

Report to: Cabinet

Date of meeting: 26 June 2018

By: Director of Communities, Economy and Transport

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

Purpose: To provide update on progress to date with the establishment of Transport for the South East (TfSE)

RECOMMENDATIONS: Cabinet is recommended to:

- (1) note the significant progress that has been made with the establishment of Transport for the South East as a Shadow Sub National Transport Body
 - (2) note the recent award of a £1.1million of grant monies from the Department for Transport to fund the development of a Transport Strategy; and
 - (3) note that investment of £58,000 in 2018-19 has been made by East Sussex County Council (ESCC) as its contribution towards the staff costs and the development of the constitutional arrangements to secure statutory status for TfSE
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1 Background Information

1.1 In December 2016, Cabinet received a report about the establishment of Transport for the South East (TfSE) as a Sub National Transport Body (STB) under legislation contained in the Cities and Local Government Devolution Act 2016.

1.2 The rationale for establishing STBs underpinning the legislative framework is to enable areas to come together and speak with one voice on strategic transport planning in order to boost economic growth and development. A key role for them is to develop a Transport Strategy to advise the Secretary of State for Transport about the development and prioritisation of transport investments in their region. This represents a fundamental change, opening up central government decision making to ensure that infrastructure investment takes account of regional transport strategies

1.3 TfSE has now been in operation in shadow form for one year and the December 2016 report recommended that Cabinet receive an update after an appropriate period of time reviewing the operation of the shadow arrangements.

2 Supporting Information

Progress with Establishing TfSE as a Sub National Transport Body

2.1 Originally the South East Seven Councils (East Sussex, West Sussex, Hampshire, Kent and Surrey County Councils, Brighton & Hove City Council and Medway Council) had provided the focus for discussions about the potential establishment of an STB in the South East. The Local Enterprise Partnerships (LEPs) covering this area (SELEP, Coast to Capital, Enterprise M3 were also in agreement. In late 2016 and early 2017 discussions took place with Portsmouth, Southampton, Isle of Wight and the Berkshire Local Transport Body (representing the six Berkshire unitary authorities), Solent LEP and Thames Valley Berkshire LEP about their potential involvement in TfSE. As a consequence the geography for TfSE covering sixteen transport authorities and five LEPs shown in Figure 1 in Appendix 1 was finalised.

2.2 On 26 June 2017 the first meeting of the TfSE Shadow Partnership Board took place. Cllr Keith Glazier was elected as Chair of the Shadow Board for a period of one year and it was agreed that meeting would take place on a quarterly basis. A constitution was agreed with the Shadow Partnership Board operating on a consensus basis. Where this was not possible each constituent authority would have one vote except:

- The six Berkshire Authorities who shall be represented by one member of the Berkshire Local Transport Body and shall have one vote; and
- Portsmouth City Council and Southampton City Council shall be represented by one member and shall have one vote.

2.3 The Cities and Local Government Devolution Act makes provision for people who are not elected members of the Constituent Authorities to be co-opted onto the Sub-National Transport Body. It also provides the power for the voting members of the STB to agree to give voting rights to the co-optees. It was agreed that the following organisations and representatives be co-opted onto the Shadow Partnership Board:

- The Chair of the Transport Forum with allocated voting rights
- Two people collectively nominated by the five LEPs with voting rights of one vote being allocated to each of the two LEP representatives
- A District and Borough (non-unitary) Authority representative (non-voting)
- a representative from the South Downs National Park be co-opted to the Shadow Partnership Board to represent the collective interests of the National Parks and other environmental and protected landscape designations (non-voting).

A copy of the constitution for the Shadow STB agreed by the Shadow Partnership Board in June 2016 is contained in Appendix 2.

2.4 A governance structure for TfSE in its shadow form was agreed by the Shadow Partnership Board in June 2016 and is attached as Appendix 3. It includes the following:

- **Shadow Partnership Board** – the decision making body for TfSE.
- **Senior Officer Group** – this comprises senior officers from the Local Authorities and the five LEPs. It provides expertise and recommendations to the Board and will oversee delivery of the programme. The Group is currently chaired by Rupert Clubb.
- **Transport Forum** – this is an advisory body to the Senior Officer Group and Shadow Partnership Board, comprising a wider group of representatives from user groups, operators, District and Borough Councils as well as Government and National Agency representatives.
- **Programme Office and Working Groups** – the shadow structure includes a Programme Office, responsible for ensuring delivery against the project plan and key milestones, and three working groups to lead on the components required to reach formal incorporation of the Shadow Partnership Board. These three groups (Transport Strategy, Governance and Communications and Engagement) are supported by officers from the Local Authorities.

ESCC as lead authority for TfSE

2.5 During the shadow stage, TfSE does not have the statutory standing that it will have once formally constituted by the Secretary of State. Consequently, TfSE will not be able to enter into contracts or employ staff in its own right. TfSE has therefore appointed ESCC to act as Lead Authority and in summary in this role ESCC will:

- Coordinate and, where necessary, undertake the administrative arrangements in relation to the project and Board administration;
- Facilitate the operation of the Project and, if required, recruit additional staff;
- Claim, draw down and account for all funds due from the Constituent Authorities and any other body;
- Be responsible for the managing of the budget for, and the sound financial management of, the Project;
- Keep appropriate accounting and operational records; and
- Procure on behalf of the Constituent Authorities such external support, advice or consultancy services that are considered necessary by the Shadow Partnership Board or the Senior Officer Group.

Inter Authority Agreement

2.6 An Inter Authority Agreement has been drafted setting out the general arrangements between the Parties in relation to the administration of the shadow body the sharing of costs and expenses. This Inter Authority Agreement is currently with all of the constituent authorities for signature.

Internal audit

2.7 In view of ESCCs role as lead authority an internal audit was commissioned through the Orbis Partnership to provides independent assurance that appropriate risk management, governance and internal control processes were in place and that they are operating effectively. The report provided “reasonable assurance” in respect of governance arrangements in place during TfSE’s shadow phase. This opinion means that most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.

Key achievements to date

2.8 In addition to the significant progress that has been made in setting up TfSE as a Shadow body there have been a number of significant achievements in the last year. These include:

- An award of grant funding from the Department for Transport of £100,000 in 2017/18 and a further £1m in 2019/20 towards the cost of developing TfSE’s Transport Strategy. This followed persistent lobbying including a meeting between Cllr Keith Glazier in his role as Chair of TfSE and Chris Grayling MP the Secretary of State for Transport on 11 October 2017.
- The publication of a draft Economic Connectivity Review for the TfSE area, as the first part of the development of the Transport Strategy. The draft Economic Connectivity Review identifies the transport corridors which are important to the regional economy and the potential uplift in Gross Value Added (GVA) that could result from enhanced investment in the transport infrastructure.
- An event on 8 May ‘Connecting the South East’ attended by 250 delegates at the new Farnborough Exhibition venue, at which the Economic Connectivity Review and TfSE video were launched and which included the announcement from the Secretary of State about the funding for TfSE’s Transport Strategy.
- A launch event for MPs from across the TfSE Area on 31 October 2017 which was followed by a Westminster Hall debate on TfSE on 25 April 2018. The debate was secured by Huw Merriman MP, and Jesse Norman MP Parliamentary Under Secretary of State for the Department for Transport responded to the debate commenting on the rapid pace with which the organisation had developed and expressing the Government’s continued support for the development of TfSE as an STB.
- TfSE has responded to Government consultations on the second Road Investment Strategy (RIS2) for the Strategic Road Network (SRN), the potential creation of Major Road Network (MRN), the Mayor for London’s Transport Strategy and the Great Western Railway franchise.

Transport Strategy Development

2.9 As set out in the report to Cabinet in December 2016 the cornerstone of TfSE is its transport Strategy. Moving forward the next stage of the Transport Strategy will build upon the Economic Connectivity review that has already been completed to set out how the transport system in the South East needs to be developed between now and 2050 to facilitate economic growth, including housing growth, improve quality of life for all whilst protecting the environment. The grant of £1.1million from the DfT will be used to fund the development of the transport strategy with the aim of having a draft ready for public consultation in September 2019 and a finalised version of the strategy signed off by the Partnership Board in March 2020.

2.10 The enabling legislation specifies the consultation requirements for the Transport Strategy. The Transport Strategy needs to comply with the treasury green book and be evidence based in order to determine its strategic direction and investment priorities. It also needs to be compliant with DfT appraisal requirements. The Strategy has to link back, in an evidence based way, to the facilitation of economic growth, which includes housing. In terms of content it will likely include detailed modelling to support its subsequent consultations. It will include the strategic approach to road investment, for both the SRN and MRN, rail investment, including franchising arrangements with Train Operating Companies (TOCs) and infrastructure through network rail. It will focus on the end user and in particular include integrated transport as a cornerstone. The strategy will also look towards 2050 which is where the modelling for various growth scenarios supports the strategy outcomes. The Transport Strategy will consider how future mobility develops including autonomous vehicles and new technology.

2.11 The Transport Strategy will be the single document which constituent authorities, LEPs, Transport operators, local plan developers and infrastructure providers work to. The DfT will have to have due regard to its priorities once adopted. The development of it will be led by the Partnership Board with support from the Transport forum and the DfT.

Proposal to Government

2.12 The other key deliverable which needs to be taken forward is to develop and submit a Proposal to Government setting out the strategic case as to why TfSE should be given statutory status and the powers and responsibilities it is seeking. Transport for the North achieved statutory status in April 2018. Achieving statutory status is vital as it will give TfSE the permanence that is needed to ensure the delivery of its strategy and will mean that the Secretary of State and others will have to consider and respond rather than just listen to its proposals.

2.13 There will be a formal consultation on the Proposal with constituent authorities and LEPs before a formal consultation with key stakeholders neighbouring authorities and STBs. Following sign off by each of the constituent authorities the Proposal will be agreed by the Shadow Partnership Board before its submission to Government. The target date for submission is March 2019. There will then be an approval and parliamentary process which could take up to one year to complete, which should mean TfSE should achieve statutory status by April 2020. The DfT have advised that due to the amount of parliamentary time and DfT lawyers time that is likely to be consumed by Brexit related legislation this timetable may not be met. Members of the Shadow Partnership Board are anxious to push ahead with the Proposal and lobby for parliamentary time to be made available as soon as possible.

Resourcing

2.14 As set out above the DfT have recently awarded TfSE a total of £1.1million of grant funding to take forward its Transport Strategy. Given the future certainty this provides plans are being drawn up to put in place an interim staff structure to take TfSE to the point where it achieves statutory status. This will be presented to the Shadow Partnership Board in July 2018 for their agreement. At present contributions are being levied on each of the constituent authorities to cover its development costs which relies on contributions from each of its constituent authorities. In September 2017 the Shadow Partnership Board agreed to a tiered approach to contributions as follows:

- County Councils will contribute £58,000 each;
- Authorities with shared votes, i.e. Berkshire Local Transport Body and Southampton & Portsmouth, will contribute £58,000 per vote;
- Unitary authorities (where the vote is not shared) will contribute £30,000.

ESCC has therefore made a contribution of £58,000 to TfSE.

Communications and engagement

2.15 At this stage, work to introduce TfSE and raise its profile is being concentrated on transport professionals, MPs and other stakeholders rather than the public at large. This work has included a programme of Parliamentary and transport sector activity, the establishment of a corporate website, social channels and newsletter and the commissioning of a video introduction to the organisation. Planning is in place to broaden and deepen the communications and engagement work as TfSE develops. To date, all communications and engagement work has been carried out from existing resources, using officers from ESCC and other partners in TfSE.

3. Conclusion and Reasons for Recommendations

3.1 Significant progress has been made with the establishment of TfSE as a shadow STB with ESCC being its accountable body and officers and members from ESCC leading its development. There have been a number of significant achievements in the last year and TfSE is already fulfilling its role of speaking with one voice about strategic transport issues across its geography. TfSE has gained traction with Government and this has resulted in the award of £1.1million of grant funding to take forward the development Transport Strategy. There is much work still to do on this and the Proposal to Government to achieve statutory status. As a consequence, it will be necessary to continue to levy contributions from each of the constituent authorities with ESCC making a contribution of £58,000 in 2018/19.

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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

None

Appendix 1. A map showing the area covered by TfSE.



Appendix 2 : Shadow Partnership Board Draft Constitution

TRANSPORT FOR THE SOUTH EAST (TfSE)

CONSTITUTION OF THE SHADOW SUB-NATIONAL TRANSPORT BODY (SSTB)

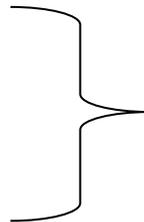
1. **Constituent Authorities**

The Constituent Authorities are the Local Transport Authorities situated wholly or partly in the South East region of England, namely:-

Brighton & Hove City Council
East Sussex County Council
Hampshire County Council
Isle of Wight Council
Kent County Council
Medway Council
Portsmouth City Council
Southampton City Council
Surrey County Council
West Sussex County Council

&

Bracknell Forest Council,
Reading Borough Council,
Slough Borough Council,
West Berkshire Council,
Royal Borough of
Windsor and Maidenhead
Wokingham Borough Council



Represented by the Berkshire Local
Transport Body (BLTB)

2. **Area of the SSTB**

The area of the SSTB is the area of the Constituent Authorities

3. **Name of the SSTB**

The name of the SSTB will be **Transport for the South East (TfSE)**

4. **Terms of Reference**

The Terms of Reference of TfSE will be those that TfSE may from time to time at its discretion determine but will include:

- Developing an overarching Transport Strategy for the area of the TfSE
- Developing responsibilities and accountabilities (including their delegation) for TfSE including governance and assurance arrangements
- Preparing a submission to Government in relation to the creation of a statutory Sub-National Transport Body for the area of the TfSE

Any amendments to the Terms of Reference will be considered a change to the Constitution for the purposes of the voting arrangements set out in paragraph 5.5 and 5.6.

5. **Membership**

- 5.1 Each Constituent Authority, with the exception of those set out in paragraphs 5.2 and 5.3, will appoint one person as a member of TfSE and shall be entitled to one vote. The person appointed shall be that organisations elected mayor, Chair, Leader or Committee or Cabinet Member for transport.
- 5.2 Bracknell Forest Council, Reading Borough Council, Slough Borough Council, West Berkshire Council, the Royal Borough of Windsor and Maidenhead and Wokingham Borough Council, who are Constituent Authorities and through their Joint Committee Berkshire Local Transport Body (BLTB), will appoint one person as a member of TfSE, and the Councils shall therefore be entitled to one vote between them. The person appointed shall be an elected mayor, Chair, Leader or Committee or Cabinet Member from one of the six Authorities.
- 5.3 Portsmouth City Council and Southampton City Council will jointly appoint one person as a member of TfSE, and shall therefore be entitled to one vote between them. The person appointed shall be an elected mayor, Chair, Leader or Committee or Cabinet Member for transport from one of the two Authorities.
- 5.4 The Constituent Authorities will appoint, another of their Councillors as a substitute to act as a member of the TfSE in the absence of the person appointed. Such appointments will reflect the levels of representation set out in paragraphs 5.1, 5.2 and 5.3 above.
- 5.5 There will be a presumption that decisions are normally agreed by consensus. In exceptional circumstances where consensus cannot be achieved, a formal vote shall be taken. Subject to paragraph 5.6, the matter shall be decided by a simple majority of those members present and voting.
- 5.6 Notwithstanding paragraph 5.5, the following decisions will require the support of more than 75% of the members present and voting to be carried:
- The approval and revision of TfSE's Transport Strategy
 - The approval of TfSE's annual budget
 - The approval of the submission to Government in relation to the establishment of a statutory Sub-National Transport Body
 - Any changes to TfSE's constitution.

6. Co-opted Members

- 6.1 The TfSE can appoint persons who are not elected members of the constituent authorities to be co-opted members of TfSE.
- 6.2 Persons who may be appointed as co-opted members will include:
- (a) the person appointed by TfSE as Chair of the Transport Forum
 - (b) two people nominated collectively by the Local Enterprise Partnerships
 - (c) A person nominated by the National Parks, to represent environmental and protected landscapes organisations
 - (d) A person nominated by the District and Borough Authorities
- 6.3 Co-opted members will be non-voting members of TfSE, except to the extent that the voting members of TfSE resolve that such members should have voting rights.

6.4 Co-opted members will be able to appoint a substitute to act as a member of the TfSE in the absence of the person appointed.

6.5 The LEP members may collectively agree to withdraw their representative(s) and nominate a new member or members to represent them by giving written notice of this to the Chair no less than two clear days in advance of the next meeting of the Board.

7. Election and role of Chairman and Vice-Chairman

7.1 The Chair and Vice-Chair will be elected for a term of one year on a simple majority of those members present and voting.

7.2 The first election will take place at the inaugural meeting of the TfSE and at the meeting scheduled nearest to the 12 month anniversary of the inaugural meeting, every year thereafter.

7.3 In the absence of the Chair, the Vice-Chair will Chair the meeting

7.4 In the event of a tied vote, the Chair will have a casting vote.

8. Quorum

8.1 The Quorum shall be five voting members of TfSE, of which three must be members appointed by Constituent Authorities pursuant to section 4 above.

9. Executive Arrangements

9.1 TfSE will not operate formal statutory executive arrangements.

9.2 TfSE may delegate the discharge of its functions to a Committee, Sub-Committee or officer, or to another Local Authority. As such, TfSE may establish a Committee(s) to discharge any functions.

9.3 The functions of agreeing a budget and the Transport Strategy of TfSE will **not** be delegated functions and will only be determined by a meeting of the full TfSE.

10. Executive Body

10.1 TfSE may establish an executive officer body of its own, but may also delegate the discharge of agreed functions to the officers of the Constituent Authorities in accordance with a scheme of delegation or on an ad hoc basis.

Appendix 3: Transport for the South East Structure

