

DECISION-MAKER:		CABINET	
SUBJECT:		TRANSPORT FOR THE SOUTH EAST GOVERNANCE PROPOSAL	
DATE OF DECISION:		17 MARCH 2020	
REPORT OF:		CABINET MEMBER FOR PLACE AND TRANSPORT	
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY			
NOT APPLICABLE			
BRIEF SUMMARY			
<p>To achieve statutory status, Transport for the South East (TfSE) is required to develop a Proposal to Government which needs to demonstrate the strategic case for the creation of a sub-national transport body and set out how TfSE will fulfil the statutory requirements for such a body as outlined in the enabling legislation. This report seeks Cabinet endorsement of a final Proposal to Government, which sets out proposed constitutional arrangements and powers for the body. If endorsed by the 16 constituent Local Transport Authorities (LTAs) who are partners in TfSE, including Southampton City Council (SCC), then TfSE plans to submit the Proposal to Government in April/May 2020.</p>			
RECOMMENDATIONS:			
	(i)	To note the content of the proposal to establish a sub-national transport body for the South East to be known as Transport for the South East (TfSE), as set out in this report.	
	(ii)	To endorse the proposal to establish TfSE as the sub-national transport body for the South East and the suite of powers as set out in the report.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	The proposed sub-national transport body is a unique opportunity to draw powers and funding down from the Government for the benefit of local and sub-national transport priorities in the South East region. As one of 16 Local Transport Authorities within this region, Southampton City Council is well placed to influence, contribute to, and benefit from the initiative. Accordingly, the Council has engaged extensively in the process of developing a draft proposal and discussions to date around powers to be sought.		
2.	In order to submit its' Final Proposal to the Government for the proposed sub-national transport body to be fully constituted with an agreed suite of powers, TfSE first needs the approval of its' 16 constituent Local Transport Authorities.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
3.	Once TfSE has achieved statutory status, it will exist as a legal entity with the potential to evolve and develop its own relationships both with Government		

	and with other organisations in the wider sub-national context such as Highways England, Network Rail and port and airport operators. This status brings with it the potential for devolved decision-making responsibilities and funding to support investment in sub-national transport priorities within the South East.
4.	<p>Other option considered:</p> <ul style="list-style-type: none"> - For Cabinet to not give SCC approval to TfSE to submit the Final Proposal to the Government. This option is not recommended on the basis that this course of action would mean TfSE would not be able to take a key step necessary in order for it to becoming formally established as a sub-national transport body, which would risk the South East region losing out to other sub-national transport bodies in funding received from the Government for delivery of sub-national transport priorities.
DETAIL (Including consultation carried out)	
5.	<p>Since 2016, Transport for the South East (TfSE) has operated in 'shadow' form as a Sub-National transport Body (SNB) for the South East, with the intention of achieving statutory status through the submitting of a Proposal to Government which sets out a set of constitutional arrangements and powers sought for the body. The following 16 upper tier Local Transport Authorities are partners in TfSE:</p> <ul style="list-style-type: none"> - Bracknell Forest Borough Council - Bright and Hove City Council - East Sussex County Council - Hampshire County Council - Isle of Wight Council - Kent County Council - Medway Council - Portsmouth City Council - Reading Borough Council - Slough Borough Council - Southampton City Council - Surrey County Council - West Berkshire Council - West Sussex County Council - The Royal Borough of Windsor and Maidenhead Council - Wokingham Borough Council <p>The Cabinet Member for Place and Transport attends the TfSE Shadow Partnership Board. In its' shadow form, since 2016, TfSE has added value through helping bring together partners and stakeholders to work with Government on key strategic transport issues. This has included helping to secure positive outcomes for the region in the Roads Investment Strategy 2 programme and the Department for Transport (DfT) Major Road Network consultation.</p>
6.	The Proposal to Government requesting statutory status for TfSE as a sub-national transport body, will require approval by Parliament. Transport for the

	<p>North was the first sub-national transport body to achieve statutory status in April 2018. The legislation on SNBs requires that a new sub-national transport body Proposal has been the subject of consultation within the area and with neighbouring authorities. The legislation also sets out that a SNB will be promoted by, and have the consent of, its constituent authorities.</p>
7.	<p>To fulfil the first of these legal requirements, in July 2019 TfSE carried out a 12-week public consultation with interested parties on a draft Proposal to Government. The Council submitted a response to this which endorsed the content of the draft Proposal. In the response, the Council set out the need to express more clearly within the Proposal that TfSE can only exercise the powers and functions that it holds concurrently with the relevant Local Transport Authority with their consent. Following this, TfSE has updated the Proposal to take account of views expressed during the consultation. Within this final proposal, the section on powers and functions has been revised to make it clearer that the consent of the relevant Local Transport Authorities is needed in order to exercise the powers. The Final Proposal (attached as Appendix 1) was formally approved by the TfSE Shadow Partnership Board at its' meeting on 19th September 2019. Appendix 1 sets out additional text added in in red, including a new paragraph 5.6 on consent of relevant Local Transport Authorities.</p>
8.	<p>The Proposal to Government identifies the types of powers and responsibilities that TfSE, the sub-national transport body is seeking from Government, as well as identifying the proposed governance structures. The Proposal is structured around the following headings, which this report summarises each in turn:</p> <ul style="list-style-type: none"> • Executive Summary • The Ambition • Strategic and Economic Case • Constitutional Arrangements • Functions
9.	<p><i>The Ambition</i></p> <p>The TfSE Transport Strategy for the South East forms the basis for achieving a shared vision for the region (which is summarised in Section 2 of the Final Proposal in Appendix 1). The Strategy identifies economic, social and environmental goals.</p> <p>A draft version of the TfSE Transport Strategy, which covers the period from 2020 to 2050, identifies a shared vision for the South East - to ensure the delivery of a high quality, sustainable and integrated transport system that:</p> <ul style="list-style-type: none"> • Supports increased productivity to grow the South East and UK economy and compete in the global marketplace; • Works to improve safety, quality of life and access to opportunities for all; and • Protects and enhances the South East's unique natural and historic environment. <p>The draft version of the TfSE Transport Strategy was subject to a 12-week consultation between 10 October 2019 to 10 January 2020. A final version of the Transport Strategy is expected to be published in April/ May 2020.</p>

10.	<p><i>Constitutional arrangements</i></p> <p>In the Proposal to Government, TfSE sets out the planned constitutional arrangements. Each constituent authority will appoint one of their elected members as a member of TfSE on the Partnership Board. For SCC, this is currently the Cabinet Member for Place and Transport.</p> <p>It is intended that the regulations should provide for the appointment of persons who are not elected members of the constituent authorities to be co-opted members of the TfSE Partnership Board. Currently two LEPs, a representative from the Boroughs and Districts, the Chair of the TfSE Transport Forum, and a representative from the protected landscapes in the TfSE area have been co-opted onto the Shadow Partnership Board.</p> <p>A number of voting options were considered to find a preferred option that represents a straightforward mechanism as well as the characteristics of the partnership, and which does not provide any single authority with an effective veto. The starting point for decisions will be consensus, and if that can't be achieved then decisions will require a simple majority of those Constituent Bodies who are present and voting.</p> <p>Where a consensus cannot be reached, a weighted voting system is proposed. The details of the proposed weighted voting system and the approach to Governance are set out in Section 4 of the Final Proposal to Government set out in Appendix 1.</p>
11.	<p><i>Functions</i></p> <p>The specific functions that TfSE is seeking as part of its Proposal to Government are only ones that are necessary for delivery of the Transport Strategy for the South East and realise the vision that this sets out. These functions are set out in Section 5 of Appendix 1. These include the following:</p> <ul style="list-style-type: none"> • general sub-national transport body functions relating to the preparation of a Transport Strategy, advising the Secretary of State and co-ordinating transport functions across the TfSE area (with the consent of the constituent authorities); • Local Transport functions; • being consulted on rail franchising and setting the overall objectives for the rail network in the TfSE areas; • jointly setting the Road Investment Strategy RIS for the TfSE area; • obtaining certain highways powers which would operate concurrently and with the consent of the current highways authority to enable regionally significant highways schemes to be expedited; • securing the provision of bus services, entering into quality bus partnership and bus franchising arrangements with the consent of the constituent authorities; • introducing integrated ticketing schemes; • establishing Clean air zones with the power to charge high polluting vehicles for using the highway with the consent of the constituent authorities; • power to promote or oppose Bills in Parliament; and

	<ul style="list-style-type: none"> incidental powers to enable TfSE to act as a type of local authority. <p>For each of these functions, the TfSE Proposal predominantly focuses on powers to be held concurrently with the local highway authorities. In most cases (though not all), the Proposal requires that the exercise of such powers is with the consent of the affected local authorities.</p> <p>Once formally constituted as an SNB, TfSE will be able to help to tackle the bigger more complex cross-boundary strategic transport planning issues that local authorities on their own have found it difficult to resolve individually or in smaller groupings.</p>
12.	<p>Once it is formally constituted as the SNB for the South East, TfSE will be able to speak more authoritatively and powerfully with one voice to lobby and influence the Government on strategic transport infrastructure investment priorities.</p> <p>Being formally constituted as an SNB as a consequence of the Proposal and the process of negotiations that will follow its' submission represents a real opportunity for TfSE to attract more investment in the region as a whole and for specific localities. By drawing funding and powers down from Government, the Proposal could help to facilitate the development of more regional and local solutions for sub-national transport needs and issues.</p> <p>TfSE becoming a SNB body would also potentially enable SCC to influence the prioritisation of investment by the major national transport agencies such as Highways England and Network Rail in a way that has not been possible in the past</p>
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
13.	Currently, SCC makes an annual subscription contribution of £30,000 to TfSE, which goes to support its administration and its work. The majority of funding for the development of transport strategies and more detailed area-based studies and a Strategic Investment Plan for the sub-region that will be prepared between spring 2020 and early 2022, comes from the Government.
14.	There is a reasonable expectation that DfT will allocate some core revenue funding for TfSE once it has achieved statutory status, on the basis that the constituent authorities will continue to make contributions. TfSE will also seek further capital funding from the DfT to take forward its technical work programme, including the preparation of a five area-based studies in 2020 and 2021 and a Strategic Investment Plan during early 2022.
15.	Funding for cross-boundary transport infrastructure priority schemes that are identified through the area-based studies and in the Strategic Investment Plan will be sought from Government by TfSE. In order to secure funding for top priority schemes, a level of match funding from Local Transport Authorities and third parties (such as LEPs and developers) is likely to be required.
<u>Property/Other</u>	
16.	N/A
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	

17.	As the Local Transport Authority (LTA) for Southampton, under the Transport Act 2000 as amended by Local Transport Act 2008, SCC has a duty to plan and seek funding to deliver improvements to the transport network within the city.
18.	The TfSE Proposal to Government lists a range of specific functions that TfSE is seeking. The majority of the powers and functions sought currently are at the central Government level. The Proposal requires that when TfSE is exercising the powers that are given to it, that this will be carried out with the consent of the affected local authorities.
<u>Other Legal Implications:</u>	
19.	The Final TfSE Proposal to Government set out in Appendix 1 will be used as the basis for future negotiations with the Government on the powers and functions to be given to TfSE.
20.	Once formally constituted as a SNB, TfSE will continue to work in close partnership with its 16 constituent Local Transport Authorities as it prioritises and lobbies for investment from Government for strategic transport infrastructure schemes. Becoming an SNB will improve the prospects of TfSE securing additional levels of funding for strategic transport investment in the South East region.
RISK MANAGEMENT IMPLICATIONS	
21.	The risk of not approving the TfSE Proposal to Government is that the South East and TfSE's 16 constituent LTA partners have less influence over decisions on strategic transport investment in their area and could see a lower share of future funding than if it was to be formally constituted as an SNB.
POLICY FRAMEWORK IMPLICATIONS	
22.	The Proposal to Government would enable the 16 constituent LTA partners of TfSE to make more rapid progress with delivering the Transport Strategy for the South East. The objectives and priorities of this strategy are aligned with and are consistent with Connected Southampton Transport Strategy 2040 (SCC's Local Transport Plan Strategy, which was adopted in March 2019).

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	TfSE Final Proposal to Government (Sept 2019)
Documents In Members' Rooms	
1.	None.
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Data Protection Impact Assessment	

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.	None	