

Strategic Transport Leadership Board

27 September 2024

Agenda Item 5 – Developing proposals for statutory status

Recommendation:

It is recommended that the Board:

- a) Supports the exploration of possible routes for EEH to seek statutory functions (Section 5)**
- b) Agrees the proposed principles (Section 6) to provide a framework for the EEH Business Unit to work within when identifying best options for statutory status**

1. Purpose

- 1.1. This paper outlines a proposed approach to exploring what statutory functions local partners might wish to pursue for EEH going forward to ensure we are in the right place to support future national decision making. The paper includes suggested principles as a framework for undertaking this exploration.

2. Key points to note

- 2.1. The change of government, programme of legislative reform (including, for example the creation of Great British Railways) and potential new devolution arrangements provides a timely opportunity to consider how EEH as sub-national transport body can most effectively deliver its transport strategy, including through exploring the merits of statutory status.
- 2.2. Statutory status would provide long-term permanency, and, for example, (subject to further discussion on functions sought) could include a specific role in setting regional train service specifications within Great British Railways.
- 2.3. Board members and stakeholders would be fully involved throughout the exploratory process and their views reflected in any proposal which, subject to Board's agreement, is put to government.
- 2.4. Importantly, any powers sought must retain the sovereignty of our constituent local and combined authorities, whilst being proportionate to tackling strategic transport challenges in our region.
- 2.5. The proposed 'activity-based approach' is detailed in section 5 and suggested principles for exploring statutory status in section 6 – these include considerations around proportionality, geography, governance, accountability and costs.

3. Context

- 3.1. EEH has been operating successfully as a locally-led strategic collaborative partnership of local transport and combined authorities and non-statutory sub-national transport body (STB) for several years.
- 3.2. Since their inception from early 2016 onwards, England's sub-national transport bodies have grown in capability and profile.

- 3.3. The bodies continue to be recognised by DfT and local partners for their added value and opportunity to drive greater outcomes from transport investment. However, to fully maximise the impact of the investment in STBs requires the right level of certainty – in terms of influence and impact – over the longer term.
- 3.4. In considering the aspirations for the region to deliver our Regional Transport Strategy, *Connecting People, Transforming Journeys*, the Board is asked to consider how EEH could operate most effectively moving forward.
- 3.5. EEH, as an STB and a regional partnership, is the level at which local implementation meets national policy.
- 3.6. There is recognition, acknowledged by Board, of the need for a sub-national layer of governance for strategic transport planning that can consider:
- Connectivity beyond local authority boundaries
 - Benefit from economies of scale in approach and application of solutions
 - Adopt a place-based approach to multimodal integration and combine local transport thinking, rather than a network approach.
- 3.7. Through the Board's leadership, EEH has grown to provide a single, unified, collaborative regional voice. However, the Board may now wish to consider how the region can strengthen its level of influence over transport decision-making on matters that have a material impact on the economic prosperity of our region.
- 3.8. Government thinking on devolving powers to a regional or sub-national level is emerging. This paper recommends further exploring the opportunity presented by EEH gaining statutory functions and powers, that would work alongside existing and future devolution deals.

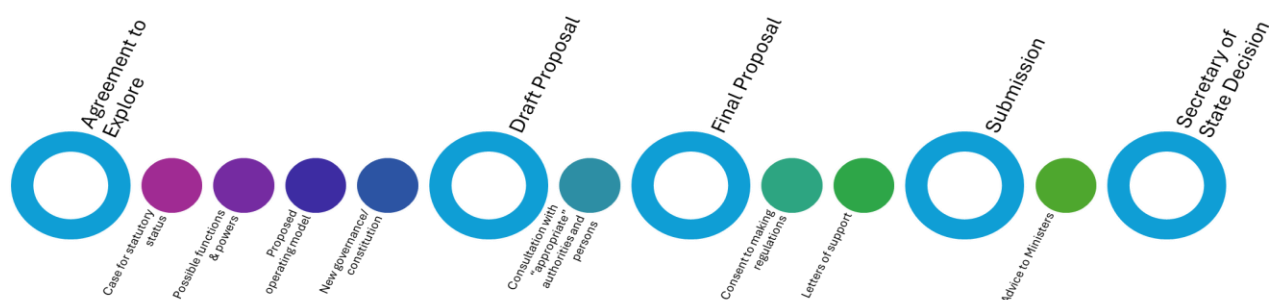
4. Statutory status

- 4.1. Board members have previously indicated their support for exploring the opportunity presented by statutory status. This would mean that EEH is established in statute and granted specific powers and functions by the Secretary of State for Transport.
- 4.2. The change of government, programme of legislative reform (including, for example the creation of Great British Railways) and potential new devolution arrangements provides a timely opportunity to consider how EEH as sub-national transport body can most effectively deliver its transport strategy.
- 4.3. Statutory status would afford EEH a degree of stability and permanency. It would mark a significant recognition of our maturity as an organisation and trust placed in us from both local and central government.
- 4.4. The specific powers that could be sought are still to be determined – these would be focused on delivery of the regional transport strategy and establish the EEH partnership as a statutory partner to the Secretary of State for Transport.
- 4.5. Importantly, these powers would need to retain the sovereignty of our constituent local and combined authorities, whilst being proportionate to tackling strategic transport challenges in our region. Acting on any such powers would remain the decision of the EEH Board.
- 4.6. For example, Transport for the North's statutory status enshrines a formal role in rail service specification on behalf of their partner authorities. Part of its strength here is to ensure their regional priorities across multiple parts of the railway network (which is organised by lines of route, rather than economic geographies) are given due consideration by decision-makers.
- 4.7. Importantly, a decision taken to explore the opportunity further will not compromise future decisions around devolution. The approach outlined below identifies at least three further key decision points for the Board to make go/no go decisions, or to set out a different future status of EEH.



5. Approach

- 5.1. To take forward options, the business unit is proposing an activity-based approach with clear decision points for the Board, allowing for appropriate sequencing of decision-making for the region. This approach is designed to be flexible to the needs of the region, particularly around ongoing devolution discussions. This will allow for sequencing that works for the whole partnership.
- 5.2. EEH's approach to exploring statutory status will include comprehensive engagement with officers and members of our local and combined authority partners, alongside other stakeholders.



A larger version of this pictorial high-level activity chart can be found at appendix 1.

- 5.3. With the Board's agreement, EEH business unit will develop four elements of the work further, for consideration by the Board in December:
- Case for statutory status – this will focus on demonstrating how establishing statutory functions for the STB will further the objective of sustainable economic growth in the area through the development and implementation of the regional transport strategy.
 - Possible functions – Current legislation provides a number of 'General Functions' for a statutory STB that the Secretary of State for Transport may decide to provide. Alongside these, the Secretary of State for Transport can grant other functions to statutory STBs.
 - Proposed operating/organisational models – This would consider different delivery models across the public sector and their governance arrangements. This would include benefits and disbenefits to each option, to allow consideration of a model most proportionate for the Board's ambitions.
 - Updated governance/constitution – how a statutory EEH would remain led by and accountable to its member authorities and their democratically elected leaders.
- 5.4. Any proposed statutory functions and/or delegated powers would be subject to a proportionate impact assessment.
- 5.5. Running alongside these technical elements would be a programme of engagement with Board members and partners.
- 5.6. Subject to the Board's consideration of the draft proposal, there would be a period of engagement with our neighbouring authorities, other STBs and transport bodies. This is required before the proposal is agreed for formal submission to government.
- 5.7. After the consultation has concluded and feedback reflected, a final proposal would be put to the Board ready for submission as a formal joint proposal to the Secretary of State for Transport for there to be a statutory STB for the Heartland region. Ahead of submission, all constituent authorities would be required to give their consent for the regulations.
6. It would then be for the Secretary of State to make her decision on whether to grant the required statutory functions to the body, triggering any parliamentary process required.
- 6.1. Any new arrangements would be subject to periodic review and evaluation by the Board. The development of performance measures would be subject to Board consideration and approval.
- 7. Principles for achieving functions and powers**
- 7.1. The following principles are proposed to guide EEH as it explores our options for statutory functions and puts together the proposals which would be engaged on:

Principle/Theme	Proposed position
Geography	EEH is expected to retain the same geography. Board members will remain as elected representatives of our constituent authorities – this partnership forms the STB
Accountability	EEH is seeking greater ability to ensure the Government gives due regard to and realisation of the region's agreed priorities and infrastructure requirements are being met (as set out in the Regional Transport Strategy) – strengthening EEH's role of providing a single regional voice and influencing long-term planning decisions. This provides the direct link of accountability between national level decision-making and local democratic decision making Board members.
Proportionality	Any statutory functions or powers awarded must complement the existing roles of our constituent transport authorities, with those sought being proportionate to delivery of our regional transport strategy. They must be for the benefit of the whole EEH partnership.
Complementarity	Any statutory functions or powers awarded will not detract from the sovereignty of local and combined authorities. They must complement any devolution deals or other governance arrangements of our members.
Consent	Powers will be exercised with the consent of our constituent authorities. These may be caveated to be jointly or concurrently exercised with either the local or combined authority or the Secretary of State, as applicable.
Veto	A right of veto is retained for each member authority for the use of powers directly impacting their geography – for example, any decision by the Board for a new road, provide a new bus service or implement a ticketing scheme.
Significant decision-making	Decisions which would have a significant monetary and/or risk impact must be referred to the Board to consider the value for money, risk appetite and proportionality.
Costs	Setting up a new body must be affordable, with the costs of set-up being considering in the context of the potential future savings and efficiencies to infrastructure delivery processes.

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