

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to	EXECUTIVE COMMITTEE
Date	18TH MARCH 2013
Subject	UPDATE ON COLLABORATION ON HIGHWAYS ON TRANSPORTATION SERVICES
Portfolio Holder(s)	COUNCILLOR BOB PARRY
Lead Officer(s)	DEWI R WILLIAMS
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<u>Nature and reason for reporting</u>	
To provide a progress update on the collaboration programme for Highways and Transport series across Wales.	

A – Introduction / Background / Issues
<p>The Compact was signed by the Welsh Local Government Association on behalf of all local authorities in Wales in July 2011. One of the principal items in the Compact is “Regional Planning Management and Delivery of Strategic Highways”. This covers roads, for which the Welsh Government are the Highway Authority and the remainder for which the 22 local authorities are the Highway Authority. The roles of Welsh Government, Local authorities, Trunk Road Agencies and the Regional Transport Consortia will be considered, to ensure a coherent planning and delivery framework is achieved across Wales.</p> <p>Following the signing of the Simpson Compact, a Compact Steering Group was established, consisting of WG/WLGA/RTC representatives, to co-ordinate the delivery of the Compact commitments related to Highways and Transport Services.</p> <p>The Minister for Local Government and Communities has stated his position on Highways and Transportation collaboration:</p> <ul style="list-style-type: none"> • 22 local authorities working independently is not supported • The joint working arrangements currently in place, based around the Regional Transport Consortia, are to be explored for further development. • Joint Transport Authorities or the use of “powers of direction” have not been ruled out by WG which in effect removes control of Transportation services from Local Authorities

- Change must lead to improvement in services or efficiency savings or both
- There are differences within and between regions and these differences need to be taken into account

B- Considerations

2.1 Current Situation

A wide ranging consultation exercise was undertaken, including workshops throughout Wales, engaging with key stakeholders and practitioners, including: regional directorate groupings; heads of service; the joint Committees and Corporate Management Boards set up to represent the Regional Transport Consortia. Through this approach both levels of government were able to identify (supported with evidential examples), the challenges and opportunities within the current arrangements and suggest effective ways forward.

The compact Steering Group felt that the constraints of current arrangements are:-

- Inability to effectively respond to reducing funding levels
- Limited strategic approach to planning & selection of investment interventions in Wales
- Disjointed approach, to planning, management & delivery of transportation in Wales
- Duplication of resources due to current delivery structures
- Inability to develop or retain officers with specialist knowledge & skills
- Inefficient/ineffective procurement
- Limited baseline data & benefits accrued from investments
- Variation across Wales in some areas, in standards & policies which are not justified in improving outcomes at a local level
- Resilience – ability to discharge statutory duties placed upon organisations

Using the information and views gathered, the Steering Group prepared a detailed document “The High Level Review of Transport & Highway Services Report” which includes the outcomes of the workshops, including the All Wales Consultation Workshop held in September 2012. This document highlighted that more needs to be done to ensure our services are responsive, appropriate and sustainable.

The attached Strategic Programme for Change Report (SPfCR) was completed by the Steering Group using the evidence base from the High Level Review document and aims to establish the case for change and the way forward in relation to modernising and improving the way highways and transportation services are planned and delivered. The main focus of the document is to set out clearly the strategic case for change. It provides:

- An assessment of the current service provisions and governance arrangements against set objectives and associated criteria;
- Sufficient information to allow a decision to be made as to whether further work should be undertaken on assessing the business case for change
- Recommendations for the next steps.

Detailed within the change report is a programme of 10 high level workstreams which are recommended for further investigation over a two year period, commencing immediately and scheduled for completion in 2014:

Workstream 1 – Strengthen governance arrangements for regional collaboration, policy & strategy

Workstream 2 – Establish a planning framework for the next National & Regional Transport Plans.

Workstream 3 - Redefine the status of roads making up the Welsh highway network

Workstream 4 – Re-allocate responsibilities for the various categories of the highway

Workstream 5 – Develop business cases for further collaborative working on a regional – sub regional basis

Workstream 6 – Introduce arrangements for Welsh Government & local government to share their professional skills

Workstream 7 – Introduce a programme to roll out procurement processes that have secured efficiency savings at a national, regional & local level.

Workstream 8 – Establish minimum operational & maintenance standards & policies & rationalise specification for the network

Workstream 9 – Increase resilience to delivery planned and non-planned events

Workstream 10 – Introduce a requirement & system to produce, record & compare outcomes & outputs against investment.

2.2 Next Steps

Approval was sought from WLGA Council on 22nd February 2013, to further investigate the 10 workstreams over the next two years by developing business cases to ascertain if there is merit in implementing changes to the areas identified. Any new arrangement must be capable of meeting the following high level objectives:

- Leadership/Governance – Shared governance arrangement which are robust, effective & fit for purpose providing strategic leadership, clear accountability & effective scrutiny
- Efficiency - Will deliver more for less
- Effectiveness/Innovation - Improving service delivery by introducing effective and innovative objectives and targets, collaborative working; knowledge sharing and problem solving

2.3 **Resource Implications**

Welsh Government, Welsh Local Government Association and Local Governemnt are all contributing resources to the programme. It is considered that the resource requirements to complete the Strategic Programme for Change Reprot can be met by these organisations, however, to progress the workstreams further will require additional resources.

2.4 **The Quick Wins**

In addition to the 10 workstreams detailed above the RTC's have been asked to deliver a number of collaborative projects as "Quick Wins". TAIH is currently exploring the following proposed collaboration models:-

2.4.1 **Road Safety**

Collaboration arrangements have been put in place; each authority is responsible for leading on a road safety theme under the strategic direction of a regional Road Safety Board comprising of local authorities, thePolice and North Wales Fire Service.

2.4.2 **Public Transport**

The outcome from a study of the existing arrangements, together with proposals to share skills and resources is currently being developed. An Outline Business Case will be brought to all local authorities in TAIH in the near future for consideration and approval.

2.5 **Bus Funding**

A further "Quick Win" has been introduced by the Minister which relates to the funding of bus services across Wales. The Bus Service Operators Grant (BSOG) and the Local Transport Services Grant (LTSG) are the two main sources of grant funding. Up until now, LTSG has been allocated to local authorities by the Welsh Government on a formula basis whilst BSOG was a Department for Transport administered fuel duty rebate for operators. The Welsh Government have advised that between 2011/12 and 2013/14 the combined grant funding from these two sources will reduce by 25% from £33m to £25m.

A Bus Funding Review Steering Group was established by the Minister and supported by a Technical Group, consisting of Welsh Government, local authority representatives from Regional Transport Consortia and the Confederation of Passenger Transport.

The Group's report proposed a number of changes which have been approved by the Minister and will take effect from April 2013. Other changes require a longer lead and further work will be undertaken during the transition year 2013/14 and may extend into 2014/15.

The board changes to bus funding arrangements which will take effect from April 2013 are:

- A single, new funding scheme will replace the current BSOG and LTSG with a working budget assumption of £25 million (from the total of previous grant schemes amounting to c£33m). This allocation will support commercial and non-commercial services. The working title of this new grant scheme is the Regional Transport Services Grant.
- The financial year 2013/14 will be a transition year for the new scheme to allow the network to adjust to the new levels of available public funding; including the future level of RSG, which local authorities may continue to provide additional support for public transport from.
- Subject to their respective approval, the RTCs will be responsible for administering the new scheme from 1 April 2013. This role for TAITH is not currently covered by its Constitution, so a change will have to be approved by each of the six authorities before April 2013.
- During the transition year 2013/14 RTCs (together with their partners) will prepare Regional Bus and Community Transport Network strategies, providing an overview of the existing bus and community transport network (for both commercial and supported services) together with the objectives and priorities for the network. This will then inform funding allocation towards services across the region.

3.1 Implications for Local Authorities/Regional Transport Consortia

In a short timescale, RTCs and their constituent local authorities will need to establish the tasks that they may take on within the current legal and governance framework identify resources and establish appropriate systems to manage the additional tasks. WG expect that the additional costs associated with administering the Regional Transport Services Grant will be met from the fee paid by the Welsh Government to local authorities for administering the free concessionary bus travel scheme and are not proposing to make other resources available.

The reduced funding will make it difficult to maintain services, improve quality and grow bus service usage. As a result of the reduction of the 'former' BSOG element, some commercial services may become uncommercial, resulting in bus operators withdrawing services. RTCs and local authorities will also have less funding available for services. Local authorities could face local pressures to bridge the gap created by a reduction in available funding, using individual local authority budgets to ensure that support for specific subsidised, socially necessary routes continue. In a recent letter to the RTC's Welsh Government sought assurance that the RTC will have appropriate arrangements in place by April 2013 to implement the bus grants.

In this letter, Welsh Government also indicated that, "we should consider how we can identify the level of unhypothecated funding used to support local bus services at the local authority level and how this can best support the new working arrangements."

C – Implications and Impacts		
1	Finance / Interim Head of Function (Resources) and Section 151 Officer	
2	Head of Function Legal & Administration / Monitoring Officer	
3	Human Resources	
4	Property Services (see notes – separate document)	No Comments
5	Information and Communications Technology (ICT)	
6	Equality (see notes – separate document)	
7	Anti-poverty and Social (see notes – separate document)	
8	Communication (see notes – separate document)	

C – Implications and Impacts	
9	Consultation (see notes – separate document)
10	Economic
11	Environmental (see notes – separate document)
12	Crime and Disorder (see notes – separate document)
13	Outcome Agreements

CH - Summary
<p>The pace of change is being driven by Welsh Government and upheld with the threat of the introduction of regional level Joint Transport Authorities, if the major collaborative programme is not implemented speedily.</p> <p>There will be a review of the governance arrangements necessary to oversee and take forward the collaborative programme of change and its implications on the Regional Partnership Board, the TAITH Joint Committee, the local authorities and the officer structures necessary to manage these arrangements.</p> <p>At the WLGA Council meeting on 22nd February 2013, Councillors representing local authorities were asked to approve the Strategic Programme for Change report. This will not commit local authorities to anything, other than give agreement for Business Cases to be developed for the workstreams, before being brought back to local authorities for formal approval, should the Case for Change be proven.</p>

D - Recommendation
<p>That the Strategic Programme for Change report and further exploration of the 10 workstreams is approved.</p> <p>That further reports are brought to the Executive and Scrutiny for consideration of the Business Cases, before any changes to current working practices are introduced.</p>

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Appendices:

Background papers