

## Making Transport Local:

### DEVOLUTION OF TRANSPORT IN ENGLAND OUTSIDE LONDON

#### Summary

- In the wake of the Scottish referendum, there is renewed interest in devolving decision-making within England. This paper argues that devolving decisions on transport can bring real and tangible improvements to people's lives with better public transport, better managed roads, better public spaces and more support for cycling and walking. These can also enhance communities and local economies – we argue that the current situation puts England at a disadvantage economically, because other countries can offer investors much better and more co-ordinated local transport.
- Currently transport in England is highly centralised – local government outside London has limited transport powers, limited funding and limited freedom to use the money it has. Local government boundaries do not reflect transport patterns or economic activity.
- England's complex social, economic, cultural and political geography is a challenge for any devolutionary model but through adopting the principle of devolving functions to the most appropriate tier for the type of decision we argue that it is then possible to devolve decision making on transport without wider wholesale or costly local government re-organisation.
- Devolution must also:
  - o Build on what is there as far as possible rather than starting again
  - o Support and encourage cross-boundary working to reflect real travel patterns and economic geography
  - o Have openness and transparency at its heart, so that decisions and strategies are consulted on and people are involved in them. In particular, transport users should be represented on boards of devolved transport bodies
  - o Link transport with land use planning and economic strategies, as in London, and to sustainable development and climate change strategies

On this basis we propose:

- Moving quickly in the city regions to build on the Combined Authority / Passenger Transport Executive (PTE) model to deliver London-style integration of transport networks with smart and simple Oyster-style ticketing within five years
- Outside the city regions, promote the creation of new PTEs or a new body with legal status called in this paper a "transport consortium", to manage overlapping transport needs between Districts, Shires or existing PTE areas. These bodies would allow for binding arrangements of different scope to be established between existing local authorities to meet local circumstances (for example on cross-border integrated ticketing and public transport services). This flexibility would enable areas that face in different directions on travel markets and need (like the East Midlands or the 'doughnut' of counties round Greater London) to adopt overlapping arrangements for transport planning, oversight and integrated services and ticketing for users. It would emulate the success of sub-national transport governance arrangements for transport in other countries with complex social and economic geography – like Germany.
- We also suggest that there should be regional decision making on strategic highways and rail services and maybe on distributing funding. This is already starting to happen on rail services with the creation of "Rail North".
- It's time to get real on devolution of transport in England outside London, both in terms of accelerating the pace and scale of devolution but also thinking through what functions sit best where in terms of logic, accountability, and efficiency. This paper is intended to start that thinking and to suggest some practical ways forward.

## Introduction

One of the outcomes of the Scottish referendum is the emergence of a clear consensus and imperative for further devolution in England.

Getting devolution right on transport will clearly be key to any wider devolutionary settlement. Unlike some other policy areas, devolution in transport matters practically. It is about bringing real and tangible improvements to local transport, and hence to the everyday lives of ordinary people. With devolution of more powers and funding, people could get more and better rail and bus services, roads that are better maintained and managed, smart ticketing (and hence cheaper and more convenient travel), better public spaces and more support for cycling.

These in turn matter because places with high quality local transport, safe routes for cycling and walking, and good public spaces all attract and support business investment, employment and people to live and work there.

At present, transport in England is highly centralised. Passenger rail services are mostly subject to franchises let by the Department for Transport in London. Management of roads and parking is subject to centrally set standards and regulation, and trunk roads are directly controlled by the Highways Agency. Local authorities have few powers on transport, few statutory duties and limited funding or revenue raising powers. So it is unsurprising that transport is seen as an obvious place to start devolving powers and responsibilities.

However, after decades of local government reorganisation, devolving transport powers and funding in England is not straightforward – given the complex social, economic, cultural and political geography of England outside London, there is no universal one-size-fits-all model. This paper explores practical options for devolving transport powers and funding in England.

## Why devolve transport?

When you devolve local decision making, transport gets more priority and more funding. This is clear in Scotland and Wales, where since devolution there has been a big increase in transport investment, including rail reopenings and electrification as well as new roads. Devolution has also made a huge difference in London, which has seen a total transformation of transport since the Mayorality and Transport for London were created.

We have also shown<sup>1</sup> that the devolution of control over local rail services to local authorities in London and Merseyside has made a huge difference, lifting ordinary inner suburban services from the bottom of the league tables in terms of performance and passenger satisfaction to the top.

Devolving transport powers and funding works because local decision makers know they will be made accountable by voters and local media for transport shortcomings; they are in the best position to identify opportunities for pooling available funding sources; and because they recognise more clearly the key importance of better transport to their wider economic, social and environmental aims.

Devolved transport authorities are also better able to ensure that decisions on local transport relate to the ways in which local economies are developing. They can better align transport with land-use planning, reducing congestion, pollution and car dependence and adding value to developments.

## How is transport governed outside London at present?

The detail on this is set out in a good briefing from pteg:

<http://www.pteg.net/resources/types/briefings/transport-governance-outside-london-introduction>. This shows that the organisation and funding of transport in England is now very varied and complex. The metropolitan areas – the six city regions outside London - have long had different arrangements from elsewhere, with Passenger Transport Executives (PTEs) responsible to Integrated Transport Authorities. Most of these are now evolving into “Combined Authorities”, in some cases linking to neighbouring councils and areas. The PTEs/ transport authorities have greater powers than councils

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<sup>1</sup> “Going Local”, Campaign for Better Transport, 2013

elsewhere – for example, they are co-signatories to rail franchises and have powers and duties to promote and co-ordinate public transport.

Outside these metropolitan areas, the picture is varied – some areas still have two tiers of councils: county councils, which are responsible for most transport services, and district councils which cover planning and local streets. Others have single “unitary councils”, responsible for all services. These can be quite small, like Rutland, or cover cities like Nottingham or large areas like Cornwall or Herefordshire. A few places have also voted on elected Mayors – including large urban Districts like Bristol, Liverpool and Leicester and smaller areas like Watford and Hartlepool. These are so far at the unitary or district level – there has not so far been a “county” or metropolitan mayor outside London, though this may come.

The Government has also created Local Enterprise Partnerships, which are business-led bodies designed to promote local economic growth. These LEPs have produced “Strategic Economic Plans”, which set out, among other things, priorities for transport investment and bid for funding from the Local Growth Fund to pay for these priorities. However, the LEPs are not statutory bodies, so in practice transport funding is going through the local authorities and responsibility for implementing many of the priorities and schemes will fall to them.

For further explanation of transport responsibilities outside London, visit [www.pteg.net](http://www.pteg.net).

## Problems with current transport governance in England

This varied set of structures and institutions has created some very varied outcomes in transport. The largest city regions benefitted from the creation of Passenger Transport Executives in the late sixties and early seventies. As a result, the levels of public transport investment and services in those city-regions are generally better than elsewhere. Greater Manchester created the first Combined Authority and is widely recognised to have led the way in terms of creating a coherent grouping of the local authorities and institutions in its area; as a result it has been able to attract funding for and deliver significant transport investment, especially a large and growing tram network.

Elsewhere there are also plenty of examples of effective local transport authorities. Nottingham, Oxford and Brighton are examples of cities which are widely recognised as having an effective transport system and clear policies over a period of years. County councils such as Devon and Lancashire also have a good track record.

However there are three main problems with the current system in many areas.

- 1) **Transport patterns and economic activity cross local authority boundaries in many cases.** The travel-to-work areas for, say, Bristol, Nottingham or Southampton extend far outside the council boundaries, making planning and delivering transport services in such places challenging.

Areas have responded differently to this cross-boundary challenge – in some cases there is good joint working between neighbouring authorities, with a “Greater Nottingham Transport Partnership” and “Transport for South Hampshire” (which covers Southampton, Portsmouth and parts of Hampshire). Other areas see much less joint working, and all these are voluntary associations, the effectiveness of which varies according to politics and personal relations. No new strategic transport planning authorities have been created since 1974, and local, inter-area and wider transport links in some of these areas often compare poorly with those in PTE areas.

The creation of the LEPs has added to this problem – the West Midlands conurbation is covered by three LEPs, for example, while the South East LEP covers Kent, Essex, East Sussex and several unitary councils. The co-operation between LEPs and their local authorities also varies – some have close collaboration in developing their economic plans, while others appear to have very limited links, with differences in priorities and strategies appearing.

- 2) **Local government outside London has limited transport powers.** Local rail services and many major roads are controlled from Whitehall, while bus services are deregulated and their licensing and economic regulation is carried out by central Government agencies (Traffic Commissioners and the Competition Authority).

The powers that councils do have are heavily circumscribed by central Government – guidance and regulations specify, sometimes in great detail, what local councils can and can't do on transport (for example in highway management and design).

In some cases, the transport powers are at the wrong level. Some of the planning and management of the road network needs to be done at a strategic level, to tackle congestion (avoiding authorities exporting traffic problems to neighbouring areas), to help public transport and cycling, to manage freight deliveries effectively and for economies of scale (creating and managing conurbation-wide investment and maintenance). At the other end, some local road and street powers are best handled more locally.

The links between transport and other powers and plans is also an issue: London works because the transport strategy, the land use strategy ("London Plan") and the economic development strategy all work together. Outside London, planning, economic development and transport are run by different authorities and Local Enterprise Partnerships with different boundaries and not are co-ordinated.

- 3) **Local government has limited funding and limited freedom in how to use money it has.** English local government has seen significant reductions in funding since 2010, and there is more to come. This has hit some local transport services hard, since they are mostly not statutory duties on local authorities and therefore easier to cut than other services like adult social care and education, which are subject to stronger statutory duties. Much transport funding that is available is heavily ring fenced or tied to very specific conditions – and as already noted, much capital funding is going via the LEPs rather than directly to local authorities. The lack of integration with national Government transport spending on strategic roads and the rail network adds to the problem. There is also transport spending by other Government departments and public bodies, especially in health and education, which is not integrated or linked to local authority spending. One statutory transport duty that local authorities do have is to provide free bus travel for older and disabled people, but this has not been fully funded and hence has added to local authorities' financial problems.

## **Why this matters: poor transport governance hurts the economy, the environment and communities**

This mixed and varied transport governance matters because it means that localities don't work as well as they could. In particular:

- It is more difficult to link transport infrastructure and services to economic development and spatial planning. This leads to developments reliant entirely on car access, which adds to congestion, pollution and social exclusion for those without use of a car
- It makes managing local transport networks more difficult because responsibility is spread across a wide range of different authorities and central Government agencies, and this leads to poor management with increased congestion
- It makes integrating transport much more difficult, because integrated ticketing and smart cards, regular interval services, bus priority and connecting timetables require co-operation between all transport operators and neighbouring local authorities, which is difficult under this fragmented system

Above all, it leads to severe underfunding. Even where capital funding for transport is available, reductions in revenue funding have led to a skills and capacity crisis which makes it difficult to deliver capital schemes or transport services efficiently, effectively or even at all. We have charted the decline in local bus services in our [reports](#), and significant reductions in supported services are now taking place. Maintenance of local authority roads faces a backlog of £12bn on current figures, and management of street works, parking and public spaces is increasingly difficult.

This doesn't just matter at local level – it hurts UK competitiveness. For example, an international company investing in, say, Germany will find that the available sites have generally good public transport services, with multi-modal, multi-operator smart tickets available to get their employees to work. Increasingly, they will also find the cycling is a major mode of transport and public spaces are

well designed to encourage it. By contrast, the same company looking at an English area outside London will find in general poorer public transport access and operator specific tickets, with limited smart ticketing, and (with exceptions) cycling as a niche transport mode and public spaces dominated by road traffic. Car use is therefore higher (European statistics show the UK as being above average for car mileage per head in Europe<sup>2</sup>) and road congestion is therefore greater. In turn, this produces higher pollution and a less attractive environment for people to invest, live and work in.

Many authorities are doing their best to overcome these problems, but the nature of their governance, powers and funding limits their efforts. All this exacerbates the divide between London and the rest of the country.

There have been attempts to address this but with limited success. There are a number of reasons for this stasis:

- **Government inertia:** Central Government has been slow to offer real powers and funding to local authorities, with concern that such powers and funding might be misused, create postcode lotteries etc. This leads to a vicious circle – local authorities don't have the powers and funding to make a real difference to transport in their areas, while central Government won't give away powers and funding because it fears that they won't be used effectively.
- **Turkeys don't vote for Christmas:** Officers and councillors of existing authorities fear for their own positions if there is change and consolidation. Despite the existence of permissive legislation to create new strategic authorities or PTEs or expand existing ones, no local authorities have taken advantage of this, with a fear among districts that these new bodies will take powers and funding from them. There is also resistance to reallocating responsibilities between existing authorities– for example transferring responsibility for strategic roads from district councils to combined authorities
- **Complexity:** As already noted, the political, social, transport and economic geography of England outside London is complex and does not easily lend itself to neat and obvious solutions in terms of transport (or other strategic functions). Many regions and sub-regions of England do not stand alone and also can have complex inter-relationships with one or more other regions or sub-regions. For example within the government region of the East Midlands, different parts of the region have relationships of differing strength with the South East, with Eastern England, with the West Midlands and with South Yorkshire. There are also the 'doughnut' effects around Britain's largest city regions (most notably London) where the surrounding areas may have their own unique character and relationship with each other but also have a strong relationship with the city region which they ring.

For the economic and other reasons mentioned, we need to find ways to break out of this circle and to extend to the rest of England the clear benefits of devolution of transport powers and funding that London and Scotland have enjoyed.

## So where do we go from here?

### Guiding principles on devolution

Different types of transport decisions are best devolved to different tiers of sub-national governance. So for example decisions on local roads may be best dealt with at a relatively low level tier of local government or even at parish or neighbourhood level. Other decisions - for example on local public transport networks - are generally best dealt with at a city / city region or county level (though some input from neighbourhoods/ parishes is necessary and needs to be allowed for). However, there are other issues that may best be dealt with at a still higher tier - such as is proposed for managing some devolved rail services. The principle is to devolve where possible to the most appropriate level of governance for the nature of the decision to be taken.

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<sup>2</sup> Eurostat data from 2012:

<http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?sessionId=9ea7d07d30e5ac67bd8dfc364300811fb72f3df3fc74.e34OaN8PchaTby0Lc3aNchuNah8Re0?tab=table&plugin=1&pcode=tsdtr210&language=en>

It is also important to recognise that the Government will have to be more pro-active in promoting change, rather than waiting for turkeys to vote for Christmas. Government will have to offer incentives, including for example access to more funding and powers, but if these “carrots” don’t work may have to resort to “sticks”, for example requiring governance that is fit for purpose as a pre-condition for funding.

A second principle is that one size does not fit all. Different geography and travel patterns will dictate different solutions and structures for local transport. The management of transport in, say, Cornwall will be different from East Sussex and different again for Staffordshire. Any devolution needs to recognise and allow for this, and for overlapping areas and interests.

## How this could work in practice

### Start in the existing city regions

There is no reason why within five years the city regions in England – the six metropolitan areas outside London - couldn’t have transport networks that look and feel more like London, in terms of providing a single integrated network accessed by smart, simple Oyster-style ticketing and having a single guiding mind with clear lines of accountability, politically, to users, and to the local business community.

There is now a broad cross-party consensus that cities need to have stronger powers and freedoms. The six English metropolitan areas (Greater Manchester, West Yorkshire, South Yorkshire, Tyne and Wear, Merseyside, West Midlands) are already well placed to take advantage of this. As noted already, they are moving towards a Combined Authority or Integrated Transport Authority (ITA) model (where district council leaders take strategic decisions) with a transport delivery agency (based on the PTE). This in some ways is moving towards the TfL model.

All of this could be developed.<sup>3</sup> First, there are other strategic functions that could move up to the metropolitan level that currently sit at the district level. Strategic highways is the most notable (moving strategic highways up to the metropolitan area level would emulate the London situation which works well in terms of a co-ordinated approach to highway management). Responsibility for most roads would remain at the local level. More challenging would be parking and taxi licensing, currently dealt with at a district level; there is a case for both being dealt with at a conurbation level.

Second, the Combined Authorities / ITAs could integrate the powers and funding currently exercised by other bodies. Greater integration with the LEPs is essential if economic development, transport and planning are to be joined up – this is already happening in many of the combined authority areas. Formal, statutory links with job centres, public health and other public services with an interest in transport should also be built up. Health and Well-Being Boards, which oversee public health locally, will want to work with the Combined Authorities to promote cycling and walking and the schemes that encourage these.

Third, Combined Authorities / ITAs should get more powers and freedoms, within a framework of strategic duties. More freedom to raise and spend money (for example tax-incremental financing, as used in Manchester to fund the Metrolink extensions), should be part of a new deal for city regions.

Fourth, Combined Authorities / ITAs should be given more say over rail and trunk roads in their areas. Devolution of local rail services is already being developed in the north of England and the West Midlands with the combined authorities / ITAs leading the groupings who promote this. The current reform of the Highways Agency should be used to develop genuine partnerships with the city regions on managing the trunk roads in and around their areas. We suggest below that some of these devolved functions might best sit at regional level, as with Rail North.

Fifth, the bus is the main form of public transport and must become part of wider fully integrated public transport networks with simple, Oyster-style ticketing valid on all operators and modes of transport. The Government needs to work with the CAs / ITAs – and with other authorities and areas taking up the models we describe below - to ensure that they are able to deliver this.

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<sup>3</sup> Pteg has set out its views on how city region transport might develop in <http://www.pteg.net/resources/types/briefings/policy-futures-urban-transport-outside-london> and <http://www.pteg.net/resources/types/briefings/policy-futures-seamless-public-transport>

All of this should be backed by a programme of investment and initiatives – in quality as well as quantity. Multi-modal, multi-operator smartcards, real-time information, bus and cycling infrastructure and public realm schemes should be part of all this. Over the life of a parliament, this should result in these big cities having a transport system that is more like London's.

The development of the city regions should not just be about transport. As already noted, one of the successes of the London model is that the Mayor's Transport Strategy sits alongside the London Plan, which sets out land use planning strategies for London, and the economic development strategy. These are important inter-linking documents, and it would make sense for city regions to have similar duties and powers to develop strategic planning and economic development strategies alongside their transport strategies. The economic development strategies would be developments of the existing LEP growth strategies – strategic planning would be a useful support for these and would fill in the gap that now exists between district council plans and national guidance.

## What about the rest of England?

Outside the city regions, the current position is, as we have said, much more varied. However, it is possible to create new overarching transport bodies using existing legislation. The Local Transport Act 2008 and Local Democracy and Economic Development Act 2009 are permissive legislation which allow any grouping of local authorities (subject to Ministerial order) to establish a collective transport authority which could look and feel like an existing Passenger Transport Executive or could be a PTE-lite.

We suggest that outside the city regions, the Government should offer communities incentives to develop these new authorities. There are many possible options, but for the purposes of clarity we suggest two broad types of bodies:

**A PTE model:** This would have responsibility for at least:

- strategic highways
- local bus services
- local rail services
- delivering local transport capital projects
- mass transit systems (light rail, trams, metros)
- overall transport strategy (including active travel)
- overall ticketing
- fares and information

This would be broadly similar to an existing PTE. A PTE would be responsible to either a joint governance body specific to transport and made up of representatives of existing local government Districts or Counties (so broadly equivalent to existing Integrated Transport Authorities) or to a wider joint governance body (such as a Combined Authority). As we have already noted, a number of cities already have transport partnerships and these could be developed into PTEs and ITAs. The comments above suggesting strategic land use and economic development plans for the existing city regions might apply here too.

**A Transport Consortium:** This would be an executive body with legal status and an officer core which would carry out specific transport duties on behalf of existing Districts or Counties through legally binding arrangements. So for example where two shires (say counties along the south coast) wished to remain as separate transport authorities but wanted to enter into joint arrangements around the specification and provision of the rail and bus links that link them as well as wider joint ticketing arrangements, a Transport Consortium could be established. There would also be the potential for overlapping Transport Consortia around borders. So for example TfL and surrounding Counties could enter into a Transport Consortium around the specification and provision of bus and rail services that straddle the Greater London boundary and around cross-boundary fares.

However, as already noted, England outside London has a complex geography and varied travel patterns. It could be open to some areas to be part of more than one Consortium – for example East

Sussex might be part of a consortium with Kent (it is already part of the Southeast LEP with Kent) but may also want to join with West Sussex and Brighton to improve services along the south coast. LEPs already allow for overlapping membership whereby authorities may be part of more than one LEP, so the precedent has been established.

Consortia might also manage strategic roads and in some cases take over management of what are currently trunk roads, or at any rate form partnerships with the Highways Agency to manage them, though in some cases these decisions might best be taken at a regional level (see below).

The Transport Consortium model is used in other countries. In Germany, groups of authorities, with the Lander and local transport operators, form “verkehrsverbunds”, public transport associations that plan and co-ordinate public transport across regions.<sup>4</sup> In France, there are similar arrangements whereby authorities can group together to manager transport projects and services, and when validated by central Government they can receive government funding and in some cases levy local payroll taxes to pay for transport improvements.

These proposals are compatible with current and potential governance change. Combined Authorities are a good fit with current or new PTEs. District Mayors are also compatible with the proposed arrangements for local transport consortia. City region Mayors – as suggested by the Chancellor - could fit with current or existing PTEs but there’s a wider question around how a city region mayor would fit with the Combined Authority model. Such mayors could become or could appoint Transport Commissioners (as in London)<sup>5</sup>.

There is, however, a question on how PTEs / Transport Consortia would fit with Local Enterprise Partnerships. LEPs are largely seen as a sub-regional, strategic decision-making body rather than bodies getting involved with the fine detail. In existing PTE areas LEPs generally work well with the CA. In other areas where transport consortia could be created then the LEP’s role would be on strategic decision-making on capital schemes and overall strategic transport and economic issues, whilst the consortia could address the nitty-gritty of joint functions around public transport services and ticketing for specific sub-areas which may or may not map onto LEP areas.

In all of this, there are questions of accountability and public involvement. As we have pointed out<sup>6</sup>, the Local Transport Boards and LEPs are not very accountable and open. Openness, transparency and public involvement need to be central principles for authorities and consortia, and there should be representatives of transport users on the boards of these bodies.

There are also issues of funding. We have elsewhere suggested pooling all funding for local public transport into a single fund, christened by pteg as a Connectivity Fund<sup>7</sup>. Separately, there has been talk of “Total Transport” pilots, to test out pooling of funding and services at a local level. These are about recognising that, in the current framework, lots of different transport services are being paid for by different government departments, at some cost to the public sector. PTEs and Transport Consortia offer scope to manage these budgets and services better and could therefore improve efficiency as well as transport services. As they develop, they could and should be offered the kind of long term funding settlements that Transport for London has, based on clear strategic plans, developed with full public involvement and benchmarked milestones of development (as proposed by Rail North in taking on management of rail services in the north of England).

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<sup>4</sup> See for example <http://www.vrr.de/en/> about the Rhein-Ruhr transport association.

<sup>5</sup> We have avoided suggesting separate elected Transport Commissioners – the experience with separate directly elected Police and Crime Commissioners has not suggested that separating out such issues is an effective way of improving local governance, and the whole thrust of this paper is about integrating transport with other functions such as planning and economic development

<sup>6</sup> [http://www.bettertransport.org.uk/sites/default/files/research-files/LTB\\_report\\_250913\\_web\\_FINAL\\_0.pdf](http://www.bettertransport.org.uk/sites/default/files/research-files/LTB_report_250913_web_FINAL_0.pdf)

<sup>7</sup> See [http://www.bettertransport.org.uk/sites/default/files/research-files/Buses\\_In\\_Crisis\\_Report\\_AW\\_PDF\\_09.12.13.pdf](http://www.bettertransport.org.uk/sites/default/files/research-files/Buses_In_Crisis_Report_AW_PDF_09.12.13.pdf) and <http://www.pteg.net/resources/types/reports/making-connections-cross-sector-benefits-supporting-bus-services>

## Decisions at a regional level

There are some decisions that are best taken at a regional level. Depending on functions, this could be at the existing government regions (East Midlands, East of England etc), sub-regions (South Midlands, East Anglia) or a Northern region which would combine the existing North West, North East and Yorkshire and Humber regions.

These decisions would be around:

- Strategic regional highways: regional groupings could develop partnerships with the Highways Agency and possibly take control over some trunk roads
- Strategic regional rail: as noted above, this is already being developed in the north of England with "Rail North" bringing together some 30 Transport Authorities, and West Midlands Rail – and there are ambitions elsewhere in East Anglia and the West of England to develop more say and control over local rail services
- Brokering the distribution of devolved funding blocks for transport and economic development

This regional tier will need a degree of officer support but given the limited number of decisions being made at this tier, it shouldn't require a large apparatus and could be covered by existing officers and resources devolved or seconded from existing national and local government.

## Areas of overlapping responsibilities

In most areas, local bus services are best dealt with at existing local transport authority level, but consortia could come into play for cross-boundary services, wider ticketing arrangement, or express services between key towns and cities across two or more local transport authority areas.

On local rail there is clearly a case for strategic decision making at a regional level but scope for considerable devolution below that. So for example within Northern Rail there are distinct networks serving Greater Manchester and West Yorkshire. There is scope for more local definition, development and specification of services in areas like Teesside and Lancashire. There is also scope for local lines in some rural areas of the North of England to be spines for a wider integrated rural network of bus feeder services provided as fixed route, demand responsive or as community transport. Another example would be the South West where both Devon and Cornwall have branch lines which could be made more the responsibility of their respective Counties.

## Conclusion: time to get real on devolution

As already noted, the fragmentation of transport powers and decision-making hurts the local economy and leads to poorer services for everyone, whether in cars or lorries, trains and buses or on bicycles or foot. However, there is no point in creating rational governance structures for sub-national transport decision making if Whitehall still refuses to devolve key decision-making functions – or attaches so many strings that it is still the puppet master.

Transport for London and the Greater London Authority have control over local bus services, the underground, strategic highways and increasingly over local rail services. London also has considerable freedom over how it spends both its capital and revenue budgets, and as noted has strategic land use and economic development plans. It also has long term capital funding agreed with central Government. Outside London, as noted, councils have few statutory powers or duties on local bus services or other transport.

Funding decisions are still largely determined by Whitehall, with numerous funding competitions for local transport spending which are decided in London. On local rail services, the Government's approach to devolution has been cautious at best. Decisions on key strategic major regional road and rail routes and services are all determined by national agencies with no effective regional structures with which to engage.

In the wake of the Scottish referendum, there has been renewed interest in radical options for England. There is still interest in some places in English devolution, including directly elected regional assemblies. There could be more radical reform of local government, giving it more tax raising powers, reformed voting and much more freedom from central Government. Our proposals are compatible with these bigger reforms but do not depend on them. We have suggested ways to start devolution of transport now and how to do so in ways that address the problems of excessive centralisation, with new transport bodies bringing together existing powers, funding and planning.

But unless Whitehall is prepared to let go and give these new bodies real powers and funding over local transport, our transport systems will still let the country down economically, trap people in poverty and exclusion, and cause major environmental problems (air pollution, noise and climate change). Combined Authorities / PTEs and Transport Consortia are or can become capable bodies that will be able to plan and improve transport in their areas. The question is, will Whitehall give them the chance?

To respond to this paper, contact [info@bettertransport.org.uk](mailto:info@bettertransport.org.uk).

**October 2014**

Stephen Joseph

Campaign for Better Transport

Campaign for Better Transport's vision is a country where communities have affordable transport that improves quality of life and protects the environment. Achieving our vision requires substantial changes to UK transport policy which we aim to achieve by providing well-researched, practical solutions that gain support from both decision-makers and the public.

16 Waterside, 44-48 Wharf Road, London N1 7UX

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