

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Cabinet
Date:	14 July 2020
Title:	Transport for the South East (TfSE)
Report From:	Director of Economy, Transport and Environment

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Purpose of this Report

1. The primary purpose of this report is to update Cabinet on Transport for the South East's Proposal to Government to move from shadow form to be established as a statutory sub national transport body for the South East, to be known as Transport for the South East (TfSE). This follows the initial [report](#) considered by Cabinet in December 2016, when Cabinet agreed that TfSE be established as a shadow body.
2. This report also introduces TfSE's Transport Strategy which provides a wide-ranging policy framework for the period up to 2050 to inform future sub regional transport studies and national transport investment decisions.
3. It draws attention to the active role the County Council has taken over the last three years, as a key member of the TfSE's Shadow Partnership Board, to shape the Proposal to Government and the Transport Strategy, and its on-going work with partners to develop further strategies and studies arising from the Transport Strategy.
4. The report highlights the importance of TfSE's Partnership Board securing consent from each of its constituent members, including from Hampshire County Council, for its Proposal to Government, and their endorsement of its Transport Strategy following recent consultation and prior to their submission to the Secretary of State for Transport.

Recommendations

5. That Cabinet gives its consent to the establishment of a sub national transport body for the South East, to be known as Transport for the South East (TfSE), and recommends that Full Council endorses this decision;
6. That Cabinet approves the proposed constitutional arrangements and functions for TfSE, as set out in its Proposal to Government (Appendix 1), and recommends that Full Council endorses this decision;

7. That Cabinet endorses TfSE's Transport Strategy and recommends that Full Council adopts the Transport Strategy into the County Council's policy framework.
8. That Cabinet delegates authority to the Executive Member for Economy, Transport and Environment to consider, and where appropriate approve, any subsequent studies, strategies and decisions arising from TfSE's Transport Strategy.

Executive Summary

9. This report seeks to assure Cabinet of the merits of TfSE's Proposal to Government for it to be established as a statutory corporate body under the Cities and Local Government Devolution Act 2016.
10. The constitutional arrangements and functions set out in the Proposal (see Appendix 1, sections 5.12 – 5.19) are considered necessary by TfSE's Shadow Partnership Board to meet its statutory duties, in particular the effective delivery of its Transport Strategy and to be better placed to support local highway authorities in meeting their own local transport priorities. The draft Proposal was the subject of a 12-week consultation earlier last summer and was then further amended to reflect feedback received.
11. TfSE's Transport Strategy (Appendix 2), provides a wide-ranging policy framework for the period up to 2050, as the basis for TfSE to realise its ambition for the region, namely that:

“By 2050, the South East will be a leading global region for net-zero carbon, sustainable economic growth, where integrated transport, digital and energy networks have delivered a step-change in connectivity and environmental quality.

A high-quality, reliable, safe and accessible transport network will offer seamless door-to-door journeys enabling our businesses to compete and trade more effectively in the global marketplace and give our residents and visitors the highest quality of life.”
12. The Transport Strategy, which has also been subject to extensive consultation, sets out TfSE's vision, goals and priorities. These will direct further thematic strategies and area-based studies to inform the prioritisation of schemes, national investment decisions, and establish a Strategic Investment Plan for the region. As explained below, the Strategy marks an important shift away from 'planning for vehicles', towards planning for people and places and is explicit in aiming to reduce peoples' dependency on cars. This new regional approach should inform local policies, such as the County Council's own Local Transport Plan (LTP) version 4 which is currently under development, and why it is recommended that TfSE Transport Strategy be adopted into the County Council's policy framework.
13. Turbulence within the legislative programme for central government during the latter half of last year led the Department for Transport (DfT) to advise shadow sub national transport bodies it was unable to consider further proposals for statutory status at that time but that they should continue working in shadow form. This meant that TfSE had to push back its 2019 timeline for submitting its Proposal to Government. However, it used that period to make progress with its Transport Strategy and maintain strong links with the DfT which, following the December 2019 General Election, has indicated it is now able to consider

further proposals. Therefore, subject to securing consent from each of its constituent members, TfSE's Shadow Partnership Board aims to submit its Proposal to Government, together with its Transport Strategy, as soon as possible following its Partnership Board meeting on 16 July 2020.

Contextual information

14. The Cities and Local Government Devolution Act 2016 amended the Local Transport Act 2008 to make provision for the establishment of sub national transport bodies. The purpose was to create statutory bodies capable of advising the Secretary of State and devising transport strategies that would advance economic growth and improve the effectiveness and efficiency of transport functions across sub-national regions. Although only Transport for the North (TfN) has secured statutory status, the case for coherent and cohesive assessments of sub-national transport needs has led to the emergence of Midlands Connect, England's Economic Heartland, and TfSE – each of which have established shadow partnership boards to work with central government and its agencies to develop transport strategies appropriate to their regions. Each aim to secure statutory status as soon as possible to maximise their influence with central government.
15. Following [Cabinet's approval](#) in 2016 for the County Council to join TfSE in shadow form, the partnership has grown in strength. It has a dedicated team and [website](#), and now includes 16 upper-tier authorities as constituent members:
 - Bracknell Forest Borough Council
 - Brighton 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
16. The TfSE region is home to over 7.5 million people and includes four million workers and 320,000 companies. TfSE's governance structure provides a voice

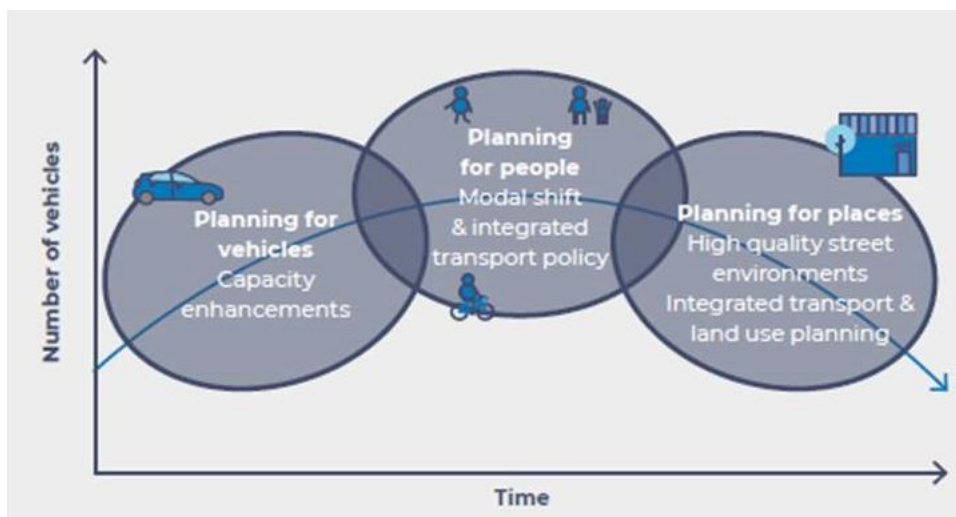
for the South East's five local enterprise partnerships; local district and borough councils; the two national park authorities; as well as transport industry and end-user representatives. The County Council's Executive Member for Economy, Transport and Environment serves on its Shadow Partnership Board, supported by the County Council's Assistant Director for Strategic Transport, who is a member of the TfSE's Senior Officer Group.



17. Over the last three years TfSE has made significant progress in developing positive relations with DfT and working with Highways England to inform the Government's Road Invest Strategy (RIS2) and Major Road Network (MRN) proposals.
18. Following initial funding from DfT in 2017/18, TfSE developed its evidence base to inform its draft Transport Strategy. That was published in May 2019 and was the focus of a launch event, '*Connecting the South East*', held at Farnborough International last October, which was attended by the then Minister for Transport, George Freeman MP. The event was followed by other regional events and a Parliamentary reception that was well attended by Hampshire MPs. The County Council has been actively involved in all stages of developing the draft Transport Strategy.
19. Similarly, the County Council has been actively involved in developing TfSE's Proposal to Government, which sets out its ambition for the region; the strategic and economic case for establishing a sub national transport body in the South East; and its proposed constitutional arrangements and functions. The Proposal was first approved by the Shadow Board for consultation in March 2019. Following [a report](#) to the Executive Member for ETE in July 2019, the County Council provided a written response to the consultation which, together with other feedback, has helped inform updated Proposal. Formal consent is now being sought from each of the constituent members in advance of TfSE's Partnership Board meeting on 16 July 2020.

Transport Strategy

20. The Transport Strategy sets out TfSE's ambition for the South East by 2050, as contained in the summary above. It includes strategic goals and priorities which are designed to mark a shift away from traditional 'planning for vehicles', towards planning for people and places which has been strongly welcomed by stakeholders



21. The strategic goals align with the pillars of sustainability – economic, social, and environmental – to provide a robust policy framework to devise an appropriate Strategic Investment Plan to address challenges associated with the following types of movement:

- i. Radial journeys
- ii. Orbital and coastal journeys
- iii. Inter-urban journeys
- iv. Local journeys
- v. Journeys to international gateways and freight journeys
- vi. Journeys in the future

The Strategy's methodology is underpinned by the following principles:

- Supporting economic growth, but not at any cost
- Achieving environmental sustainability
- Planning for successful places
- Putting the user at the heart of the transport system
- Planning Regionally for the Short, Medium and Long Term

22. The draft Strategy was subject to a 13-week public consultation which closed on 10th January this year. Following a report to the Executive Member of ETE on 14th January, the County Council provided further comments to TfSE which informed final amendments to the Strategy. In responding the County Council strongly endorsed the Strategy's vision and logical methodology, including its strategic priorities which it noted will need to be carefully monitored. It highlighted the fundamental role central government will also need to play in supporting TfSE's objectives to increase rail and bus usage, and the need to maintain strong links with the health sector to ensure a consistent message that encourages people to make transport choices that support health lifestyles. It

suggested that, moving forward, TfSE may wish to classify economic hubs as regionally or locally significant and take account of other investment packages, such as the Transforming Cities Fund, that may be complimentary to proposed interventions. Above all, the County Council stressed that as TfSE's strategy work advances, it should focus on adding maximum value across the region by concentrating efforts on issues that local authorities have to date been unable to resolve individually, such as integrated rail and bus ticketing. The collaborative ethos of TfSE was also reflected in comments from other constituent members who agreed that TfSE should focus on the wider strategic challenges facing the region. It was also agreed that the links between transport and land use planning, together with TfSE's environmental priorities should be strengthened.

23. Emerging from the Strategy, and subject to further funding from the DfT, TfSE will commission five area studies, and two thematic strategies to identify specific schemes and policy initiatives required in different parts of the region. Both the south western radial study which will assess north / south connectivity, including the M3 /A34 corridor, and the 'Freight, Logistics, and International Gateways' thematic strategy will be particularly important to Hampshire given the strategic importance of Southampton Port for UK exports and the movement of incoming goods to support numerous supply chains.
24. Current funding for 2019/20 has enabled TfSE to progress its Outer Orbital Area Study, which assesses connectivity along the south coast between Hampshire to Kent, and its Future Mobility Strategy. With regard to the latter, TfSE is very much looking to learn from Solent's Future Transport Zone activities following its successful bid to become one of DfT's future mobility pilot zones. Subject to further funding the next step will be to develop the Gateways Strategy.
25. The Transport Strategy makes reference to the impact the Covid19 pandemic is already having on demand for travel and touches on the longer-term impacts the current crisis may have on the way people choose to live in the future. It notes that in the short-term the impact may help towards it achieving its strategic priorities but, given the scale of modal shift required, the Strategy is clear that significant interventions will still be required in order for TfSE to realise its ambition for the region. In the meantime, further technical work is being undertaken to identify the potential short-term impacts of the Covid-19 pandemic on travel behaviour, employment patterns and the economy in the South East. Outputs from that work will be fed into the area studies and thematic strategies referenced above.

Proposal to Government

26. In order to achieve statutory status TfSE is required to develop a Proposal to Government that demonstrates a strategic economic case for the creation of a sub-national transport body and how it intends to fulfil the statutory requirements outlined in the enabling legislation. This includes identifying the power and responsibilities it seeks from the Government and setting out its own proposed governance arrangements.
27. In September 2019 TfSE's Shadow Partnership Board approved the Proposal to Government, (Appendix 1) which took account of feedback received following the public consultation which ran between 3rd May – 31st July 2019. That included comments from the Hampshire County Council based on [principles](#)

[agreed](#) by the Executive Member for ETE and set out in an Executive Member report, dated 16th July 2019.

28. The constitutional arrangements, including details of the proposed weighted voting system are set out in Section 4 of the Proposal to Government.
29. It is proposed that each constituent authority will appoint one of their elected members or their elected mayor as a member of TfSE on the Partnership Board. 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. 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 cannot be achieved then decisions will require a simple majority of those constituent bodies who are present and voting. Where consensus cannot be achieved the following matters will require enhanced voting arrangements:
 - The approval and revision of Transport for the South East's ("TfSE") Transport Strategy;
 - The approval of TfSE annual budget;
 - Changes to the TfSE constitution.
30. Decisions on these issues will require both a super-majority, consisting of three quarters of the weighted vote in favour of the decision, and a simple majority of the constituent authorities.
31. The specific functions that TfSE is seeking is set out in Section 5 of the Proposal to Government. These include the following:
 - 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;
 - incidental powers to enable TfSE to act as a type of local authority

In its response to the consultation the County Council stressed the importance of TfSE adhering to the principle of subsidiarity wherever possible, with focus being placed on drawing down powers from central government that best lend themselves to sub national governance, for example being directly involved in setting a High Level Output Specification for rail and the Road Investment Strategy. The County Council was also cautious about proposed powers to be held concurrently with local highways authorities. It requested that any such powers only be exercised by TfSE with the express consent of the affected authority(ies) and that any interventions within local highway authority areas, or affecting their borders, should only take place with their explicit consent.

Therefore, the County Council welcomes the fact the Proposal to Government has since been amended to reflect these points and, to support the principle of consent, the final Proposal to Government states it will adopt the following principles:

- That future operations of TfSE should, where possible, seek to draw down powers from central government, rather than seek concurrent powers with local transport authorities;
- That decisions on the implementation of the powers are made at the most immediate (or local) level, i.e. by constituent authorities in the particular area affected; and
- Consent from the relevant constituent authorities will be obtained in advance of any Partnership Board decision on a particular scheme or project.

Following the amendments made to the Proposal to Government, it is recommended that Cabinet approves the Proposal and gives consent to TfSE being established as a statutory body, in order to maximise its influence over future transport investment and, through TfSE's Transport Strategy, shape intra-regional transport planning over the short, medium and long term.

Finance

32. TfSE has established an annual subscription of £58,000 per county council and £30,000 per unitary.
33. To date DfT has allocated TfSE a total of £1.6million through three separate ring-fenced revenue grants. The initial £100,000 grant was allocated in 2017/18. That enabled TfSE to develop its evidence base for its Transport Strategy, including its Economic Connectivity Review. A further £1million was allocated by DfT in March 2018 to advance TfSE's Transport Strategy. In June 2019 DfT allocated TfSE a further £500,000 to support its technical work programme arising from its Transport Strategy. That latest £500,000 grant is currently being used to undertake the first of its three Area Studies, the Outer Orbital Area Study, and one of the two proposed thematic strategies i.e. the Future Mobility Strategy.
34. TfSE is actively pressing DfT to commit to further funding for 2020/21 to ensure the partnership can further progress its technical work programme.
35. Submitting its Proposal to Government this summer is considered both timely and important in order to feed into the forthcoming Comprehensive Spending Review. Once established as a statutory body, DfT will be expected to allocate

TfSE core revenue funding, on condition its constituent authorities continue to make contributions.

Performance

36. In its response to TfSE's consultation on its Transport Strategy, the County Council emphasised the importance of its performance being carefully monitored. TfSE has since committed to establishing a robust mechanism to monitor and evaluate the progress of its Transport Strategy. The Partnership plans to use a set of key performance indicators to assess the extent to which its strategic priorities, set out in the Strategy, are being achieved.

Consultation and Equalities

37. TfSE's draft Proposal to Government was subject to a public consultation between 3rd May – 31st July 2019. The consultation document was made available on TfSE's website and promoted through its e-newsletter and engaged a wide range of stakeholders including neighbouring transport authorities, such as Dorset and Oxfordshire, as well as other stakeholders, including South Downs and New Forest national park authorities, port and ferry operators and airports. In total, TfSE received 96 responses which were positive, with 92 respondents offering to support the principle of establishing TfSE as a sub-national transport body for the South East. The County Council's own [response](#) was based on the principles set out in the Executive Member report, dated 16th July 2019. Following the consultation responses, the Proposal to Government was updated to make clear that TfSE would only exercise concurrent functions and powers with the explicit consent of the relevant transport authority(ies) and that the principle of subsidiarity be adhered to so as to ensure decisions relating to TfSE's powers are made at the most relevant level and that, where possible, TfSE's future aspirations will focus on drawing down powers from central government.
38. TfSE's draft Transport Strategy was subject to a 13-week public consultation which closed on 10th January this year. The main mechanism for obtaining feedback was via a questionnaire which was made available online and in hard copy. The process was widely publicised through the media and partner communications, with direct links sent to key stakeholders, including to all South East MPs and local authorities within the region. There were over 3,500 responses, including 600 responses to the questionnaire and a further 3,076 emails following a campaign by Friends of the Earth. All comments were considered and TfSE's analysis of the consultation feedback was reported to the Shadow Partnership Board in April 2020. In summary, 84% of respondents to the questionnaire supported TfSE's vision for the region. Seventy-eight per cent supported the shift away from planning for vehicles towards planning for people and places, and 63% were of the view that the Strategy would enable TfSE to achieve its objectives. Following a report to the Executive Member for ETE on 14th January, the County Council provided its own response to the consultation and those comments have helped inform the final amendments to the Strategy.
39. A statutory Integrated Sustainability Appraisal was also undertaken alongside the preparation of the Transport Strategy to promote sustainable development by assessing environmental, social and economic impacts, as well as mitigating

any potential adverse effects that the Transport Strategy might otherwise have. This was subject to public consultation, alongside the Strategy. In summary, responses related to the length of the document, and further actions for the Strategy to reduce carbon emissions and strengthen environmental protection. The comments received have been noted by the Shadow Partnership Board which has agreed to further amendments to draft Appraisal which is expected to be finalised later this month.

Conclusions

40. Establishing TfSE as a sub-national transport body for the South East will provide the current shadow partnership with the necessary influence and powers to ensure the effectively delivery of its Transport Strategy. This, in turn, will support and inform growth plans across the region to help expedite economic recovery and to maximise the region's economic potential. Furthermore, by adhering to the principles of sustainable development, TfSE will not only help the South East secure economic benefits but also social and environmental benefits that align to the Hampshire 2050's vision.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Cabinet Report 'Proposals for a Sub-National Transport Body (Transport for the South East)'	12 December 2016
Executive Member Report 'TfSE response to formal consultation on the draft Proposal to Government'	16 July 2019
Executive Member Report 'TfSE Strategy Consultation Response'	14 January 2020
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>
Cities and Local Government Devolution Act 2016 (Part 5A)	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

2.1. Securing statutory status for TfSE would better enable the partnership to deliver its Transport Strategy for the South East and this is considered positive for the whole of Hampshire. The Strategy is accompanied by a statutory Integrated Sustainability Appraisal to promote sustainable development by assessing environmental, social and economic impacts, as well as mitigating any potential adverse effects that the Transport Strategy might otherwise have.

2.2. The recommendations contained in this report do not have any adverse impacts on groups with protected characteristics. Specific transport schemes that might arise from TfSE's Transport Strategy, or its subsequent area studies and thematic strategies, would be subject to specific equality impact assessments.