

Report to: Cabinet

Date of meeting: 13 December 2016

By: Director of Communities, Economy and Transport

Title: Shadow Sub-National Transport Body for the South East

Purpose: To provide an update on proposals regarding the establishment of a shadow Sub-National Transport Body for the South East

RECOMMENDATIONS: Cabinet is recommended to:

- (1) agree to establish and join a shadow Sub-National Transport Body (SNTB) for the South East, known as Transport for the South East (TfSE);**
 - (2) delegate authority to the Leader to agree the shadow arrangements, including the shadow constitution, terms of reference and membership, and to appoint the representative of the County Council on the shadow Body;**
 - (3) receive a further report following an appropriate period of time reviewing the operation of the shadow arrangements and prior to entering into a formal Sub-National Transport Body; and**
 - (4) provide investment of £20,000 to develop the constitutional arrangements and the Transport Strategy and to provide officer support to the shadow Body.**
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1 Background Information

1.1 The Cities and Local Government Devolution Act 2016 makes provision for the establishment and constitution of Sub-National Transport Bodies (SNTBs) for any area in England (outside of Greater London).

1.2 An SNTB can prepare a Transport Strategy for an area which would set out proposals for the promotion and encouragement of safe, sustainable, integrated, efficient and economic strategic transport facilities and services to and from the area of the SNTB. It would enable key partners to work in a more focused and prioritised way to improve the ability of our residents, businesses and visitors across the area to travel.

1.3 The establishment of an SNTB must cover the whole area of at least two relevant Authorities. Each of the following is considered a relevant authority for the purposes of the relevant legislation:

- A Combined Authority;
- An Independent Transport Authority;
- A County Council; and
- A Unitary Authority.

1.4 An SNTB is a body corporate, which will 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.

1.5 Development of the SNTB and the Three Southern Counties (3SC) devolution deal are progressing in parallel. The SNTB will be the mechanism to unlock further significant funding for strategic transport which would be in addition to the detail of a 3SC devolution deal. The SNTB remit includes 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 SNTB, to be known as Transport for the South East (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 SNTB and, subject to the

establishment of a 3SC Combined Authority (CA), the CA would be the method of representing the relevant Transport Authorities.

1.6 An SNTB, if established, will want to 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 included some representation from the LEPs.

2. Proposal for a Sub-National Transport Body for the South East

2.1 The South East Seven (SE7) Councils (East Sussex, West Sussex, Hampshire, Kent and Surrey County Councils, Brighton & Hove City Council and Medway Council) and the LEPs that represent the area have been in officer level discussion about the establishment of a TfSE. Discussions will commence with the Hampshire Unitary Councils and the Solent LEP about joining TfSE.

2.2 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.

2.3 The proposed TfSE would aid Authorities in securing influence over and to holding to account national and regional infrastructure providers, helping to ensure the infrastructure required to support continuing economic growth. TfSE would see Government, South East Transport Authorities and/or Combined Authorities and LEPs working together with Highways England, Network Rail and port, airport and bus operators. TfSE would require strategic transport providers to take account of its priorities. The new powers would enable all the key partners to work in a more focused and prioritised way to improve the ability of our residents, businesses and visitors across the area to travel. This will include easing congestion, improving key routes, resilience on our networks and opening up housing and growth opportunities.

2.4 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 will 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.

2.5 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.

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

3.1 Prior to the establishment of TfSE, it would be helpful 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; and
- develop responsibilities and accountabilities for TfSE, including governance and assurance arrangements.

3.2 If partners agree to establish TfSE in shadow form, it is proposed to establish an SNTB Leaders' Board to determine and agree the constitutional arrangements ensuring the governance reflects the aspirations of the Local Authorities. Subject to discussions with partners in Hampshire, the SNTB Leaders' Board would consist of the SE7 Councils, Portsmouth City Council, Southampton City Council, 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.

4. The Transport Strategy

4.1 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.

4.2 The draft Transport Strategy would outline the ambition of TfSE and describe the vision for the South East in relation to the transport function of the area, including the effectiveness, efficiency and resilience of the existing network. It would include freight, ports, airports and other public transport modes.

4.3 The draft Transport Strategy, which will also outline the proposals to establish a full SNTB, would be subject to consultation, including where appropriate/applicable, engagement with Borough and District Councils.

5. Membership of the Shadow Sub-National Transport Body

5.1 The constituent Authorities of the shadow Body set out below will form the initial membership (subject to any future establishment of Combined Authorities):

- Brighton & Hove City Council
- East Sussex County Council
- Hampshire County Council
- Kent County Council
- Medway Council
- Surrey County Council
- West Sussex County Council

5.2 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, Portsmouth and Southampton 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.

5.3 It will also be essential to ensure that, as with the SNTB proposals elsewhere, business is suitably represented in the Leaders' Board and we will work with the LEPs to determine how best that can be achieved. The report to Cabinet will recommend that authority is delegated to the Leader to determine the shadow arrangements which will include who the other members of the shadow Body should be. This will be agreed through a Leaders' 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 Borough and District Council colleagues most effectively.

5.4 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 this reason they will also be included as part of the membership of TfSE. However, in return, TfSE should make representation to become a member of the TfL Board.

5.5 Additional members of the shadow TfSE SNTB may be considered, as appropriate, on a case by case basis but, as a minimum, should include:

- Department for Transport;
- Highways England;
- Network Rail; and
- Airport, sea port, bus and train operating companies.

6. Resource Requirement

6.1 There is a resource requirement to establish TfSE and develop a draft Transport Strategy; set out and agree its responsibilities and accountabilities in consultation with members.

6.2 A resource will also be required to service TfSE; initially to develop the governance arrangements and later to support TfSE business. Resource will also be required to provide external professional advice and oversee the development of the draft Transport Strategy.

6.3 It is estimated that appropriate support for the shadow SNTB and development of the overarching draft Transport Strategy would total £200,000 (£20,000 per Council). If approved by Cabinet, the East Sussex County Council contribution would be met from within existing budgets within Communities, Economy and Transport.

7. Stakeholder Engagement

7.1 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 SNTB leads on this.

7.2 Public consultation is also required on the SNTB's Transport Strategy prior to publication.

8. Timetable

8.1 It is anticipated that an SNTB could take up to two years before being confirmed by the Secretary of State. Subject to approval by constituent members, a potential timeline for developing TfSE and the Transport Strategy could be as follows:

2016/17	<ul style="list-style-type: none">• Discussions with DfT (ongoing);• Development and establishment of a shadow SNTB with partners; and• Development of Terms of Reference, governance arrangements and vision.
2017/18	<ul style="list-style-type: none">• Development of the Transport Strategy; and• Development of the formal proposal and consultation on the Strategy.
2018	<ul style="list-style-type: none">• Agreement to the proposal by Government;• Preparation of the Order establishing the SNTB; and• Parliamentary process and sign-off of the Order.

8.2 A shadow TfSE SNTB can run in parallel to the formal process of confirming an SNTB and establishment of the final Order.

9. Conclusion and Reason for Recommendation

9.1 The establishment of an SNTB and the development of a Transport Strategy would enable key partners to work in a more focussed and prioritised way to improve the ability of our residents, businesses and visitors across the area to travel. It would also aid authorities in securing influence over national and regional infrastructure providers, helping to ensure the infrastructure required to support continuing economic growth.

9.2 Cabinet is therefore recommended to agree to establish and join a shadow SNTB for the South East and to delegate authority to the Leader to agree the shadow arrangements including the shadow constitution, terms of reference and membership and to appoint the County Council's representative on the shadow Body

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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

None