

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	12 December 2016
Title:	Proposals for a Sub-National Transport Body (Transport for the South East)
Reference:	7908
Report From:	Director of Economy, Transport and Environment

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1. Executive Summary

- 1.1. The purpose of this report is to secure Cabinet's approval for the County Council to join a shadow Sub National Transport Body for the South East. This would be tasked with developing a draft Transport Strategy for the South East and to bring forward governance proposals for a statutory Sub National Transport Body (STB) for the area, to be known as Transport for the South East (TfSE). The Transport Strategy would set out the STB's proposals for the promotion and encouragement of sustainable, safe, integrated and efficient infrastructure and services to, from and within the STB geography.
- 1.2. The Government's intention is that STBs will give English regions (outside of London) legal powers and duties to advise transport ministers on strategic transport decisions and investment priorities for their areas in order to boost growth. Strategic transport providers will be expected to take account of STBs' priorities, as set out in their transport strategies. By aligning those priorities with national long-term investment plans it should be possible to provide greater certainty to markets and investors.
- 1.3. Initially designed to strengthen the 'Northern Powerhouse' by providing a statutory footing for Transport for the North (TfN), other areas are now progressing plans for their own STB, most notably Midlands Connect, which is expected to be granted statutory status within two years to support a 'Midlands Engine', and an emerging STB proposal being put forward by 'England's Economic Heartland' strategic alliance.
- 1.4. In order to ensure the South East is not left behind but is ready to exert maximum influence over future transport investment decisions, the County Council has been working with partners on the SE7 group, to develop an

STB proposal. If approved, this would see the region's transport authorities together with its LEPS, working together directly with the Government and Highways England, Network Rail, as well as with sea port, airport, bus and rail operators, on one strategic body, TfSE.

- 1.5. TfSE would be the main mechanism through which to advise, influence and prioritise national investment by the major transport agencies, including Highways England and Network Rail, in a way that has so far not been possible for the County Council and other transport authorities in the South East.
- 1.6. The primary focus of TfSE would be on delivering major strategic transport infrastructure. It would also seek to deliver more integrated, multi-modal transport services. This development may be a timely opportunity to help advance Hampshire County Council's own strategic transport priorities, particularly given the Government's recent decision to expand Heathrow Airport and the need for improved connectivity to and from the airport.
- 1.7. This report seeks to:
 - provide contextual information on Sub National Transport Bodies;
 - to secure Cabinet's support to establish a shadow STB and approve the County Council joining the shadow body;
 - to secure delegated authority to the Leader to agree the shadow arrangements, including the shadow terms of reference, membership and constitution, and to appoint a representative of the County Council to the shadow STB;
 - to secure approval for £20,000 investment to support the shadow STB, including the development of the constitutional arrangements, the draft Transport Strategy and for officer support.

2. Background to Sub National Transport Bodies

- 2.1. The Cities and Local Government Devolution Act 2016 (Part 5A) makes provision for the establishment of STBs to operate at a sub-national level in transport matters, with the purpose of furthering economic growth.
- 2.2. The provision delivers on the Government's promise to put Transport for the North (TfN) on a statutory footing, with TfN set to become the first STB early next year. It is likely this will be followed by Midlands Connect which is developing its draft transport strategy and is expected to be granted statutory status, as an STB, within two years.
- 2.3. The legislation makes clear an STB must cover the whole area of at least two relevant authorities. Each of the following are considered to be relevant authorities under the legislation:
 - A county council
 - A unitary authority
 - A combined authority
 - An Independent Transport Authority

- 2.4. An STB would be a corporate body required to facilitate the development and implementation of a transport strategy and, in doing so, to further economic growth.
- 2.5. Whilst the legislation sets out basic arrangements and responsibilities for STBs, the Government claims there is no 'one size fits all' approach. Instead, the Department for Transport (DfT) has said it is for local areas to come forward with proposals tailored according to their needs. Subject to consultation and approval by the Secretary of State, the details of each STB would be secured through a Parliamentary Order.
- 2.6. Whilst introducing the legislation, the Transport Minister, Andrew Jones MP, told the House of Commons that although Secretary of State would remain in charge of the national network, STBs would *"advise him on strategic transport priorities for their areas....and, over time, they will be able to advise him on how they can develop their roles and take on more responsibilities for improving transport planning, or provide other enhancements to economic development in their areas."*
- 2.7. Since then the new Secretary of State for Transport, Chris Grayling MP, has indicated his enthusiasm for the creation of a small number of STBs (possibly six or seven) to cover the whole of England. He will be looking for clear evidence as to how each STB can add real value. The DfT will consider each bid on a case-by-case basis.

3. Proposal for a Sub National Transport Body for the South East

- 3.1. The South East Seven (SE7) Councils (Hampshire, East Sussex, West Sussex, Kent and Surrey county councils and Brighton & Hove City Council and Medway Council) and the Local Enterprise Partnerships (LEPs) that represent the area have been in officer level discussion about the establishment of an STB for the South East, to be called Transport for the South East (TfSE). Discussions have also recently commenced with the Hampshire unitary authorities and with Solent LEP about joining a potential TfSE.
- 3.2. Whilst further discussions are required on the membership and geography of a TfSE, the initial proposed area would fulfil the DfT's requirement that an STB should be large enough to ensure genuine strategic consideration for the planning and delivery of transport infrastructure and services, and that the geography does not create "white space" by excluding local authorities from participation in the sub-national arrangements.
- 3.3. If the proposal to establish an STB is agreed, it will be important to take full account of the voice of business in developing the draft transport strategy and the Local Enterprise Partnerships (LEPs) offer the most effective mechanism to do this. It is notable that both the North and the Midlands have included representation from their LEPs.

- 3.4. TfSE would enable the South East to speak to Government and other national transport bodies with a strong, common voice. It would provide a single platform for strategic transport infrastructure and services, giving the constituent members greater and, potentially, direct influence over decisions that are currently made elsewhere. Its key outcome would be the development and implementation of a single, strategic transport infrastructure strategy that aligns its priorities with investment programmes from key agencies, such as Highways England and Network Rail, and also with the Strategic Economic Plans of the LEPs.
- 3.5. TfSE would aid the delivery of growth plans across the area by developing and overseeing implementation of a long-term strategic programme which identifies a comprehensive package of transport measures to boost productivity and make the South East more competitive. In addition to supporting the delivery of LEP Strategic Economic Plans, it would also support the delivery of Local Plans where these require strategic scale transport investments.

4. The Transport Strategy

- 4.1. The cornerstone of TfSE would be its Transport Strategy which would build upon existing evidence, such as that contained in the LEPs' Strategic Economic Plans, within Local Transport Plans and in growth and infrastructure frameworks/studies that a number of upper-tier authorities are undertaking.
- 4.2. The Transport Strategy would outline the ambition of TfSE and describe the South East's vision in relation to transport functions, including the effectiveness, efficiency and resilience of the existing network. It would enable integrated, multimodal transport policies, involving freight, ports, airports and other public transport modes.
- 4.3. In developing the draft strategy, consideration of the area will need to assess which transport schemes can deliver the most benefit from investment to boost growth and improve regional connectivity.

5. Development of a Shadow Sub National Transport Body

- 5.1. Prior to seeking the establishment of TfSE, it would be sensible to establish the body in a shadow form in order to develop a robust proposal. It would also demonstrate to Government the commitment of the constituent authorities to work collaboratively. An effective shadow TfSE would reassure the Government about the strength of the partnership and the case for supporting a TfSE Transport Strategy.
- 5.2. If the principle of establishing a TfSE is agreed, the shadow body would be tasked with two key functions:
 - to develop an overarching draft Transport Strategy for the area; and

- to agree proposed responsibilities and accountabilities for a future TfSE, including governance and assurance arrangements.
- 5.3. If partners agree to establish TfSE in shadow form, it is proposed to establish an STB Leaders' Board to determine and agree the constitutional arrangements, ensuring the governance reflects the collective aspirations of the local authorities. It would be asked to agree the draft terms of reference, including the proposed governance and voting arrangements, in advance of consultation with wider partners.
- 5.4. Earlier this month the SE7 Leaders' Board agreed that its member authorities, together with Hampshire's neighbouring three unitary authorities, should all be invited to become members of a shadow STB, with the option of inviting others to join the shadow body at a later date if deemed prudent.

6. Membership of the Shadow Sub-National Transport Body

- 6.1. It is proposed that the constituent local authorities of the shadow body, as set out below, form the initial membership, subject to any future establishment of Combined Authorities:
- Hampshire County Council
 - Surrey County Council
 - West Sussex County Council
 - East Sussex County Council
 - Kent County Council
 - Brighton and Hove City Council
 - Medway Council
- 6.2. Whilst the above would form the initial membership, SE7 consider it desirable to extend this to include all the transport/highway authorities within the area. For this reason an invitation has been issued to the three Hampshire unitary authorities of Southampton, Portsmouth and the Isle of Wight to join the shadow body.
- 6.3. It is also considered important to ensure that, as with STB proposals elsewhere, the voice of business is suitably represented. It is therefore proposed that the constituent authorities work with the LEPs to determine how best that can be achieved. With this in mind, the County Council may wish to recommend that all of the South East LEPs are invited to participate fully in the work of the shadow STB at the earliest opportunity.
- 6.4. In addition the SE7 Group has agreed to open a dialogue with the Berkshire authorities about whether it would be desirable for them to join the shadow body, particularly in light of the recent decision to expand Heathrow Airport.
- 6.5. There is a strong case for Hampshire County Council to seek the inclusion of the Berkshire authorities and the Thames Valley LEP in both the shadow body and any future TfSE. Not only does the Thames Valley represent a very strong economic area, it also includes the pivotal transport hub of

Reading and an important transport link to the ports of Southampton and Portsmouth, as well as crucial links to the East/West M4 corridor.

- 6.6. Given the strategic importance of the M4 corridor to the South East region, and especially to Hampshire and the Enterprise M3 LEP, the County Council may wish to insist on the Berkshire Authorities being invited to join TfSE at the earliest opportunity. Not only would their membership bring the work of the STB into closer alignment with Enterprise M3 LEP but it would give TfSE far more clout to fight its case.
- 6.7. Securing timely engagement from the Berkshire Authorities and Thames Valley LEP in the development of a TfSE would put the South East on a far stronger platform to compete with the Midlands and the North. Unless an approach is made to them in the near future they could well make their own separate arrangements. For these reasons Hampshire County Council may wish to advocate that a TfSE would be far stronger and more evenly balanced in terms of east/west connectivity if it were to include the Berkshire authorities.
- 6.8. This report recommends that authority is delegated to the Leader to determine who the other members of the shadow board should be. This will be agreed through a Leaders' Board. As the work progresses towards a more formal body and develops the necessary governance arrangements it will also be important to consider how best to effectively take on board the views of district and borough colleagues.
- 6.9. Additional members of the shadow body may be considered, as appropriate, on a case by case basis but, as a minimum, it should include:
 - Department for Transport
 - Highways England
 - Network Rail
 - Airport, Sea port, Bus and train operating companies.

7. Finance

- 7.1. Each constituent authority will be asked to contribute £20,000 to provide funding to develop the shadow arrangements, including the constitutional arrangements, consultancy costs to develop the draft strategy and support the shadow STB.

8. Consultation and Equalities

- 8.1. Before progressing a proposal to establish an STB, the constituent authorities must undertake a consultation on the boundary proposals. It is proposed that the shadow STB would lead on this for the constituent authorities.
- 8.2. Public consultation is also required on the STB's draft Transport Strategy prior to publication.

- 8.3. On going engagement will also be sought with the business sector through the LEPs and also engagement with local borough and district councils as appropriate.
- 8.4. A full Equality Impact Assessment will be carried out prior to the formation of the SNTB, but it is not required at this stage.

9. Timeline to develop a Sub National Transport Body for the South East

- 9.1. All South East 7 councils are seeking the authority from their Cabinets before Christmas to establish a shadow TfSE.
- 9.2. It is anticipated that it could take up to two years to establish TfSE. Subject to approval by constituent members, a potential timeline for developing TfSE and the Transport Strategy could be as follows:

2016	• Discussions with DfT (ongoing); • Development and establishment of a shadow STB with partners; and • Development of Terms of Reference, governance arrangements and vision.
2017	• Development of the draft Transport Strategy; • Development of the formal proposal and consultation on the draft Strategy.
2018	• Formal STB established following an agreement to the proposal by Government, and the parliamentary process which includes preparation of a Parliamentary Order that must then be approved by Parliament.

- 9.3. A shadow TfSE can run in parallel to the formal process of confirming an STB and establishment of the final Order.
- 9.4. Although the process of setting up the full TfSE is expected to take up to two years, it is proposed that, subject to approval by the constituent authorities' respective cabinets, that the shadow STB be set up before the end of this calendar year.
- 9.5. The participation by the County Council in a formal statutory STB, if Government agree to its establishment, would be subject to a further decision in due course.
- 9.6. In the meantime, East Sussex County Council is providing the lead officer to support the SE7 Leaders to develop arrangements for the shadow body.

10. Recommendations

That Cabinet:

- 10.1. Endorse the establishment of a shadow Sub National Transport Body (STB) for the South East and agree to the County Council becoming a member of that body;
- 10.2. Express strong support for an invitation to be extended to the Berkshire authorities and for the shadow STB to seek full engagement with the South East LEPs at the earliest opportunity;
- 10.3. Appoint an appropriate Member to represent the County Council on the shadow STB;
- 10.4. Approve the investment of £20,000 to support the shadow STB, including the development of the constitutional arrangements, the draft Transport Strategy and for officer support;
- 10.5. Delegate authority to the Chief Executive in consultation with the Leader to agree the shadow arrangements, including the shadow terms of reference, membership and constitution;

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

[Cities and Local Government Devolution Act \(2016\)](#)

IMPACT ASSESSMENTS:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

- 2.1. It is considered that this report will have no adverse impact or cause no disadvantage to groups with protected characteristics as it merely seeks approval for the County Council to join a shadow body that will be tasked with developing a draft strategic transport strategy both of which would be subject to full consultation before establishment/adoption. A full Equality Impact Assessment will be carried out prior to the formation of the SNTB, but it is not required at this stage.

3. Impact on Crime and Disorder:

- 3.1. This report raises no issues related to crime and disorder

4. Climate Change:

- 4.1. How does what is being proposed impact on our carbon footprint / energy consumption?
- 4.2. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

The recommendation in this report raises no issues in respect of climate change resilience or adaptation, energy consumption or impact on our carbon footprint.

However, if a future Transport Strategy for the South East (which would first be subject to consultation and an equality impact assessment) were to secure more investment in passenger transport infrastructure and services ie bus and rail, it is likely that would increase the capacity and use of sustainable travel modes and thus help reduce the carbon footprint in the South East.