

# Strategic Transport Leadership Board

27 September 2024

## Agenda Item 7 Business Unit Update

### *Recommendation:*

#### **It is recommended that the Board:**

Notes the EEH Bus Symposium to be held on 10<sup>th</sup> October 2024 at Northampton's Vulcan Works.

#### **That the Board agrees the consultation responses to the following consultations:**

- MHCLG's proposed changes to the National Planning Policy Framework
- DfT's proposed changes to government guidance on setting up a bus franchising scheme.
- OFGEM's Regional Energy Strategic Plan Policy Framework
- ORR's Holding National Highways to Account

### **1. Purpose of the report**

- 1.1. The purpose of this report is to update members of the bus work that EEH are progressing that will be presented at the EEH Bus symposium on 10th October 2024
- 1.2. Secondly it is obtain agreement of the Board to submit responses to various Government consultations as outline below, with the consultation responses included in annexes to this report.
  - MHCLG's proposed changes to the National Planning Policy Framework Annex A
  - DfT's proposed changes to government guidance on setting up a bus franchising scheme. Annex B
  - OFGEM Regional Energy Strategic Plan Policy Framework Annex C
  - ORR's Holding National Highways to Account Annex D

### **2. Key Points to Note**

- 2.1. The King's speech on 17<sup>th</sup> July highlighted several changes in legislation and guidance that would support delivering the new Government's key priorities.
- 2.2. The result of this is likely to be a number of public consultations in order to take these priorities forward. These are likely to result in reform and changes to existing legislation and the creation of new legislation.
- 2.3. Two key messages in the Kings speech were on bus reform, known now as the bus bill, and reform of the planning system to make planning decisions quicker and more streamlined to deliver the Government's commitment to increased housing growth.
- 2.4. The new Government would like to act fast and at pace and therefore, it is anticipated there will be a number of additional consultations over the coming months as the new Government administration take forward their commitments.

- 2.5. Many of the consultations include lengthy on-line questionnaires and some of the questions are not relevant to EEH's role so we have only responded to the most relevant questions.
- 2.6. It should also be noted that EEH have also made officer responses to local consultations. Including; West Northamptonshire's Local Transport Plan; provided some feedback to Central Bedfordshire early LTP scoping; and Cambridge and Peterborough's Combined Authority consultation on bus franchising.
- 2.7. In light of Government priorities it timely that EEH are holding its second Bus Symposium on 10<sup>th</sup> October in Northampton.

### **3. EEH Bus Symposium 2024**

- 3.1. EEH second Bus Symposium will be held on 10th October 2024 in Northampton. The Symposium will focus on the delivery the government's 'Better Buses Bill' ambitions in our region. With its market towns and large rural areas alongside links to key urban areas, meaning bus networks and services are very different from large metropolitan areas and more densely populated cities, elsewhere within the UK.
- 3.2. The morning session will reflect on what has been achieved by the region's LTAs and operators, as well providing an update on the collective actions which were previously agreed by EEH Board on regional support for buses, namely the work programmes. The afternoon, focus on what the new government priorities will mean for bus and coach service planning, delivery and operations within the region.

## **Consultation Responses**

### **4. MHCLG's proposed changes to the National Planning Policy Framework**

- 4.1. A summary of EEH's consultation response is included in Annex A.
- 4.2. On 30<sup>th</sup> July The Government published a new draft NPPF for consultation closed on 24th September 2024. EEH were granted permission to submit an interim response with a full response following this Board.
- 4.3. The consultation included 106 questions, many of which are not relevant to EEH so we have focused on key messages that we wish to make in regards to changes in the NPPF would have on transport across the region.
- 4.4. One example of this is the removal of the 4 year housing land supply and re-casting the basis for the Standard Method for housing calculations, using housing stock instead of household predictions. For many of our Local Planning Authorities across the region this would result in significantly higher housing numbers. While this is outside of EEH remit, our response is to ensure that any new development is well connected and that transport infrastructure is provided to support sustainable well connected and designed development.
- 4.5. Introducing the concept of grey belt into green belt considerations, while this is also outside of what might be considered EEH's remit, again much of what might be termed the grey belt is usually away from main urban areas and there is a need to ensure any development is well connected by all modes and can be developed sustainably.

### **5. DfT's proposed changes to government guidance on setting up a bus franchising scheme (and update on bus symposium)**

- 5.1. EEH's response to DfT's consultation on the changes to Government Guidance on Bus Franchising is included as Appendix B.
- 5.2. The government has developed a plan for delivering better buses, centred around supporting local transport authorities to take back control of their local services. This consultation is considered the first that feeds into the bus bill and gives all local transport authorities (LTAs) the power to franchise. Previously that scope was limited to mayoral combined authorities. Also to be published is draft guidance that provides advice and support to local leaders looking to bring services back under public control.



- 5.3. EEH have recently undertaken a piece of work on different bus delivery models and their applicability for the region, that included opportunities for franchising. This will be presented at EEH's Bus Symposium on 10<sup>th</sup> October.
- 5.4. While EEH welcomes the ability for all LTAs to be able to franchise as part of a model to effectively manage buses in their area it is unlikely that franchising will be applicable or adopted by most of our LTAs. Therefore, there is also a need to strengthen other delivery models and the role of enhance partnerships in delivering these to allow LTAs a suite of options to manage buses in their area.
- 5.5. The response also puts forward the concept of 'shadow franchising' be considered by the Government.
- 5.6. This is a proposal which may be considered as an option in the medium to longer term, potentially subject to legal change enabling it in England. A 'shadow' franchise would (in the first instance) significantly reduce franchising transitional costs by skipping a competitive procurement process, as it would automatically 'convert' existing commercial operators into franchise contractors. The network would continue to operate 'as normal' (albeit with the LTA assuming a regulatory enforcement role).
- 5.7. Once the initial term of the 'shadow' franchise is completed, all contracts would be subject to a normal competitive tendering process, wherein new entrants would have the opportunity to bid. It would also give the LTA time to assess its own commitments, ensuring that it has sufficient resources (and familiarity) to manage a full process in future.
- 5.8. Although this experimental approach is not yet technically provided for, another key benefit would be that it offers existing commercial operators a 'reprieve': they would no longer risk losing their contracts and services to a rival bidder and would have time to become accustomed to working within a franchise framework and to demonstrate their suitability as a contractor going forward. This would be of particular benefit to small and medium enterprises (SMEs), which may not have the capacity or ability to have staff practiced in procurement at this scale.

## **6. ORR's Holding National Highways to Account**

- 6.1. England's Economic Heartland welcomed the opportunity to respond to this consultation. The importance of joint working between partners and ensuring ongoing collaboration with National Highways in setting priorities and ensuring the delivery of future road investment strategies is key to the success of the region.
- 6.2. The Strategic Road Network (SRN) managed by National Highways plays an important role in the transport system in the Heartland region. Eight of National Highways Strategic Route Strategies cross the region and our region includes the Strategic Road Networks of: M25, M1, M40, M4, A1M motorways; and key Strategic A roads: A34, A404, A43, A45, A5, A1, A47, A419, A421, A428 and A14.
- 6.3. The SRN is key to supporting economic growth and connecting people and places. It provides key links between our region and the rest of the UK and provides a vital role in supporting the freight and logistics sector, connecting the ports in the south, west and London travelling through the region to access Midland's logistics Hubs.
- 6.4. Consequently England's Economic Heartland and National Highways have continued to build and foster a relationship, particularly with colleagues in the strategic planning function. Inclusion of STBs in working groups (such as for RIS pipeline schemes) and National Highways attendance at meetings such as regular Strategic Transport Leadership Board Meetings (our political decision-making forum) and officer meetings has been welcomed. EEH welcomes ongoing engagement with Highways England in; setting regional priorities, building on existing relationships, utilising local knowledge, and building decisions based on evidence held at a regional level.
- 6.5. The EEH response to holding National Highways to Account is included at Appendix C.



## **7. OFGEM Regional Energy Strategic Plan Policy Framework**

- 7.1. This consultation provides EEH with an opportunity to comment on OFGEM's approach to the development of Regional Energy strategic Plans (RESP) as part of the emerging structure of the newly nationalised National Energy System Operator (NESO).
- 7.2. Currently there is no single body responsible for overseeing the strategic planning and design of the country's electricity and gas networks. NESO will fill this gap – breaking down the siloes which exist between the planning of electricity and gas systems, with independent oversight for the design of all Great Britain's energy networks. The EEH region already have challenges with power availability to support sustainable growth and fully support this strategic approach.
- 7.3. It is of note that each region is proposed to largely match the STB geographies, a sign of the growing profile of STBs across the country and recognition of the the strategic fit of their geographies.
- 7.4. It will be tasked with developing a RESP which will inform future energy infrastructure planning and deployment. This consultation looks the proposed structure, roles, responsibilities and design of the RESP and the planning associated with that.
- 7.5. The principles for the development of the RESP methodology, particularly regarding governance and data, align well with EEH's approach to developing a strategic, long-term regional vision and the necessity for clear, consistent pathways.
- 7.6. From a governance perspective, the inclusion of various stakeholders, especially regional and local authorities, network companies, STBs and wider cross sector actors is critical for ensuring that decisions reflect local and regional priorities. However, EEH have some concerns about democratic accountability due to the lack of veto power for the Strategic Board, which could weaken the influence of democratic actors and regional input in decision-making.
- 7.7. This is seen as a key step in the management of power and gas across the country as the region has significant growth one of the key challenges is the availability of power in the right locations.
- 7.8. EEH's response to Regional Energy Strategic Plan Policy Framework is included as Appendix D.

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