

<b>TITLE</b>	<b>Transport for the South East Proposal to Government Consultation</b>
<b>FOR CONSIDERATION BY</b>	The Executive on Thursday, 25 July 2019
<b>WARD</b>	None Specific;
<b>LEAD OFFICER</b>	Director of Locality and Customer Services - Sarah Hollamby
<b>LEAD MEMBER</b>	Executive Member for Highways and Transport – Pauline Jorgensen

**PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)**

The purpose of this report is to summarise a proposal from Transport for the South East (TfSE) for them to become a statutory Sub-national Transport Body (STB). As part of this process, TfSE is required to consult on the proposal and requires support from all of its constituent authorities, including Wokingham BC.

This paper recommends a response to the consultation which will enable TfSE to gain statutory status.

**RECOMMENDATION**

That the Executive:

- 1) notes the contents of the report on Transport for the South East Proposal to Government;
- 2) welcomes the draft proposal to establish an STB for the South East, to be known as Transport for the South East (TfSE);
- 3) approves the response to the TfSE consultation as detailed in this report; and
- 4) authorises the Director of Locality and Customer Services to return the response to TfSE on behalf of Wokingham Borough Council

**EXECUTIVE SUMMARY**

On 18 March 2019 the Transport for the South East Shadow Board (TfSE) approved a draft Proposal to Government for formal consultation. This proposal to government, if approved, will see TfSE become the second Sub-national Transport Body (STB) in the country (after Transport for the North).

TfSE are requesting a number of powers detailed in this report and DfT has already demonstrated that will be the strategic focus for many decisions including advising DfT on Major road scheme priorities for the region and inputting and responding to consultations on behalf of the region most recently the Williams Rail Industry Review, and consultations relating to Heathrow and the Major Road Network.

Wokingham Borough Council is a constituent of TfSE, providing an annual subscription with representation on the Board as part of the Berkshire Local Transport Body. The legislation requires a new STB to be promoted by, and have the consent of, its constituent authorities, and that its Proposal to Government has been the subject of consultation within the area and with neighbouring authorities. The formal consultation is from 3 May – 31 July 2019.

## **BACKGROUND**

On 18 March 2019 the Transport for the South East Shadow Board (TfSE) approved a draft Proposal to Government for formal consultation, which is attached as Appendix 1 to this report.

The formal consultation period will close on 31 July 2019, and a final proposal will be recommended to the Shadow Partnership Board meeting on 19 September 2019.

The subject of the consultation is the exact terms of a Proposal to Government requesting statutory status for TfSE, which will require approval by Parliament. Transport for the North was the first STB to achieve statutory status in April 2018.

The statutory basis for an STBs is set out in Part 5A of the Local Transport Act 2008<sup>1</sup> as amended by the Cities and Local Government Devolution Act 2016, which says that “the Secretary of State may by regulations establish a sub-national transport body for any area in England outside Greater London”<sup>1</sup> and it goes on to set the conditions and limits for such arrangements.

The twin purposes for creating an STB are to facilitate the development of transport strategies and to promote economic growth for the area.

The legislation requires a new STB to be promoted by, and have the consent of, its constituent authorities, and that its Proposal to Government has been the subject of consultation within the area and with neighbouring authorities. TfSE is planning that the formal consultation will be carried out in a way that meets this condition.

### **Transport for the South East**

An STB is a body corporate, which may only be established by the Secretary of State if it is considered that:

- its establishment would facilitate the development and implementation of transport strategies for the area; and
- the objective of economic growth in the area would be furthered by the development and implementation of such strategies.

Sixteen upper tier authorities in the South East have been working together since 2016 to develop a proposal for an STB. They are:

Bracknell Forest; Brighton and Hove; East Sussex; Hampshire; Isle of Wight; Kent; Medway; Portsmouth; Reading; Slough; Southampton; Surrey; West Berkshire; West Sussex; Windsor and Maidenhead; and Wokingham.

There is an existing Shadow Partnership Board which includes arrangements for involving the five Local Enterprise Partnerships (Coast to Capital, Enterprise M3, Solent, South East, Thames Valley Berkshire); two National Park Authorities (South Downs and New Forest); 44 Boroughs and Districts in East Sussex, Hampshire, Kent, Surrey and West Sussex; and the transport industry and end user voice in its governance.

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<sup>1</sup> <http://www.legislation.gov.uk/ukpga/2008/26/part/5A>

TfSE's efforts have been acknowledged by the Department for Transport, and a grant of £1m was awarded to TfSE to fund the development of the emerging Transport Strategy for the South East.

To achieve statutory status, TfSE is required to develop a Proposal to Government which will need to demonstrate the strategic case for the creation of a STB and set out how TfSE will fulfil the statutory requirements for such a body as outlined in the enabling legislation.

The draft Proposal will also need to identify the types of powers and responsibilities that the STB will be seeking, as well as identifying the proposed governance structures.

The legislation requires that a new STB will be promoted by, and have the consent of, its constituent authorities, and that the proposal has been the subject of consultation within the area and with neighbouring authorities.

### **The Proposal to Government**

Following the consultation, a final proposal to government will be recommended to the Shadow Partnership Board meeting in September 2019 and will be submitted to Government in November 2019. At this point formal consent will be required from all constituent authorities to signal their support for the creation of TfSE as a statutory body.

Once the Government has received the proposal from TfSE, there will be a period of three to six months while the Secretary of State considers the request from TfSE. The Secretary of State will then formally respond to the TfSE proposal setting out the powers and responsibilities that have been granted to TfSE. Work will then begin on drafting the Statutory Instrument which will be laid before Parliament. It is anticipated that this will happen in late 2020. All constituent authorities will be required to give their consent to the creation of the statutory body following the formal response from the Secretary of State.

The draft proposal has the following headings:

- Executive Summary
- Transport for the South East
- The Ambition
- Strategic and Economic Case
- Constitutional Arrangements
- Functions

#### *Constitutional arrangements*

Each constituent authority will appoint one of their elected members or their elected mayor as a member of TfSE on the Partnership Board. It is intended that the regulations should provide for the appointment of persons who are not elected members of the constituent authorities to be co-opted members of the TfSE Partnership Board. Currently two LEPs, a representative from the Boroughs and Districts, the Chair of the TfSE Transport Forum and a representative from the protected landscapes in the TfSE area have been co-opted onto the Shadow Partnership Board. For Berkshire, the six unitary authorities have been acting as a single constituent authority rather than six smaller authorities. This means that there is one elected member on the partnership board representing the county; that elected member is currently Cllr Tony Page (Reading).

A number of voting options were considered to find a preferred option that represents a straightforward mechanism, the characteristics of the partnership and which does not provide any single authority with an effective veto. The starting point for decisions will be consensus, and if that can't be achieved then decisions will require a simple majority of those Constituent Bodies who are present and voting. Where consensus cannot be achieved the following matters will require enhanced voting arrangements:

- The approval and revision of Transport for the South East's ("TfSE") Transport Strategy;
- The approval of TfSE annual budget;
- Changes to the TfSE constitution.

Decisions on these issues will require both a super-majority, consisting of three quarters of the weighted vote in favour of the decision, and a simple majority of the constituent authorities. The details of the proposed weighting voting system are set out in Section 5 of the draft Proposal to Government set out in Appendix 1. This has been based on the population of each authority, with the Isle of Wight having the smallest population (140k) and receiving one vote and the other authorities receiving one vote per 140k of residents; accordingly Berkshire receives 6 votes.

### *Functions*

The specific functions that TfSE is seeking as part of its Proposal to Government are set out in Section 6 of Appendix 1. The proposed powers will operate concurrently and with the consent of the constituent authorities, it is clear that TfSE will only use these powers with this explicit consent. The main functions and their potential benefit to WBC are outline below:

*General STB functions relating to the preparation of a Transport Strategy, advising the Secretary of State and co-ordinating transport functions across the TfSE area*

This will ensure functions across the region are coordinated and prioritised to ensure consistency in approach. A regional Transport Strategy ensures that strategic routes and functions are considered in the whole by one organisation

*Being consulted on rail franchising and setting the overall objectives for the rail network in the TfSE areas*

Enables a local regional voice to ensure the best interests of the region are considered in rail

*Jointly setting the Road Investment Strategy RIS for the TfSE area*

Fair prioritisation and coordination. A voice outside Highways England and DfT to make the case for regional priorities

*Obtaining certain highways powers which would operate concurrently and with the consent of the current highways authority to enable regionally significant highways schemes to be expedited*

This would ensure coordination and cooperation across authority boundaries and give DfT confidence in the will and ability to complete such projects

*Securing the provision of bus services, entering into quality*

Wider service provision might lead to more profitable routes and so reduce the need for subsidy, however,

<i>bus partnership and bus franchising arrangements</i>	this is not expected to affect WBC in the medium term
<i>Introducing integrated ticketing schemes</i>	This would be great help to transport users and avoid confusion and multiple tickets
<i>Establish Clean air zones with the power to charge high polluting vehicles for using the highway</i>	This eliminates the problem of Air Quality schemes being constrained to small areas and would ensure an holistic approach
<i>Power to promote or oppose Bills in Parliament</i>	Enables a local regional voice to ensure the best interests of the region are considered
<i>Incidental powers to enable TfSE to act as a type of local authority.</i>	A statutory STB requires certain incidental amendments to enable it to operate as a type of local authority, with duties in respect of staffing, pensions, monitoring and the provision of information about TfSE

## **Consultation Response**

Appendix 2 includes the questions TfSE are asking in the consultation with a recommended response from Wokingham Borough Council. In summary it is recommended that WBC should agree that TfSE should become a Statutory Transport Body for the reasons set out in the formal response.

## **Risks**

There are few risks to the council connected with TfSE; the proposal sets out key strategy, influencing and consultative roles for the new body. None of these activities are inherently risky. There are opportunities that by joining together across the South East there are better outcomes for the council through the influence of TfSE.

If Wokingham BC do not support the proposal, TfSE will be unable to become recognised as a statutory STB. This would reduce the influence of the organisation and DfT would need to reconsider how funding decisions are made at the sub-national level; it may reduce the likelihood of Wokingham gaining access to any such funding streams in the short to medium term.

## **Timescales**

The consultation period closes on 31 July 2019, and the responses will be reported to the next meeting of the TfSE Shadow Partnership Board on 19 September 2019. That meeting will approve a final version of the Proposal and will seek formal consent from the constituent authorities.

The application will then be considered by the DfT and by Parliament. The provisional go live date is late 2020.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

*The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context.*

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	'nil' (there is no change to current annual cost of £9,667)	Yes	Revenue
Next Financial Year (Year 2)	'nil' (there is no change to current annual cost of £9,667)	Yes	Revenue
Following Financial Year (Year 3)	'nil' (there is no change to current annual cost of £9,667)	Yes	Revenue

### Other Financial Information

TfSE has established an annual subscription of £58,000 per county and £30,000 per unitary. Berkshire is being treated as a county with one seat on the board and the £58,000 being divided equally between the 6 unitary authorities.

DfT has recently settled a one-off grant of £1,000,000 towards the cost of the development of the Transport Strategy. There is a reasonable expectation that DfT will allocate some core revenue funding for TfSE once it has achieved statutory status, on the basis that the constituent authorities will continue to make contributions. TfSE will also seek further capital funding from the DfT to take forward its technical work programme.

### Stakeholder Considerations and Consultation

TfSE are carrying out this public consultation and all of our residents and partner organisations have opportunity to respond directly to them.

### List of Background Papers

Appendix 1 - Draft Proposal to Government  
Appendix 2 - Proposed response to the consultation

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