



meeting **CABINET**

date **25 JULY 2007**

agenda item number

## REPORT OF THE CABINET MEMBER FOR ENVIRONMENT

### THE DRAFT LOCAL TRANSPORT BILL

#### Purpose of Report

1. To set out the content of the draft Local Transport Bill and its implications for Nottinghamshire, and to seek approval of Nottinghamshire County Council's response to the consultation on the Bill.

#### Background

2. The draft Local Transport Bill, which was published on 22 May 2007, is a key part of the Government's strategy to address transport challenges, and to empower local authorities to take appropriate steps to meet local transport needs in the light of local circumstances. The intention is to provide a toolkit of powers within an overarching national framework. The provisions relating to passenger transport build on the proposals set out in the Government policy paper 'Putting Passengers First' (December 2006), which was the subject of a report to Portfolio Holder earlier this year.

#### Headline proposals

3. The draft Bill sets out the Government's legislative proposals in the following areas.
  - **Improving the quality of local bus services.** To reform local bus services by providing greater flexibility for local authorities to work with bus operators to deliver services that are better matched to the needs of passengers in their local areas. This includes a stronger leadership role for local authorities in partnerships with operators, making franchising or quality network partnerships a more realistic possibility and a revised framework to hold local authorities and operators to account for improved punctuality and reliability of bus services. It builds on the measures set out in 'Putting Passengers First'.

- **Reforming local governance.** To strengthen governance arrangements for transport planning and delivery in existing Passenger Transport (PTA) and major urban areas outside London. This will require major cities, and enable other areas, to review and propose their own changes to existing transport governance arrangements and update the existing powers and duties of PTAs.
- **Local road pricing schemes.** To update existing provisions for local road pricing schemes. It aims to encourage local authorities to bring forward local road pricing schemes and seeks to provide more flexibility within a clear and accountable framework, whilst ensuring schemes are interoperable and consistent.

### **Improving the quality of local bus services**

#### *Voluntary partnership agreements and statutory quality partnerships*

4. Voluntary partnership agreements would be strengthened with a revised competition test to allow multilateral agreements between a local authority and more than one operator. Such agreements could specify minimum frequencies, timings and maximum fares as appropriate. Existing arrangements would be changed to allow quality partnership schemes to cover minimum frequencies, timings and maximum fares, and to allow improvements to be phased in over time.

#### Comment:

- Existing partnership working with local bus operators in Nottinghamshire has already demonstrated considerable benefits, and the proposed new arrangements will be considered where necessary within existing partnership arrangements. The inclusion of frequencies, timing and fares will enable a more sustainable package of initiatives.
- The statutory quality partnership provisions will provide particular opportunities to improve service quality in areas where the quality, reliability and cost of bus services are a concern. Any opportunities will be explored fully with operators within existing partnership arrangements.

#### *Quality Contract Partnerships*

5. The current test, which requires local authorities to demonstrate that quality contracts are “the only practicable way” for a local authority to implement a policy in its bus strategy will be replaced by a set of criteria requiring councils to demonstrate that a scheme is in the “public interest”. The current requirement for schemes to be approved by the Secretary of State will be replaced by approval by an independent Approvals Board, with right of appeal to the Transport Tribunal. The time limits for quality contract schemes will be extended and provisions will allow for schemes to be phased in.

Comment:

- These provisions will provide particular opportunities to improve bus services in areas where the quality and reliability of services are poor and where opportunities to secure an improved level of service have been fully explored. The general quality of the bus network in Nottinghamshire is of a high standard, and it is not envisaged that the additional facilities offered will be needed in the near future. Any change will mainly be influenced by provision in the commercial sector.

#### *Punctuality*

6. The draft Bill proposes a new performance regime which extends the traffic commissioner's responsibilities to hold local authorities as well as operators to account for the performance (i.e. punctuality and reliability) of local bus services. This includes the provision of improved access to punctuality data and will extend the practical scope of their powers to penalise operators. For local authorities, this will relate to their functions which impact on bus services such as the provision and enforcement of bus priority measures and coordination of road works.

Comment:

- Nottinghamshire has introduced a Bus Punctuality Improvement Plan in partnership with the City Council and local bus operators. This has established arrangements for monitoring which can be developed to fulfil the proposed new framework.

#### *Community transport*

7. Limitations on size of vehicles that can be run by community transport operators and restrictions on payments to drivers on certain services will be removed.

Comment:

- The decline in availability of conventional bus services, especially in rural areas, means that the community and voluntary sector are relied upon to provide alternatives such as community minibus schemes. These proposals will offer greater flexibility to local communities to provide services tailored to their local needs. It will also enable further integration of local bus, school, park and ride and community transport services.

#### *Other measures*

8. Other measures include increasing flexibility for local authorities to subsidise services, removing the requirement for the Secretary of State to give consent to the sale of council-owned bus companies and consideration to be given to refocusing the Bus Service Operators Grant (BSOG), possibly relating to environmental and performance factors..

Comment:

- The County Council fleet receives about £80k p.a. from BSOG for operating social care and school journeys – the continuation of the grant must be secured.

### **Reforming local governance**

9. The Secretary of State will be able to direct local authorities in metropolitan and other areas to review transport governance arrangements and propose their own changes to existing arrangements and update the existing powers and duties of PTAs. This would include options to:
  - change the constitution of an existing PTA
  - make changes to the existing transport responsibilities of PTA/Es, district councils and potentially the Secretary of State in respect of Highways agency and heavy rail
  - allow new PTA/E to be set up or existing PTA/Es to be dissolved with agreement of all authorities affected
  - make changes to the geographical area covered by a PTA/E, similarly with the agreement of local authorities affected.
10. Cities would be able to develop their governance arrangements over time and keep arrangements under review.

Comment:

- This set of proposals is intended to allow bottom-up reform of governance arrangements and enhance powers for transport in the major urban areas. As circumstances differ in different parts of the country, flexibility to allow decisions on the most appropriate governance arrangements to be made by individual areas is crucial. The decision to review local arrangements should be made at a local level.
- Nottinghamshire County Council and Nottingham City Council work effectively on strategic planning and transport for the Greater Nottingham area, with a Joint Committee which meets quarterly. The second Greater Nottingham LTP and the delivery of the first have been deemed ‘excellent’ by Government. A review of governance is not seen as essential in the near future but steps should be taken to ensure that joint working arrangements are adapted as necessary to meet changing circumstances such as those arising from the Growth Point agenda and Local Area Agreements.

### **Local road pricing schemes**

11. The draft Bill aims to give more flexibility to local authorities to take forward local road pricing by:

- replacing the requirement for approval from Secretary of State to be replaced by a new framework of accountability which would set out guidance on scheme design, the legal framework, how local authorities can use the revenues arising and options for how it might operate
  - allowing a scheme to be taken forward jointly by an LTA and relevant PTA
  - requiring local authorities to apply their share of the net proceeds of the scheme to support the achievement of its local transport policies
  - removing the specific powers of the Secretary of State to require a local authority to consult or hold a public enquiry, while still allowing the LTA to do so if it wishes.
12. It also includes measures to ensure consistency and interoperability between local schemes through specifying standard data formats, specifying unique numbering for equipment and setting standards for encryption and security.
13. The draft Bill also makes it very clear that it makes no provision for a national road pricing scheme.

#### Comment

- Nottinghamshire County Council is involved in a partnership of the 6 '3 Cities' authorities undertaking an in-depth investigation of possible options for tackling traffic problems and improving roads and public transport in the region, including the consideration of more radical transport infrastructure improvements in the area, such as possible road pricing schemes to reduce congestion. The partnership was awarded £1.8m Transport Innovation Fund monies in 2006 to fund the study.
- There is concern that the increased flexibility for local road pricing will leave councils on the front line of the road pricing debate, with the decision to undertake such schemes being for individual areas to decide.
- The proposals in the draft Bill do not address significant barriers to establishing local schemes including
  - a) how the substantial amount of upfront funding required will be provided and
  - b) how they will form part of a wider package of powers to deliver improved transport networks.

#### **Statutory and Policy Implications**

14. This report has been compiled after consideration of implications in respect of funding, equal opportunities, personnel and crime and disorder and those using the service. Where such implications are material they have been described in the text of the report.

## **Recommendations**

15. It is RECOMMENDED that the County Council respond to the Draft Local Transport Bill in accordance with the comments set out in this report.

COUNCILLOR STELLA SMEDLEY

Cabinet Member for Environment

## **Strategic Director of Resources' Financial Comments**

There are no direct financial implications arising from the contents of the report.  
[KRP 3.7.07]

## **Legal Services' Comments**

The decision recommended falls within the delegation to Cabinet. [HD 9.07.07]

## **Background Papers Available for Inspection**

None.

## **Electoral Division(s) and Member(s) Affected**

All

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