



<b>TRANSPORT AND INFRASTRUCTURE COMMITTEE</b>	<b>AGENDA ITEM No: 2.6</b>
<b>09 JANUARY 2019</b>	<b>PUBLIC REPORT</b>

## **DELEGATION OF PASSENGER TRANSPORT POWERS AND THE TRANSPORT LEVY FOR 2020/21**

### **1.0 PURPOSE**

- 1.1. To consider the 2020-21 Transport Levy and Transport Delegations and make recommendations to the Combined Authority Board.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer:</b>	<b>Paul Raynes</b>
<b>Forward Plan Ref:</b>	<b>Key Decision: Yes</b>
The Transport and Infrastructure Committee is recommended to:  (a) Recommend to the Combined Authority Board the delegation of the role of Travel Concessionaire Authority and other powers set out in paragraph 2.8 to Cambridgeshire County Council (CCC) and Peterborough City Council (PCC) for the 2020/21 financial year  (b) Recommend the amount and apportionment of the Transport Levy (2020/21 financial year) set out in paragraph 2.13 for agreement by the Combined Authority.	<b>Voting arrangements</b>  Simple majority of all Members

### **2.0 BACKGROUND**

#### **Current Transport Legal Framework**

- 2.1. The Cambridgeshire and Peterborough Combined Authority is the area's statutory Transport Authority. Transport Authority functions primarily relate to transport planning, bus services and transport operations. These powers and duties include powers and duties contained within Parts 3 and 4 of the Transport Act 1985 that can be summarised as:

- (a) Duty to produce a Local Transport Plan;
- (b) Production of a Bus Strategy;
- (c) Rights to franchise local bus services within its area, subject to the completion of the process set out in the Bus Services Act 2017;
- (d) Powers to enter into quality bus partnerships and enhanced partnerships;
- (e) Responsibility for the provision of bus information and the production of a bus information strategy;
- (f) Role of Travel Concession Authority;
- (g) Financial powers to enable the funding of community transport; and
- (h) Powers to support bus services.

2.2. Cambridgeshire County Council and Peterborough City Council are statutory Highway Authorities under the Highways Act 1980.

### **The Role of the Combined Authority**

2.3. As the Local Transport Authority (LTA), the Authority is responsible for shaping and guiding strategic transport decisions that affect the area. This ensures that future transport interventions are co-ordinated, coherent and support the long-term economic and social development of the whole region.

2.4. The Authority typically exercises its strategic transport responsibilities through four key broad areas of work:

- (a) Passenger transport – Bus service provision, light rail, tram and variations thereof, and concessionary travel provision;
- (b) Strategic transport schemes – Which are considered to have a major impact on mobility, and that typically require substantial capital funding;
- (c) Transport planning – Developing strategies and plans that have broad, geographical coverage and require integrated transport solutions; and
- (d) Engagement with national and regional bodies such as the Department for Transport (DfT), National Infrastructure Commission, the strategic road and rail authorities, and sub-national transport bodies.

2.5. The Authority's focus since its creation has been on leading the delivery of strategic transport schemes, transport planning and engaging with national and regional bodies, whilst delegating the passenger transport powers to PCC and CCC.

2.6. Responsibility for the strategic road and rail network remains with Highways England and Network Rail. However, the Authority has a key role in lobbying these parties and, where appropriate, jointly promoting and developing schemes to ensure that any developments meet the requirements of the area.

2.7. The Authority continues to be the driving force for the development and delivery of bold and ambitious transport programmes. The Authority draws upon the resources and expertise of a range of organisations to develop and deliver these programmes of work. This includes other public bodies, including the

constituent members of the Authority, the private sector, public/private partnership and special purpose delivery vehicles/mechanisms.

## **Delegation of transport powers to Cambridgeshire County Council and Peterborough City Council**

- 2.8. For the forthcoming 2020/21 financial year the Authority proposes to continue with the existing delegation of passenger transport functions to CCC and PCC. Any further delegation or sub-delegation on their part requires a further decision of the Combined Authority. These functions are outlined below:
- (a) The role of Travel Concessionaire Authority;
  - (b) Funding and management of the bus service including the ability to let contracts and enter into Advanced Quality Partnership Schemes and Enhanced Partnership Schemes;
  - (c) Provision of socially necessary bus services; and
  - (d) Provision of bus information, including Real Time Passenger Information.
- 2.9. The delegation of the powers included in para 2.8 aligns with the Transport Levy for 2020/21 outlined within this paper. The Transport Levy includes the funding to perform the delegated powers that this report recommends the Board to approve.
- 2.10. While passenger transport powers have been delegated to PCC and CCC, the Authority commissioned in 2018 a Strategic Bus Review to look at the options for improving public transport. The Board approved in January 2019 the creation of the Bus Reform Task Force to adopt an integrated approach to public transport. The meeting of the member-led Bus Reform Task Force took place in December 2019. Whilst delegating the passenger transport functions, the Authority will work in partnership and will fund this work.

## **Background to the Transport Levy**

- 2.11. The Transport Levying Bodies (Amendment) Regulations 2018 require the Combined Authority to set a transport levy, raised from the two upper tier councils, to meet the cost of carrying out its transport functions.
- 2.12. It is proposed that for the coming year as in 2019-20, the levy should be set to cover the anticipated costs of providing the passenger transport functions delegated to the two upper tier councils. The levy will then be passported back to the councils to fund the delegated functions.
- 2.13. Following discussions with CCC and PCC, the levy amounts proposed for 2020-21 are:

Peterborough City Council	£3,849,906
Cambridgeshire County Council	£8,497,733

2.14. The risks around the levy have been thoroughly examined in relation to Concessionary Fares; subsidised bus services; community transport; and the Bus Service Operators Grant. A number of contracts are up for re-tender in the 2020/21 financial year (ten in total for CCC and a significant majority of contracts in PCC). Over the course of 2019/20, the re-tenders saw an average increase of 12% in price for 2020/21. The impact from this could be minimised and partially offset by seeking to extend rather than renew some of the tenders. However, on balance it appears that it should be possible to deliver existing services within the existing budget.

### **Ongoing work**

2.15. It is the ambition of the Authority and that of the upper tier authorities to continue to examine the ongoing position with regards the Delegations of transport powers and the associated Transport Levy with recommendations to be made to the Transport & Infrastructure Committee and subsequently the Board during the course of the 2020/21 financial year.

### **3.0 SIGNIFICANT IMPLICATIONS**

3.1. None not described elsewhere in this paper.

### **4.0 FINANCIAL IMPLICATIONS**

4.1. The levy amounts recommended in this paper align with the draft Medium-Term Financial Plan agreed by the November Board.

### **5.0 LEGAL IMPLICATIONS**

5.1. None not described elsewhere in this paper.

### **6.0 OTHER SIGNIFICANT IMPLICATIONS**

6.1. None

### **7.0 APPENDICES**

7.1. None