



# Strategic Transport Forum

27<sup>th</sup> November 2020

## Agenda Item 6: Next Steps for Statutory Status

*Recommendation:*

**It is recommended that the Forum:**

- a) Considers feedback from the consultation on options for creating a statutory body for England's Economic Heartland**
- b) Notes the commitment from DfT to Sub National Transport Bodies as its preferred regional structure for strategic transport decision making**
- c) Agrees to the development of a Concordat between the Secretary of State for Transport and the Strategic Transport Forum to formalise the relationship going forward.**

### **1. Context**

- 1.1. The Strategic Transport Forum is the established Sub National Transport Body (STB) for the Heartland region.
- 1.2. A core function of the Sub National Transport Body is the creation of a long-term transport strategy that sets the framework for sub regional transport investment and planning going forward. To be a success, the strategy must also have the right level of certainty, funding and levers to ensure its implementation.
- 1.3. It was in this context that the Forum agreed that, in July 2020, alongside the draft Transport Strategy, to seek views on EEH becoming a statutory body. The consultation document set out the proposed powers, devolved from Government, that it was considered would be required in order to implement the draft Transport Strategy. In this regard the approach set out by EEH was in line with the legislative framework within which STBs operate (Annex A).
- 1.4. When published, the final Transport Strategy will set out the need for change in order to deliver the region's vision for its transport system: change in the way we develop solutions to the strategic issues we need to address, change in the way we appraise the merits of individual proposals, and change in the way we plan for and deliver the investment pipeline.
- 1.5. Through the Transport Strategy, delivery of specific proposals will remain the responsibility of individual infrastructure owners and service providers. However, the work of EEH as the Sub-national Transport Body for the region will ensure we are able to support our partners in the implementation of that Strategy in three ways:
  - Strategic Influence – ensuring the regional voice, through the Strategic Transport Forum (the Sub-national Transport Body) shapes the development of national investment programmes overseen by the Government and delivered by Network Rail, East West Railway Company and Highways England
  - Co-ordination – providing a practical and efficient mechanism for aligning the development and implementation of solutions on individual networks to a common ambition

- Accelerating Delivery – helping to ensure that schemes and initiatives which cross local authority boundaries are delivered efficiently and that the benefits for our communities and businesses are realised at the earliest opportunity
- 1.6. Through the Strategic Transport Forum, EEH has established and follows the operating principles for achieving these ambitions. The focus going forward is to build on our existing success to ensure that EEH partners have clarity on the Forum’s role as the STB and confidence that the Government, through the Department for Transport, pays due regard to the priorities for investment the Forum identifies as being required to implement the Transport Strategy.

## 2. Consultation Outcomes

- 2.1. The consultation phase included two questions related to the proposal to seek statutory status: the first a closed question asking whether respondents supported the approach set out in *Proposals for a Statutory Body*, and the second an open question asking for further comments on the proposals.
- 2.2. Responses received showed overall and widespread support for an over-arching organisation that joined-up strategic transport planning, provided a single voice and added value to the priorities of partners. In addition, the importance of a body which could accelerate the pace of delivery was cited as a priority for a high number of respondents. This was also a strong theme in the overall draft Transport Strategy consultation.
- 2.3. These are all activities that EEH is already undertaking or has set out an ambition for in the Transport Strategy.
- 2.4. Alongside activity already underway, there was general support in consultation responses for EEH to take on more strategic responsibilities, including additional tasks that could be devolved from Government in order to complement the roles of existing Local Transport Authorities.
- 2.5. Responses showed that the priority for taking on additional responsibilities from Government would be to ensure the regional perspective and local context featured more strongly in the prioritisation and delivery of national investment programmes overseen by Government and its agencies. In addition consultees suggested that EEH should be seeking to achieve the same level of strategic influence as Transport for London.
- 2.6. This supports the need, set out in the consultation material, to focus on ensuring a strong regional contribution to the development and delivery of Route Investment Strategies (RIS) and High Level Output Specification (HLOS) processes.
- 2.7. However, a number of responses questioned whether a the creation of a Statutory Body was necessary at this time, and queried how this would work in practice with regards to governance and accountability. Further queries were raised from a small number of partners about the risk of adding further layers of accountability within the region.
- 2.8. Other pertinent points raised through the consultation were:
- Given the important role that decisions over land use planning can have on future transport demands, clarity was needed on how district authorities in the region could engage with a statutory STB
  - That the current structure of the STB does not give enough representation to wider stakeholders, such as environmental, user and community sectors. There was a suggestion that the Sub-national Transport Body governance framework could make further provision for representatives from these groups alongside the partners.
  - That as the STB there is a need to engage closely with neighbouring STBs, notably Transport East, as well as with Greater London and other regional groupings. Adopting this approach would ensure EEH was maximising the impact of pan regional priorities as well.

- 2.9. It is worth bearing in mind that the framework within which Sub-national Transport Bodies operates is set down in primary legislation. However there is scope for individual partnerships to reach out more broadly to ensure that the work of an STB reflects the importance of linkages with other areas of policy.
- 2.10. The governance framework for the Strategic Transport Forum already makes explicit provision for some of the points raised in the responses however there is always scope to keep the framework under review. In addition some of the points made in responses highlight the need to add detail into the Transport Strategy – for example, explicit reference to the extensive collaborative work that EEH already does with adjoining STBs.

### 3. **National Policy Context**

- 3.1. Annex A sets out the legislative framework under which Sub-national Transport Bodies operate.
- 3.2. Since the legislation was enacted in 2016, DfT has been working with STBs to create a shared national policy approach. There are now seven STBs across England, all voluntary partnerships of local authorities and LEPs. In April 2018, Transport for the North became a Statutory STB.
- 3.3. In August 2020, the DfT Minister for devolution, Baroness Vere, wrote to all STBs confirming their funding settlement for 2020/21. The Minister also used the letter to set out DfT's position on Statutory Status for STBs.
- 3.4. Subsequently the Secretary of State has clarified the DfT position, saying that the letter did not intend to say that he would not consider any future proposal for statutory status: it was merely a reflection of the Department's current position.
- 3.5. The Chairs of all seven STBs met with the Minister (Baroness Vere) on 30<sup>th</sup> September 2020. The Minister was unequivocal in terms of the Department's support for STBs noting that their work is hugely valued and actively sought by DfT. Baroness Vere reiterated that STBs are the partnerships that DfT wishes to engage with at the sub-national level going forward.
- 3.6. The Minister reiterated two core roles for STBs: firstly, the preparation of regional Transport Strategies; and secondly prioritisation of infrastructure requirements. On the latter the Minister was very clear that the Department sees local partners as being best placed (through STBs) to identify regional investment priorities.
- 3.7. In addition, the Minister set out some areas for further opportunity that she wanted to work with STBs on. These were:
  - The need to improve public transport – in particular local public transport in support of economic and housing growth
  - The need for a level playing field with regulations – e.g. allowing LTAs have access to the same devolved powers that bodies such as TfL has.
  - Stronger co-ordination with national bodies – DfT looking to the STBs to have a strong role as part of the development of Road Investment Strategy (RIS3)
  - Infrastructure-led development – emphasising the importance of addressing barriers to delivery of strategic infrastructure
- 3.8. These are all areas of work that EEH either already working on, or has set out its ambition to do so within the context provided by the Transport Strategy.

### 4. **Strengthening the Working Relationship: Preparing a Concordat**

- 4.1. England's Economic Heartland's partnership approach through the Strategic Transport Forum has been long established and provides a solid basis on which to build for the longer term as the Sub-national Transport Body.
- 4.2. It is clear that DfT is committed to working with Sub-national Transport Bodies and EEH has a strong and positive working relationship with the Department for Transport. The efforts and commitment of Ministers and senior Officials in support of EEH is to be particularly commended in this regard.

- 4.3. Building on this foundation, and reflecting on the consultation responses received, it remains important that the partners investing in EEH can have confidence that the Government will have due regard and give weight to the Transport Strategy and its associated investment pipeline.
- 4.4. In the absence of DfT being open to supporting the creation of additional statutory bodies at present, it is recommended that EEH look to build on the current collaborative approach it has with DfT. This could take the form of a Concordat between EEH and the DfT – co-signed by the Chair of the Strategic Transport Forum and DfT Ministers.
- 4.5. The Concordat would provide the mechanism by which EEH could set out the role and commitments it already delivers, as well as setting out the commitments that are required to enable the Transport Strategy to be implemented. In this way it would provide the opportunity for DfT to set out how it will work with EEH to enable this to happen.
- 4.6. Over the summer officers from the seven STBs produced a policy paper that in many ways captures the nature of just such a working relationship. It is proposed that that document should form the basis of an initial discussion with the DfT. In this scenario the resulting Concordat would set out the framework within which EEH and DfT would continue to work moving forward. An initial, draft list of commitments that could be included in the Concordat are set out in Annex B.
- 4.7. The benefits of this approach is that it would bring clarity on the role and responsibilities of EEH as the STB: it would give confidence to both EEH partners and DfT that the Transport Strategy will be given due regard and weight moving forward into its delivery: and it would do so in a way that is 'light touch' and respects the DfT's position with regards to statutory status.
- 4.8. Initial, informal indications are that, if the Forum supported such an approach it would be welcomed by DfT Ministers.

## 5. **Next Steps**

- 5.1. Subject to Forum views, EEH Business Unit will work with the EEH Transport Officer Group to develop a draft Concordat, building on the initial proposals set out in Annex B.
- 5.2. A final draft Concordat will be presented to the Strategic Transport Forum on 5<sup>th</sup> February 2021 for consideration. If agreed by Members, EEH Business Unit will work with DfT Officials to secure agreement to the proposed Concordat by Ministers.
- 5.3. In parallel, in order to ensure the successful delivery of the Concordat, EEH will review its long term approach to working not only through the Strategic Transport Forum but with a wider partnership of stakeholders. EEH already has an Influencers' Group, created to shape and influence the Transport Strategy. As part of a longer term approach to EEH's decision making, EEH Business Unit will review membership of the group and present the next meeting of the Strategic Transport Forum with options for a long term future for the Influencers' Group.

**Martin Tugwell**  
**Programme Director**

**November 2020**

### Legislative Framework for Sub National Transport Bodies

The Government introduced the power to establish Sub-national Transport Bodies on a statutory basis through the Cities and Local Devolution Act 2016, amending the Local Transport Act 2008.

1. The primary legislation sets out that a statutory Sub-national Transport Body would have a range of general functions, including:
  - To prepare a transport strategy for the area
  - To provide advice to the Secretary of State about the exercise of transport functions in relation to the area (whether exercisable by the Secretary of State or others)
  - To co-ordinate the carrying out of transport functions in relation to the area that are exercisable by different constituent authorities with a view to improving the effectiveness and efficiency in carrying out those functions
2. Once established as a statutory body the Secretary of State would have to have regard to the proposals contained in the Transport Strategy and the advice of the Sub-national Transport Body.
3. In addition to the general functions explicitly identified in the legislative framework, the constituent members of the Sub-national Transport Body have the ability to make other proposals as to the role and functions it has.
4. The Government's Transport Investment Strategy highlights the added value that Sub-national Transport Bodies can provide, stating:

*"... This unprecedented access to investment decision making is only possible as a result of STBs' unique role as the single voice for their region and the legitimacy that statutory status gives them to priorities potential investments based on their regional transport strategies."*

5. In order to make the case to become a statutory Sub-national Transport Body the proposal must meet the criteria the Secretary of State will use when considering a proposal, as set out in the Local Transport Act 2009, specifically that:

*'102F 1(a) its establishment would facilitate the development and implementation of transport strategies for the area, and,  
1(b) the objective of economic growth in the area would be furthered by the development and implementation of such strategies'*

### Proposed ambitions for inclusion in a Concordat

It is anticipated, subject to views of the Forum, that the Concordat would include the following commitments.

#### ROLE AND FUNCTIONS OF EEH AS THE STB

England's Economic Heartland commits to:

- **Speaking with one voice:** Building consensus and providing a focal point for Government and the private sector, across their region, enabling government to engage more efficiently and effectively with local partners on strategic infrastructure and connectivity issues.
- **Championing the Heartland:** Producing a single, evidence led, strategic investment plan (pipeline of programmes and projects), driven by a Transport Strategy which has political and business backing from across the region. The plan will provide clarity and confidence on investment priorities to inform national as well as regional policy and investment decisions.
- **Accelerating and improving delivery:** EEH will work with their partners via their respective Investment Plans with the aim of accelerating development and improving delivery in their region and providing cost and risk certainty to the supply chain.
- **Taking on the big challenges:** Working at a strategic scale enables regions to rise to big strategic challenges such as rebalancing economies, decarbonisation, and addressing the disconnection of communities. EEH will focus on the regional-specific aspects of such challenges where we can add most value, and monitor and evaluate our programme to realise benefits.
- **Working beyond boundaries:** Providing leadership and strategic oversight on infrastructure projects which cross local authority boundaries. EEH will continue to work proactively with the other STBs to provide policy coherence on inter-regional issues.
- **Providing economies of scale:** Undertaking work on a regional or national scale which is of benefit to its local partners and cutting duplication of effort across STBs/between STBs and other bodies.

In order to deliver this, England's Economic Heartland needs the following from DfT:

- **Certainty of funding** through a multi-year funding settlement for England's Economic Heartland. (It is expected that all STBs be put on a level field in terms of funding going forward).
- **A clear mechanism for influencing national policy decisions** STBs have a key role in setting regional priorities in their area; informing national priorities across the DfT policy spectrum; and supporting the development and delivery of schemes and initiatives in Strategic Investment Plans. To that end, the Secretary of State must have regard to EEH's Transport Strategy, and its advice in respect of its implementation, when making policy decisions.
- **A clearly defined role in respect of national delivery bodies** (Network Rail, Highways England) in setting the *High Level Output Specification (HLOS)* and Road Investment Strategy (RIS) respectively. England's Economic Heartland should act jointly and with the Secretary of State to set and vary these commitments in the Heartland area.

- **The right to be consulted about new rail contractual decisions** – EEH must to be consulted before the Secretary of State issues any invitation to tender for future rail services
- **Commitment to pan Government working**– on behalf of EEH, and where identified as a priority, DfT will work with other Government departments to develop and deliver a joined-up, place-based approach to strategic connectivity and infrastructure planning
- **In addition**, DfT Ministers should agree to work with EEH to develop any additional bespoke offer/arrangements where they demonstrate benefit to EEH Partners and Government priorities.