

# WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

## AUDIT AND GOVERNANCE COMMITTEE

DATE: 24 SEPTEMBER 2008

AGENDA ITEM NO: **8.**

### SUBJECT: POLICY UPDATE

#### Report of the Passenger Transport Executive

## 1. MATTERS FOR CONSIDERATION

- 1.1 This report provides information on the Local Transport Bill and its implications for local bus services, the Transport Governance Review, the Sub-National Review, Regional Spatial Strategy and Integrated Regional Framework.

## 2. INFORMATION

### Local Transport Bill

- 2.1 The Authority has previously received reports on the Local Transport Bill which includes reforms in relation to bus services and the provision for transport governance reviews. When enacted, PTAs will become Integrated Transport Authorities and have responsibility for the Local Transport Plan as well as gaining the 'wellbeing' powers that Local Authorities have.
- 2.2 The Bill did not receive consent before the end of the parliamentary summer recess and will therefore complete its passage through parliament during the autumn. It is anticipated that the Bill will become law by the end of 2008.
- 2.3 In general, Metro and other PTEs have welcomed the Bill. However, there are some sections of the Bill that PTEs and Local Authorities want to see strengthened so that PTEs/ITAs have the full set of tools they need in order to transform their local transport networks. In particular the bus sections of the Bill need to be changed to make it easier for local transport authorities to franchise networks of bus services. The delay in the Bill being enacted provides a further opportunity to seek the best possible outcome.

### Implications for Local bus Services

- 2.4 The Local Transport Bill is, in part, intended to improve local bus services through legislation on Community Transport, Bus Partnerships and Quality Contracts (franchising). The implications of the Bill have been considered by the Authority's Bus Working Group. The main current issues are summarised below.

- 2.5 The Bill seeks to give greater control to Local Authorities over fares levels, frequencies and network as part of either a voluntary partnership or Statutory Quality Partnership scheme.
- 2.6 PTEG is co-ordinating a joint PTA/E response to the current consultation on guidance for Statutory Quality Partnership schemes. There are a number of areas for further lobbying, as set out below.
- The guidance gives operators the opportunity to nullify/stall a partnership scheme at any stage using “admissible objections” (including after implementation) on the grounds of affecting commerciality or practicality. Whilst operators should have the opportunity to object to the scheme in formulation, the current draft could mean that Local Authorities implement improvements in infrastructure only to find that the operator does not fulfil reciprocal improvements in their operations.
  - The guidance offers operators little protection from (and could encourage) “creaming off” competition where partnership schemes are implemented. This could make operators more reluctant to participate and invest in higher quality.
- 2.7 The Bill seeks to make the implementation of Quality Contracts easier through the requirement for the formulation of a business case and Public Interest Statement, rather than the very high hurdle of “the only practicable way of implementing the Bus Strategy”.
- 2.8 Initial Guidance on Quality Contract schemes was issued in draft in December 2007. The Department for Transport (DfT) has indicated that revised guidance will be published for consultation but as yet have not given a timescale.
- 2.9 PTEG is co-ordinating joint PTA/E input on Quality Contract aspects of the Bill. The main areas of current lobbying are:
- Transfer of Undertakings when a contract is commenced;
  - powers of last resort; and
  - the approvals process.
- 2.10 PTEG is also pressing DfT to issue new draft guidance as soon as practically possible. As the process of approvals will be critical to the success of any submission, this guidance must be evaluated and implemented before a Quality Contracts submission can be made.
- 2.11 The Bill also seeks to give greater flexibility to Community Transport operators including the ability to pay drivers rather than employ volunteers. PTA/Es are liaising to prepare a joint response to the current consultation on associated guidance.

### Review of Transport Governance

- 2.12 The review of transport governance is being conducted on behalf of the City Region Leaders' Board by Atkins consultants. The Authority has held a number of seminars throughout the process. The work has also been monitored by the Audit and Governance Committee and other working groups including the Local Transport Plan Steering Group.
- 2.13 Atkins have now developed a preferred governance model based on the views and feedback from partners and stakeholders as well as their own professional judgement.
- 2.14 The preferred model is a combination of key elements of Models 3 (West Yorkshire ITA and enhanced West Yorkshire District Partnership) and 4 (strong West Yorkshire ITA) for West Yorkshire, and Model 5 (West Yorkshire ITA and enhanced city region partnership) for the wider City Region. There are a number of potential variations and alternative options on which Atkins are also seeking feedback. Officers have identified a number of workstreams where more detailed analysis of strengths and weaknesses of alternatives is required. This work is underway and will feed into a Metro response.
- 2.15 In this final stage of the review, Atkins are undertaking a third round of engagement meetings with each individual partner authority and stakeholder. A seminar for PTA Members will be held immediately after the PTA meeting on 26 September.

### Sub National Review (SNR)

- 2.16 On 16 July 2007 the Government announced the initial outcomes from the Sub-National Review of Economic Development and Regeneration. The SNR has a number of implications for the way in which organisations work together at a regional and a sub-regional level. This was followed, in March 2008, by the publication 'Prosperous Places', Government's proposals for taking forward the Sub-National Review.
- 2.17 The Local Transport Plan Steering Group endorsed a brief response from Metro which highlighted the main transport issues raised by the consultation. However, the main response from the region was a joint response from Local Government Yorkshire and the Humber and Yorkshire Forward. A copy of this response is attached as Appendix A.
- 2.18 There are a range of proposals in Prosperous Places on issues such as how economic development could be delivered at a local level, and how delegation of funding may work. These include:
- Regional Assemblies will not continue 'in their current form' after 2010.

- Single Integrated Regional Strategies: SNR proposes bringing together the regional strategies, in particular the Regional Spatial Strategy and Regional Economic Strategy to form a Single Integrated Regional Strategy (SIRS) in each region.
  - Regional Development Agencies (RDAs) will be responsible for preparing these integrated strategies on behalf of the region.
  - Accountability: Local authorities in each region will be responsible for agreeing the integrated strategies and scrutinising RDAs. This accountability mechanism will need to work alongside the new regional ministers and proposals for regional committees.
- 2.19 The response from the region sets out proposals for the co-ownership of the SIRS process, with the establishment of a new Strategic Leaders' Board that will work closely alongside representatives of Yorkshire Forward's Board. The response also sets out plans for a number of thematic regional Boards to deal with Spatial Planning, Regeneration and Housing, Work and Skills and Transport.
- 2.20 Membership of the Boards is to be determined, but they will include representation from the functional sub regions, expert observers, key agencies and stakeholders. Their primary role will be to input into the development of the SIRS and ensure effective delivery by monitoring and reviewing the SIRS.
- 2.21 Clearly Metro would wish to be represented on the appropriate boards and will be making the case as the process progresses. The outcome of the city region Transport Governance Review is also likely to have a bearing on Metro's future role.

#### Regional Spatial Strategy

- 2.22 The Government published The Yorkshire and Humber Plan (The Regional Spatial Strategy) in May 2008. The Plan sets out the broad development strategy for the region. It covers topics such as housing, economic development, transport, the environment and regeneration.
- 2.23 Work is now underway to update the Plan (2009 Update), particularly looking at housing growth in the region. The 2009 Update will test and explore the scale of growth, locations for growth and infrastructure needed to accommodate growth. It will look at different options for different parts of the region, with a focus on the sub-areas (including the Leeds City Region) identified in the Plan. The timetable for the remainder of the work on the 2009 Update is:
- Developing the evidence base (April to September 2008)
  - Analysing strategic options (September 2008 to January 2009)
  - Revising policies (January to April 2009)
- 2.24 The Assembly will submit the 2009 Update to Government in July

2009. There will be several opportunities to contribute to the process as it progresses. The Local Transport Plan Steering Group will oversee Metro's input and has already submitted a response to an initial consultation on the evidence base.

### Integrated Regional Framework (IRF)

- 2.25 The IRF merges existing frameworks Advancing Together and the Regional Sustainable Development Framework and sets out the key sustainable development issues facing the region. It is designed to provide the framework to help regional and local bodies plan their work in a more joined up way, enabling the best use of resources to benefit people right across the region.
- 2.26 The challenges are: sustainable transport; climate change mitigation; climate change adaptation; productivity and innovation; higher level skills and education; housing markets and affordability; public health and obesity; violent crime; diversity and equality and regional growth.
- 2.27 Sustainable Transport is identified as Challenge 1. The IRF states that the region needs to:
- improve connections between the region's cities and towns and to other regions and international gateways, particularly by public transport and for freight;
  - significantly increase the use of public transport, cycling and walking whilst reducing congestion and reliance on journeys made by car; and
  - improve people's accessibility to essential facilities and opportunities.
- 2.28 Metro's role in co-ordinating transport across the city region means it is well placed to help shape emerging policy development in the region. Further reports will be prepared for the Authority as appropriate.

## **3. FINANCIAL AND EC PROCUREMENT IMPLICATIONS**

- 3.1 None as a direct result of this report.

## **4. STAFFING IMPLICATIONS**

- 4.1 None as a result of this report.

## **5. EQUAL OPPORTUNITY IMPLICATIONS**

- 5.1 None as a direct result of this report.

## **6. RECOMMENDATIONS**

6.1 That the report is noted.

Director General  
West Yorkshire Passenger Transport Executive