

Executive Decision Report

For Leicester City Council to be a constituent member of a statutory Midlands Connect Sub-National Transport Body covering the whole of the Midlands.

Decision to be taken by: City Mayor

Decision to be taken on: 9 August 2018

Lead director: Andrew L Smith



City Mayor

Useful information

- Ward(s) affected: All
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- Report version number: 01

1. Summary

Approval is sought for Leicester City Council to be a constituent member of a statutory Midlands Connect Sub-National Transport Body covering the whole of the Midlands.

Midlands Connect is seeking to make a formal proposal under the Cities and Local Government Devolution Act 2016 to become a statutory Sub-National Transport Body to provide partners with the long-term, business confidence to drive further investment into the Midlands and ensure the full benefits of the 2017 transport strategy are realised. Leicester City Council would be a key member with the opportunity to influence transport investment in not only Leicester and Leicestershire but also in the wider midlands area.

The formal regulations and constitution to establish a Sub-National Transport Body will be developed through 2018/19.

2. Recommendations

Approval in principle for Leicester City Council to be a constituent member of a statutory Midlands Connect Sub-National Transport Body. This is subject to the establishment of acceptable provisions for the detailed functions to be delivered by, and regulations governing, the body.

3. Supporting information including options considered:

Background

3.1 Midlands Connect was established in 2014 representing 16 Local Authorities, 9 LEPs and business representatives from across the Midlands. The 2017 transport strategy sets out a 25 year vision for how further infrastructure investment can unlock up to £5bn GVA per annum and 300,000 jobs by 2030.

3.2 We have been concerned for some time about the low level of national transport spending in the East Midlands relative to other UK regions/nations, and the impact this is having on our economic performance. Recent Treasury statistics confirm that the East Midlands has:

- The lowest level of public expenditure on transport, in total and per head; and
- The lowest level of public expenditure on rail per head.

3.3 The Midlands must have a greater say over transport investment decisions made at a national level that impact on our local economies.

We need to be able to work with the Department for Transport and its delivery bodies to develop and agree forward investment priorities for the Strategic Road Network, our

Major Road Network and the rail network.

3.4 Midlands Connect is now seeking to make a formal proposal to become a statutory Sub-National Transport Body to provide partners with the long-term, business confidence to drive further investment into the Midlands and ensure the full benefits of the 2017 strategy are realised. This is the opportunity for Leicester City Council to be a constituent member.

Statutory Framework

3.3 The Cities and Local Government Devolution Act 2016 introduced the ability for groups of Local Authorities, with transport functions, to establish statutory Sub-National Transport Bodies which could speak on behalf of its partners, have formal regard in national decision-making and drive investment into its area.

3.4 Midlands Connect have worked with each prospective Constituent Authority during 2017/18 and carried out a formal consultation in spring 2018 to test the draft proposal with appropriate bodies, as required by legislation.

3.5 It is for each prospective Constituent Authority to consent to and make the proposal to form Midlands Connect as a statutory Sub-National Transport Body.

Constitution

3.6 The proposed Midlands Connect governance structure as a statutory STB would build on existing structures. The Strategic Board and Steering Group would continue to provide the day-to-day oversight of programmes, but a more formalised 'Partnership Board' would meet at least twice per annum to agree certain issues, primarily:

- a. The approval and revision of Midlands Connect's transport strategy;
- b. The approval of Midlands Connect's annual budget;
- c. Any changes to Midlands Connect's constitution;
- d. Any matters referred to the 'Partnership Board' from the Midlands Connect Strategic Board.

3.7 The formal regulations to establish a Sub-National Transport Body will set out the governance including voting mechanism for the full 'Partnership board', where all 'constituent members' meet. Midlands Connect's consultation in spring 2018 did not raise any substantive issues with the preferred approach so the Strategic Board agreed that formal consents proceed on the basis of a Population Weighted approach, based on votes per 200,000 population, although this is still subject to confirmation.

3.8 Midlands Connect will be developing a draft Constitution through 2018/19 which will set out further detail for how the organisation can effectively work from 2020 onwards. An update on this work will be presented to prospective Constituent Authorities alongside further consideration of the proposal in 2019. Key issues like financial contributions will be set out in these draft proposals, stating that any local contributions would need to be agreed by each Constituent Authority and no expectation of local contributions is made in this proposal.

Functions

3.9 Midlands Connect does not seek to take on any local transport functions from Constituent Authorities. The draft Midlands Connect proposal was developed in summer 2017 and considered by councils over the proceeding months. It was unanimously agreed that Midlands Connect's priorities can be delivered through the

strength of our existing partnerships, both with national and local bodies. The priority is to drive investment into cost-effective and credible infrastructure programmes, set out to date in the 2017 transport strategy.

3.10 Midlands Connect's unique partnership including civic and business leadership seeks to formalise its role as a 'bridge' between local and central Government to deliver the economic benefits all partners aspire to. Legislation requires that Midlands Connect would publish a transport strategy, advise Government based on that strategy and the Secretary of State would have to have formal regard to it in any national decisions. In effect, Midlands Connect want a more formalised role to secure further investment across the Midlands.

3.11 The Midlands Connect proposal sets out some areas where concurrent functions with Constituent Authorities may be beneficial. These functions would require consent from affected Constituent Authorities to be used:

- a. Ensuring a consistent roll-out of smart ticketing across the Midlands, including the capability for Midlands Connect where requested by a relevant authority to procure and deliver smart ticketing infrastructure in their area;
- b. Using capital grants to develop and support the delivery of programmes with partners;
- c. Acting as a statutory consultee for Rail Franchises in our area, to provide effective advice to DfT's rail programmes, concurrently with West Midlands Rail and other relevant Local Transport Authorities

Midlands Connect can make future proposals to Government for further functions but would need to go through the full process, including formal consent from all Constituent Authorities.

3.12 In summary the main benefit will be the collective strength of a single legal entity that will be able to deal with the Government of the day. This will provide the Midlands region with a stronger say in strategic transport priorities, and thus be in a better position to justify greater investment to improve regional connectivity and support economic growth.

4. Details of Scrutiny

7th February 2018 - Economic Development, Transport and Tourism Scrutiny Commission.

5. Financial, legal and other implications

5.1 Financial implications

There are not believed to be any significant or immediate financial implications arising from joining the Midlands Connect Sub-National Transport Body. However, any subsequent proposals to route funding or costs via the Body, including for the members to take collective responsibility or liability for such funding or costs, should be properly considered and approved at the time.

Colin Sharpe, Head of Finance, ext. 37 4081

5.2 Legal implications

There are no specific commercial legal issues arising from this report. Legal advice will continue to be provided to officers as appropriate, particularly in relation to governance issues.

Clare Sinnott, Solicitor, Commercial, Property & Planning Team (ext. 37 1408)

5.3 Climate Change and Carbon Reduction implications

No direct climate change implications.

5.4 Equalities Implications

Not applicable

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

None

6. Background information and other papers:

Midlands Connect publications,

7. Summary of appendices:

None

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?

Yes

10. If a key decision please explain reason

It is significant in terms of its effects on communities living and working in all wards in the City and beyond.