

Meeting: Policy Development and Decision Group (Joint Operations Team)

Date: 3rd September 2018

Wards Affected: All

Report Title: “Transport for the South West Peninsula” Sub-national Transport Body

Is the decision a key decision? Yes/No (delete as appropriate)

When does the decision need to be implemented? On or before 2nd October 2018

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1. Proposal and Introduction

- 1.1. The Council has been requested to approve the formation of a shadow sub-national transport body (STB) for the South West Peninsula by entering an informal partnership with other authorities in the South West and key agencies responsible for infrastructure investment. The STB will be the principal mechanism for dialogue with Government regarding strategic transport investment in area.
- 1.2. There is a consensus amongst South West authorities that forming two bodies, initially as informal partnerships; would be the most effective way to swiftly put in place a clear mechanism for Government to engage formally with us on strategic transport investment matters, including use of a new roads fund to improve the major road network. The respective STBs can decide on the most appropriate progression after the informal partnership has been set up but this could include gaining Statutory Status.
- 1.3. The Council will work with Cornwall, Plymouth, Devon, Somerset and Dorset to form the South West Peninsula STB. At the same time, work is progressing to form the Western Gateway STB for the remainder of the South West comprising Gloucestershire, BANES, Poole, Bournemouth, Bristol, North Somerset, South Gloucestershire, Wiltshire, and the West of England Combined Authority.

2. Reason for Proposal and associated financial commitments

- 2.1. Sub-national Transport Bodies (STBs) were identified, with accompanying legislation, within the Cities and Local Government Devolution Act 2016. By formulating a statutory body, local authorities will have the ability to have direct influence over decisions that are currently within the control of Government and its agencies. The Act allows existing individual authorities to formally join in a partnership with another authority or authorities to formulate, and potentially deliver, a transport strategy for the wider area.
- 2.2. The South West remains the only part of England not covered by a STB, and Government has highlighted that it expects such a body to be put in place to enable discussion and agreement on strategic transport infrastructure investment priorities.
- 2.3. The South West Region risks losing out on essential infrastructure investment without such a body in place.
- 2.4. It is intended that the STB will meet informally in October 2018 and again in November having formally set up the partnership in advance.
- 2.5. The proposals contained in this report will commit the Council financially in respect of up to £20,300 initially to cover set up costs and early evidence base and business case work for the STB. This is calculated as a percentage based on population and contributes to a budget of up to £400,000. This is comparative to the recent formation of the South East STB which set a budget of £500,000. This figure is an estimate and until work commences and there is a clear understanding of what the STB will deliver and the evidence needed to support it, the actual costs will not be known.
- 2.6. There will likely be additional ongoing costs beyond the set-up which will require contributions in due course.
- 2.7. The STB will work to submit a proposal to Government for support funding alongside our contributions.
- 2.8. The initial set-up costs will be funded from the Planning Reserve as reflected in recommendation 3.7.

3. Recommendation(s) / Proposed Decision

- 3.1. The Elected Mayor be recommended to:
 1. Agree to join an informal partnership with Cornwall Council, Plymouth City Council, Torbay Council, Devon County Council and Dorset County Council; which will be known as a shadow sub-national transport body for the South West Peninsula (or similar), subject to Government agreeing with

that proposal, and subject to formal agreement of a final terms of reference once the partnership has formally convened.

2. Agree that the draft terms of reference attached as Appendix 1 provide an appropriate basis in principle upon which to create a partnership.
3. Delegate authority to the Executive Head of Assets and Business Services, in consultation with the Executive Lead for Community Services, to agree the final terms of reference for the shadow sub-national transport body subject to the terms being generally in accordance with the draft terms attached as Appendix 1.
4. Delegate authority to the Executive Head of Assets and Business Services, in consultation with the Executive Lead for Community Services, to develop and agree a constitution for the South West Peninsula sub-national transport body with the partner authorities, and an inter-authority agreement to enable the informal partnership to operate.
5. Appoint the Executive Lead for Community Services to represent the Council on the sub-national transport bodies.
6. Delegate authority to the Executive Head of Assets and Business Services, in consultation with the Executive Lead for Community Services, to agree a prospectus (and any other material as appropriate) for the proposed body for communication purposes.
7. Approve an initial partnership funding contribution of up to £20,300 from the Planning Reserve, to facilitate the development and operation of the partnership, and lever in match-funding from the Government; with the actual value of the contribution to be agreed between the parties following further development of technical workstreams.

Appendices

Appendix 1: Draft Terms of Reference for the Transport for the South West Peninsula Emerging Sub-National Transport Body

Appendix 2: Draft Collaboration Agreement for the Transport for the South West Peninsula Emerging Sub-National Transport Body

Appendix 3: Draft Constitution for the Transport for the South West Peninsula Emerging Sub-National Transport Body

Appendix 4: A letter from the South West Authorities to DfT officials in June 2018 setting out the rationale for the proposed bodies.

Section 1: Background Information

1.

What is the proposal / issue?

The Council has been requested to approve the formation of a shadow sub-national transport body (STB), known as the Transport for the South West Peninsula Emerging Sub-National Transport Body, by entering an informal partnership with other authorities in the South West and key agencies responsible for infrastructure investment. The STB will be the principal mechanism for dialogue with Government regarding strategic transport investment in area.

Local Authorities across England are responding to Government's request for more strategic thinking about transport investment with the aim of improving regional productivity and sustainable economic growth by joining up to become STB using legislation, within the Cities and Local Government Devolution Act 2016.

Nationally three STBs have been formed and are working towards becoming statutory authorities. They include: Transport for the North, Midlands Connect and England's Economic Heartland. In addition, a shadow STB has been created for South East England and work has begun on creating a STB for East Anglia. The South West remains the only part of England not covered.

A recent consultation document on defining a new tier in the major road network for England (MRN), has highlighted Government's intention to work with STBs to agree investment priorities. Authorities in the South West have identified that a failure to put STBs in place would present a considerable risk in missing investment opportunities, and that such bodies will provide a unique opportunity for unprecedented access to Government and a key role in advising on use of the new national roads fund and other infrastructure investment processes.

The proposal has evolved from discussion between all the upper tier and unitary authorities in the South West Region and has been discussed with the Department for Transport.

The Authorities are now well progressed in setting up two STBs, South West Peninsula and Western Gateway, to cover the South West Region; and the South West Peninsula are on-track to establish a shadow body (subject to approvals) as informal partnerships by October 2018 whilst longer-term discussions about statutory body status take place and continue thereafter.

	<p>The SW authorities wrote to DfT in June 2018 (attached as Appendix 2) setting out the intention to set up two bodies and explaining the benefits and opportunities that this would create.</p>
<p>2.</p>	<p>What is the current situation?</p> <p>Work is now underway to establish the detailed resourcing requirements and activity required to develop the evidence base and transport strategy which will be the key initial output from the Body to inform imminent discussions with Government about strategic transport investment needs</p> <p>Discussion and engagement with key stakeholders will form an important part of the activity needed to establish the Body, and the draft terms of reference propose a stakeholder group is formed as part of the governance arrangements.</p> <p>The draft terms of reference propose that the Body also includes representation from Network Rail, Highways England, Homes England and the Local Enterprise Partnerships as the key bodies responsible for strategic infrastructure investment in the area. Discussions with those organisations are underway.</p> <p>The draft terms of reference for both SW bodies refer to the opportunity for local authorities to become ‘associate members’ of bodies where they are not part of the core STB area but have important strategic connectivity issues and investment needs related to a neighbouring STB.</p> <p>The sub-national transport body model being followed is similar to the recently established ‘Transport for the South East’ which has an informal partnership in place utilising a £0.5m budget formed of contributions from its constituent authorities. The budget has been used to set up governance arrangements, a programme management office and technical workstreams which include preparing an initial evidence base and ‘connectivity review’ which has now been published. The body has recently been awarded £1m by the DfT to develop its transport strategy and activity needed to become a statutory body by 2020.</p>
<p>3.</p>	<p>What options have been considered?</p> <p>Several detailed options for setting up sub-national transport bodies have been discussed with the South West local transport authorities, and the proposal for the two bodies has emerged as the consensus view.</p> <p>The alternative options considered are as follows:</p>

	<ul style="list-style-type: none"> • Seek to establish a statutory body from the outset. This is not recommended due to the need to swiftly put in place a body for Government to deal with; statutory body status will take several years to progress. • Seek to establish one body for the whole South West Region. This is not recommended for the reasons set out in Appendix 2. • Not to form a partnership with other authorities and seek to negotiate future strategic transport investment with Government as an individual authority. This is not recommended as Government has expressed a strong preference for such bodies. An authority seeking an individual relationship with DfT on these matters would be unlikely to attract any significant new investment.
<p>4.</p>	<p>How does this proposal support the ambitions, principles and delivery of the Corporate Plan?</p> <p>The proposal supports the delivery of the following elements of the Corporate Plan.</p> <p>Ambitions: Prosperous and Healthy Torbay</p> <p>Principles:</p> <ul style="list-style-type: none"> • Use reducing resources to best effect • Integrated and joined up approach <p>Targeted actions:</p> <ul style="list-style-type: none"> • Working towards a more prosperous Torbay • Ensuring Torbay remains an attractive and safe place to live and visit
<p>5.</p>	<p>How does this proposal contribute towards the Council's responsibilities as corporate parents?</p> <p>Not applicable.</p>
<p>6.</p>	<p>How does this proposal tackle deprivation?</p> <p>Working in partnership with other local authorities through the Sub-National Transport Body will have a positive impact on our infrastructure which could lead to more job creation and housing which will help to tackle deprivation and reduce inequalities in Torbay.</p>
<p>7.</p>	<p>How does this proposal tackle inequalities?</p> <p>The STB will identify strategic transport infrastructure investment priorities which are intended to lead to funding allocations for new strategic transport schemes in the area, including within Torbay.</p>

	<p>Impacts on people with protected characteristics have been considered and the following issues identified: Any transport improvements will provide an appropriate environment for people with disabilities and for younger and older people to move around the area and use the transport system safely. The detailed designs of any schemes will be compliant with access requirements for people with disabilities. Contracts will cover requirements for the conduct of the staff on the ground.</p>
8.	<p>How does the proposal impact on people with learning disabilities?</p> <p>Not applicable</p>
9.	<p>Who will be affected by this proposal and who do you need to consult with?</p> <p>The proposal has evolved from discussion between all the upper tier and unitary authorities in the South West Region and has been discussed with the Department for Transport.</p> <p>A letter was sent from the South West Authorities to DfT officials in June 2018 setting out the rationale for the proposed bodies.</p> <p>Discussion and engagement with key stakeholders will form an important part of the activity needed to establish the Body, and the draft terms of reference propose a stakeholder group is formed as part of the governance arrangements.</p> <p>The draft terms of reference propose that the Body also includes representation from Network Rail, Highways England, Homes England and the Local Enterprise Partnerships as the key bodies responsible for strategic infrastructure investment in the area. Discussions with those organisations are underway.</p>
10.	<p>How will you propose to consult?</p> <p>See 9 above.</p>

Section 2: Implications and Impact Assessment

11.

What are the financial and legal implications?

Financial Implications

It is likely that additional financial resources will be required to set up and administer the new body. Technical work is also likely to be commissioned to develop the required evidence base and transport strategy setting out the strategic transport investment needs of the area. Government's intention is for the required evidence base to be proportionate and it is anticipated that much of the required information can be brought together from existing studies and expertise already within the partner authorities.

Nonetheless it is prudent to assume that some additional technical work will be required. The local transport authorities of the STB must make a contribution in respect of any reasonably incurred costs if they all agree on the need for a contribution and the amount required.

Costs will initially be shared between the six local authorities forming the partnership split proportionately per population, and the intention is to submit a business case to Government for additional funding to enable the body to become a sustainable entity.

An initial funding contribution of the order of £12,700-£22,300 is likely to be required from Torbay Council to fund the initial activity of the Body and lever-in Government financial support. This is based on a total partnership budget of £250,000 to £400,000, with work currently underway to establish a more accurate estimate of likely cost. By way of a comparison, Transport for the South East has an initial partnership budget of £500k. The financial implications will be kept under close review and the affordability of the Body will be reviewed in due course once the likelihood of Government support and the potential benefits from new infrastructure investment are clearly established.

Legal Implications

There is no statutory requirement for a sub-national transport body but Government has made it clear that its strong preference is for strategic transport infrastructure priorities to be established through such a body rather than dealing with individual local authorities.

The terms of reference for the body propose that a shadow body is created as an informal partnership whilst a more detailed business case for a statutory body with new powers is considered.

	<p>A statutory body would be constituted under the Cities and Local Government Devolution Act 2016 which enables the Secretary of State to establish such a body. The body would then be required amongst other things to publish a transport strategy for the area which the Secretary of State must have regard to in setting and implementing national transport policy as it relates to the STB area.</p> <p>Members of the STB Board will retain their existing accountabilities and responsibilities for transport. During the Board’s shadow operating phase they will also be responsible for ensuring that necessary approvals for STB Board decisions are obtained within their organisation.</p> <p>It is not proposed to establish standalone scrutiny arrangements for the STB during the shadow phase of operation but as formal proposal for a statutory body is developed for submission to Government, consideration shall be given in consultation with the DfT, as to what formal scrutiny requirements will be required once the STB is fully operational. During the shadow phase it will be for each of the Constituent Authorities to scrutinise the activities of the Board through their own scrutiny arrangements.</p> <p>During the shadow phase the STB has no statutory standing, cannot enter contracts and cannot employ staff. Therefore, for the shadow phase of operation, the STB will need to appoint a Lead Authority responsible for co-ordinating and administering the project including matters such as managing any available budget, keeping appropriate accounting and operational records and overseeing the preparation of the proposal to the Secretary of State to transition to a statutory Body.</p> <p>The full detail of the Lead Authority role will be set out in an Inter-Authority Agreement to be agreed by all Constituent Organisations.</p> <p>HR Implications</p> <p>There are no HR implications at this stage in setting up a shadow STB as an informal partnership. In due course the Lead Authority may need to employ dedicated staff to administer the shadow Body and this will be a matter for further decisions once the Lead Authority is identified.</p>
<p>12.</p>	<p>What are the risks?</p> <p>The key risk is a loss of potential strategic infrastructure investment should the Council choose not to enter into a partnership to form a sub-national transport body.</p>
<p>13.</p>	<p>Public Services Value (Social Value) Act 2012</p>

	<p>At this stage there are no procurement implications. However, development of the evidence base is likely to require some procurement in due course. This may be arranged through a lead Authority.</p>
<p>14.</p>	<p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>See section 2 above.</p>
<p>15.</p>	<p>What are key findings from the consultation you have carried out?</p> <p>A draft terms of reference for the shadow South West Peninsula STB has been drafted and is attached as Appendix 1.</p> <p>Work is now underway to establish the detailed resourcing requirements and activity required to develop the evidence base and transport strategy which will be the key initial output from the Body to inform imminent discussions with Government about strategic transport investment needs.</p> <p>Corridor alliances such as those formed around the A303 corridor and the Bristol South West Economic Link are a strong feature of joint working in the area and will remain a key mechanism for joint working between the sub-national bodies.</p> <p>The draft terms of reference for both bodies refer to the opportunity for local authorities to become ‘associate members’ of bodies where they are not part of the core STB area but have important strategic connectivity issues and investment needs related to a neighbouring STB. (For example, it would be beneficial for Somerset County Council to become an associate member of the Western Gateway STB given the investment needs and connectivity issues on the road and rail corridors that would be shared priorities with the Western Gateway area (e.g. M5, A38, A303, rail links to Bristol etc).)</p> <p>Similarly the West of England Combined Authority has recently been created to facilitate strategic planning for the West of England area and there may be opportunities and benefits with forming a more formal association with that body.</p> <p>The sub-national transport body model being followed is similar to the recently established ‘Transport for the South East’ which has an informal partnership in place utilising a £0.5m budget formed of contributions from its constituent authorities. The budget has been used to set up governance arrangements, a programme management office and technical workstreams which include preparing an initial evidence base and ‘connectivity review’ which has now been published. The body has recently been awarded £1m by the DfT to develop its transport strategy and activity needed to become a statutory body by 2020.</p>

16.	Amendments to Proposal / Mitigating Actions None.
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Equality Impacts

17.	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people	Any transport improvements will provide an appropriate environment for people with disabilities and for younger and older people to move around the area and use the transport system safely. The detailed designs of any schemes will be compliant with access requirements for people with disabilities. Contracts will cover requirements for the conduct of the staff on the ground.		
	People with caring Responsibilities			There is no differential impact.
	People with a disability	Any transport improvements will provide an appropriate environment for people with disabilities and for younger and older people to move around the area and use the transport system safely. The detailed designs of any schemes will be compliant with access requirements for people with disabilities. Contracts will cover requirements for the conduct of the staff on the ground.		

Women or men			There is no differential impact.
People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			There is no differential impact.
Religion or belief (including lack of belief)			There is no differential impact.
People who are lesbian, gay or bisexual			There is no differential impact.
People who are transgendered			There is no differential impact.
People who are in a marriage or civil partnership			There is no differential impact.
Women who are pregnant / on maternity leave			There is no differential impact.
Socio-economic impacts (Including impact on child poverty issues and deprivation)			There is no differential impact.
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			There is no differential impact.

16	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	None
17	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	None