

From: Paul Carter, Leader of the Council
Matthew Balfour, Cabinet Member for Environment and Transport
Barbara Cooper, Corporate Director of Growth, Environment and Transport

To: Environment & Transport Cabinet Committee – 17 November 2016

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

Classification: Unrestricted

Past Pathway of Paper: N/A

Future Pathway of Paper: Executive decision of the Leader

Electoral Division: Countywide

Summary:

This paper sets out proposals for the creation of a Sub National Transport Body for the South East, and initial steps in the development of a Shadow Board for the proposed Body.

Recommendations:

The Cabinet Committee is recommended to consider and endorse or make recommendations on the proposed decision of Leader, in accordance with Article 10 (1) & (4) of the council's constitution, to:

1. Agree to establish, and participate in, a shadow Sub National Transport Body (SNTB) for the South East, known as Transport for the South East (TfSE), at the cost, for the purposes, and with the membership, set out in the report
2. Agree to the proposal to establish, and participate in, a formal Sub-National Transport Body for the South East also known as TfSE and with the same purpose and membership.

The cabinet committee will receive a further report following establishment of the shadow SNTB outlining proposals for the full SNTB.

In accordance with the Council's Executive Scheme of Officer Delegation, officers are responsible for the implementation of executive decisions and as such the Corporate Director GET and Director of Environment, Planning and Enforcement will take any administrative actions necessary towards the implementation of 1 & 2 above.

1. Background

- 1.1 The Cities and Local Government Devolution Act 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, economic and strategic transport facilities and services to and from the area of the SNTB.
- 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 Act:
- A Combined Authority;
 - An Independent Transport Authority;
 - A County Council; and
 - A Unitary Authority.
- 1.4 Furthermore, the Department for Transport requires that SNTBs 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. The North of England and the Midlands are also developing SNTB proposals.
- 1.5 An SNTB, if established will 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 on this basis included some representation from the LEPs.
- 1.6 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.
- 1.7 Development of the SNTB will be undertaken in parallel with any devolution deals that Kent and Medway wish to pursue in future. The SNTB remit will include the strategic network and will focus on those priorities that have a regional impact and/or transcend Kent and Medway boundaries.

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

- 2.1 The South East Seven (SE7) Councils (Kent, East Sussex, West Sussex, Hampshire and Surrey county councils, and Brighton & Hove City and Medway unitary council) and the Local Enterprise Partnerships (LEPs) that represent the area have discussed the establishment of an SNTB for the South East, to be called Transport for the South East (TfSE). A TfSE on this geographic scale would fulfil the DfT’s minimum geographic size requirements set out at para 1.3. Discussions will shortly commence with Portsmouth, Southampton and the Isle of Wight and the Solent LEP about joining TfSE.
- 2.2 The proposed TfSE would enable authorities to influence national and regional infrastructure providers, helping to secure the infrastructure required to support continuing economic growth. A 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.

- 2.3 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 from key agencies, such as Highways England, Network Rail and the LEPs.
- 2.4 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 and 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 is proposed to establish the Body in shadow form which would serve to demonstrate commitment from the constituent Authorities to work collaboratively and to provide reassurance to Government about the strength of the partnership. It would have two priorities during this period:-
 - Develop an overarching Transport Strategy for the area.
 - Develop responsibilities and accountabilities for the 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. The SNTB Leaders' Board would consist of, subject to discussions with partners in Hampshire, the SE7 Councils, Portsmouth City Council, Southampton City Council and 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.
- 3.3 The constitution sets out within it the responsibilities of the Leader, one of which is to "represent the Council at national and local level, on outside bodies and in partnership with other agencies". On this occasion the Leader does not intend to delegate that responsibility and as such will join the Shadow SNTB and eventually the full SNTB as the council's representative.
- 3.4 The Leader will represent the Council's interests as the constitutional arrangements for the shadow and full SNTB are created and in relation to the creation of a transport strategy.

4. The Transport Strategy

- 4.1 The cornerstone of TfSE is the Transport Strategy. It will build upon existing Local Transport Plans, including Kent's *Local Transport Plan 4: Delivering Growth without Gridlock*, currently out to consultation, and evidence already available from 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, including the *Kent and Medway Growth and Infrastructure Framework*.
- 4.2 The 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 priorities for freight, ports, airports and other public transport modes.
- 4.3 The Transport Strategy, which will also outline the proposals to establish a full SNTB, would be subject to consultation, including where appropriate, 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):
- Kent County Council
 - Medway Council
 - Brighton and Hove City Council
 - East Sussex County Council
 - Hampshire County Council
 - West Sussex County Council
 - Surrey County Council
- 5.2 Whilst these will be the initial member authorities it is intended to broaden the membership to include all Transport/Highway authorities in the area and agreement will be sought from the Isle of Wight, Southampton and Portsmouth Councils to become members. In addition dialogue will be opened with the Berkshire Authorities to consider their involvement, particularly in light of the recent decision regarding Heathrow's expansion.
- 5.3 It will also be essential to ensure that, as with the SNTB proposals elsewhere, business is suitably represented on the Board and we will work with the LEPs to determine how best that can be achieved. It is therefore recommended that authority is delegated to the Leader to determine the other members of the shadow board. This will be agreed through a Leaders Board (see paragraph 3.2). As progress is made towards a more formal body and the necessary governance arrangements are developed consideration will have to be given as to how the voice of District and Borough colleagues are taken on board most effectively.
- 5.4 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
- Transport for London
- Airport, Sea port, Bus and train operating companies.

5.5 TfL represents the most significant transport hub in the South and has significant economic impact resulting from their investment decisions. It is for that reason they are included as part of the membership of TfSE. However, in return, it is suggested that TfSE will make representation to become a member of the TfL Board.

6. Resource Requirement

6.1 There is a resource requirement to establish TfSE and to develop a Transport Strategy, and to set out and agree its responsibilities and accountabilities.

6.2 A resource will also be required to service the TfSE initially, to develop the governance arrangements and later to support TfSE business.

6.3 It is estimated that appropriate support for developing the shadow SNTB and the overarching draft Transport Strategy would total £200,000 (£20,000 per Council).

7. Stakeholder Engagement

7.1 Before progressing a proposal for an SNTB, the constituent Authorities must consult on the boundary proposals and it is proposed that the shadow SNTB undertakes this consultation.

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

8. Timetable

8.1 It is anticipated that a 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	<ul style="list-style-type: none"> • Discussions with DfT (ongoing); • Develop and establish a shadow SNTB with partners; and • Publish Terms of Reference, governance arrangements and vision.
2017	<ul style="list-style-type: none"> • Develop the Transport Strategy; • Develop the formal proposal and consult 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.

8.3 Although the process of setting up the full TfSE is expected to take up to two years, it is proposed that the shadow SNTB be set up before the end of this calendar year. Subject to appropriate approvals by the proposed constituent members, the shadow Body will become active before the end of this year.

9. Financial implications

9.1 The financial implication of the recommendation is the £20,000 that KCC is proposing to contribute to the development of the SNTB Shadow Board and the associated Transport Strategy and this will be sourced from existing budgets within the Environment, Planning and Enforcement Division.

10. Legal implications

10.1 There are no direct legal implications of the recommendations in this report, although should an TfSE SNTB be established by the Secretary of the State following the work set out in this report, then there would be legal implications arising from the establishment of the SNTB which itself would be a body corporate.

11. Recommendations

11.1 The Cabinet Committee is recommended to consider and endorse or make recommendations on the proposed decision of Leader, in accordance with Article 10 (1) & (4) of the council's constitution, to:

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Contact details

Report Author and Relevant Director:

Katie Stewart
Director of Environment, Planning and Enforcement
03000 418827
Katie.stewart@kent.gov.uk