

TravelWatch NORTHWEST

Princess St Manchester: Tel 07807 768124
 Email: admin@travelwatch-northwest.org.uk
 Website: www.travelwatch-northwest.org.uk
 Correspondence address – 11 Harvelin
 Park, Todmorden, OL14 6HX

Winner of CILT award for best practice in passenger transport

promoting quality public transport.....

House of Commons Transport Committee
 7 Millbank
 London SW1P 3JA

12th December 2013

Response to the Inquiry on Local Decision Making on Transport Expenditure

1. Introduction

1.1 TravelWatch NorthWest (TWNW) is an independent Community Interest Company representing all public transport users in NW England. We are pleased to give our views as follows to this inquiry.

2. What is the rationale for the Government's proposals to devolve to a local level decision-making on transport expenditure? What are the advantages and disadvantages of the Government's approach? Are there better models?

2.1 TWNW subscribes to the current all-party consensus that transport funding should be devolved to sub regional Combined Authorities (CAs)¹. CA's boundaries are generally based on journey to work areas in large sub regional City wide conurbations. Care will be needed to ensure that their rural hinterlands are not neglected. There are historic and more recent precedents supporting this model².

2.2 The **Local Democracy etc Act 2009** and the **Localism Act 2011** are surprisingly³ complementary with the former paving the way for new structures and the latter granting new powers and allowing the Secretary of State to "pass on" functions, such as determining transport and economic strategies.

2.3 In pursuit of localism the 2009 Act created **statutory** Economic Prosperity Boards (EPBs) and the 2011 Act created **voluntary** Local Enterprise Partnerships (LEPs). Although a future government could abolish EPBs⁴ in

¹ Or where CAs not yet established, appropriate groupings of Local / integrated Transport Authorities

² Royal Commission on Local Government Redcliff Maud 1966; Transport Act 1968; Pt 5 of Local Transport Act 2008; No stone unturned / City Deals Hesletine 2013

³ respectively Labour (2008) and Coalition (2011)

⁴ Time for a new Localism Centre for Cities May 2013

favour of LEPS there appears in any case to be little enthusiasm in the North West for their creation primarily as a mechanism for forming Combined Authorities (CAs),

2.4 TWNW is not yet aware of the creation of any EPBs but is aware of CAs being formed by the mechanism of Integrated Transport Authorities (Local Transport Act 2008) embracing other partners⁵. Also CAs may themselves take on the function of an EPB⁶. The creation of a CA is a step in the formation, by partnership with relevant LEPs, of **Local Transport Bodies** (Act 2009)

2.5 EPB's and LEP's functions and boundaries are not necessarily co-terminal and TWNW is concerned that new sub regional groups of local authorities could establish **statutory** (Act 2009) EPBs in a manner that would override LEPs who are **voluntary** non statutory Partnerships between local government and others⁷.

2.6 More clarity is needed in respect of the **evolving roles of EPBs and LEPs**⁸, and especially the role of both in the context of the establishment of **Local Transport Bodies (LTBs)**. **We are particularly concerned at the level of bureaucracy engendered by the establishment of non-elected LEPs and how they and LTBs relate to the established and experienced Local Transport Authorities.**

2.7 Overarching all this in the North is the recent decision on rail franchising renewal and partnership announcement between the DfT and Rail North as a step towards devolution. We see devolving this responsibility to a more local level to be in the best interests of rail passengers provided that adequate funding is available to tackle the significant backlogs of rolling stock replacement and enhancement and to enable full investment in the Rail Strategy for the North.

3. Do local bodies (including local authorities, local enterprise partnerships, passenger transport executives, integrated transport authorities and local transport boards) have the capacity to assess, prioritise and deliver local transport schemes? What would the optimum delivery body look like?

3.1 The new devolved structures [Act 2009], powers and functions [Act 2011] of both elected⁹ and unelected¹⁰ bodies are bound to create demographic

⁵ up to a maximum of 50% of its membership

⁶ The Association of Greater Manchester Authorities (AGMA), the first CA in England, selected this route in preference to the creation of a GMEPB

⁷ LEPs are having passed to them some of the previous Regional Development Agency's functions, including the prioritisation of expenditure on major transport schemes,

⁸ How can a LEP function where there is a parallel EPB? Local Government Chronicle April 2013

⁹ Local Government, Local Transport Authorities, Integrated Transport Authorities, Passenger Transport Authorities/Executives and Combined Authorities

¹⁰ Economic Prosperity Boards and Local Enterprise Partnerships

deficits and also a “churning” of staff and probably in the short term unavoidable **skills shortages**. However we are partially reassured by the general powers of wellbeing and competence [Act 2011] given to these bodies and to allow the Secretary of State to “pass on” functions as most appropriate. We would like to see these used to simplify the complex relationship between EPBs and LEPs whose boundaries and functions too rarely coincide.

4. What is the best way of dealing with major transport schemes that cross local authority boundaries or have wider regional impact?

4.1 These may involve National agencies such as Network Rail and the Highways Agency, but they will also be funded from the EPBs’ Single Growth Fund (SLGF) which the LEPs will need to have already prioritised. A way will need to be found of resolving inevitable territorial, planning and financial discrepancies. Whilst welcoming the capital in the Local Growth Fund¹¹ this comes at a time of growing revenue budget challenges.

5. How effectively do local bodies work with each other and with Government departments and national transport agencies?

5.1 Local transport bodies have a poor record of co-operation. Even duties such as section 88 Transport Act 1986 requiring transport, social services and education providers to co-operate *within an authority* are often observed mainly in the breach.

5.2 We are concerned that devolving powers to local government could result in **conflicts** (sometimes with transport expenditure consequences) between different tiers. This is currently manifest in the disagreement between the elected mayor of Liverpool and Merseytravel’s Integrated Transport Authority (and proposed Combined Authority) over the issue of the removal of the City’s bus lanes. It would be possible (Act 2011) to legislate for the election of Combined Authority mayors, which could remove this obstacle.

6. Do the current funding streams for major local transport schemes meet the needs of local authorities? How do current funding streams compare with previous arrangements? What impact will the devolution in 2015 of funding to Local Transport Bodies and the introduction of the Single Local Growth Fund have?

6.1 These can be inadequate. TWNW sees the impact of devolving a Single Local Growth Fund to Local Transport Bodies (LTBs) being beneficial overall but only if its transport element is ring fenced and if Local Transport Bodies are given the ability to *vire* funds between capital and revenue. This is doubly important if the present Integrated Transport Block Grant is to be administered by LTBs.

7. How can local authorities attract greater investment from the private sector for the delivery and maintenance of local transport

¹¹ which LEPs will disburse

infrastructure? What scope is there for the use of alternative funding streams? How clear are the lines of accountability for local decision making on transport expenditure?

7.1 There are encouraging signs of local authorities beginning to attract transport investment but TWNW would emphasise that Local Transport Authorities, rather than appointed bodies such as LEPs, should be the accounting bodies.

7.2 Whilst Greater Manchester Combined Authority is a model for others to follow, it should also be noted that CAs must additionally resource other economic strategies which may or may not impinge on their transport remit.

8. Conclusions

8.1 Overall the devolution to local level of much of the expenditure incurred by local transport is welcomed. However the mechanisms for doing so are over complex and there is a real danger of too much bureaucracy. It is probably fortunate that EPBs have largely failed to materialise but the relationships between LEPs, CAs, LTBs and LTAs are complex and do not help the cause of devolution.

8.2 Efforts will need to be made to repair the **depleted skills base** of staff administering public transport and a more co-operative *modus operandi* will be required.

8.3 Should you wish TWNW to expand on this response, either in writing or verbally, we are prepared to do so.

8.4 Thank you for the opportunity to respond

John Moorhouse
Company Secretary

Response prepared by Paul Fawcett MPhil FCILT