REPORT TO: PLANNING & TRANSPORTATION COMMITTEE

20 DECEMBER 2004

REPORT ON: SCOTLAND'S TRANSPORT FUTURE - PROPOSALS FOR

STATUTORY REGIONAL TRANSPORT PARTNERSHIPS (RTP's)

REPORT BY: DIRECTOR OF PLANNING & TRANSPORTATION

REPORT NO: 790-2004

1 PURPOSE OF REPORT

1.1 This report outlines the proposals from the Scottish Executive on the introduction of Statutory Regional Transport Partnerships (RTP's).

2 RECOMMENDATION

- 2.1 It is recommended that the Committee:
 - a endorses the draft response to the consultation paper as set out in Appendix 1;
 - b remits the Director of Planning & Transportation to submit the approved response to the Scottish Executive on behalf of Dundee City Council;
 - c authorise relevant officers and members of the Council to meet with officers and members from the proposed Central and Tayside Partnership constituent councils to determine their views; and
 - d report back to Committee on the results of the consultation exercise (post 19 January 2005) and subsequent meetings.

3 FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications to the Council arising from the recommendations of this report. However, the subsequent formation of RTP's and their roles and responsibilities could have significant impact on staffing resources and both capital and revenue budgets. A future committee report on the outcome of the consultation on RTP's and the Scottish Executive's proposals will be placed before Committee to give further detail.

4 LOCAL AGENDA 21 IMPLICATIONS

4.1 It is recognised that changes to the transport delivery system will have significant influence on Local Agenda 21 and must be considered when developing a regional transport partnership.

5 EQUAL OPPORTUNITIES IMPLICATIONS

5.1 It is recognised that changes to the transport delivery system will have a significant influence on equal opportunities and must be considered when developing a regional transport partnership.

6 BACKGROUND

- 6.1 The Scottish Executive's proposals for the formation of new statutory regional transport partnerships were set out in the recent transport white paper "Scotland's Transport Future".
- 6.2 As announced by the First Minister on 7 September 2004 a Transport Bill proposing powers to create transport partnerships is being presented to Parliament.
- 6.3 Dundee City Council was asked to give opinion on the number and boundaries of regional transport partnerships, their constitution, particularly their membership and voting arrangements, their functions and how funded.

7 PROPOSALS FOR STATUTORY REGIONAL TRANSPORT PARTNERSHIPS

- 7.1 The purpose of this consultation exercise is to gather views on a number of questions relating to the creation of statutory regional transport partnerships (RTP's) in Scotland. The Executive have consulted on the principle and form of regional transport partnerships in the consultation last year on Scotland's Transport: Proposals for a New Approach to Transport in Scotland. This consultation builds on that and focuses on the detail of what regional transport partnerships will look like, how they will operate and what functions they will exercise.
- 7.2 The white paper "Scotland's Transport Future" sets out the Executive's proposals for stronger national and local government transport delivery structures in Scotland and for a more strategic approach to the planning and delivery of transport at all levels.
- 7.3 A national transport agency will be established during 2005-06. The agency will be directly accountable to the Scottish Ministers and will work with the Scottish Executive in exercising the Scottish Ministers' transport functions. An effective working relationship between the agency and the regional transport partnerships will be crucial to the success of both.
- 7.4 At the regional level, the Executive is bringing forward legislation that will include provision for the creation of regional transport partnerships. Building on the success of Strathclyde Passenger Transport (SPT) and the current voluntary regional partnerships, the new statutory bodies will be able to take a strategic view of the transport needs, and offer a consistent service, for people and businesses in their region. Journeys increasingly cross the council boundaries created in 1996, due in part to many of the council areas being relatively small and to progressive increases in the distances people travel to work. RTP's will, through agreed regional transport strategies, identify and focus effort and investment on key improvements that might be beyond the reach of individual councils. The partnerships will be able to draw on the perspectives and expertise of external members and should be able to wield more influence in discussions with government at Scottish, UK and EU levels and with the providers of transport infrastructure and services. This will require local authorities to focus on the strategic transport needs of people and businesses within the region. The current voluntary partnerships have proved that this can be achieved and the Executive's proposals for legislation are intended to take this co-operation to the next level.
- 7.5 The core function of each regional transport partnership will be the production of a regional transport strategy, taking account of guidance from the Scottish Ministers.

These strategies will be used to steer the funding priorities of the regional transport partnerships themselves, their constituent councils and, to the extent to which it contributes to the achievement of the national strategy, the national transport agency. The national transport agency will hold at least some discretionary funding - how much will depend upon Executive-wide budget decisions, national spending priorities and decisions on how regional transport initiatives are best funded; an issue that is explored later in this paper. Regional transport strategies should form the basis for any bids for central funding; but they will not be primarily bidding documents as the partnerships and their constituent councils will continue to be responsible for the majority of funding provision and decisions below the national level. To achieve these purposes, regional transport strategies will have to link the specific transport investments proposed to identified regional needs such as improving access to jobs, markets and services in particular areas.

- 7.6 The RTP's will need to work in partnership with a range of regional, local and national bodies and take account of the provision of the whole range of local public services as well as transport. The Executive propose that they become statutory participants in community planning and they will also be expected to contribute to structure plans and, in due course, city region plans and local development plans. They should also consider involvement in, for example, local economic forums.
- 7.7 The regional transport partnerships will be constituted on the basis of recommendations of the local authorities, SPT and the voluntary partnerships themselves, informed by discussion with Community Planning Partnerships and other appropriate regional stakeholders. The boundaries of the partnerships, and their constitution, membership and voting arrangements, will only be determined by Scottish Ministers following detailed consultation with local authorities and other interested parties and, so far as possible, on the basis of consensus agreement amongst the constituent members.

8 TIMESCALES

- 8.1 It is intended (subject to Parliamentary approval) to bring statutory regional transport partnerships into being by Spring 2006. The Executive's proposals is not to create the partnerships directly through the Bill but to use the Bill to place a duty on Scottish Ministers to create the partnerships by order. If this course of action is agreed by Parliament then it is intended to lay the orders establishing RTP's before Parliament in Autumn 2005 for the formal establishment of the Statutory Partnerships in early 2006.
- 8.2 The Executive would encourage the constituent Councils in each regional area to start working together in advance of the formal creation of new statutory partnerships. To this end the Executive will make some funding available specifically to support preparatory work such as identify regional priorities and doing preliminary work to develop a regional transport strategy. Specifically funding will be made available for one year for up to 5 staff for each partnership and accommodation costs along with expenses for the elected members' attendance at the required meetings.
- 8.3 The new RTP's once formally constituted would have up to 12 months to prepare their regional transport strategies (although preliminary work on the development of strategies can precede the formal establishment of the partnerships). These documents (strategies) will enable each RTP and its constituent councils to identify the powers that the partnership will need in order to deliver the strategy.

9 THE PROPOSED BOUNDARIES

- 9.1 The white paper "Scotland's Transport Future" stated a number of basic principles concerning RTP boundaries:
 - Statutory regional partnerships would cover the whole of Scotland
 - Every part of Scotland would be a member of just one RTP
 - It would be possible for a council area to be split between 2 or more RTP's
- 9.2 The table below proposes the Scottish Executive's way forward for the boundaries of the statutory regional transport partnerships. In many cases the core membership of each partnership is largely consistent with current voluntary arrangements

West and South-West	South-East	Central & Tay	North-East	Highlands & Islands
Argyll & Bute (Helensburgh) Dumfries & Galloway East Ayrshire East Dunbartonshire East Renfrewshire Glasgow City Inverclyde North Ayrshire (less Arran & Cumbraes) North Lanarkshire Renfrewshire South Ayrshire South Lanarkshire West Dunbartonshire	City of Edinburgh Clackmannanshire East Lothian Falkirk Midlothian Scottish Borders West Lothian	Angus Dundee City Perth and Kinross Stirling	Aberdeen City Aberdeenshire	Argyll & Bute (less Helensburgh) Comhaire nan Eilean Star Highland Moray North Ayrshire (Arran & Cumbraes) Orkney Shetland

10 THE CONSTITUTION

- 10.1 The white paper sets out a number of basic criteria regarding membership of RTP's:
 - there will be one representative from each of the councils in the geographic region covered by the partnership;
 - each councillor member's vote would be weighted (in effect counting for 1, 2, 3 or 4 votes) according to the relative population of their council;
 - around a third of the voting membership (external members) would be drawn from the business sector and other organisations in the region;
 - non-voting external (observer) members could also be appointed.

Within this framework, a number of issues remain outstanding. These are outlined below.

10.2 Number of RTP Board Members

 The white paper stated that around a third of the voting membership should be made up of external members and the Executive would expect no less than 30% of members (excluding non-voting members) of each partnership to be external members. The Executive propose to legislate to ensure that, as a fail safe, the voting weight of the council members shall never be less than two-thirds of the total.

10.3 Councillor Members

The Executive proposes that:

- Each constituent council of an RTP will be represented by a single councillor, such as the leader of the council, the chair of the council committee responsible for transport or the executive member for transport (in councils operating a cabinet system of administration).
- Members appointed by councils will be serving elected members of the council nominating them. If they should lose their seat, or are de-barred for any reason from office, they would equally lose their membership of the RTP
- Councillor members should be able to send substitutes in case of unavoidable absence from meetings. Substitutes would, however, have to be elected members of the same council. They would have the same (weighted) voting rights as the councillor for whom they are substituting
- Local authorities should have the power to terminate, at any time, the tenure of the councillor representing them on an RTP (subject to any notice period agreed by the RTP for reasons of orderly and efficient administration.

10.4 External Members

- The Executive proposes that external members be appointed for their personal contribution and the experience they bring, while being drawn from key interested groups such as users, including business users. External members should be detached from any political or purely local geographical constituency and therefore offer a different perspective on the issues under discussion. Care would have to be taken to avoid conflicts of interest in particular where external members may have commercial interests that would be affected by the decisions of the RTP. This should not automatically mean that such people cannot be RTP members if the merits of this outweighed the safeguards that would have to be put in place to prevent a conflict of interests arising. Having a number and range of external members would be one safeguard.
- It is proposed that once RTP's are up and running, the external members of each partnership would be appointed by the partnership itself, these appointments being confirmed by the Scottish Ministers. Guidance on external members would be provided that sets out broad principles, consistent with Nolan principles, and ensures transparency in the appointments process. However, the first partnership would only come truly into being once their external members are appointed, so the Scottish Ministers propose to take responsibility for the first set of external appointments, which would expire at the time of the council elections in May 2007. In practice, these appointees would be based on nominations from the constituent councils and, in the west of Scotland, from the constituent council and SPTA.

- Appointments could be on the basis of a rolling series of fixed-term tenures, of up to 4 years, to ensure some continuity.
- In addition to external members with voting rights, additional members could be appointed as non-voting members (or observers). The RTP should also give consideration to how it can engage with interests not directly represented on an RTP board, for example through Community Planning Partnerships, a consultative forum or similar body. It is likely that as with the existing voluntary arrangements, council and RTP officials would meet as a 'management team' to support the RTP board, and external interests, including Scottish Executive officials, could be represented on this group even if not on the board itself.

10.5 Decision Making

- The Executive envisage most decisions being reached by consensus, particularly once regional transport strategies are in place to guide decision-making. However, there may be exceptional occasions when progress depends on putting decisions to a vote. This is proposed on the basis of a simple majority of votes cast (the vote of some councillor members would be weighted so that it counts for 1, 2, 3 or 4 votes; external members would always have only one vote and observer members would not have a vote).
- However, the Scottish Executive recognise that there may be votes taken on constitutional issues (for example) for which some partnerships and councils may wish to require a higher share of the votes in favour (two-thirds for example or unanimity).

10.6 Weighting of Votes for Councillor Members

In principle, votes would be allocated on the basis of relative population within the partnership area. It would only be possible to determine this in detail once the boundaries of the partnerships are firmly established. The Executive intend to make use of the full range of voting weights (1-4) wherever it makes sense to do so and to ensure as far as possible that councils with similar populations in the same partnership have the same voting weight. Nevertheless, each of the bandings may encompass quite a wide variation in population size. If, on the basis of these principles, the constituent authorities that are to form each RTP can agree a fair approach to the voting system for their region then this would be approved by the Scottish Ministers, failing which Ministers would themselves determine an appropriate system.

10.7 Functions

• The regional transport partnerships would also be expected to take on other transport functions, either solely or in conjunction with their constituent local authorities. The conferring of functions on a RTP would be by Ministerial order but would, as with the order establishing the partnerships, be driven by the wishes of the partnership itself and its constituent councils. Scottish ministers will provide guidance, following consultation, which will set out a small number of models for the allocation of functions.

- The Bill will provide that the Transfer of Undertakings (Protection of Employment) Regulations 1981 (TUPE) would apply in relation to the terms and conditions of staff whose functions transfer from one body to another. There would be issues, such as pension issues, which are not covered by TUPE which would need to be addressed. The working assumption is that the Statement of Practice on Staff Transfers in the public Sector issued by the Cabinet Office in January 2000 would be followed.
- The Executive sees scope for three models for the regional transport partnerships to consider when first set up. It would of course be possible to evolve from one model to another. However, it is preferable to the Executive to have reasonable consistent approach across Scotland so that at any time there is not a proliferation of different arrangements in place.

10.8 Model 1: Regional Strategy and Limited Transport Powers

- Every RTP would have, as its base function, the requirement to produce a
 regional transport strategy. This strategy would identify regional priorities, how
 these are to be achieved with what resources and who should achieve them. It
 would make sense for the regional transport partnership itself to deliver parts of
 the strategy and in some cases this would probably require the RTP to have
 additional powers.
- At present, local authorities hold a wide range of transport powers and duties.
 Transferring some of these to the regional level is an option (see models 2 and 3) but it is envisaged that in the first years of operation it might be preferred to keep the range of local authority functions intact and to extend competence in certain specific areas to the RTP.
- An example could be quality bus corridors connecting a city with its commuter belt, which includes towns in other authority areas. The RTS could identify a network of regionally-significant bus routes and conclude that these should be designated as regional quality bus corridors (QBC's) in order to improve bus journey times and encourage modal shift. The RTP might conclude that the roads themselves should remain the responsibility of the local authorities (for maintenance purposes etc) but that the RTP should take responsibility for implementing the QBC. This could include responsibility for installing and maintaining road markings, signage, new bus shelters, bus priority measures, real-time information systems and any other aspects of the road which are required to support the QBC. The RTP's role could extend to agreeing a quality partnership or quality contract for the operation of bus services along the QBC. Associated matters such as speed limits, parking enforcement and road maintenance could continue to be carried out by the local authorities through which the QBC passes.
- Other areas where functions could be exercised concurrently by RTP's and their constituent local authorities include provision of travel information, promotion of road safety and actions to achieve road traffic reduction targets.

10.9 <u>Model 2: Regional Strategy and Some Transport Powers Transferred</u>

- This model represents an evolution of the first. Starting, again, with the regional transport strategy, the RTP would identify those parts of the strategy that it was to deliver and the powers that it would require to achieve that. A transfer of functions would then take place from the local authorities in the partnership to the RTP itself. This would be through secondary legislation and would only take place following appropriate consultation.
- Further discussion would be required to identify those transport functions best
 delivered at regional level for either strategic, delivery or scale-economy
 purposes. One example could be negotiating and managing contracts for
 supported bus services, quality partnerships and quality contracts. This could be
 either to take a strategic regional approach to these measures or in order to
 develop a regional 'centre of expertise' in contract management.
- Other functions that could be considered for delivery at regional level could include parking policy and enforcement and integrated ticketing schemes. Sharing some functions concurrently with local authorities, as in model 1, would remain possible under this model.

10.10 Model 3: Regional Strategy and Significant Public Transport Powers Transferred

- This model further expands model 2 and reflects the current arrangements in the SPT Area in west-central Scotland. Unlike elsewhere in Scotland, public transport functions are already delivered at regional level in Strathclyde and, in time, other RTP's may evolve along similar lines.
- This model is also capable of further modification in that it would also be possible to deliver additional functions at regional level either as transferred functions (as in model 2) or shared functions (as in model 1). It would therefore be possible to integrate roads and public transport functions at the regional level in a way that goes further than the PTA/E model.

10.11 Funding

As set out in the white paper, regional transport partnerships will have 3 major sources of funding:

- requisition from their constituent councils;
- borrowing under the prudential borrowing regime;
- grant from the Scottish Executive

a Revenue Support

Regional transport partnerships would receive the majority of their running costs through requisition from their constituent councils. This would include any expenses associated with the delivery of services where particular functions had been transferred to the RTP. The clear principle would be that where a transfer (or sharing) of functions takes place that this should be supported by the

requisition. In support, the Scottish Executive will also provide, as at present, some additional funding for core running costs.

The Executive recognise that requisition is not popular with councils. Nevertheless, requisition ensure that there is a proper democratic link to the spending decisions of the RTP - in particular that its constituent councils, through councillor members, have the major say on which transport projects or services are pursued by the RTP. It also avoids the situation where one council could have a power of veto over projects or refuses to co-operate in funding the implementation of the regional transport strategy - the discretionary funding arrangements currently supporting SPT have been a source of instability for the organisation.

The Executive do not see advantages in the alternative of direct funding. That would centralise with the Executive decisions on what initiatives to support rather than leaving them devolved with the RTP's themselves. Such an approach would also require complex negotiations to transfer funding from the Local Government settlement back into the Executive's transport budget.

The Executive recognise that splitting of council areas may result in administrative complexities, including the management of the funding arrangements, for example where a local authority is contributing through requisition to the funding of 2 RTP's and two regional transport strategies, and where the two RTP's may not have the same functions.

b Capital

Where a regional transport strategy includes plans for investment in infrastructure projects, these could be funded in a number of ways:

- the constituent local authorities would be able to put money towards the projects, borrowing if required under the prudential borrowing regime (in which case the asset-ownership would rest with the authorities);
- the RTP itself would also be able to borrow money under the prudential regime in the same way. It would have to cover the costs incurred by such borrowing through its budget in future years - this is likely to fall on the constituent authorities to fund as part of the requisition discussed above;
- the Scottish Executive will also be able to contribute to regional projects of a strategic significance;
- for individual projects, other partners (both commercial and public sector) may contribute funding.

11 DUNDEE CITY COUNCIL'S RESPONSE TO THE CONSULTATION

11.1 Appendix 1 to this report sets out the Council's draft response to the consultation paper and draft bill, including general comments and detailed responses to the 16 specific questions.

11.2 Appendix 2 is for members' interest showing the populations of the suggested Central & Tay Partnership.

12 CONSULTATIONS

12.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance) and Assistant Chief Executive (Community Planning) have been consulted and are in agreement with the contents of this report.

13 BACKGROUND PAPERS

13.1 None

Mike Galloway Director of Planning & Transportation lain Sherriff Head of Transportation

IFS/EES 29 November 2004

Dundee City Council Tayside House Dundee

Appendix 1

SUMMARY OF QUESTIONS BY SCOTTISH EXECUTIVE

Boundaries (Section 9 of report refers)

Question 1 We would welcome views on these proposed regional transport partnership boundaries. Would you suggest any modifications?

Response

Dundee City Council has strong transportation links with Angus, North Fife and parts of Perth & Kinross. Dundee's role as the regional centre for health, employment, education and retail sectors sits well on this geographical basis. Our relationship with Angus Council through the Structure Plan is witness to this along with our constituent members on the Tay Road Bridge Joint Board. Our relationship in terms of common transportation issued with Stirling Council must then surely be questioned. With the emerging City Regions agenda could this not be considered an alternative model?

Question 2 What are the benefits and/or disadvantages of these proposals from the perspective of the council area in which you live? Could a regional partnership based on these boundaries deliver improvements to transport in your area?

From the Executive's own principals and considerations, the suggested grouping for Central & Tayside fails to:

- reflect travel to work patterns
- capture a regional boundary that would make sense to its inhabitants; and
- bring together local authorities with common interests and issues.

Constitution

Question 3 What should the role of external members be?

- a To what extent do you think that external members should be:
 - (i) representative of other stakeholder organisations; (ii) experts in particular spheres related to transport; (iii) representative of interests outside the transport world?
- Do you agree that external members on the board of the partnership once approved should be there on the basis of the personal contribution, skills and experience they bring rather than representing a particular organisation or interest group?

It will in most cases be possible to RTP boards to have a sufficient number of external members to cover a range of interests.

Response

External members should not be members of the RTP Board and should not be given a vote. However, a situation where a sub-group can be appointed by the Board to advise on specific project related matters could be considered.

- (i) There would be a difficulty in identifying and agreeing stakeholders/ users/commercial organisation/individuals. In particular, those without their own agenda.
 - (ii) Most transportation staff within local councils are professionally qualified in their own discipline and where skills gaps are identified specialist skills can be brought in.
 - (iii) It is unclear what this means as we are all transport users?
- b Any external members (non voting) must represent their organisation not their self interest.

The Executive's proposed weighting of votes and expectations that no less than 30% of voting members will be external members is estimated to result in a minimum of 6 votes for external members compared with a politically accountable vote of around 13 votes in the Tay and Central Partnership. This could easily result in a publicly non-accountable organisation casting the deciding vote on where public money should be targeted. This is undemocratic and external members should not be granted voting rights.

Question 4 Do you agree that decisions on who are appointed as external members are taken by RTP's themselves in conformity with guidance issued by **Scottish Ministers?**

It is agreed that if required external members should be appointed by the Response RTP themselves.

Question 5 How should the RTP involve people and stakeholders within its region? For example:

> Is there merit in co-opting key stakeholders to work at management team level?

Response Yes, however, majority of management team should be officers of the RTP.

> b Would a stakeholder forum be a practical way of including broader interests?

Response Yes on a regular basis (eg annual).

Are there any other means of ensuring wider engagement?

Response Annual reports, road shows, etc.

d How can RTP's make best use of Community Planning to deliver better transport solutions? What should the Executive do to support them in this?

Response RTP's must engage with Community Planning Partnerships to identify local

needs that improve social inclusion and accessibility to all services and

facilities in the RTP area.

Question 6 Are there some particular organisations that you believe ought to be represented on some or all of the new partnerships? Are there any

organisations that should not be represented?

Response No. One "size" does not fit all. On the question of not being represented, it is

felt that commercial organisations should be excluded.

Question 7 Do you agree that on occasions when a vote is needed to reach a

decision, that this ordinarily be decided by a simple majority?

Response Yes providing that the voting is taken by elected members only.

Question 8 On what issues (eg on issues involving the sharing or transferring of

local authority transport functions) should decisions require a larger

majority?

Response On ordinary matters, there should be no need for larger majority providing

there is no external voting. On constitutional matters and on issues of power

transference, however, a two thirds majority should be necessary.

Functions

Model 1

Question 9 What current local authority functions could be appropriate for an RTP

to exercise concurrently with its constituent local authorities (in your

region)?

Response The preparation of a regional transportation strategy, the submission of

funding bids to implement that strategy and the implementation of high level,

cross boundary transport projects.

Model 2

Question 10 What current local authority transport functions could be appropriate

for delivery at regional level by an RTP (in your region)?

Response The preparation of a regional transportation strategy, the submission of

funding bids to implement that strategy and the implementation of high level,

cross boundary transport projects.

Model 3

Question 11 Do you agree that this model should be adopted by a west of Scotland

RTP in order to ensure the continuity of the public transport services

provided by SPT?

Response No comment.

Question 12 What powers currently held by local authorities in the SPT Area would it

make sense to deliver alongside SPT's existing public transport powers

in a new west of Scotland RTP?

Response No comment.

General questions on functions

Question 13 Which of these three models would you like to see your region adopt?

Response Model one.

Question 14 Do you envisage that the RTP in your region will gain further functions

as it develops? If so, which ones?

Response As the RTP matures and of the confidence of the elected members, local

councils and the customers is achieved, further appropriate transportation

services may be considered suitable for the RTP.

Funding

Question 15 Do you agree that there is no alternative to requisition if regional

transport partnerships are to have a stable and secure source of

funding?

Response No, the requisitioning of GAE and capital allocations creates an effective ring-

fencing of these funds contrary to local democratic accountability.

Question 16 What classes of expenditure (eg core staffing, running costs, provision

of services, capital investment) are best met through (a) requisition, (b)

prudential borrowing, (c) grants from the Scottish Executive?

Response Until such times as the RTP's and their agreed strategies are published, the

required revenue and capital budgets are unknown. At this stage,

requisitioning should be limited to core staffing and running costs only.

Appendix 2

Regional Transportation Partnerships Populations

Central & Tayside	Population	%
Angus	108,400	22.8
Dundee City	145,663	30.7
Perth & Kinross	134,949	28.4
Stirling	86,212	18.1
TOTAL	475,224	100