

**REPORT TO:** Executive Board  
**DATE:** 19 July 2007  
**REPORTING OFFICER:** Strategic Director, Environment  
**SUBJECT:** 2007 Draft Local Transport Bill  
**WARDS:** All

## **1.0 PURPOSE OF THE REPORT**

1.1 The purpose of the report is to acquaint members with key changes proposed within the 2007 Draft Local Transport Bill and to advise on the intended response to the Department for Transport on the proposals.

## **2.0 RECOMMENDATION: That**

- (1) The proposed changes facilitated by the Draft local Transport Bill be noted; and
- (2) The Operational Director - Highways, Transportation and Logistics, in consultation with the Portfolio Holder for Planning, Transportation, Regeneration and Renewal, be authorised to submit comments to Government on the Draft Local Transport Bill, reflecting those contained within the report.

## **3.0 SUPPORTING INFORMATION**

- 3.1 In May 2007 the Department for Transport published its detailed plans to improve the quality of local bus services in a document entitled 'strengthening local transport delivery: The draft Local Transport Bill.
- 3.2 These proposals build on the extensive review that was carried out into bus services across the country, which is detailed in 'Putting Passengers First' (Dec.2006).
- 3.3 The draft Bill is intended to empower local authorities to develop local solutions to the local transport challenges they face, consistent with the devolutionary principles set out in the Local Government White Paper 'Strong and Prosperous Communities'
- 3.4 The draft Bill and its accompanying documents amount to over 270 pages, which detail and explain the proposals and assess their impact. The intention of this report is to highlight the key changes proposed and to provide comments on the issues it raises for Halton.
- 3.5 The key proposals fall into three areas. These being:

- Improving the quality of local bus services;
- Reforming local transport governance; and
- Taking forward local road pricing schemes.

These are now described in the following table.

<b>Improving the quality of local bus services</b>	
<b>Proposed Changes</b>	<b>Issues/Comments</b>
<p><b>Voluntary Partnership Agreements:</b> - Strengthened voluntary agreements between local authorities and multiple bus operators, which may cover minimum frequencies, timings and maximum fares.</p>	<p>Increases the flexibility and attractiveness of voluntary partnership agreements and quality partnership schemes enabling a more coherent pattern of sustainable services to be provided. They are therefore a welcome enhancement to the tools available in delivering a transport system, which meets local needs, irrespective of any decision taken on future arrangements for the City Region.</p>
<p><b>Quality Partnership Schemes:</b> -These schemes enable local authorities to enter into formal arrangements with operators under which each party commits to undertake improvements. Again the proposals extend the scope of the schemes to allow the inclusion of minimum frequencies, timings and maximum fares as appropriate.</p>	
<p><b>Quality Contract Schemes:</b> - These enable the suspension of the deregulated bus service market in an area for a specified period of time. It involves granting exclusive rights to a single operator, following a competitive bidding process. The proposals replace the significant barrier of having to prove that the implementation of the scheme is the only practicable way of achieving a policy in a bus strategy, with a series of public interest criteria. It is also proposed to replace the need to secure the Secretary of State's (SoS) approval with a new framework for scheme approval and appeals.</p>	<p>Quality contracts are probably as close as the Government will come to the re-regulation of bus services and the changes proposed should assist in their implementation. However, any improvements in the quality of commercial services required could result in increased fares (if not prevented/controlled by the agreement), and/or a deletion of the more marginal, but socially necessary services; putting increased pressure on Council budgets for support. This could pose problems for Halton, in achieving its accessibility objectives, should it wish to pursue quality contracts. The proposals therefore provide an improved mechanism for achieving a step improvement in the quality of local bus services, but without additional funding being made available to local authorities such an improvement will be difficult to materialise.</p>
<p><b>Punctuality:-</b> It is proposed to extend the powers of Traffic</p>	<p>Whilst the principle behind the changes is laudable, the</p>

<p>Commissioners (TC) to assist enforcement of bus service punctuality. The proposals will enable TCs to hold local authorities, as well as bus operators to account for their contribution to the performance of the local bus network and to receive better quality data.</p>	<p>extensive powers given to a TC could result in a local authority being issued with an Intervention Notice under the Traffic Management Act 2004, by the SoS, if the local authority does not implement the TC's recommended remedial measures. These powers therefore undermine a local authority's ability to implement locally determined transport policy through its agreed programme of works and initiatives. This particular aspect of the proposals is considered to excessive and undemocratic and therefore should be deleted.</p>
<p><b>Community Transport:</b> - Amendments to the restrictions on community transport services are proposed. Section 19 permits (issued to bodies concerned with education, religion, social welfare etc) will allow the use of vehicles with fewer than 9 seats and the issuing system will be simplified so that all permits are issued by TCs. Section 22 permits currently enable community transport organisations to register and run local bus services (picking up and setting down passengers along a registered route and to a published timetable). However, the 1985 Transport Act prevents community transport operators from paying their drivers whilst operating such services. This severely limits the ability of community transport organisations from registering and running scheduled local bus services. The new Bill seeks to remove this restraint from their operations by enabling drivers to be paid and it also allows the use of vehicles with more than 16 seats.</p>	<p>Community Transport has an important role in addressing gaps in the transport market and which particularly affect the accessibility of vulnerable groups. The changes will enable increased flexibility and opportunities for Community Transport and as such are welcome.</p>
<p><b>Taxi-buses:</b> - Currently only taxi (Hackney carriage) drivers can apply for a 'special restricted' public service vehicle operators licence to enable them to provide local bus services. Changes proposed will enable private hire vehicle licence holders to apply</p>	<p>These proposals are again welcome, as they increase the pool of resources available in the procurement of transport services, increasing opportunities and the efficiency with which services are provided.</p>

for these licences.	
<b>Reforming Local Transport Governance</b>	
<b>Proposed Changes</b>	<b>Issues/Comments</b>
<p><b>Local Reviews of transport governance arrangements:</b> - Currently, in Metropolitan areas, District Councils have responsibility for managing local roads, whilst the PTAs &amp; PTEs have responsibility for planning and implementing policies on public transport. The proposals enable the SoS to direct local authorities to review existing governance arrangements and to publish proposals for improving the effectiveness of transport in their area. The SoS could issue guidance and implement the changes through secondary legislation, which could include the establishment of new PTA/PTEs and changes to boundaries.</p>	<p>The proposal provides the means to enable City Regions and therefore address the aspirations of Halton and the Merseyside authorities for transport to be co-ordinated on a sub-regional basis. The establishment of a Liverpool City Region would enable realignment of transport policy, structures and policies. It will also provide Halton with a strong voice in the region, facilitate the delivery of key infrastructure, such as the Mersey Gateway and enable access to important funding streams such as Transport Innovation Funds (TIF). The proposed changes are considered to be essential in meeting the transport needs of the sub-region and therefore are welcomed.</p>
<p><b>Transport planning and duties:-</b> The duty on Metropolitan District Council's and PTAs (including any successor body following implementation of City Region proposals) to produce an LTP will be replaced by a requirement to produce an Integrated Transport Strategy (which incorporates the bus strategy) and implementation plan. PTAs would also be given 'well being' powers and would be required along with the District Councils to have regard for Government policy and guidance on climate change in carrying out their functions</p>	<p>Again this demonstrates the Government's commitment to facilitating City Region governance. The Bill appears to generally be deleting reference to LTPs and replacing them with 'Integrated Transport Strategies' or 'local transport policies'. Government officials have advised that these changes have been introduced to enable flexibility and do not signify the end of LTPs. However, it is clear that a fundamental review of the future of LTPs is being considered to ensure greater integration of transport considerations in the development of Local Area Agreements/ Multi Area Agreements. The specific inclusion of a reference to consideration of climate change reflects the important role that transport has in addressing this issue.</p>

### Taking forward local road pricing schemes

Proposed Changes	Issues/Comments
<p><b>Local freedom and flexibility:</b> Role of PTAs: The proposal enables a local road pricing scheme to be jointly made by the PTA (but note, not by itself) and local traffic authorities. Currently, only the relevant local traffic authorities could set one up.</p>	<p>This acknowledges the important role that PTAs have in Metropolitan areas in the delivery of an integrated and sustainable transport network. It provides a statutory basis for PTAs to participate in the design and implementation and to accrue scheme revenues directly.</p>
<p><b>Role of SoS:</b> Currently, a scheme must be approved by the SoS, who along with local authorities has the power to hold a public inquiry or require one to be held. A framework of accountability would replace SOS approval. The SoS's power to hold a public inquiry into a scheme would be repealed but local authorities would still be able to hold an inquiry.</p>	<p>This proposal enables the Government to distance itself from the road pricing initiative and enables it to support the development of schemes without running the risk of compromising a decision to implement the scheme. It also makes it clear that the local areas are themselves responsible for decisions on local road charging schemes.</p>
<p><b>Purpose of schemes and application of revenues:-</b> The proposals would require local authorities to use the resulting revenue from all schemes to support local transport policies at all times.</p>	<p>This proposal ensures that the revenue from schemes is fed back into transport to improve the quality of the transport system on offer.</p>
<p><b>Consistency and interoperability:-</b> The SoS can currently regulate the installation and maintenance of equipment for road pricing schemes. These powers would be extended to cover the use of such equipment so that standard data formats etc could be specified. There is also provision to require charging authorities to accept payment from specific types of road user in a specified manner.</p>	<p>It would appear that these requirements would not cover equipment on toll roads (e.g. the proposed Mersey Gateway), which would be a serious omission in ensuring compatibility and interoperability of all methods of charging for use of roads. However, the Government has just passed a European Directive, which regulates the use of technology for both road user charging and road tolling schemes. The Directive is called- 'The Road Tolling Interoperability of Road User Charging and Road Tolling Systems' Directive. The Bill therefore requires amending to reflect this.</p>

## **4.0 POLICY IMPLICATIONS**

4.1 The recommendations made in the report have no impact on the Council's policies in themselves, but the proposals in the draft Bill, if enacted, would enable and require consideration of policies associated with transport and its delivery.

## **5.0 RISK ANALYSIS**

5.1 There are no risks associated with the recommendations included within the report.

## **6.0 EQUALITY AND DIVERSITY ISSUES**

6.1 There are no equality or diversity implications arising out of the recommendations.

## **7.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Strengthening local delivery: The draft Local Transport Bill. Volume 1: A consultation; Volume2: The draft Bill Volume 3: Explanatory notes; Volume 4:Regulatory impact assessment	All at Rutland House	Phil Cornthwaite Tel No: 0151 471 7376