

**Lyons Inquiry into Local Government
Promoting economic prosperity: considering the implications of Eddington
Questions for Stakeholders
Response from Telford & Wrekin Council**

Eddington Transport Study

Governance

1. Can local authorities work effectively in partnership to deliver transport outcomes or are new/reformed institutions necessary?

The West Midlands has demonstrated that local authorities in partnership with other bodies can already work effectively. The West Midlands advice to the Secretary of State for Transport on the Regional Funding allocation, for instance, has been well received locally and by the Department for Transport.

However, new methods of governance are essential if cross-border decision making is to be truly aligned and the potential for pooling resources is to be fully realised. It is crucial that other bodies, including Regional Development Agencies and the business community, are included in these new governance structures to provide the means for integrated policy, decision-making and project delivery and to ensure widespread acceptance of these functions. These structures, however, should not remove the scope for local decision-making on matters that have wholly local implications, for instance highway maintenance on local, non-strategic routes.

Telford & Wrekin Council supports the City Regions concept as a means of building upon existing regional strategies and connecting City Region individuals, strategic centres and businesses with opportunities to integrate transport and other policy areas in order to develop the economic strengths of the City Region and its hinterland.

2. What are the key behaviours required of local authorities to work in such partnerships? Would new institutional or contractual arrangements be needed to support them?

Partners need shared objectives and a common vision for continuous improvement and the search for efficiencies in the delivery of transport solutions. Whilst local authorities will continue to work together to deliver shared objectives, the full potential of connected decision-making processes and delivery mechanisms will only be realised if these partnerships are granted new freedoms and flexibilities, for instance powers through sub-national Area Agreements to align existing and new national funding streams.

3. Do the issues not considered by Eddington – particularly the potential benefits of aligning transport with other policy powers – alter the best overall design for governance arrangements?

Transport is not a means to itself but a facilitator for access to goods, services, leisure etc. This strengthens the case for governance arrangements that integrate policy powers across a whole range of functions. The benefits of aligning transport with other policy areas, such as land-use planning, economic development and education are well documented in Telford & Wrekin's second Local Transport Plan which demonstrates how transport will contribute towards regeneration and sustainable growth.

4. How could local government make use of any new bus powers in line with its broader role in promoting economic development?

The provision of a good quality public transport system is essential if travellers are to be encouraged to use cars less frequently, in order to reduce congestion and produce benefits for the environment and economic development. Increased bus patronage should also help services become more commercially viable and reduce pressure on local public sector budgets for bus subsidies.

In areas where road congestion contributes towards increased journey times, improved public transport combined with demand management measures should be considered as a means of unlocking economic development. However, in areas such as Telford, where major congestion is not experienced, it is unlikely that local road pricing would be introduced unless at a national or regional level to avoid an adverse impact on local economic development.

Telford & Wrekin has been instrumental since its inception as Unitary Authority in 1998 in building up an excellent partnership with Arriva, the main bus operator in the Borough, to improve bus service quality and access and consequently increase bus patronage by 20% since 1998. This strong leadership by the Council, backed by investment and commitment by the private sector operator, has, without resort to formal Quality Contracts, resulted in improved access to education, employment, healthcare and other services and greater use of sustainable transport in order to manage congestion without hindering economic development. This Council therefore fully recognises the importance of strong governance linked with a good public transport system in order to meet transport and economic objectives but does not see the need, in the current climate, to resort to stronger control through Quality Contracts.

However it is recognised that stronger bus powers would be useful in many areas in order to promote greater use of public transport in order to reduce the reliance on the car to meet congestion objectives and would support measures to make formal Quality Contracts easier to introduce as

long as it remains a local authority decision whether or not to opt for a contract.

The importance of Community Transport is also recognised, particularly for rural areas. Reducing barriers that allow further expansion in order to improve accessibility and promote a sustainable rural economy would be welcome provided this did not produce additional pressures on existing revenue budgets.

Convening

5. How can local authorities make the links between transport and other elements of economic development and quality of life most effectively at the local level?

Local authorities must engage key partners and stakeholders in order to pool resources and reach mutually acceptable decisions. The partners will include transport and non-transport bodies, for instance transport operators, local businesses and business representatives, the Regional Development Agency, JobCentre Plus, and the Learning Skills Council.

In Telford, the creation of 'Transforming Telford' a regeneration company formed with the council, Advantage West Midlands and English Partnerships, links the objectives and resources of these partners in order to action Telford's Economic Development Strategy. The Council's second Local Transport Plan has been developed in tandem with the objectives of 'Transforming Telford' illustrating the Council's commitment towards linking transport, economic development, tourism and other elements at the local level.

Funding

6 How could current funding arrangements best be reformed to support cost effective and appropriate spending and investment decisions at sub-national level?

Currently the region provides advice to the Government in respect of the region's priorities for funding of transport, housing and economic development through the Regional Funding Allocation process. Devolving and aligning these national budgets further so that the decisions are made sub-nationally would be welcome as a means of creating sub-national investment plans that would enable more informed local decision-making.

Many transport improvements have identifiable regeneration benefits, for instance the re-development of Birmingham's New Street rail station, and yet are unable to attract contributions from regeneration budgets. Initially, therefore the objective should be to link more closely the investment plans of these regional funding allocations for transport, housing and economic development to ensure that the objectives for sustainable transport are

integrated with land use decisions and so that pooled funding sources can be used more effectively.

7 What transport funding sources are most appropriately managed by local bodies? What would be the most appropriate incentives to encourage the adoption of demand management options at a local level?

All locally raised revenues should be used to fund local transport improvements, particularly public transport improvements, in order to ensure transparency and demonstrate local tangible improvements to achieve public support. This would be essential if local demand management options are to be introduced. Local authorities should be given

Locally managed transport schemes should include minor improvements to local, i.e. non-strategic highways, local road maintenance schemes, road safety schemes, Rights of Way Improvement Plans and local bus

A local authority's ability to raise revenue is restricted by statute and the capping regime imposed by central government. Increased local flexibilities to raise revenues could potentially unlock funding sources for transport improvements. There are examples in other countries, for instance, where specific taxes, primarily on employment, have been used to fund transport given the clear link between transport infrastructure and economic vitality. Legal powers in this country would have to be reformed for these connections to be made.

8 Local authorities currently retain the revenues from local road pricing schemes. How might further developments in this area affect the use of those revenues?

Changes to governance may affect the way in which these revenues are distributed such that large administrative areas could decide to re-distribute revenues in order to target areas, for instance, displaying higher levels of congestion.

There needs to be careful consideration of the implication of national traffic on local economic development and environmental objectives, particularly in respect of road user charging. It would be unacceptable if a road charging system lead to a distortion in the pattern of traffic flows across the area to the detriment of local traffic or if national traffic passing through a sub-region or local area contributes towards local pollution and congestion without contributing towards offsetting those dis-benefits. If a local road charging system operates alongside a national charging scheme that collects revenues accruing from national, through traffic, then an element of the revenue from the national scheme should be re-directed to the local authorities.

If a national road user charging system ultimately replaces any existing local schemes, revenues from the national scheme should be distributed locally in order to replace those revenues lost from the local scheme and fund local transport improvements in areas where local schemes did not exist beforehand.