

**West of England Partnership
Joint Scrutiny
13 March 2009**

Local Transport Act 2008 and Integrated Transport Authorities

Purpose of report

1. To consider issues arising from the Local Transport Act 2008 relating to Integrated Transport Authorities and seek views.

Background

2. The Local Transport Act received Royal Assent on 26 November 2008. The purpose of the Act is to tackle congestion and improve public transport with new governance and powers for local authorities.

New Bus Powers

3. The Act provides the opportunity for changes to local authority powers to increase their authority over the operation of bus services including:
 - Voluntary Partnership Agreements. These are strengthened to allow service and fare co-ordination between bus operators, which would not previously have been permitted by the Office of Fair Trading.
 - Statutory Quality Partnership Schemes. These would cover minimum frequencies, timings and maximum fares and allow local authorities to phase in improvements over a period of time.
 - Quality Contract Schemes. These would enable the franchising of a network of services, similar to how bus services are run in London. This would be a more realistic option, with the removal of the need for approval by the Secretary of State and with new public interest criteria replacing the previous “only practicable way” test.

Integrated Transport Authorities

4. This is the new name and new role for the 6 Passenger Transport Authorities. Integrated Transport Authorities (ITA) will have a wide responsibility in relation to local transport policies and plans, and will have powers to act for the economic, social and environmental well being of their area.
5. The existing PTAs prepare Joint LTPs and are responsible for public transport policy but are not highway authorities. The Act is designed to assist the reform of existing Passenger Transport Authorities in places such as Manchester, Liverpool, Birmingham, Leeds and Newcastle, and allow new Integrated Transport Authorities to be established as an alternative.
6. The Act will allow local authorities, both in areas with ITAs and in those without, to review existing arrangements in their area and come forward with proposals for improvements, or new ITAs. Two or more authorities can undertake a review. The

Secretary of State can direct two or more authorities to undertake a review if required.

7. It will be up to the authorities in each area to decide how wide a review it wishes to carry out. The Local Transport Act is enabling legislation, i.e. proposals should be locally driven and one size or type of ITA does not fit all.
8. Under the Act strategic road and rail powers can be delegated by the Government to an ITA. Local highway powers (e.g. bus lanes, traffic calming, maintenance) can also be transferred to an ITA. The current and future distribution of powers could form part of a review.
9. An ITA must consist of the whole area of two or more authorities. For the West of England, this would preclude parts of Wiltshire from an ITA unless the whole of Wiltshire were to be included. It could include districts in Somerset and Gloucestershire. No part of an ITA may be separated geographically from the rest of an ITA by an area that is not part of the ITA.
10. The Secretary of State for Transport will review the outcomes of any review and make a decision as to whether to make an individual order to establish a new ITA or amend the constitution of an existing one. This decision will have to go through the parliamentary process.
11. Voting membership of an ITA guarantees each 'representative council' at least one elected member and membership must reflect the local political balance of the authority or authorities. Non-elected members may be appointed to an ITA, e.g. business representatives or transport user groups, but must remain in the minority. Provision can be made for non-elected members to vote on issues.
12. The review of a potential ITA area's current governance arrangements is expected to take at least two years in order to be comprehensive and allow time for consultation with appropriate and affected organisations. The current guidance also recommends allowing 12 months after agreement before implementation.
13. There is no additional funding resulting from the creation of an ITA. The DfT expect that greater efficiencies in operations to more than fund the cost of creating and running of an ITA. An ITA will be a levying (rather than precepting) authority.

Governance Reviews

14. Guidance on Governance Reviews to accompany the Local Transport Act 2008 was published by the DfT in December 2009. As well as covering ITA the guidance states that reviews need not necessarily lead to the creation of an ITA in areas that do not currently have one. Other options that would not require legislation and could be achievable quickly include creating a partnership board, joint committee or a non-profit company limited by guarantees.
14. Forthcoming legislation will allow the setting up of Economic Prosperity Boards to support the stronger sub-regional integration of planning, housing, regeneration and transport functions. The legislation will allow for the functions of an Integrated Transport Authority to be merged with those of an Economic Prosperity Board, where they have the same boundaries, to form a "Combined Authority." It will be up

to authorities to consider the case for setting up a Combined Authority, to simply concentrate on an ITA, or look at other models.

Local Transport Plans (LTPs)

15. The statutory duty to provide a LTP every five years is replaced by a general duty to keep LTPs under review and update them as is seen fit (see related Item on the Agenda). If an ITA exists, responsibility for the LTP would rest solely with the ITA.

Next Steps

16. In considering the opportunities provided by the new Act, it will be important to understand what can be achieved with our sub regional arrangements and what additional powers we need to achieve our transport objectives. We would also need to understand the financial and other implications of establishing a levying authority.
17. It is expected that the various elements and guidance of the Act will come into effect over the coming months. It should be noted that once the legislation is enacted, it would still take a considerable length of time to implement some of the provisions, including the introduction of an ITA.

Recommendation

Scrutiny's views on the Local Transport Act are requested.

Officer presenting report: James White, West of England Partnership

S:\WEP\WEP meetings\Scrutiny\13 Mar 2009\Item 6 Local Transport Act 2008 13 March 2009.doc