are made in England is broken and that there are lessons to be learned from other countries. Councils have responded with a call for greater devolution of funding and powers so that they can prioritise and fund the long-term improvements needed to

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transport infrastructure and service. In response to the Government's invitation for devolution deals ahead of the 2015 Spending Review/Autumn Statement, 28 of the 34 have included significant transport asks, which included:

- 4.1 further bus franchising powers and control of resources, including bus subsidies;
 - 4.2 a single, smart-ticketing system;
 - 4.3 multi-year funding and consolidated transport budgets;
 - 4.4 moving traffic management powers;
 - 4.5 memoranda of understanding/strategic partnerships with Highways England and influence spending from RIS 2 (Roads Investment Strategy); and
 - 4.6 more influence over rail assets, operations and future investment (see below under the Rail update).
5. 'Devo deals' announced since Autumn 2015 have included significant transfer of funding and decision making, recognising many of the asks listed, with greater control over bus services making the biggest headlines. However, LGA members have highlighted concerns with the slow pace of progress on deals in non-metropolitan areas after the early success in Cornwall. The LGA will continue to develop the evidence base on devolution and to push for progress in non-metropolitan areas through the media and other opportunities for influencing national politicians. There is more on the Buses Bill below.
6. Councils have also been seeking powers to enforce moving traffic offences similar to those already enjoyed by Wales and London, for a long time. Such powers give local areas the ability to deal more effectively with congestion, air quality, and road safety hotspots as well as enforcement of weight restrictions. The Chair of the EEHT Board wrote to the Transport Minister last year with proposals of how the powers could be adopted by English councils in a way that would deal with Government's concerns that some councils may misuse such powers to raise revenue. This is now being followed up at officer level.

Buses policy and the Buses Bill

7. The EEHT Board commissioned a report, *Missing the Bus?*, on the status of bus provision in non-metropolitan areas in order to understand the pressures on council's ability to support bus provision, how they are responding to budget reductions and what further measures would help them. The report made a number of recommendations:
- 7.1 a suite of regulatory reforms to help the bus network deliver better value for the financial support it receives. This includes the availability of franchising powers to all areas, changes to the role of Traffic Commissioners, changes to make smart-ticketing easier and the moving traffic enforcement powers referred to above to aid bus journey times by reducing congestion;
 - 7.2 that there are no further reductions to the Bus Services Operators Grant and that the grant is devolved to councils;
 - 7.3 the lessons from the Total Transport pilots are rapidly disseminated and that councils are empowered to build on them; and
 - 7.4 fully funding the cost of operating The English National Concessionary Transport Scheme.

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8. There have been some notable successes. The Buses Bill will make available bus franchising powers potentially to all areas, however, the Government's current policy is to restrict it to combined authorities with a mayor, although Cornwall is the current exception. We anticipate that it will also require bus operators to make data on fares more accessible, reform the licensing system, strengthen statutory bus partnerships and make smart ticketing easier to implement – all of which the LGA have previously lobbied for. The latest spending review confirmed that BSOG would continue. The LGA will continue to call for full funding of the concessionary fares scheme, devolution of BSOG and councils to be given moving traffic enforcement powers, as well as the early sharing of the Total Transport pilots. Officers will also continue to scrutinise the Buses Bill, which is expected to be published shortly, in favour of councils' interests.

Air Quality

9. Transport is a major contributor to poor air quality – for example, road transport still accounts for just under one third of total Nitrogen Dioxide (NO_x) emissions. Emissions of NO_x can cause breathing problems, trigger asthma, reduce lung function and cause lung diseases.
10. Following the launch of infraction proceedings by the European Commission for breach of NO_x limit values, and a Supreme Court ruling, the Government consulted on its draft plans for tackling the air pollution problem, to which the LGA responded.
11. Subsequently, in its response, the Government proposed a Clean Air Zone framework that would allow local authorities to introduce one of four types of Clean Air Zones (CAZs)¹ under a framework designed to ensure the same standards are set for each class of vehicle in each CAZ.
12. One change from the draft plans was for CAZs to be compulsory in five cities: Birmingham, Leeds, Nottingham, Derby and Southampton. For example, in Birmingham and Leeds this will mean that buses, heavy goods vehicles, taxis and light goods vehicles that do not meet the Euro standard 6 (the latest standard on exhaust emissions of NO_x and other pollutants) will have to pay to enter a CAZ. Cars can only be considered after measures are taken on these on other types of vehicles. Other areas would also be able to introduce Clean Air Zones.
13. At the same time, the LGA was invited to give evidence to the Environment, Food and Rural Affairs Committee evidence session on air quality and on Defra's plans. Through our oral and written response the LGA made the following points:
 - 13.1 we do not support the Government's plan to 'impose' CAZs on some councils. CAZs should be optional and further we do not believe they will allow the UK to meet its air quality obligations unless they are introduced as part of a wider package of measures at the national and local level (including moving traffic enforcement powers);

¹ CAZs can cover (type A) buses and taxis; (B) buses, taxis and HGVs; (C) Buses, taxis, HGVs and vans; or (D) buses, taxis, HGVs, vans and cars. They cannot only target cars or only target HGVs.

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- 13.2 at national level, the Government should incentivise a move away from the most harmful cars and consider what contribution vehicle manufacturers should make to the cost of reducing nitrogen dioxide pollution;
 - 13.3 we would welcome more flexibility to deal with cars as the Government acknowledges that “around 80 per cent of NOx emissions in areas where the UK is exceeding NO2 limits are due to transport... the largest source is emissions from diesel light duty vehicles (cars and vans)”; and
 - 13.4 greater flexibility is needed for buses, for example to exempt infrequent visitors and target frequent zone-entrants, or to set different standards (national standards are not needed as bus services tend to operate very locally, unlike HGVs etc).
14. It is expected that the Government will consult in summer with a view to introducing secondary legislation in 2017. Scoping studies will also be undertaken in the affected places.
15. Under Part 2 of the Localism Act the government could require councils to pay all or part of an infraction fine. The LGA will continue to make the case that there is no justification for the government to pass on fines to local authorities for air quality infractions.