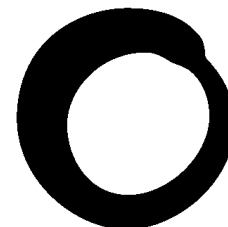


Briefing



**Friends of
the Earth**

Local Transport Act 2008

The key points

- Missed opportunity to require local transport authorities to reduce **carbon emissions** from transport – although the need to have “regard” to climate change is enshrined in the Act;
- Local transport authorities¹ have increased powers to bring in **quality contracts and partnerships** to set minimum standards on bus routes and take control of networks;
- Passenger Transport Authorities (PTAs) will be renamed **Integrated Transport Authorities (ITAs)** to reflect their increased ability to set the transport agenda at the sub-regional level. New ITAs can be created by groups of local authorities and ITAs can review their own structures and governance;
- Local authorities can bring in **local road pricing** without the approval of the Transport Secretary and the Welsh Assembly can introduce road pricing on trunk roads;
- The existing statutory **Passenger Focus** rail representation body has its remit extended to cover buses and light rail;
- Of potential concern, **local transport plans** do not need to be reviewed every five years, as was previously the case.

Local authorities do not have to reduce carbon emissions from transport

The new Act² contains only a passing mention of climate change. Local authorities must only “*have regard to any guidance issued for the purposes of this paragraph by the Secretary of State, with respect to mitigation of, or adaptation to, climate change or otherwise*”.

¹ The Act says that a “local transport authority” is either (a) a county council in England, (b) a council of a non-metropolitan district in England comprised in an area for which there is no county council, (c) an Integrated Transport Authority for an integrated transport area in England, or (d) a county council or county borough council in Wales.

² http://www.opsi.gov.uk/acts/acts2008/pdf/ukpga_20080026_en.pdf

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This is likely to make very little difference in practice. “Guidance” is already issued to local authorities to help them compile their local transport plans, but such guidance is non-binding. With no legal requirement for authorities to reduce their emissions there can never be a guarantee of meaningful action.

In mid-2009 local transport authorities will start putting together their next set of local transport plans (LTP3). The draft guidance for LTP3 has just been issued for consultation and it looks that we have quite a lot of work to do to toughen up its sections on climate change. In the absence of a duty on local authorities to reduce carbon emissions from transport, DfT must issue clear and uncompromising support to local authorities to help develop and deliver low-carbon local transport plans. It must also clarify the **funding** that is available for local authorities to reduce carbon emissions from transport – not just capital but also, importantly, revenue – and prioritise financial support for sustainable transport instead of new roads.

Good news for buses

Since the deregulation of the buses there has been a downward trend in patronage across the UK – except in the capital under the integrated Transport for London. ‘Healthy competition’ has not generally led to improvements in service quality. There are effectively monopolies in some areas, with too much power in the hands of local operators who can start, stop or change any service with only 56 days’ notice to their Traffic Commissioner. The impacts are felt by local people who rely upon services that may not be ‘commercially viable’ but are critically needed.

The Transport Act 2000 legislated for local transport authorities to use both quality partnerships and quality contracts to improve the quality of bus services. The Local Transport Act has given more power to authorities to make effective partnerships and contracts a reality.

Quality partnerships are agreements between local authorities and bus operators, which involve local authority investment in facilities and operator investment in vehicles or services. They can be either **voluntary** or **statutory**; both are voluntarily entered into, but the latter are binding. In a statutory partnership, bus operators that want to use the route where the new facilities are provided must meet the standards specified by the local authority. Importantly, partnerships can now cover frequencies, timings and fares of bus services, whereas before they couldn’t. This is a big step forward.

Quality contracts (QCs) are a step further – the local authority plans and franchises its bus network, and enters into binding contract(s) with individual operators to deliver to certain standards (such as service levels, fares etc). Although the Transport Act allowed authorities to create quality contracts, in practice none have. Making an application was seen as time-consuming and costly because a local authority had to demonstrate that making a scheme

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was the “only practicable way” of implementing their bus strategy³. Key changes in the Local Transport Act are:

- An authority may apply for a QC if they believe that any impact on ‘competition’ would be outweighed by the improvement in the service;
- an appointed Quality Contracts Board will now assess all applications for QCs from local transport authorities, but their advice will not be binding. The final decision rests with the authority – although there is a right of appeal to the Board if operators feel hard done by;
- Traffic Commissioners can fine an operator for not keeping to their contract, or attach other conditions to their licence (for example, requiring them to improve services or facilities);
- Local authorities can act as emergency “*operators of last resort*” to ensure that QC services can continue if the operator breaks the contract;
- All quality partnerships or contracts must link to Local Transport Plans.

It is worth noting that quality contracts are strongly opposed by the Conservatives, who pledged during debate⁴ that they would repeal the parts of the new Act that permit them.

Finally, on passenger representation, the existing rail passenger representative body **Passenger Focus** now has its remit expanded and will also deal with buses and light rail.

Integrated Transport Authorities

Passenger Transport Authorities (PTAs) will no longer exist. They are to be renamed Integrated Transport Authorities (ITAs) – a change that reflects a newly increased scope and power:

- ITAs have gained “**wellbeing powers**” – which means they can act in ways that contribute to the wellbeing of the areas they serve. They must also “have regard” to climate change (see above).
- The six existing ITAs⁵ have **more power** to make integrated transport decisions across the authorities they represent;
- **New ITAs** can also be formed by groups of authorities, who delegate transport powers to the ITA;

³ House of Commons research paper 08/18 – February 2008: Local Transport Bill [HL]: <http://www.parliament.uk/commons/lib/research/rp2008/rp08-018.pdf>

⁴ <http://www.publications.parliament.uk/pa/cm200708/cmhansrd/cm081027/debtext/81027-0008.htm>

⁵ In England: Greater Manchester, Merseyside, South Yorkshire, Tyne & Wear, West Midlands, West Yorkshire. There is also the Strathclyde Passenger Transport Executive in Scotland, and Transport for London fulfils a similar role in the capital.

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- ITAs will produce a **local transport plan** which does not need the explicit approval of its composite local authorities, as at present – they are only consulted. Individual authorities within an ITA can't veto proposals, although a review of the ITA can be triggered by two or more member authorities.
- The majority of members of the ITA must be **elected members** from the constituent local authorities, and there must be at least one elected representative from each representative authority. Only a minority of the members of the ITA can be appointed members; it is down to the individual ITA as to whether these members are given the right to vote. Much of the governance structure of individual ITAs is at their own discretion.
- An ITA is not empowered to take decisions relating to local **road pricing** (see below) unless specifically delegated to it by the authorities – and then not without further consultation with affected parties.
- ITAs can incorporate **areas** of district councils, rather than necessarily whole counties.

Local road pricing

Authorities can take forward local road pricing schemes without the prior approval of the Secretary of State (SoS), as long as these schemes are “*consistent and interoperable*” with existing schemes. Key points are:

- Local authorities / ITAs **must consult** (how and with whom is not specified) before bringing in a scheme. They do not have to offer a referendum, although they can do so if they wish;
- The SoS can no longer instigate an **inquiry** into a local road pricing scheme;
- All net **revenues** must be spent on “*local transport*”, although these are not specifically hypothecated to public or pedestrian transport. This means that revenue could be recycled into road schemes.
- New road pricing powers for **Wales**: the Welsh Assembly now has scope to bring in trunk road charging at its own request. Some in the Lords raised concerns that this amounts to a tax-raising power for the Welsh Assembly, which it is not supposed to have, but the Government claims that road charging is not a tax. The Assembly's ability to introduce road charging only extends to trunk roads, not local roads (bound by the same rules as above).

The Government says that the growing emphasis they are placing upon local road pricing is not a back-door towards national road pricing. More broadly, however, it is clear that the concept of road pricing is viewed favourably in Whitehall – see also the stipulation within the

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Transport Innovation Fund [TIF] that successful bid applications must include an element of road pricing⁶.

More power and flexibility for Traffic Commissioners

Amongst the duties of Traffic Commissioners are overseeing the licensing and regulation of bus operators, as well as goods vehicles. All TCs are appointed by the Secretary of State. TCs are overseen by a Senior Traffic Commissioner (STC).

The main change is that there will be a new **board** of Traffic Commissioners, designed to focus strategically on regulating bus services and goods vehicles. Previously there had been a requirement that there was a TC designated to each of the eight traffic areas in the UK⁷, but this has now been removed so that the Board can focus TC time where they think it's most needed.

Local Transport Plans (LTP)

The previous requirement for local transport authorities to review their LTPs every five years has been removed. This is potentially concerning. Without the specific requirement for regular review – both of the plans themselves and the Government's guidance – we are not immediately clear how the Government will ensure that local transport policies are consistently at the leading edge of reducing carbon and promoting sustainable travel. We will continue to press DfT on this.

Friends of the Earth's view

Generally

The measures in the Act are broadly positive – notwithstanding the lack of a requirement to cut carbon from local transport. We welcome that local authorities have been handed more power to take control of transport problems in their area. Government must now produce guidance to encourage local authorities and ITAs to take up the new powers.

Yet new powers are only one aspect of the challenge. Local authorities must be empowered and skilled to set out visionary plans to revolutionise public transport in their area. Revenue funding streams must be clarified and support must be given to enable local authorities to access and utilise them effectively; in capital terms, there must be a presumption against investment in new roads in favour of public transport, walking or cycling facilities.

Quality partnerships & contracts

The deregulation of the buses has been a factor in steep decline in local bus patronage and service quality, underlined by the contrast with rising bus patronage in the capital under the

⁶ A Friends of the Earth briefing on road pricing will shortly be available – contact us for a copy.

⁷ The traffic areas are: (1) Western, (2) South Eastern [includes London], (3) Eastern, (4) West Midlands (5) South Wales, (6) North Eastern, (7) North Western [includes North Wales], (8) Scotland. <http://www.tachocard.co.uk/traffic.htm>

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integrated Transport for London. The emphasis on quality partnerships and quality contracts is therefore to be welcomed. Partnerships are a good start for local authorities seeking to drive improvements in service quality, but authorities will now also find it easier to use quality contracts to specify how they want bus services to operate in their communities.

Integrated Transport Authorities

Transport policy is often more effectively made at the sub-regional level (for example, to effectively address travel-to-work areas). The ability for groups of local authorities to create new Integrated Transport Authorities is therefore welcome, as is the more strategic and cross-cutting focus of ITAs compared to their predecessors, PTAs. Government and regional offices must now work closely with groups of local authorities to encourage the take-up of new ITAs – and with existing ITAs to ensure that the new powers are fully utilised.

The caveat is accountability must not be sacrificed; Government must ensure that ITAs must remain accountable to residents in the local authority areas they serve.

Road pricing

Friends of the Earth supports road pricing to tackle congestion provided the schemes are properly designed – they must focus on reducing carbon emissions and not just diverting traffic elsewhere. Any revenue must be recycled in full to public transport, walking or cycling, and not siphoned off to build new roads. This noted, it is disappointing that the Act is not specific about what constitutes a well-designed road pricing scheme, and doesn't give a clear steer on which aspects of local transport the funds raised should be spent.

The recent decisions against congestion charging in London and Manchester⁸ were a setback for local congestion charging. In 2009, with the start of planning for the next local transport plan round, we wait to see if other local authorities will take up their ability to introduce road pricing – many had previously expressed an interest in so doing. The stance of the Government, which had strongly made the case for road pricing, will clearly be critical.

Local transport plans

Now that local authorities / ITAs no longer have to renew their local transport plans every five years, it is not clear how Government will ensure local authorities are continuing to produce and refine low-carbon transport plans. Nor is it clear how Government will continue to keep on top of its own guidance and relationships with local authorities to ensure that it is encouraging and supporting the development of cutting-edge policy.

⁸ London: in November 2008 the Mayor of London announced that he planned to scrap the westward extension to the capital's congestion charging zone following a residents' referendum. Manchester: in December 2008 the residents of Greater Manchester voted to reject a proposed £3bn package of investment in public transport, walking, cycling and 'smarter choices' measures which would have been supported by the introduction of a peak-time only congestion charge.

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What Government must do now:

- Issue unequivocal guidance to local authorities about the importance of reducing carbon emissions from local transport in the forthcoming guidance on how to put together their local transport plans – and ensure that funding and support are made available to facilitate this;
- Ensure that authorities are fully aware of the new mechanisms open to them
- Continue to support local road pricing, but ensure that any new schemes are designed to reduce car use and carbon emissions, and that revenue raised is fully invested in low-carbon transport.

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