

WEST YORKSHIRE INTEGRATED TRANSPORT AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE

DATE: 23 JUNE 2009

AGENDA ITEM NO: **11.**

SUBJECT: GOVERNANCE UPDATE

Report of the Passenger Transport Executive

1. MATTER FOR CONSIDERATION

- 1.1. To provide an update on the latest developments on governance issues.

2. INFORMATION

Transport Governance Review

- 2.1. At its meeting in December 2008, this Committee noted the recommendations from the Transport Governance Review undertaken by Atkins Consultants on behalf of Leeds City Region partners.
- 2.2. The Committee noted that there was strong support amongst partners for a wider city region Integrated Transport Authority (ITA) but this longer term option required the agreement of North Yorkshire County Council and City of York to progress. Instead a more incremental set of reforms was recommended as a first stage:-
 - A stronger West Yorkshire ITA, and;
 - Strengthened partnership arrangements for the City Region
- 2.3. At their meeting in March 2009, the City Region Leaders Board agreed that the full city region ITA could not be progressed in the short term, but should be kept under review. They also agreed to progress the development work needed to implement the governance reforms for a stronger West Yorkshire ITA with strengthened city region partnership arrangements.
- 2.4. For **West Yorkshire**, Atkins proposed that the new, more focussed, ITA will develop, coordinate, and allocate funding for, the implementation of the LTP3 providing a single voice for transport. Schemes will be implemented through the existing District delivery arrangements with all traffic, highway and street powers remaining with the Districts. A Power of Direction will be available to the ITA to ensure agreed LTP priorities are delivered effectively.

- 2.5. For the wider **City Region partnership**, Atkins proposed that the reforms include a politically strengthened Transport Panel with Members from all authorities, and some decision making powers devolved to it from the Leaders Board. The Transport Panel will be responsible for delivering the City Region Transport Strategy and the Transport Multi Area Agreement.
- 2.6. Due to the nature and complexity of the statutory and parliamentary processes involved, it is expected that the earliest the reforms can be implemented is at the start of the next Local Transport Plan (LTP3) in April 2011.
- 2.7. The City Region Chief Executives Group have identified a Project Director to progress the significant workstreams required to submit a Governance Scheme to the Secretary of State. The Project Director will report to a City Region Chief Executive Governance Project Board comprising of senior representatives from across city region partner authorities including Metro.
- 2.8. Further updates will be provided at future meetings of this Committee.

The Local Democracy, Economic Development and Construction (LDEDC) Bill

- 2.9. This Bill is currently before Parliament and among its provisions are powers to create new Economic Prosperity Boards (EPBs). The purpose of EPBs is to improve economic development and the overall economic conditions of the sub-region. In doing so an EPB could provide over-arching governance structures for city regions.
- 2.10. The Bill also allows for new Combined Authorities which could absorb the responsibilities of both an ITA and an Economic Prosperity Board thus bringing transport and economic planning functions together.
- 2.11. To set up an EPB or Combined Authority there will be a review process led by local authorities. The review would be submitted to the Secretary of State who would consult on the proposal and a Parliamentary Order sought to create the new body.
- 2.12. However, unlike the Local Transport Act the Secretary of State will have no powers to force a review and it is not intended that the new bodies (an EPB or a Combined Authority) will have any levying or tax raising powers. The only exception to this would be that if a Combined Authority absorbed an ITA it would inherit its levying powers for transport.
- 2.13. There is no intention to have any element of direct election to these new bodies. However, the majority of members of the boards would need to be elected members nominated by constituent local authorities. There is also no indication that the Government has any specific

proposals to devolve any additional powers or funding to these new bodies.

2.14. Further updates will be provided at future meetings of this Committee.

Policies of the Official Opposition on Local Governance

2.15. The Passenger Transport Executive Group have recently compiled the following list of Opposition policies with respect to local governance.

2.16. The Conservatives current policies are:

- ending Whitehall capping powers and giving local residents the power to veto high council tax rises via local referendum;
- enlarging the freedom of local councils by giving them a 'general power of competence';
- giving local councils greater freedom to determine how they carry out their statutory regulatory duties;
- abolishing all process targets applied to local authorities and abolishing the Comprehensive Area Assessment;
- ending all forced amalgamations of local authorities;
- introducing compulsory mayoral elections for Britain's largest cities (including Metropolitan Districts, but not city regions);
- giving people the power to instigate referendums on local issues; phasing out ring fencing;
- making it easier for local government to raise money for local projects on the bond market;
- stripping the Regional Development Agencies of their powers over planning; and giving local government the power to establish their own local enterprise partnerships to take over development functions from RDAs;
- replacing the Infrastructure Planning Commission, speeding up public enquiries for infrastructure development or private/hybrid legislation for major projects.

City Region Forerunner Pilot

2.17. The Leeds City Region partnership, along with Greater Manchester, was announced by the Chancellor in Spring Budget 2009 as one of two pilot city regions to take forward new freedoms and flexibilities. The

result comes after the Partnership submitted its Forerunner Plan to the Government in March.

2.18. Potentially, this new pilot status could provide new strategy making responsibilities in areas such as economic development, housing, skills and transport for example. Joint Investment Boards could be created to ensure that funding is directed into key city region priorities.

2.19. Leeds City Region partners, including Metro, are currently preparing a delivery plan which will outline specific measures to be agreed by Ministers before the summer Parliamentary recess.

2.20. Further updates will be provided at future meetings of this Committee.

3. FINANCIAL AND LEGAL IMPLICATIONS

3.1. None directly arising out of this report.

4. STAFFING IMPLICATIONS

4.1. None directly arising out of this report.

5. EQUAL OPPORTUNITY IMPLICATIONS

5.1. None directly arising out of this report.

6. RECOMMENDATIONS

6.1. That the report be noted.

Director General
West Yorkshire Passenger Transport Executive