Appendix 1

Devolving local major transport schemes

February 2012

A response from the eleven strategic transport authorities that, through the East of England Regional Transport Forum, come together to share learning, pursue opportunities to work more efficiently and speak up for the needs of local communities.

The Government’s commitment to devolve powers over local major transport schemes is warmly welcomed and local authorities’ own responses expand further on how the dilemmas cited in the consultation might be best resolved according to local circumstances.

This joint response is designed to emphasise those aspects of the devolution of local majors that could usefully and quickly be applied to other areas of strategic transport policy to meet the three key objectives:

i. Ensure the best outcomes are achieved for the economy whilst balancing the need for developing sustainability and reducing carbon emissions;

ii. Hand real power to local communities making decisions more responsive to local economic conditions and more locally accountable; and,

iii. Be fit for purpose in practical delivery terms.

By continuing to work collaboratively through voluntary networks of Council Leaders, Portfolio-Holders and Local Enterprise Partnerships, Government should have confidence in localities working together at an appropriate scale to exert greater local leadership over issues including concessionary fares, rail franchising agreements and aviation capacity.

The eleven strategic transport authorities would welcome further engagement with Government to explore the opportunities of more radical decentralisation to deliver a greener and safer strategic transport system that supports growth across our local economies. Further empowerment of local civic and business leaders should not be constrained to cities, particularly as local economies across the East of England continue to play a vital role as a net contributor to UK plc.

1. Do you have any comments on the proposed role and membership, preferred scale and geographical scope in forming local transport bodies and consortia, in particular the options to facilitate strategic investment decisions and the types of schemes to be funded?

The consultation document contends that “the starting point for allocating funding and developing governance should be the Local Enterprise Partnership geography”. With the points in para 1.65 only generalisations, the Department should be mindful that LEPs vary considerably in scale and the extent of transport connectivity, thus they will need to approach differently the means to facilitate strategic investment decisions. In this regard, it would be unhelpful for the Department to be seen to favour either larger blocs or smaller entities with a commitment to collaborate on a flexible basis.
Other possible areas of transport devolution (e.g. concessionary fares, rail franchising and aviation capacity) are best-addressed according to different geographies (and recognised in para 1.61 of the consultation). Therefore, the principle of democratically-elected representatives working together flexibly should be encouraged with informal, voluntary networks an important route to shaping these successful alliances.

2. Do you have any view on the membership of Local Enterprise Partnerships in local transport bodies, in particular whether they should have the final say in decision-making? Or on any other issues raised in relation to Local Enterprise Partnerships, and potential resourcing impacts?

Membership issues should be for the local transport body's members to decide. Subsequent contributions made by the Department’s Head of Local Transport – i.e. the primary role for local authorities in local transport bodies – have been helpful and are fully supported.

This is particularly relevant in the context of localities working with Government to devolve further aspects of strategic transport policy. Whilst the focus of the ‘local majors’ consultation is over the funding pot, other elements are likely to be more policy-based (such as aviation capacity). Rooted in their local democratic accountability and with excellent links to local partners, local authorities should have the primary responsibility for brokering whichever strategic relationships are necessary to undertake such work as efficiently as possible.

3. Do you have any thoughts or comments on assurance, in particular on whether there are any alternative ways of providing assurance other than putting in place some central criteria for local transport bodies to meet?

A robust business case is critical for all successful schemes and local transport bodies would benefit from consistent quality standards. Presumably, therefore, they would wish to voluntarily adopt the Department’s Transport Business Case guidance unless there is a more appropriate solution locally so there seems little need for the Department to specify this directly.

The consultation document emphasises the need for local partners to work creatively to ensure the local majors funding has the greatest possible impact on transport and economic outcomes. Key to this is leveraging funding from other sources, such as developer contributions, European funds, local authority funds and prudent borrowing. It would be helpful if the assurance processes are as complementary as possible in order to minimise additional costs.

This illustrates how the Department’s cultural shift can strengthen further devolution to localities. In welcoming the Government’s view that “many important transport issues are local in nature and are best understood and solved by local people", the Department should not underestimate the potential of partners to come together around more strategic issues and drive bottom-up solutions. This can be achieved in largely rural areas as well as core cities.
It is understood that Parliament requires that Ministers are held to account for public expenditure as democratically-elected local politicians are accountable to their electorate for the spending of local government resources. The proportion of public expenditure spent by sub-national government in England is amongst the lowest of all developed economies. The Department might help address this balance by pursuing opportunities for further devolution.

We have no further comments on the options for appraising and evaluating schemes further to those made by authorities individually.

The Department’s recognition of the likelihood that local transport bodies will move forward at varying rates is welcomed.

We would hope that the Department is particularly accommodating where local partners wish to bring forward local transport bodies alongside proposals for the devolution of further powers which may unlock efficiencies and help alleviate some of the administrative burden.

We warmly welcome the Department’s general move towards devolving powers to a more local level. It is worth emphasising two specific points:

- Local authorities are ideally-placed as the building-blocks for further devolution with strong and democratically-accountable leadership and proven stewardship of public expenditure. Recognising the need to offer an adequate scale, their record in collaborating should give confidence to the Department.
- That the Department’s South East and East Engagement Team has been helpful in paving the way for authorities to respond positively to the consultation.

As well as addressing the consultation, this response has also sought to pave the way for local authorities to work with the Department to devolve other aspects of strategic transport policy work where that is appropriate. In order to offer credible options that have appropriate scale, authorities recognise the need to come together. We should be grateful for the Department’s continued engagement in this work.