

# WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

## AUDIT AND GOVERNANCE COMMITTEE

DATE: 15 SEPTEMBER 2006

AGENDA ITEM NO: 7

### SUBJECT: REGIONAL GOVERNANCE ISSUES

#### Report of the Passenger Transport Executive

#### 1. MATTER FOR CONSIDERATION

1.1. An update on regional and sub-regional governance issues.

#### 2. INFORMATION

##### Background

- 2.1. A report to the April meeting of the Passenger Transport Authority provided an update on a number of regional issues including Northern Way, the City Region Development Programme, the Regional Transport Board and the Yorkshire and Humber Assembly's review of governance arrangements. This report provides more information on current government thinking on regional governance issues.
- 2.2. The government is proposing a Local Government White Paper which it is understood will address issues affecting regional and local government. The paper was originally expected earlier in the year, but following the creation of the new Department for Communities and Local Government (DCLG) (with new minister Ruth Kelly MP), this was postponed until the autumn. This revised timing also links to the Comprehensive Spending Review 2007 (where the main discussions and inputs are required in the autumn of 2006).

##### Regional Governance

- 2.3. The national agenda previously shaped by the Deputy Prime Minister had a strong focus on the greater devolution of powers to a regional level and included the proposals for directly elected Regional Assemblies. The 'no' vote at the referendum in the North East effectively stopped this process within England.
- 2.4. Since then, the government has pursued devolution initiatives including introducing the Regional Funding Allocation (RFA). Through RFA, regions were asked to provide advice on how central government funding relating to economic development, housing and transport should be spent within the regions.

- 2.5. This involved the establishment of a Regional Transport Board to provide advice on regional transport priorities relating to highways and LTP Major Schemes. Metro was not directly represented on this Board and concerns were expressed that the process did not properly address future scheme funding requirements in West Yorkshire and the wider City Region.
- 2.6. The Regional Assembly has reviewed its governance arrangements and established new planning, transport and housing boards. These boards will provide input to future Regional Funding Allocation processes. The PTA will now have a representative on the Regional Transport Board (the Chair of the Authority) although there are still concerns about the overall RFA process.

#### City Region Issues

- 2.7. The Leeds City Region (as defined in the Regional Spatial Strategy) covers West Yorkshire, Barnsley, Selby, York and parts of Craven and Harrogate. It covers 11 local authority areas (including North Yorkshire County Council). The City Region reflects the economic influence of Leeds and West Yorkshire and from a transport perspective it reflects the journey to work area more closely than other administrative boundaries.
- 2.8. As part of the Northern Way Growth Strategy, each City Region has been asked to produce a City Region Development Programme (CRDP) setting out the priorities for contributing to closing the £30bn output gap between the Northern regions and the national average. The Leeds CRDP is likely to focus on connectivity as the key area for investment to help close the economic gap. Metro has been leading work on the development of a 25-year vision for transport across the City Region and it is intended that the transport vision is included in the CRDP.
- 2.9. At the present time, there is no formal structure for the Leeds City Region although the 11 authorities have signed a 'concordat' setting out how they intend to work together more closely. The transport vision contains an investment plan and it is important that there is an appropriate mechanism for the City Region to own and promote (and ultimately deliver) the transport vision.
- 2.10. The Leeds City Region authorities have also submitted a joint bid to the government's Transport Innovation Fund (TIF) for pump-priming funding to study current and future congestion problems and potential solutions (including demand management). The work on the bid was led and co-ordinated by Metro who will act as the accountable body for any funding awarded.
- 2.11. A further City Region initiative is the 'Business Case' which was prepared initially in response to an invitation by David Milliband MP (and subsequently Ruth Kelly MP) to develop a number of key proposals and 'asks' to enhance the competitiveness of the City Region. The Leeds City Region plan was presented to Ruth Kelly MP

and Gillion Merron MP (Minister for Transport) in July. The main thrust of the discussion centred around how appropriate mechanisms and governance arrangements could be developed to enhance accountability and develop more effective ways of working. Ruth Kelly has requested a further response on these issues in September 2006 and the issue is being considered by the City Region Leaders.

#### Local Government Association Discussion Paper

- 2.12. A report commissioned by the Local Government Association (LGA) and written by Tony Travers and Stephen Glaister, puts forward the authors' views about ways in which the governance and funding of transport could be reformed. The report recommends building on existing institutions and mechanisms with a view to allowing the greatest amount of reform with the minimum of reorganisation and upheaval.
- 2.13. The report highlights the existing role, legitimacy and democratic accountability of passenger transport authorities and explores the possibility of developing more powerful and accountable city region transport authorities taking greater control (from central government) over local bus and rail services and possibly extending their powers to include major roads and other elements of planning and regeneration. The authors suggest such bodies could be given greater fiscal freedoms to raise revenue and borrow against fares income.

#### Emerging Government Views

- 2.14. In the run-up to the production of the White Paper, a number of different views have been put forward by Ministers in favour of greater accountability at either the regional or city region level.
- 2.15. Ruth Kelly (who is the minister ultimately responsible for agreeing the White Paper) has given a number of speeches alluding to her approach to increased devolution of functions from government to city regions. She has spoken of the need to ensure that leadership and accountability arrangements are commensurate with the powers on offer. She has also referred to the need to have a clear mandate to take tough decisions across a city or a wider metropolitan area.
- 2.16. DCLG Minister of State for Local Government Phil Woolas (giving an interview in early August to the Birmingham Post) was reported to have made a strong (but not exclusive) case for city region mayors. He also promised that the White Paper would propose a major relocation of powers from Whitehall to local councils.
- 2.17. On the other hand, John Healey, Financial Secretary of the Treasury has warned against weakening the role of RDAs, or simply carving out city regions from the regional economic strategy on the basis that cities and particularly smaller cities would lose out.
- 2.18. John Healey's views and those of fellow Treasury minister Economic Minister Ed Balls, were further developed in a paper published by the

New Local Government Network in July entitled ***Evolution and Devolution in England: how regions strengthen our towns and cities*** . The paper argues for greater devolution to the regions and local government, and greater collaboration within city regions without imposing fixed models or new governance structures on towns and cities. Other suggestions include: new powers and flexibilities for local government and RDAs; caution on city-region governance models and scepticism about imposing sub-regional mayoral arrangements where they do not fit local identities.

#### Next Steps

- 2.19. It is proposed to liaise with other PTA/Es through pteg and the PTA Special Interest Group to develop a position statement so that PTAs can make appropriate contributions to the debate.
- 2.20. The White Paper is expected in the autumn of this year. A further report will be brought to the Authority following publication of the White Paper.

### 3. **FINANCIAL AND LEGAL IMPLICATIONS**

- 3.1. None as a result of this report.

### 4. **STAFFING IMPLICATIONS**

- 4.1. None as a result of this report.

### 5. **EQUAL OPPORTUNITY IMPLICATIONS**

- 5.1. None.

### 6. **RECOMMENDATIONS**

- 6.1. That the report is noted.
- 6.2. That the emerging proposals are closely monitored and further reports are brought to the Authority as appropriate.
- 6.3. That Officers liaise with other PTA/Es to develop a position statement.

Director General  
West Yorkshire Passenger Transport Executive

Lead Officer :	David Hoggarth
Date :	7 September 2006

