

CABINET

20 DECEMBER 2016

SUB-NATIONAL TRANSPORT BODY

Portfolio Holder: Councillor Alan Jarrett, Leader
Councillor Rodney Chambers OBE, Inward Investment, Strategic Regeneration and Partnerships
Councillor Phil Filmer, Front Line Services

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Summary:

This report provides details of progress towards the formation of a shadow Sub-National Transport Body for the South East of England. Cabinet is asked to consider agreeing to Medway Council becoming a member of the Shadow Body and appointing the Leader to the shadow Body. In addition, a financial contribution of £20,000 in 2016/17 is required, which will be met from within existing resources.

As part of the arrangements for the establishment of the shadow Body, this will include matters such as approval of the Body's constitution, terms of reference and membership.

1. Budget and Policy Framework

- 1.1 The proposal to establish and join the Sub-National Transport Body (SNTB) for South East England would be in keeping with the key priorities listed in The Council Plan 2013-15 'Safe, Clean and Green Medway'.
- 1.2 The SNTB shadow board is aiming to form in January 2017, once all constituent Authorities have formally agreed to join.

2. Background

- 2.1 The Cities and Local Government Devolution Act 2016 makes provision for the establishment of a sub national transport body (SNTB) for any area in England (outside of Greater London). The establishment of an SNTB provides an opportunity to develop a strong strategic partnership with all Authorities in the area, and to devise a specific Transport Strategy for that region. The Transport Strategy would set out the SNTB's proposals for the promotion and encouragement of safe, sustainable, integrated, efficient and economic transport facilities and services to and from the region.

- 2.2 Ahead of establishing an SNTB for the South East region, the South East 7 authorities - including Medway Council - have been working together to develop the proposition that would see Government, South East Transport Authorities and/or Combined Authorities, and Local Enterprise Partnerships (LEPs) working together with Highways England, Network Rail and port, airport and bus operators in one body. Under the aforementioned Cities and Local Government Devolution Act 2016, SNTBs may expect strategic transport providers to take account of its priorities.
- 2.3 The SNTB would be the main mechanism to influence and prioritise investment by the major national transport agencies including Highways England and Network Rail in a way that has not been available to public sector organisations before. The specific focus would be for the delivery of major strategic transport infrastructure.

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

- 3.1 An SNTB 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.
- 3.2 As stated, the South East 7 councils (East Sussex, West Sussex, Hampshire, Kent, Surrey, Brighton & Hove, and Medway) and the Local Enterprise Partnerships (LEPs) that represent the area have been in discussion about the establishment of an SNTB for the South East, to be called 'Transport for the South East' (TfSE). Discussions will also commence with the Hampshire Unitary Councils (Portsmouth City Council and Southampton City Council), the Isle of Wight Council and the Solent LEP about joining TfSE.
- 3.3 An SNTB, if established will take into account the voice of business in developing its proposition. The Local Enterprise Partnerships (LEPs) are the main mechanism to do this. The arrangements in the Midlands and the North have on this basis included some representation from the LEPs.
- 3.4 The proposed area would fulfil the Department for Transport's requirements that SNTBs need to be large enough to allow the genuine strategic consideration and planning of transport infrastructure, and do not create "white space" where Authorities are excluded from participation in sub-national arrangements.
- 3.5 TfSE would provide a mechanism for the area to speak with a strong, common voice on transport infrastructure and provide a single platform for strategic transport and infrastructure issues, giving partners greater, and potentially direct, influence over decisions that are currently made elsewhere. Its key outcome would be the development of a single, strategic transport infrastructure framework which would align the investment programmes and

priorities from key agencies, such as Highways England and Network Rail, and also the LEPs.

- 3.6 TfSE presents the opportunity to support and deliver growth plans across the area through the development of a long-term strategic programme which identifies a comprehensive package of transport measures to make the South East more competitive. It would complement the work of the LEPs in the delivery of their Strategic Economic Plans and support the delivery of Local Plans.

4. Development of a Shadow Sub National Transport Body for the South East

- 4.1. Prior to the establishment of TfSE it is proposed to establish the body in shadow form to help develop a strong strategic partnership. Establishing TfSE in shadow form would demonstrate commitment from the constituent Authorities to working collaboratively and provide reassurance to Government about the strength of the partnership. It would also carry out two main roles during this period:-

- Work on developing an overarching Transport Strategy for the area.
- Develop responsibilities and accountabilities for the TfSE, including governance and assurance arrangements. These arrangements will be developed if the principle of establishing TfSE is agreed.

- 4.2. If partners agree to establish TfSE in shadow form, it is proposed to create a Leaders' Board to determine and agree the constitutional arrangements ensuring the governance reflects the aspirations of the Local Authorities. The Leaders' Board would consist of, subject to discussions with partners in Hampshire, the SE7 Councils, Portsmouth City Council, Southampton City Council and the Isle of Wight Council and the LEPs. The Board will agree the terms of reference, including governance and voting arrangements for consultation with wider partners.

5. The Transport Strategy

- 5.1 The cornerstone of TfSE is the Transport Strategy. It will build upon existing Local Transport Plans and evidence already in place amongst the constituent Authorities, including the LEP's Strategic Economic Plans and growth and infrastructure frameworks/studies being undertaken by a number of upper-tier Authorities including Medway. The Transport Strategy would outline the ambition of TfSE and describe the vision for the South East in relation to the transport functions of the area, including the effectiveness, efficiency and resilience of the existing network. It would include freight, ports, airports and other public transport modes.
- 5.2 The draft Transport Strategy, which would also outline the proposals to establish the full TfSE, would be subject to consultation, including where appropriate, engagement with Borough and District Councils.

6. Membership of the Shadow Sub-National Transport Body

- 6.1. The constituent local authorities of the TfSE shadow body set out below will form the initial membership (subject to any future establishment of Combined Authorities):
- Medway Council
 - Kent County Council
 - Brighton & Hove City Council
 - West Sussex County Council
 - East Sussex County Council
 - Hampshire County Council
 - Surrey County Council.
- 6.2. Whilst these will be the initial member authorities it is desirable to broaden the membership to include all Transport/Highway authorities in the area and we will therefore be seeking the agreement of the Isle of Wight, Southampton and Portsmouth Councils to become members. In addition, dialogue will be opened with the Berkshire Authorities to consider whether it is desirable for them to become members, particularly in light of the recent airport expansion decision.
- 6.3. It will also be essential to ensure that, as with SNTB proposals elsewhere, business is suitably represented on the Shadow Body and we will work with the South East LEP, Enterprise M3, Coast to Capital and subject to them agreeing, Solent LEP. If Berkshire join the Shadow Body, Thames Valley LEP would also be invited.
- 6.4. The appointment of other members to the Shadow Board will be agreed through a Leader Board. As we progress towards a more formal body and develop the necessary governance arrangements we will also have to consider how we can take on board the voice of the Districts and Borough colleagues most effectively.
- 6.5. Transport for London (TfL) represents the most significant transport hub in the South and has significant economic impact resulting from their investment decisions. It is for that reason they are included as part of the membership of TfSE. TfSE will also seek reciprocal arrangements to become a member of the TfL Board.
- 6.6. Additional members of the shadow TfSE may be considered, as appropriate, on a case by case basis but as a minimum should include:
- Department for Transport
 - Highways England
 - Network Rail
 - Airport, Sea port, Bus and train operating companies.

7. Relationship with Three Southern Counties (3SC)

- 7.1. Development of the TfSE and the Three Southern Counties (3SC) devolution deal are progressing in parallel. The TfSE will be the mechanism to unlock further significant funding for strategic transport which would be in addition to that of a 3SC devolution deal.
- 7.2. The TfSE remit will include influence over the strategic network (previously the responsibility of Highways England and Network Rail) whereas the 3SC will focus on improvements to the local network. The development of the TfSE and the 3SC devolution deal are aligned (TfSE will support delivery of some of the 3SC objectives), but they are not dependent on one another to be realised. The 3SC County Councils would, as Transport Authorities, become members of the TfSE and subject to the establishment of a 3SC Combined Authority or other CA being established, it would likely be the main body for representing the relevant transport authorities.

8. Next Steps

- 8.1. All South East 7 councils are seeking the authority from their Cabinets throughout the autumn to progress the TfSE shadow body proposal.
- 8.2. It is anticipated that the TfSE could take up to two years before being confirmed by the Secretary of State. Subject to approval by constituent members, including Medway Council, a potential timeline for developing TfSE and the Transport Strategy is as follows:

2016	<ul style="list-style-type: none">• Discussions with DfT (ongoing);• Development and establishment of a shadow TfSE with partners; and• Development of Terms of Reference, governance arrangements and vision.
2017	<ul style="list-style-type: none">• Development of the Transport Strategy;• Development of the formal proposal and consultation on the Strategy.
2018	<ul style="list-style-type: none">• Formal TfSE established following an agreement to the proposal by Government, and the formal parliamentary process which includes preparation of the Order establishing the TfSE; and Parliamentary process and sign-off of the Order

- 8.3 A shadow TfSE can run in parallel to the formal process of confirming an SNTB and establishment of the final Order.
- 8.4 Although the process of setting up the full TfSE is expected to take up to two years, it is proposed that the shadow TfSE be set up before the end of this calendar year. Subject to Cabinet approval, the shadow Body will become active before the end of this year. It is therefore proposed that the Council agree to the participation in the shadow TfSE, and that the Leader be appointed to the shadow Body. This will involve agreement of the shadow constitutional arrangements.

9. Consultation

- 9.1. Before progressing a proposal for an SNTB, the constituent Authorities must undertake a consultation on the boundary proposals and it is proposed that the shadow TfSE leads on this for the constituent authorities.
- 9.2 Public consultation will also be required on the TfSE's Transport Strategy prior to publication.
- 9.3 A full Diversity Impact Assessment will be carried out prior to the formation of the TfSE, but it is not required at this stage.

10. Risk Management

- 10.1. At this stage of development there are no risks identified as it is too early in process. Once the shadow Transport Body are in place and prior to establishing the formal body, a full risk analysis will be carried out

11. Financial implications

- 11.1 Each authority is asked to contribute £20,000 is this a one-off contribution to provide funding to develop the shadow arrangements, including the constitutional arrangements, consultancy costs to develop the draft strategy and support the shadow SNTB. At this stage this includes the seven councils of the SE7. In Medway this would be funded from existing budgets with Integrated Transport.

12. Legal implications

- 12.1 Whilst there is legal provision for the creation of a Sub National Transport Body, the proposal in this report is for a shadow Board, which raises no legal implications.

13. Recommendations

- 13.1 It is recommended that the Cabinet:
 - a. Agree Medway Council to join a shadow Sub National Transport Body (SNTB) for the South East, known as Transport for the South East (TfSE).
 - b. Appoint the Leader of the Council to the shadow Sub National Transport Body.
 - c. Receive a report following an appropriate period of time to be agreed by shadow body Members reviewing the operation of the shadow arrangements and seeking approval to joining the formal Sub National Transport Body.
 - d. Provide funding of £20,000 to develop the constitutional arrangements and the Transport Strategy and to provide officer support to the shadow Sub National Transport Body.

14. Suggested reasons for decision(s)

- 14.1 TfSE provides an opportunity to support and deliver growth plans across the region through the development of a long-term strategic programme to identify a comprehensive package of transport measures to make the South East more competitive. It would complement the work of the LEPs and support delivery of Local Plans.
- 14.2 It would specifically enable SCC to influence the prioritisation of investment by the major national transport agencies such as Highways England and Network Rail in a way that has not been possible in the past
- 14.3 The SNTB would address some of the barriers to growth of the economy that have been held back by transport infrastructure shortcomings, notably strategic infrastructure, that is the responsibility of Network Rail and Highways England. The SNTB would enable SCC to more directly influence the priorities and programmes of these agencies, so helping to secure delivery of longstanding transport infrastructure ambitions.

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Appendices	None
Background Papers	None