

Proposal to Establish a Statutory Sub-national Transport Body: For Consultation



PROPOSAL TO ESTABLISH A STATUTORY SUB-NATIONAL TRANSPORT BODY: FOR CONSULTATION

OVERVIEW

England's Economic Heartland is one of the world's leading economic regions. Its success is founded on science and technology innovation, powered by a network of world-leading universities and research centres.

Its economic success benefits not only the region's residents, but the UK more widely, with the Heartland being a net contributor to the Treasury. However, as the National Infrastructure Commission highlighted, the region's continued economic success cannot be taken for granted.

There is a need to invest in maintaining our existing infrastructure assets, deliver planned investment in additional capacity to meet our connectivity needs, as well as plan for the additional investment required to enable sustainable growth. Investment is required to both support the existing economy and enable delivery of planned economic and housing growth, whilst at the same time preserving our natural and historic environment.

The Draft Transport Strategy sets out the need for change in order to deliver the region's vision for its transport system: change in the way we develop solutions to the strategic issues we need to address, change in the way we appraise the merits of individual proposals, and change in the way we plan for and deliver the investment pipeline.

The strategy makes the case for a whole-system approach moving forward: one that brings consideration of individual networks together as a single transport system; one that meets the expectations of its users – both individuals and businesses.

Ultimately delivery of specific proposals will remain the responsibility of individual infrastructure owners and service providers. However, the work of EEH as the Sub-national Transport Body for the region provides added value in three ways:

- Strategic Influence – ensuring the regional voice, through the Strategic Transport Forum (the Sub-national Transport Body) shapes the development of national investment programmes overseen by the Government and delivered by Network Rail, East West Railway Company and Highways England
- Co-ordination – providing a practical and efficient mechanism for aligning the development and implementation of solutions on individual networks to a common ambition
- Accelerating Delivery – helping to ensure that schemes and initiatives which cross local authority boundaries are delivered efficiently and that the benefits for our communities and businesses are realised at the earliest opportunity.

It is in this context that the political leadership of England's Economic Heartland, together with the Strategic Transport Forum, has agreed in principle to develop a proposal that would make the case for seeking statutory status for the Sub-national Transport Body.

This is on the basis that:

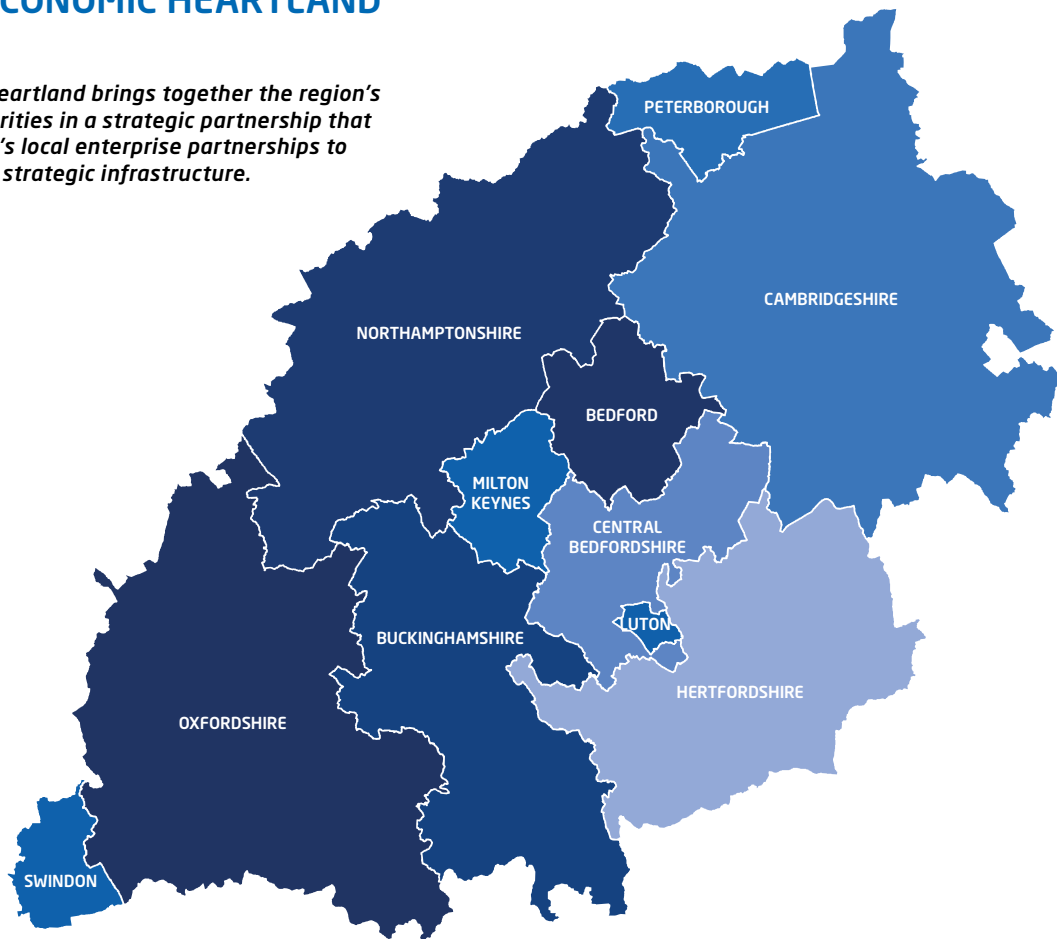
- Any proposal to seek statutory status would complement the existing role of Local Transport Authorities and Mayoral Combined Authority
- The proposal would only seek the devolution of powers that are proportionate and necessary to deliver the strategic aims and objectives of the Transport Strategy
- The proposal is developed in parallel with the work to develop the Transport Strategy.

It will be for the Local Transport Authorities and Mayoral Combined Authority to determine the content of the proposal, and to agree to submit it to the Secretary of State for their consideration.

Alongside the publication of the Draft Transport Strategy for consultation England's Economic Heartland is also seeking views on the proposal to establish the Sub-national Transport Body on a statutory basis.

ENGLAND'S ECONOMIC HEARTLAND

England's Economic Heartland brings together the region's Local Transport Authorities in a strategic partnership that works with the region's local enterprise partnerships to provide leadership on strategic infrastructure.



England's Economic Heartland is a collaborative strategic partnership that covers the region from Swindon in the west across to Cambridgeshire in the east and from Northamptonshire in the north to Hertfordshire in the south.

It was established by the region's political and business leaders in 2015 and has a proven track record on working collaboratively with partners, both within the region and nationally, to provide leadership on issues relating to strategic infrastructure – in particular transport and digital infrastructure.

Underpinning the partnership is the leaders' commitment to harness the power of collaborative working on strategic issues to deliver their shared ambition – realising the economic potential of the region.

By working together on issues of strategic importance they are better able to plan for:

- Strategic infrastructure issues and solutions that extend beyond any one single area
- Issues that are common to one or more local areas that benefit from a co-ordinated response
- Strengthening the case in support of strategic infrastructure by having a single voice at a scale that has influence and impact.

The strength gained through collaborative working underpins the work of England's Economic Heartland, and led to the establishment of the Strategic Transport Forum as the Sub-national Transport Body for the region.

SUB-NATIONAL TRANSPORT BODIES IN ENGLAND

There are seven Sub-national Transport Bodies covering the entirety of England outside of London.



Oxford – Cambridge Arc

The Oxford – Cambridge Arc (as defined by Government) forms a significant part of the Heartland. EEH is an active member of the initiatives underway at national, regional and local level to improve collaboration on wider issues facing the Arc in order to deliver long-term sustainable growth.

The Government has identified the region as being a national economic priority. It has recognised the need to plan for and deliver substantial additional infrastructure ahead of the arrival of planned growth, including the necessary transport infrastructure, utilities, digital connectivity, health and education.

England's Economic Heartland provides leadership on strategic infrastructure, including strategic transport, in support of the Arc initiative through its connectivity work stream.

The critical importance of infrastructure linkages beyond the Arc was highlighted by the National Infrastructure Commission. England's Economic Heartland's wider geography, incorporating Swindon and Hertfordshire, and our strong working relationships with neighbouring Sub-national Transport Bodies, ensures these wider linkages are fully considered in the planning of strategic infrastructure and services.

DRAFT TRANSPORT STRATEGY

At the heart of the Draft Transport Strategy is the commitment to harness the region's economic potential and improve quality of life, health and wellbeing in a way that is inclusive, and which improves the environment and enable our transport system to meet the requirement to be net-zero no later than 2050.

This philosophy is captured in the strategy's vision and accompanying key principles:

Vision:

'To realise sustainable growth opportunities and improve the quality of life and well-being for Heartland residents and businesses, by harnessing the region's globally renowned centres of innovation to unlock a world class, de-carbonised transport system'

Key Principles:

- Achieving net-zero carbon emissions from transport no later than 2050
- Improving quality of life and well-being through an inclusive transport system accessible to all which emphasises sustainable and active travel
- Supporting the regional economy by connecting people and businesses to markets and opportunities
- Ensuring that the Heartland works for the UK by enabling the efficient movement of people and goods through the region and to/from international gateways.



The strategy is the foundation on which the region's partners will plan the strategic development of the region's transport system. Ensuring its policies are implemented will be the key to its success.

The political leaders of England's Economic Heartland, together with the Strategic Transport Forum believe that seeking to establish the Sub-national Transport Body on a statutory basis will significantly improve their collective ability to implement the Transport Strategy by:

- **One voice for strategic transport** - providing a clear, prioritised view of the region's strategic transport investment needs. The Strategic Transport Forum already offers an effective mechanism for Government to engage with local authorities and local enterprise partnerships in the region: statutory status would take that a step further, enabling the region to directly inform and influence critical investment decisions by Government and key national partners, including Network Rail, East West Railway Company and Highways England
- **Facilitating economic growth** - the Transport Strategy will facilitate the delivery of planned jobs and housing across the region, thereby directly contributing to UK GVA. Implementation of strategic cross-boundary schemes, particularly in improved east-west and north-south connectivity will connect economic centres and international gateways for the benefit of people and businesses, regionally and nationally. England's Economic Heartland also offers a route to engage with other Sub-national Transport Bodies and Transport for London on wider cross-regional issues

- **Delivering benefits for the travelling public** - England's Economic Heartland can support the efficient delivery of pan-regional programmes that will offer considerable benefits to the end user – for example integrated travel solutions combined with smart ticketing will operate more effectively at a regional scale and can be best facilitated by a regional body than by individual organisations
- **Local Democratic Accountability** - the Transport Strategy has been prepared by the Strategic Transport Forum on behalf of England's Economic Heartland. Its development has been overseen by the region's political leadership and has had the benefit of input from a wide range of stakeholders across the region. Implementation of the Transport Strategy will be led by the region's political leadership working alongside its business leaders, with a direct line of accountability to the people and organisations they represent
- **Achieving the Longer Term Vision** - securing statutory status for the Sub-national Transport Body offers England's Economic Heartland the permanence and security to ensure implementation of the Transport Strategy to 2050. It provides a governance structure that matches the lifecycle of major infrastructure projects. It will provide confidence to funders of infrastructure and investors in the region. This will enable EEH to work with the market to ensure the delivery of prioritised schemes and support the development of the skills needed to design, build, operate and maintain the world-class transport system that the region needs in order to achieve the region's ambition.



STATUTORY SUB-NATIONAL TRANSPORT BODIES

The Government introduced the power to establish Sub-national Transport Bodies on a statutory basis through the Cities and Local Devolution Act 2016, amending the Local Transport Act 2008.

The primary legislation sets out that a statutory Sub-national Transport Body would have a range of general functions, including:

- a) To prepare a transport strategy for the area
- b) To provide advice to the Secretary of State about the exercise of transport functions in relation to the area (whether exercisable by the Secretary of State or others)
- c) To co-ordinate the carrying out of transport functions in relation to the area that are exercisable by different constituent authorities with a view to improving the effectiveness and efficiency in carrying out those functions.

Once established as a statutory body the Secretary of State would have to have regard to the proposals contained in the Transport Strategy and the advice of the Sub-national Transport Body.

In addition to the general functions explicitly identified in the legislative framework, the constituent members of the Sub-national Transport Body have the ability to make other proposals as to the role and functions it has.

The Government's Transport Investment Strategy highlights the added value that Sub-national Transport Bodies can provide, stating:

"... This unprecedented access to investment decision making is only possible as a result of STBs' unique role as the single voice for their region and the legitimacy that statutory status gives them to priorities potential investments based on their regional transport strategies."

In order to make the case to become a statutory Sub-national Transport Body the proposal must meet the criteria the Secretary of State will use when considering a proposal, as set out in the Local Transport Act 2009, specifically that:

'102F 1(a) its establishment would facilitate the development and implementation of transport strategies for the area, and,

1(b) the objective of economic growth in the area would be furthered by the development and implementation of such strategies'

In setting out its desire in principle to establish the Sub-national Transport Body on a statutory basis, the political leadership of England's Economic Heartland and the Strategic Transport Forum have both set out that it is their intention to only seek the powers they believe are proportionate and are necessary in order to implement the Transport Strategy. They have equally been clear that the proposal would complement and build on the existing powers of local authorities.

A FRAMEWORK FOR THE PROPOSAL

The commitment to develop the proposal for a statutory Sub-national Transport Body alongside the preparation of the Draft Transport Strategy helps focus the development of the proposal on those powers required to enable implementation of the Transport Strategy. On that basis the Strategic Transport Forum has developed a framework within which the detailed proposal for seeking statutory status will be developed.

Constituent Members

The constituent members of the statutory Sub-national Transport Body would be the relevant Local Transport Authorities in the region.

The work of England's Economic Heartland has benefited from the start from strong input from the region's business leadership, including the Local Enterprise Partnerships and other business representatives. It is the intention to retain a strong business perspective into the work of the statutory Sub-national Transport Body. This would be achieved by enabling the statutory body to co-opt members to be part of the Sub-national Transport Body.

Each constituent member would appoint one of their councillors/elected members or their elected Mayor to represent their interests on the statutory Sub-national Transport Body.

Scrutiny Committee

With the establishment of a statutory Sub-national Transport Body there would be a requirement to appoint a scrutiny committee, with the authority to review decisions made or actions taken by the Body in connection with the implementation of its powers and responsibilities.

The scrutiny committee would also be able to make reports or recommendations to the statutory Sub-national Transport Body in respect of the discharge of its functions or on matters relating to transport to, from or within the region.

General Functions

As set out earlier, the statutory Sub-national Transport Body would have a number of general functions; those set out in the Local Transport Act 2008.

The general functions would form the core function of the statutory body. In the case of England's Economic Heartland they would build on the collaborative working that the partners have undertaken successfully for nearly six years.

The proposal for a statutory Sub-national Transport Body would recognise that the Secretary of State remains the final-decision maker on national transport strategies – such as Highways England's Road Investment Strategy. However the added value for the region of establishing a statutory body would be that the Secretary of State must have regard to the Sub-national Transport Body's Transport Strategy, and its advice in respect of its implementation.

Other Transport Functions

Based on the content of the Draft Transport Strategy the Strategic Transport Forum has identified a limited number of additional powers that would be appropriate in order to ensure the implementation of the strategy.

The intention would be to request additional powers in a way that means they operate concurrently with the consent of the constituent authorities.

The Forum identified the following additional powers as one that might be appropriate:

- a) ***The right to be consulted about new rail franchises*** – whereby EEH would have to be consulted before the Secretary of State issues any invitation to tender for a franchise agreement
- b) ***The right to have a role in setting the High Level Output Specification (HLOS) for rail*** – whereby EEH would be able to act jointly with the Secretary of State to set and vary the HLOS for the area
- c) ***The right to have a role in setting the Road Investment Strategy (RIS) for the Strategic Road Network*** – whereby EEH would be able to act jointly with the Secretary of State to set and vary the RIS in our area

- d) *The ability to enter into agreements to undertake certain works on the Strategic Road Network, Major Road Network or local roads* – this would enable EEH (working with partners) to promote and expedite delivery of regionally significant cross-boundary schemes
- e) *The ability to make capital grants for the provision of public transport facilities* – this would enable EEH to support the funding and delivery of joint projects with constituent authorities
- f) *The ability to secure the provision of bus services* – travel to work areas do not respect local authority boundaries and this would enable EEH (working with partners) to fill in identified gaps in bus service provision
- g) *The ability to enter into Quality Bus Partnerships* – this would enable EEH (working with partners) to expedite the introduction of partnership schemes covering more than one local transport authority area
- h) *The ability to introduce integrated ticketing schemes* – this would enable EEH (working with partners) to expedite the introduction of cost effective smart and integrated ticketing system on a regional level
- i) *The right to promote or oppose Bills in Parliament* – this would enable EEH to promote, co-ordinate and fund regionally significant infrastructure schemes, accelerating delivery of cross-boundary schemes.

At the same time as considering what functions the statutory Sub-national Transport Body might have, it is also important to be clear that the following functions **would not be appropriate** for the new body:

- Setting priorities for local authorities for roads that are not part of the Major Road Network
- Being responsible for any highway maintenance responsibilities
- Providing the services of a train operating company
- Any consultation function currently the responsibility of a local authority
- Giving directions to a constituent authority about the exercise of transport functions by that authority in their area.

The Williams Review, to which EEH submitted a response, could recommend significant changes to the structure of the rail industry, including the role of STBs in both rail operations and infrastructure enhancement. As a result it would be prudent to keep the following functions under review as potentially being appropriate for a statutory STB:

- Acting as co-signatories to rail franchises
- Being responsible for rail franchising.

YOUR SAY

England's Economic Heartland's Strategic Transport Forum was established in February 2017. It has a proven track as the region's Sub-national Transport Body of providing leadership on strategic transport issues that is valued by its partners.

Publication of the Draft Transport Strategy for consultation marks a significant milestone in the work of the Forum. It sets out a bold vision for the region's transport system and in doing so makes the case for change in the way we plan and deliver investment in strategic transport infrastructure moving forward.

The political leaders of England's Economic Heartland, together with the Strategic Transport Forum believe that seeking to establish the Sub-national Transport Body on a statutory basis will significantly improve their collective ability to implement the Transport Strategy. In agreeing to publish the Draft Transport Strategy for consultation the Forum identified the powers that it considers would be appropriate for a statutory Sub-national Transport Body.

We are seeking your views on both the principle of a statutory Sub-national Transport Body and the proposed functions and powers that such a body might have.

You can give your feedback via the online survey on our website (www.englandseconomicheartland.com) which encompasses questions on both the Draft Transport Strategy and statutory proposals. The consultation closes at midnight on October 6, 2020.

Responses to this consultation will be considered alongside the responses to the Draft Transport Strategy and both will help shape the development of the detailed proposal which will then be considered by the constituent members.

PROPOSED POWERS AND RESPONSIBILITIES

POWER	RATIONALE
General functions	
Section 102H of the Local Transport Act 2008 Prepare a transport strategy, advise the Secretary of State, co-ordinate the carrying-out of transport functions, make proposals for the transfer of functions, make other proposals about the role and functions of the STB.	This legislation provides the general powers required for EEH to operate as a statutory Sub-national Transport Body, meeting the requirements of the enabling legislation to facilitate the development and implementation of a transport strategy to deliver regional economic growth. Government at both national and local level recognises that the solutions required to deliver regional economic growth are best identified and planned for on a regional scale by those who best understand the people and businesses who live and work there.
Rail	
Right to be consulted about new rail franchises. Section 13 of the Railways Act 2005 – Railway Functions of Passenger Transport Executives.	This right would ensure that as a statutory Sub-national Transport Body EEH would be consulted before the Secretary of State issues any invitation to tender for a franchise agreement. The right of consultation reflects the role of EEH as a strategic partners, enabling us to influence future rail franchises to ensure the potential need for changes to the scope of current services and potential new markets identified by EEH are considered by the Secretary of State. EEH is uniquely placed to provide a regional perspective and consensus on the priorities for rail in its region. Changes to the current franchising model are likely following the Williams Review. Regardless of those changes, EEH is clear that it should have a role in shaping future rail service provision.
Set High Level Output Specification (HLOS) for Rail Schedule 4A, paragraph 1D of the Railways Act 1993.	EEH requires a strong, formal role in rail investment decision making over and above that which is available to individual constituent authorities. EEH acts as the collective voice of our constituent authorities, providing an evidence-based regional perspective and consensus on the priorities for investment in our rail network. This power would enable EEH to act jointly with the Secretary of State to set and vary the HLOS in our area, ensuring that EEH's aspirations for transformational investment in rail infrastructure are reflected in the HLOS and enabling an integrated approach across rail and road investment for the first time.
Highways	
Set Road Investment Strategy (RIS) for the Strategic Road Network Section 3 and Schedule 2 of the Infrastructure Act 2015.	EEH requires a strong, formal role in roads investment decision making over and above that which is available to individual constituent authorities. EEH acts as the collective voice of our constituent authorities, providing an evidence-based regional perspective and consensus on the priorities for roads investment. This power would enable EEH to act jointly with the Secretary of State to set and vary the RIS in our area, ensuring that EEH's aspirations in road infrastructure are reflected in the RIS and enabling an integrated approach across road and rail investment for the first time.

POWER	RATIONALE
<p>Enter into agreements to undertake certain works on Strategic Road Network, Major Road Network or local roads</p> <p>Section 6(5) of the Highways Act 1980, (trunk roads) & Section 8 of the Highways Act 1980 (local roads).</p>	<p>These powers, operated concurrently with the local authorities, would enable EEH to promote and expedite the delivery of regionally significant cross-boundary schemes that might not otherwise be progressed. They would overcome the need for complex 'back-to-back' legal and funding agreements between neighbouring authorities and enable us to reduce scheme development time and overall costs.</p>
Make capital grants for public transport facilities	
<p>Make capital grants for the provision of public transport facilities</p> <p>Section 56(2) of the Transport Act 1968.</p>	<p>This concurrent power would enable EEH to support the funding and delivery of joint projects with constituent authorities, improving deliverability and efficiency.</p> <p>Constituent authorities would benefit from the granting of this concurrent power as they may, in the future, be recipients of funding from EEH to partly or wholly fund a transport enhancement within their local authority area.</p>
Bus Service Provision	
<p>Duty to secure the provision of bus services</p> <p>Section 63(1) Transport Act 1985.</p>	<p>Local transport authorities and integrated transport authorities have a duty to secure the provision of such public transport services as it considers appropriate and which would not otherwise be provided.</p> <p>Travel to work areas do not respect local authority boundaries, EEH is seeking to have this duty concurrently with local transport authorities in our region, enabling EEH to fill in identified gaps in bus service provision within the EEH geography or secure the provision of regionally important bus services covering one or more constituent authority areas which would not otherwise be provided.</p>
<p>Quality Bus Partnerships</p> <p>The Bus Services Act 2017 Sections 113C – 113D and Sections 138A – 138S.</p>	<p>EEH is seeking powers, currently available to local transport authorities and integrated transport authorities to enter into Advanced Quality Partnerships and Enhanced Partnership Plans and Schemes to improve the quality of bus services and facilities within an identified area. These powers would be concurrent with the local transport authority in the area.</p> <p>This would allow us to expedite the introduction of partnership schemes covering more than one local transport authority area which otherwise might not be introduced.</p>
Smart Ticketing	
<p>Introduce integrated ticketing schemes</p> <p>Sections 134C – 134G & Sections 135 – 138 Transport Act 2000.</p>	<p>EEH is seeking powers concurrently with local transport authorities to enable EEH to procure relevant services, goods, equipment and/or infrastructure; enter into contracts to deliver smart ticketing and receive or give payments.</p> <p>This would enable EEH to expedite the introduction of cost effective smart and integrated ticketing system on a regional scale which would enhance the journey experience and increase access to transport that supports jobs and education.</p>

Table continued overleaf

PROPOSED POWERS AND RESPONSIBILITIES (CONTINUED)

POWER	RATIONALE
Other Powers	
Promote or oppose Bills in Parliament Section 239 Local Government Act 1972.	<p>Local authorities have the power to promote or oppose Bills in Parliament; granting the power concurrently to EEH is supportive of the devolution agenda of which Sub-national Transport Bodies are a key part.</p> <p>Under the Transport and Works Act 1992 a body that has the power to promote or oppose Bills also has the power to apply for an order to construct or operate certain types of infrastructure including railways and tramways.</p> <p>Granting this power would enable EEH to promote, co-ordinate and fund regionally significant infrastructure schemes, accelerating delivery of cross-boundary schemes which might otherwise not be progressed.</p>
Incidental amendments Local Government Act 1972, Localism Act 2011, Local Government Pension Scheme Regulations 2013.	<p>A statutory Sub-national Transport Body requires certain incidental amendments to enable it to operate as a type of local authority, with duties in respect of staffing, pensions, monitoring and the provision of information about EEH.</p>

The proposal to establish a statutory Sub-national Transport Body **would not** propose seeking the following functions/powers:

Power not being sought	Rationale
Set priorities for local authorities for roads that are not part of the Major Road Network (MRN).	EEH will only be responsible for identifying priorities for the MRN.
Being responsible for any highway maintenance responsibilities.	There is no requirement for EEH becoming involved in routine maintenance of MRN or local roads.
Carry passengers by rail.	There is no aspiration for EEH to become a train operating company.
Take on any consultation function instead of an existing local authority.	Local authorities are best placed to seek the views of their residents and businesses.
Give directions to a constituent authority about the exercise of transport functions by the authority in their area.	Constituent authorities understand how best to deliver their transport functions to meet the needs of their residents and businesses.



Get in touch

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