

**SOUTH EAST ENGLAND
REGIONAL TRANSPORT BOARD**

Date: 26 October 2007

Subject: **Future of Local Transport Plans**

Report of: Regional Planner
South East England Regional Assembly

Recommendations:

It is recommended that the Board endorse the response set out in Annex I.

Purpose of Report:

To endorse the draft response to the consultation document, identifying any additional points as appropriate.

Key Issues:

The consultation document on the future of Local Transport Plans (LTP) follows on from the proposed changes to local transport delivery set out in the draft Local Transport Bill. The document proposes to give greater control to local authorities in drafting and monitoring local transport policies, and is open to comment on future guidance. The first part of the document outlines proposed changes to the monitoring of current LTPs, and changes to maintenance funding. The second section looks to develop a new approach to Local Transport Plans.

1. Background

- 1.1 Local transport planning is critical to ensuring the policy framework set out in the South East Plan (the Regional Spatial Strategy for South East England) and the Regional Economic Strategy is delivered.
- 1.2 On the 21 May 2007, the Department for Transport released the Consultation Draft of the Local Transport Bill: 'Strengthening Local Transport Delivery'. The draft Bill sought to empower local authorities to take appropriate steps to meet local transport needs.
- 1.3 The Department subsequently published a further consultation document seeking views on proposed changes to the arrangements associated with Local Transport Plans; and scoping opinion on the future direction of local transport strategies.
- 1.4 Consultation on the proposals closed as of 19 October 2007. A copy of the draft response (Annex I) has been submitted in order to meet with this deadline. Any changes arising from the Board's discussion will be submitted after this meeting.

2. Proposed Changes to Current Local Transport Plans

- 2.1 The document proposes some minor changes to the monitoring of the current round of Local Transport Plans (LTP2) and revisions to the current formula for allocating maintenance capital funding.
- 2.2 Monitoring Progress
 - 2.2.1 Local Transport Authorities will be offered greater flexibility to report progress in a manner that reflects local circumstance and the strategic aims of their LTP. Ultimately the government aim is to integrate the monitoring of transport within Local Area Agreements, where they can be tied to funding. The proposal is that the next round of monitoring reports will be used as a precursor to LAA arrangements, insofar as the Government intends to use the process to identify transport priorities that are of particular relevance to an Authority. As such, the next round of monitoring will not effect LTP financial settlements.
- 2.3 Maintenance Capital Funding
 - 2.3.1 The document outlines a series of minor changes to the formula used for determining funding settlements. These appear to follow the recommendations of a working group set up by the Department for Transport. However, there are notable changes in regards to road condition variance and settlement dampening mechanisms. It is the government's intention to reduce variance in order to ensure that LTAs have a more consistent flow of funds onto which they can plan investment. Under the proposals, Authorities are less likely to receive a cut in funding between settlements; conversely, they will receive less additional funding in light of deteriorated road condition.
- 2.4 Joint Local Transport Plans

- 2.4.1 While the South East does not contain any joint Local Transport Plan areas, it is worth noting that the Government intends to extend current arrangements to allocate funds to 'joint areas'. The Government proposes to extend the current arrangement of joint integrated block allocations to maintenance funding. Such an approach offers greater flexibility in joint LTP areas by allowing them to specifically target problematic roads for increased investment.

3. Beyond the Second round of local transport plans

- 3.1 The second part of the consultation document looks to develop local transport planning, and seeks opinions on what should be included in the third round of plans. The main intention is to encourage the development, and application, of an integrated approach to transport planning, aligning LTPs with land-use and economic strategies, ensuring a greater focus on implementation.
- 3.2 While the document recognises the varying needs of each LTA the expectation is that a sub-regional approach to transport planning will become increasingly important. As such, the Department particularly seeks views on how local transport planning could interact with Regional Transport Strategies.
- 3.3 The document proposes the following changes to local transport planning;
- Amending the wording of legislation to stipulate that a local authority needs to develop a clear plan for the implementation of transport policies; whether as a separate or as a combined document.
 - Remove the requirement to replace the plan every five years. LTAs would decide when they need to redraft their LTP, possibly tied to reviews of other strategies and plans (e.g. the Regional Transport Strategy or a Local Development Document).
- 3.4 While open to suggestions, the document appears to prefer 'Integrated Transport Strategies' and implementation plans as a potential solution for all areas (proposed in the draft Local Transport Bill for metropolitan areas). These consist of a long-term strategy (10 years and beyond) and an implementation plan (approximately every 5 years).

4. Discussion

- 4.1 It is clear that the Department has prepared the document having first sought informal views from LTAs. Opinion amongst LTAs in the region suggests that the proposals appear to be rational, albeit that there is significant concern that many issues have been misrepresented.
- 4.2 In terms of funding variance, the proposals appear to offer greater consistency, which is welcomed. However a contingency funding mechanism, to cover for unexpected road deterioration above the reduced variance settlement, probably

needs to be identified to avoid an increase in the call on the Regional Funding Allocation to address such matters.

- 4.3 More importantly, the focus of the debate on delivering local transport planning needs to be broadened beyond the scope of the proposals set out in the document. A key constraint on the ability of LTAs to deliver is the impact that the current local authority funding system has on the so-called 'floor authorities'. This is a matter that can only be addressed by Government.
- 4.4 The aspiration to encourage more joint working is commendable. LTAs in our region are acutely aware of the benefits of joint working, and aspire to undertake such work. However, the ability of LTAs to undertake work for individual LDFs needs to be balanced with the requirement to undertake strategic work. In Unitary areas, this is quite simply down to resource availability. In two-tier areas, the issue is one of timing, with the LTA potentially having to undertake several studies with varying timescales to meet the needs of the LDFs.
- 4.5 While not covered in the consultation, LTAs in the region have registered their concern that transport delivery may lose focus if it were to be fully integrated into the next round of Local Area Agreements (LAAs). While the concept of taking a more holistic view to funding local services is welcomed, there is a need to ensure that local transport interests are adequately represented in LAAs or MAAs.
- 4.6 The proposal to amend legislation to ensure that LTPs must identify actions and mechanisms to delivery is consistent with the approach pioneered in the region with the draft South East Plan. In addition, removing the requirement to replace the plan every five years should allow the production of a 'core document' with an implementation plan that can be updated as and when required.
- 4.7 There remains the issue of how to best ensure that the strategic policy framework set out at the regional level is adequately reflected in future LTPs. The issue is largely one of conformity. Regional Planning Bodies already have a statutory duty to ensure that Local Development Frameworks are in conformity with the Regional Spatial Strategy (RSS). However, an equivalent process does not exist for Local Transport Plans; regardless of the fact that the RSS sets the statutory policy framework within which transport delivery at the local level takes place. With LTAs freed of the requirement to redraft their LTP every five years, it should be easier to prepare strategic documents that have an enhanced level of alignment with the regional policy framework and which can be subjected to some form of conformity check.

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SOUTH EAST ENGLAND REGIONAL TRANSPORT BOARD

DRAFT RESPONSE TO “THE FUTURE OF LOCAL TRANSPORT PLANS”

NOTE: This draft response is to be considered by the Regional Transport Board at its meeting on 26 October 2007. Any changes to the draft arising from the Board's debate will be submitted after the meeting.

1. Introduction

- 1.1 Local transport planning is critical to ensuring the policy framework set out in the South East Plan (the Regional Spatial Strategy for South East England) and the Regional Economic Strategy is delivered. Central to the policy framework is encouraging a modal shift in favour of non-car modes.

2. General Comments

- 2.1 It is important that in promoting changes to the arrangements for local transport planning greater account is given to the different nature of the challenges faced in the more rural parts of the country compared with the major metropolitan areas. In addition the arrangements need to reflect the complexity of local transport planning in South East England where the influence of London combined with the region's role as a gateway bring added complications. **It is therefore essential that any proposed changes give greater weight to issues pertinent to areas outside of metropolitan areas.**
- 2.2 The arrangements for local transport planning should give greater emphasis to ensuring that the relationship between the LTP and the preparation of the Local Development Framework works effectively. A particular concern of the region's Local Transport Authorities (LTA) is the expectations in respect of the transport evidence base that underpins the LDF. The timing of the LDF process is giving rise to quite severe pressure on resources within LTAs. **The proposal to give greater flexibility with regards the timing of the need to prepare a LTP and its time horizon is therefore welcomed.**
- 2.3 **The desire to explore ways in which to encourage greater strategic transport planning across all levels of governance, in particular developing a sub-regional focus, is supported in principle.** This reflects the reality that travel to work areas and areas of economic activity are not constrained by LTA boundaries. However our experience within the region to date serves to highlight that **sub-regional working brings with a requirement for additional resources over and above that currently available within a LTA.** Given the ongoing debate on the future arrangements for working at regional and sub-regional level arising from the publication of the Treasury's Sub-National Review it is important that arrangements for local

transport planning are not finalised based solely on the outcome of this consultation.

- 2.4 In addition, a key factor that will underpin local transport planning in the future is the nature of the relationship with the relevant Local Area Agreement (or MAA if appropriate). While not explored in this particular consultation, **there is a need to give further thought to how best to ensure local transport issues are clearly represented in Local and Multiple Area Agreements. While the intention to address the role of transport more holistically we are concerned that this should not be at the expense of diluting the emphasis given under the current arrangements to deliver an efficient and sustainable transport system.**

3. Proposed Changes to Current Arrangements

- 3.1 **The proposal to use the next round of LTP monitoring reports to identify specific issues that affect a given authority is supported.** Such an approach will assist with the identification of key transport targets for inclusion within future LAAs. We propose to submit further comments on this matter after consideration of the proposed indicators recently published by Government.
- 3.2 **Reducing the annual variance in settlements made to individual LTAs is supported on the basis that it will enable them to plan on a more consistent basis over an extended period of time.** However, there is a need to explore whether a case exists for establishing a contingency fund that would enable LTAs to secure additional resources to deal with issues such as unexpected road deterioration. In the absence of such an arrangement LTAs may be forced to make greater use of bids for 'exceptional maintenance' via the Regional Funding Allocation.
- 3.3 More importantly, LTAs in the region have highlighted that the main constraint on delivering transport improvements at the local level arises from the impact of the current financial framework for local authorities. At present all LTAs in the region are classed as 'floor authorities' for the purposes of local authority funding. This places severe limitations on the ability of individual authorities to take full advantage of financial settlements announced by Government. Failure by Government to tackle this issue is already resulting in delays to the preparation of local transport schemes, which is in turn leading to delays in delivery on the ground. **We therefore strongly urge Government to review as a matter of urgency the arrangements that govern local authority financial settlements in so far as they impact on Local Transport Authorities.**

4. Future Rounds of Local Transport Plans

- 4.1 **The intention to amend legislation to ensure that LTPs address delivery is supported.** The emphasis on preparing a short-term 'implementation plan' in support of the strategy document is consistent with the approach pioneered at the regional through the draft South East Plan. The greater flexibility derived from the removal of the requirement to replace an LTP

every five years should allow the production of a 'core document' with an implementation plan that can be updated as and when required.

- 4.2 However, in order to achieve integration of land-use planning with transport planning, further consideration needs to be given to the nature of the relationship between the implementation dimension of the LTP and that associated with the LDF.
- 4.3 A particular concern is the current fragmentation in respect of the extent to which the content of an LTP is checked for conformity against the Regional Spatial Strategy. Regional Planning Bodies have a statutory duty to ensure that Local Development Frameworks are in conformity with the Regional Spatial Strategy; however, an equivalent process does not exist for Local Transport Plans. **The arrangements for approving a LTP should be reviewed with a view to identifying an effective process for ensuring consistency with the Regional Spatial Strategy.**

**South East England Regional Transport Board
26 October 2007**

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