

ENVIRONMENT, PLANNING AND TRANSPORT COMMITTEE

Date: Wednesday 13 June 2001
Time: 2.00 to 5.00 pm
Venue: Committee Room 2, National Assembly Building

POLICY REVIEW: ALTERNATIVE ORGANISATIONAL STRUCTURES

Purpose

1. To invite the committee to agree to consult on options for alternative organisational structures.

Background

2. At the last meeting on 23 May the committee agreed recommendations aimed at strengthening the existing voluntary transport consortia, to deliver improved public transport services. This session is concerned with assessing the potential of alternative organisational structures to deliver greater improvements in the longer term.

3. The aim is that the committee considers a draft report and recommendations on 27 June, with a final draft issuing for public consultation over the summer recess.

Consideration

4. It was agreed at the last meeting to recommend that:

- local authorities consider how they would establish more robust regional consortia building on existing arrangements so that the National Assembly's vision and regional public transport strategies can be implemented, taking account of local needs and the availability of resources;
- as part of this consideration local authorities and the National Assembly Government should consider how individual authorities under relevant legislation e.g. Best Value would be affected and whether there is the possibility of using existing legislation to place consortia on a statutory basis;

- the National Assembly Government should consider with local authorities how it should be represented on each consortia and agree the remit of its representatives;
- there is general support for the existing numbers of regional consortia to deliver improved integrated public transport services, but we will invite views again in the light of our specific recommendations;
- in the light of further discussion on 13 June, set out options for changes in structures including additional powers for the National Assembly and the creation of a body or bodies similar to existing Passenger Transport Authorities (PTAs), and invite views.

Organisational structures

5. Attached at the **Annex** is a report outlining **how structures operate elsewhere in the UK and in Europe**, including PTAs. The report identifies a number of issues to be considered in developing possible models for Wales, including: the institutional relationships between land use, highways and public transport planning; the territorial scale of any public transport organisation; and political accountability and involvement of the National Assembly and/ or local authorities. The report goes into some detail on the current powers of the National Assembly and new powers necessary to achieve some of the possible models, and flags up potential central funding mechanism for both rail and bus services, and the potential impact on other budgets.

Applicability to Wales

6. **Options** for alternative structures in Wales seem to be as follows:

- Establish a PTA for Wales. This could be within the National Assembly or a separate ASB. Its regional structure could be divisions of the National Assembly or ASB. Alternatively, it could work through consortia of local authorities;
- Establish a PTA/PTE (Passenger Transport Executive) for the ten South East Wales local authorities on the existing model;
- Develop existing arrangements with the National Assembly building on its Transport Framework and using its funding and other powers under the Transport Act 2000 to provide leadership. Local authorities possibly organising themselves on a statutory basis particularly in South East Wales would work in partnership with the National Assembly to deliver specific targets.
- Other innovative solutions.

7. Additional powers of direction would be sought on the Scottish model for rail and the possibility of delegated responsibility for Valley Lines would be pursued in all cases.

PTA for Wales

8. A strong case has been made for leadership at an all Wales level, and the National Assembly has supported the introduction of a PTA in a number of its plenary debates. However, the current PTA/PTE model (England and Scotland) does not readily meet the requirements of developing public transport across the whole of Wales. They are urban organisations (although with a rural dimension in some cases) ranging in size from 2.50 million in the case of Greater Manchester to 1.10 million in Tyne and Wear. In addition to buses they have a significant rail interest. **It would be need to be a model, therefore, specifically designed to meet the requirements of Wales.**

9. Against the background of a largely de-regulated bus industry, and a fragmented rail industry, the PTA could set the strategic agenda for the development of integrated public transport (bus, rail, community). Through its funding powers the PTA could ensure implementation across Wales in line with its targets for buses and community transport. It would need to draw on policies and strategies in local authority transport plans and regional public transport strategies in achieving an all Wales approach, while recognising the different issues arising in different parts of Wales.

10. The impact on local authorities would be significant, since they have the primary responsibility for supporting bus and community transport services, but against a background of a largely de-regulated market. It would mean taking funds from local authorities' current expenditure, on buses, community transport and any rail revenue expenditure and reallocating them in line with the PTA's targets, if it decided to operate through its own divisional structure. Alternatively, it could operate through consortia of local authorities and in effect would be directing them on the use of their own resources.

11. In addition local authorities' responsibilities for land use planning, highway and traffic management and parking regulations are critically important in ensuring the transport dimension is taken into account in planning decisions and in taking forward, for example, bus quality partnerships. As with the case of PTA/PTEs co-operation between the PTA and local authorities would be essential to make real progress on buses and community transport services.

12. In the case of rail the PTA/PTE would need to ensure that it secured the same powers as the Scottish Executive to direct the SRA in the case of the Wales and Border franchise, and to offer guidance on services starting or finishing in Wales (provided by Virgin, First-Great-Western) and the Wessex franchise, which will have responsibilities for services from Bristol to

Cardiff. Issues relating to the cross border nature of services would have to be addressed. Additionally, it would be necessary to determine how far some responsibilities could be transferred from the SRA in terms of specific management and where they would be placed. Valley Lines operate wholly within Wales and in one scenario responsibility might be delegated in their case by the SRA to the PTA.

13. Implementation would depend on a number of factors and would require primary legislation;

- Whether the PTA was a part of the National Assembly or an Assembly Sponsored Body;
- Whether it had a divisional management arrangement or whether it operated through local authority consortia;

PTA/PTE in South East Wales

14. A different option would be to replicate the PTA/PTE model in South East Wales. In the evidence we have received we have been told that different parts of Wales require different solutions. In South East Wales much is being done to bring about a cohesive approach but implementation of policies and strategies is dependent on ten local authorities working together. The area has a population of 1.40 million and is marginally larger than South Yorkshire PTA/PTE which has 1.26 million and shares many of the characteristics of South East Wales. A PTA/PTE for this area would have Valley Lines as a significant rail provider and a number of bus operators together with the opportunity to promote community transport.

15. As indicated above, local authorities would retain their responsibilities for land use planning and highway and traffic management. In many respects this is the area which is likely to face the greatest problems in terms of congestion. Increasingly, people travel to work in Cardiff and Newport from Valley communities and a region wide planning and implementation mechanism is needed so that access to job and leisure can be provided by modern public transport services. There are similar problems in North East Wales but covering a smaller population and needs to be addressed in conjunction with neighbouring English local authorities. There does not appear to be such a strong case for a PTA/PTE model for that area.

Partnership between National Assembly and local authorities

16. A further option would be to build on existing arrangements, while seeking a degree of statutory change to enable the National Assembly to have a greater say over the Traffic Commissioner and rail services. The National Assembly has published a Transport Framework and its current powers, especially funding, together with the recently acquired ones in the Transport Act 2000, can achieve a great deal provided there is a partnership with local authorities and support from operating companies and voluntary organisations involved in community transport.

17. The National Assembly would provide the all Wales leadership and take on responsibilities outlined in para 9, but would not change local authorities' existing statutory powers so they would continue, for example, to handle local bus subsidies. A partnership agreement would need to be established with Local Authorities to ensure that implementation of the National Assembly's targets could be achieved. Local authorities should also consider the possibility of establishing consortia on a statutory basis as indicated in recommendations agreed on 23 May. This option would require the National Assembly to work in close partnership with local authorities and for their part they would need to commit themselves to deliver agreed programmes.

18. In this scenario the National Assembly would need to explore further whether it could obtain powers of direction over the SRA on the lines of the Scottish model. In addition if a consortia could be placed on a statutory basis in South East Wales the possibility of delegating responsibility for the Valley Lines from the SRA could also be pursued.

Investment

19. The Committee has considered the implications for funding, and particularly the need to ensure that National Assembly and local authority resources are spent in the most cost effective way. At the last meeting the Committee concluded that there was merit in hypothecating part of local authorities' revenue support grant for public transport and integrated transport in general.

Recommendation

20. There are implications for the National Assembly's powers, and the committee's report for consultation purposes could test options for those changes in structures, which would require primary legislation. It is suggested that the draft report that issues for public consultation invites views on the options set out above and invites other innovative suggestions for improving structures.

Conclusion

21. Members are invited to discuss this paper and Babbie report, and agree to consult on the options listed at paragraph 6 above.

Committee Secretariat

June 2001