

HERTFORDSHIRE COUNTY COUNCIL

**CABINET
MONDAY, 18 JUNE 2018 AT 2.00PM**

<u>Agenda Item</u> <u>No.</u>
10

SUB NATIONAL TRANSPORT BOARDS – HERTFORDSHIRE COUNTY COUNCIL’S POSITION AND MEMBERSHIP

Report of the Chief Executive

Author:- Jan Hayes-Griffin, Assistant Director
(Planning & Economy) (Tel: 01992 555206)

Executive Member:- Derrick Ashley, Growth, Infrastructure, Planning
and the Economy

1. PURPOSE OF REPORT

To set out the background to the emergence of Sub National Transport Boards (STB’s) nationally and to consider Hertfordshire County Council’s policy position and future membership of emerging STB’s in the region.

2. SUMMARY

- 2.1 The Government is encouraging Local Transport Authorities (County and Unitary) to come together to create strategic groupings to lead on the development of regional transport strategies to support economic growth, advise on local priorities for future infrastructure planning and investment and coordinate the delivery of cross border transport functions. The exact role and function of each Strategic Transport Body (STB) will vary from region to region and could include a bid for devolved powers and funding from Government.
- 2.2 A number of these groupings are beginning to emerge nationally with some planning to seek full powers to create a statutory STB within the next 2-3 years.
- 2.3 Hertfordshire’s economic growth and strategic transport concerns are varied and governed by our unique location in the Oxford London Cambridge Golden Triangle, our proximity to and relationship with London and the main transport corridors that run through the county.
- 2.4 There are two emerging STB’s adjoining Hertfordshire and it is now timely to consider whether the County Council should formally join one of these to ensure we are able to get our strategic transport issues on

the table and begin to influence Government on our future investment priorities and needs.

- 2.5 This report was considered by Environment Planning and Transport Panel on 11 May and Members supported the conclusions and recommendations set out in Section 10.

3. RECOMMENDATIONS

- 3.1 The Environment Planning and Transport Cabinet Panel considered a report on this item of business at their meeting on 11 May 2018. The Panel recommended to Cabinet that Cabinet agree the recommendations set out in Section 10 of this report that Hertfordshire County Council joins England's Economic Heartland and its emerging Sub National Transport Board as a full member, and joins Transport for the East as an Associate Member.

4. BACKGROUND

- 4.1 Part 5A of the Local Transport Act 2008 (introduced by the Cities and Local Government Devolution Act 2016) provides for the devolution of strategic transport responsibilities to Strategic Transport Bodies. The Act specifically enabled Transport for the North (TfN) to be created, and for local partners to put forward to Government, proposals to establish a statutory Sub National Transport Body.
- 4.2 The Act gives the Secretary of State for Transport an enabling power to establish an STB.
- The STB must be set up as a corporate body
 - At least two “relevant authorities” (County Councils or Unitary Authorities, Combined Authorities and Integrated Transport Authorities) must apply to the Secretary of State to establish an STB.
 - These authorities must agree to jointly make a proposal for an STB for the area.
 - The proposed STB must cover the whole of the area of all member authorities. An authority cannot be split between two or more STBs.
 - All authorities (not just “relevant” authorities) in an area must be consulted before a bid is made. This includes all authorities adjoining the area of an STB.
 - An STB has to “facilitate the development and implementation of transport strategies for the area” and “promote economic growth in that area”
- 4.3 Regulations specify that the Secretary of State must approve:
- The name of an STB, the geographic area covered by the board, the relevant authorities making up the board (including any

Combined Authorities, County Councils, Integrated Transport Authorities (ITA's) and Unitary Authorities).

- The Constitution of the STB including size and composition of the Board. Voting Members shall be the elected Members of relevant authorities and where they exist, elected Mayors, and Chairs of any ITA's. The board may co-opt representatives onto the Board from LEPs, transport organisations and Business but these are non-voting.
- Executive arrangements
- Arrangements for Review and Scrutiny
- The delegation of functions from the STB to relevant authorities and the transfer of transport functions to the STB from relevant authorities, or the joint exercise of functions.
- Any changes to the Board composition and area
- The removal of or adding of relevant authorities to STBs
- Funding to cover the running costs of STBs

4.4 Individual Highways Authorities would still be required to produce a Local Transport Plan and the continuation of Local Transport Boards would be a local decision.

4.5 The Government's Transport Investment Strategy (TIS) published 2017, talks about the opportunity for greater devolution of transport decision making and funding across the country. The Government recognises there has been a gap in transport planning at regional level to deal with transport issues/schemes that are of significance larger than local highway administrative areas, but below those of national importance.

4.6 The TIS sets out the core functions of STB's

The precise role and function of STBs will vary by region in order to reflect local and cross-regional transport and economic growth needs. However, STBs will all fulfil a similar strategic role and the Department considers they should have the following core functions, to:

- *prepare a pan-regional transport strategy to support economic growth and development in the region;*
- *provide, based on their strategy, advice to the Secretary of State about the development and prioritisation of transport investments in their region;*
- *co-ordinate the carrying out of transport functions that are exercisable by its constituent authorities, such as the implementation of smart ticketing initiatives; and,*
- *potentially, to play a role in the investment and oversight of performance on major roads in their region (that are not part of the national network maintained by Highways England).*

- 4.7 The Government has recently consulted on proposals to create a 'Major Road Network' (MRN) for strategically important local authority A roads because of the contribution they make to the economic wellbeing of the country. This middle tier of economically and strategically important local authority A roads would sit between the nationally managed Strategic Road Network (SRN) and the rest of the Local Road Network. A proportion of the National Roads Fund would be reallocated to the MRN. Funding decisions for the MRN would be linked to reducing congestion, supporting economic and housing growth plans and creating a more resilient MRN. It is envisaged that STBs will in future have a key role in influencing and coordinating investment plans at and between the SRN and MRN levels with DfT and Highways England.
- 4.8 There is no mandatory requirement to establish an STB – it is for the locality to determine the need. However, recent discussions with DfT indicate encouragement for STBs. There is no nationally set timetable. DfT has said they envisage 8/9 large STBs across the country with groupings of Local Authorities' that make sense in terms of economic geography rather than historic regional administrative boundaries. Any proposals for STBs need to come forward from relevant authorities with strong consensus and commitment built from the bottom up and clarity about the extent of powers being sought from Government.

5. EMERGING MODELS AROUND THE COUNTRY

- 5.1 A number of authorities around the country are coming together in strategic partnerships to begin to develop proposals for STBs to ensure strategic level transport infrastructure and investment planning supports regional growth ambitions. Some of these have emerged as part of the Devolution Agenda and the creation of elected mayors, and build on governance structures that have existed for some time in these areas.

5.1.1 Midlands Connect – Powering the Midland Engine

- Partnership of 28 Local Authorities, 11 LEP's, Network Rail and Highways England set up in 2014, covering 14 cities, a population of 11.5m and economy worth £222bn to UK plc. Covers Worcestershire, Shropshire, Lincolnshire, Derbyshire, Nottinghamshire, Leicestershire, Herefordshire, Staffordshire, Warwickshire, Birmingham and all the MBC's in the West Midlands.
- Have set up a Strategic Board led by independent chair Sir John Peace, and representatives from the LEPs, the LTA Leaders, Network Rail, Highways England and a Department for Transport Minister. Supported by a Partnership Advisory Board, Programme Steering Group and Technical Advisory Group. It has a dedicated Midlands Connect Project Team and a £5m pooled pump priming budget.
- Transport Strategy for the region developed 2017.

5.1.2 Transport for the North – One Agenda, One Economy, One North

- Partnership of 10 Local Authorities, 10 LEP's, DfT, Highways England, Network Rail, HS2, and Secretary of State for Transport covering the city regions of Liverpool, Manchester, Leeds, Sheffield, Newcastle, Hull, and also Cumbria, Lancashire, Cheshire, North Yorkshire, and Tees Valley. A population of 15m residents and £290bn economy.
- Vision and objectives, Northern Transport Strategy and Governance principles agreed by TFN Board and Government in March 2015. Formal STB status confirmed 2018.
- Business Plan developed to feed into DfT/ Highways England and Network Rail national funding and prioritisation process.

5.1.3 Transport for the South East

- Last year, Local Authorities in the South East established a Shadow STB stretching from Kent, through East and West Sussex, Brighton and Hove City, Medway Council, Surrey, Hampshire, Isle of Wight, Portsmouth, Southampton City Councils, Berkshire Local Transport Body and relevant LEPs with a view to seeking statutory powers by 2020. The Shadow Board is in the process of developing a Transport Strategy and have established a small dedicated team to support the emerging STB.

5.1.4 Transport for the East

- During 2017 Essex County Council promoted the debate to create an STB covering Norfolk, Suffolk, Cambridgeshire, Hertfordshire and Essex. This covers the area previously covered by the East of England Regional Transport Forum.
- The proposals envisage an informal partnership at first, building eventually into a statutory STB with the County Highways Authorities and the five Unitaries, Highways England, Network Rail and DfT, and representatives from the regions ports, airports and the relevant LEPs. The first stage would be to develop a Vision for Transport for the East and a transport strategy identifying key priorities for each partner.
- Areas of common interest across the region were identified as:
 - Developing the overarching transport strategy for the sub region and identifying key priorities for each partner.
 - Establishing a Rail Forum to input to future infrastructure requirements and franchise specifications.
 - Highway Network resilience
 - "Total transport" solutions
 - Innovation in Transport
 - Integrated Ticketing and Mobility.

- These proposals were agreed at the East of England Transport Summit on 21 December 2017. The first meeting of East of England Sub Transport Forum took place in March 2018 and agreed its Terms of Reference and future work programme.

5.1.5 England's Economic Heartland Strategic Alliance (EEH)

- This is a partnership of County and Unitary authorities in Buckinghamshire, Oxfordshire, Northamptonshire, Cambridgeshire, Milton Keynes, Luton Borough Council, Central Beds, Bedford Borough Council, Peterborough City, and associated LEPs (OXLEP, SE Midlands LEP and Bucks and Thames Valley LEP). Most recently Swindon Borough Council has joined the EEH because of the synergy between its local economic sectors and the wider EEH area.
- This is the 'economic' arc from Oxford through Milton Keynes to Cambridge with a high concentration of 21st century high value technology based sectors, Research and Development institutions and innovation potential. £92.5m value economy. The aim is to generate an extra 15-20% GVA for UK plc in this corridor.
- The Alliance was originally set up by the three County Leaders from Oxfordshire, Bucks and Northants in recognition that there was a need to:
 - Address strategic infrastructure constraints – transport, digital, energy and utilities in order to unlock economic activity and raise productivity to match and exceed global competitors in the sub region.
 - Share knowledge and work in partnership to unlock the areas economic potential.
 - Create a more powerful voice for the area and promote stronger integration of investment by Government, its agencies and LA's in terms of infrastructure and service providers.
- The Alliance is concerned with a much wider agenda not just transport. It sees itself as leading the future economic growth of this corridor and ensuring the right infrastructure is put in place to support it. It is currently extending its membership to include representatives from LPA's along the corridor to ensure better engagement on strategic planning issues going forward and ultimately to develop an overarching growth vision for the corridor with National Policy Statement Status.
- The work of the Strategic Alliance is supported by a small team of officers - the EEH Business Unit. Funding for the Business Unit is a

combination of contributions from the partners and funding from the DfT. The DfT have recently awarded EEH a further £1m to progress work on the Transport Strategy and STB Business Case. Buckinghamshire County Council acts as the Accountable Body for the Strategic Alliance and host the EEH Business Unit. The EEH Business Unit is also the secretariat for the Oxford – Milton Keynes – Cambridge Corridor All Party Parliamentary Group which is chaired by Iain Stewart MP (the Whitehall champion for the corridor), and also supports the East-West Rail Consortium.

- The EEH Strategic Transport Forum was established in February 2016 and its terms of reference revised in December 2017. The members of the Forum are the Local Transport Authorities; representatives from the Local Enterprise Partnerships, and 'growth boards' (such as Oxfordshire Growth Board) are associate members – reflecting the legislative framework that it is the LTAs that promote the STB. Other associate members of the Forum are Highways England, Network Rail, DfT, public transport operators, the Transport Systems Catapult.
- The Strategic Transport Forum is currently developing a Transport Strategy for the EEH which will establish clear priorities for future investment and inform DfT decisions on National and Major Route Network plans.
- The Transport Forum is also developing the detailed Business Case and Governance arrangements to move towards securing a Statutory Sub National Transport Board by 2021.
- In October 2017 the National Infrastructure Commission published its report on the potential for the Oxford – Milton Keynes – Cambridge corridor. The original call for evidence from the NIC was prepared jointly by the LEPs – including Herts LEP – this reflected the fact that the economic geography is very much about the Oxford – Cambridge – London triangle. This highlighted the importance of the corridor to the long-term success of the UK economy, citing that the area has the potential to be the UK's Silicon Valley. At the same time the NIC warned that its future success was not guaranteed and that there is a need to improve connectivity, particularly east-west connectivity.
- The Government subsequently announced its intention to develop an Expressway linking Oxford-Milton Keynes-Cambridge - Highways England is currently developing options for the route - some of it will be a new road to complete the 'missing links', and some upgrading of existing roads. In addition the East-West Rail Consortium has been established to develop a cross country rail connection along the corridor. EEH are playing a key role in liaising with DfT, Highways England and Network Rail on these issues.

- The Government has recently announced that it has asked EEH to lead on a Connectivity Study to ensure local communities are connected to and benefit from the Expressway. EEH is also overseeing the development of an overarching Economic Vision for the corridor being prepared by the LEPs. There are ongoing discussions with Government to ensure a more integrated approach to infrastructure, economic and housing growth in the corridor (including a long term vision to 2050) and the most appropriate Governance arrangements to ensure this. EEH is central in those discussions.

6. KEY ISSUES FOR HERTFORDSHIRE

- 6.1 Decisions about national and regional infrastructure projects and funding are still largely managed centrally by Government, the National Infrastructure Commission, Highways England and Network Rail. The creation of Sub National Transport Bodies provides the opportunity to influence those decisions, lobby for local priorities and seek the transfer of powers, funding and more 'local' control for infrastructure planning in an area. However, these areas are very large, driven importantly by economic geography not traditional administrative boundaries where there are synergies and opportunities to drive growth through improved connectivity and collaboration. These Bodies seek to fill the gap between the usual County Local Transport Plans and National Transport Plans, working across boundaries on critical sub national transport and infrastructure issues.
- 6.2 The pace is quickening on the emerging thinking on STBs with many authorities seeking to make their case to Government early to shape and influence the debate. Discussions with DfT have indicated encouragement for Local Transport Authorities (LTA's) to "self select" based on their best fit. Whilst there is no compulsion to join a STB, or any deadline, increasingly these emerging STB's are beginning to shape sub regional transport strategies, priorities and investment plans for their areas during 2018 and then seeking formal status in 2019 - 2021. It is important that Hertfordshire's transport issues, views and infrastructure needs are fed into one of these emerging structures in good time.
- 6.3 The key issue for Hertfordshire is which one of the two emerging STB's that adjoin us, should we join? Due to our strategic location adjacent to London, Hertfordshire faces a number of directions on different issues.
- 6.4 Hertfordshire's economic geography is centrally aligned to the nationally recognised London-Oxford-Cambridge Golden Triangle particularly in relation to our specialist economic sectors, innovation and skills issues. This is recognised in the Hertfordshire's LEPs Strategic Economic Plan – Perfectly Placed for Business, and will

almost certainly be reinforced by the LEPs future Local Industrial Strategy which is due to be prepared next year.

- 6.5 In terms of strategic transport concerns, whilst our main North – South connectivity and major routes are good (albeit with some significant congestion points e.g. A1(M)), our East – West connectivity is weak. Given the future levels of growth being planned along the A414, A505 and A507 corridors, it is these East – West corridors that will need significant investment in future.
- 6.6 The Transport for the East option effectively recreates the previous East of England Regional Transport Forum, which was heavily influenced by regional interests to the east and north east parts of the region. Whilst there is clear joint interest in relation to the East Herts/West Essex/M11 corridor, Hertfordshire has very little in common with the rest of the East Anglia region economically or in transport terms.
- 6.7 The Economic Heartland Strategic Alliance at first glance seems too ‘north’ or too ‘west’ for Hertfordshire. However, it makes absolute sense in terms of economic geography. The geography of the Economic Heartland has major synergies with the ‘Golden Triangle’ priorities set out in the Hertfordshire LEP’s Strategic Economic Plan, and even more so given the recent report by the NIC ‘Partnering for Prosperity’ - A new deal for the Cambridge-Milton Keynes-Oxford Arc. In terms of transport corridors, East – West connectivity both road and rail is a key priority for Economic Heartland. This has therefore significant overlap with Hertfordshire’s East – West transport issues and concerns.
- 6.8 EEH is very keen for Hertfordshire to join the Strategic Alliance. The size and nature of Hertfordshire’s economy strengthens their position as an emerging STB, and provides a critical link for them with London. Hertfordshire will therefore be in a strong position to influence the Alliance to ensure our needs and priorities are recognised. There is also the opportunity for Hertfordshire to lead on London related transport matters at the Transport Forum.
- 6.9 The LPAs in the middle section of the Oxford-Milton Keynes-Cambridge corridor - Aylesbury, Milton Keynes, Luton, Central Beds – are currently in discussion to develop an integrated Growth Plan and establish a Growth Board for this area. Clearly this will have significant implications for Hertfordshire County Council and our northern Districts that border the corridor, and this further strengthens our case for joining EEH.

7. RELATIONSHIP WITH LONDON

- 7.1 In Hertfordshire, our strategic transport issues are driven by our transport corridors (M1, A1(M) and A10/M11 and increasingly the

A414), and growth pressure across our borders at Luton, West Essex/Stansted and North London. They are also intrinsically linked to the needs of the 40% of our working age residents who commute into London every day.

- 7.2 In London responsibility for transport and planning has been devolved to the Mayor for almost 20 years with Transport for London responsible for virtually every aspect of transport in the capital. However, there is no effective mechanism for dialogue between TfL and the wider Home Counties on transport issues that affect the commuter belt. TfL are currently seeking powers from DfT to control all over-ground rail franchises in and around London.
- 7.3 Hertfordshire supports the extension of TfL type powers and services to the wider 'commuter belt' area in order to improve connectivity and integration of the transport offer to the public. The need for greater dialogue about the transport and infrastructure needs and priorities of the wider Greater London area has been recognised as part of the consultation process on the recently published Growth Plan for London.
- 7.4 These concerns are shared by a number of authorities close to London and have been shared with DfT. The Executive Member for Planning Transport and Environment has written to his counterparts of all the Counties and Unitaries around London, seeking support for some representation of Local Authorities in the Home Counties on the TfL Board, and making the case with the GLA/Mayor's office. This agenda needs to be taken forward as well as any decision on STBs.

8. CONSULTATION WITH KEY HERTFORDSHIRE PARTNERS

- 8.1 Informal discussions have been held with the Hertfordshire LEP and they are minded to join England Economic Heartland, because of the economic and digital connectivity synergies across the area.
- 8.2 Member level discussions have taken place with Essex County Council and other Transport for East member authorities to explain Hertfordshire County Council's dilemma and policy position. At the first meeting of Transport for East in March, Hertfordshire County Council and East Herts District Council (nominated by the Herts Leaders Group) attended as Observers. Cross border economic and transport partnerships are currently being strengthened in the LSCC corridor to reflect the need to maintain focus on this key corridor.
- 8.3 Earlier this year, Officers wrote to all Hertfordshire District and Borough Leaders and Chief Executives outlining the issues facing Hertfordshire County Council's choices regarding emerging STB structures. The issue has also been discussed at the recent Hertfordshire Leaders meeting. The scale of growth and infrastructure issues in the NIC corridor were recognised, with potential benefits for and impacts on

Hertfordshire. Hertfordshire's engagement with emerging STB's both EEH and TfE, was seen as important, and the Leaders Group have nominated the Leader of North Herts Council to represent LPA's in Hertfordshire on EEH.

9. FINANCIAL IMPLICATIONS

- 9.1 Joining either the Economic Heartland or Transport for the East will involve making a financial contribution towards the costs of the partnership and any studies/strategies that are commissioned. At present the Economic Heartland authorities are contributing £50k per annum into a pooled budget for the partnership. This level of contribution can be met from within Hertfordshire County Council's existing budgets in the Environment and Infrastructure Department.
- 9.2 Transport for the East has yet to agree on the level of funding contributions to provide technical and administrative support for the new partnership.
- 9.3 The move towards a formal STB will involve significant further work and costs to scope/define the nature of any future functions or devolved powers that the STB may seek, and be subject to the development of a full business case before any formal commitment is made.
- 9.4 One of the key purposes of an STB is to provide a strong voice for infrastructure planning and resources to drive economic growth, and to influence Government, particularly DfT, Highways England and Network Rail in their project prioritisation and future investment plans. This would potentially give access to and strengthen the case for funding opportunities that would not otherwise be directly available. An STB can also seek devolved powers and direct funding as part of their bid to Government.

10. CONCLUSIONS AND RECOMMENDATION/S

- 10.1 The creation of STBs provides the opportunity to develop a more effective route for the shaping, development and coordination of strategic transport infrastructure for Hertfordshire, and a way of more powerfully influencing national decisions about local transport priorities and funding. It also provides another possible route for seeking additional transport powers and devolved funding.
- 10.2 The legislation governing STBs infers that a County Council can only join one STB. However which ever "party" Hertfordshire joins, there will never be a 'perfect fit' and there will always be cross border issues we will need to collaborate on in another direction. It has been suggested a Local Transport Authority can join one STB as a full member and another as an "associate".

- 10.3 It is felt that the emerging Economic Heartland STB is a better fit for Hertfordshire in terms of economic geography and their focus on East – West infrastructure issues echoes our concerns about East – West connectivity. It is suggested therefore that HCC joins Economic Heartland as a full member. However the issues in the LSCC/M11 corridor are also important to us and we should join Transport for the East as an Associate Member.
- 10.4 This is an evolving situation and officers are aware that discussions are continuing between EEH and Authorities in the East of England to ensure cross border collaboration, and the possibility of a larger STB extending from Oxfordshire right across to the east coast ports in the long term.

11. Equalities

- [1] When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the equalities implications of the decision that they are taking.
- [2] Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the County Council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.
- [3] The Equality Act 2010 requires the Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- [4] There is no EQIA as this report is concerned with Hertfordshire County Council's consideration as to which Strategic Regional Transport Partnership organisation it may join. There are no direct or indirect implications for any persons with protected characteristics of this report.