

# GREATER MANCHESTER INTEGRATED TRANSPORT AUTHORITY

## REPORT FOR RESOLUTION

**COMMITTEE:** AUTHORITY  
**DATE:** 28 AUGUST 2009  
**SUBJECT:** TRANSPORT GOVERNANCE  
**REPORT OF:** CLERK TO THE AUTHORITY AND CHIEF EXECUTIVE OF GMPTE

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### PURPOSE OF REPORT

Further to the meeting of the AGMA Executive Board in June, this report sets out the terms of reference for and the outcome of preparatory work on a review of transport governance arrangements in Greater Manchester and seeks the Authority's endorsement of the principle of a joint review by the 10 districts and the Authority.

### RECOMMENDATIONS

The Authority is recommended to:

- 1 note the outcome of preparatory work on the approach to a review of transport governance arrangements in Greater Manchester;
- 2 endorse the principle of the review being undertaken on the basis set out in this report jointly by this Authority and the 10 districts;
- 3 note that the Chair and Vice Chair of this Authority and the Chair and Vice Chairs of the AGMA Executive Board will form a "sounding board" for the review going forward;

### BACKGROUND DOCUMENTS

Transport Governance: A consultation on future arrangements in Greater Manchester  
AGMA Executive Board reports and associated papers  
Local Transport Act, 2008  
Local Democracy, Economic Development and Construction Bill  
Associated papers held in Room 317, Town Hall, Manchester

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## BACKGROUND

- 1 Members will be aware that the AGMA Executive Board has been pursuing a programme of major reforms in the arrangements for City Region governance including transport for some time. The objective underpinning these reforms has been to ensure that these arrangements will enable them to work effectively together in order to improve the economic and social well-being of the Manchester City Region, its people and businesses through measures and joint actions which they may determine from time to time. A key development which was reflected in the new AGMA constitution was the designation of the Executive Board as the accountable focus for integrating and co-ordinating economic development, transport, planning and housing policies for the City Region.
- 2 The need for reform of governance arrangements both for City Regions and for transport in particular is accepted by Government, both in its selection of Greater Manchester as a statutory City Region pilot and in the provisions of the Local Transport Act and the Local Democracy, Economic Development and Construction Bill; the clear intention behind all three being a change in governance arrangements following a review process to enable the alignment of transport functions with economic development, planning and housing functions.
- 3 Since the announcement of the pilot in April, AGMA and Government have agreed that an examination will be undertaken of how Greater Manchester, as a City Region, can assume greater responsibilities and wider influence, comparable to Transport for London. Without this scale of ambition and approach, Greater Manchester cannot develop the transformational transport systems and services necessary to bring about the self-sustaining economic growth which the strategy for the City Region pilot is intended to spur.
- 4 The key aspiration with regard to recasting the transport governance relationship between Greater Manchester and external, national transport bodies, such as the Department for Transport and the Highways Agency, are to secure as far as possible the devolution of funding streams as well as powers from these bodies where these have an impact within the conurbation.
- 5 What is clear from the discussions with Government is that Greater Manchester's capacity to achieve greater influence will be determined by how we can show that new and robust governance arrangements can be agreed that satisfy Government that any new responsibilities can be delegated and fulfilled effectively. AGMA's stated intention is to try to forward definitive proposals on all these matters alongside the progress of the pilot on transport with a detailed scheme for transport governance in the early part of 2010.

## FRAMEWORK AND TIMETABLE FOR THE REVIEW

- 6 In this context, the Executive Board of AGMA in June considered a report which set out the results of preliminary work on transport governance including a proposed framework and timetable for a formal review under the terms of the Local Transport Act (LTA) and Local Democracy Bill LDB).
- 7 The report set out the results of preliminary work on the issue of transport governance including a proposed framework and timetable for a formal review under the terms of the LTA and LDB. In compliance with the LTA and its guidance, the document sets out the framework for a review which includes an objective analysis of problems with the current arrangements and a set of high-level objectives for future governance arrangements. A wide range of potential governance models is identified and evaluated having regard to the essential purpose of any review which is considered to be the determination of the most appropriate and effective relationship between an ITA and its functions, as they exist now, with the role and functions of the AGMA Executive Board driving economic change within the City Region. Other issues considered were the delegation of strategic transport responsibilities, the role and participation of neighbouring sub-regions and the whole issue of delivery structures.
- 8 The Executive Board agreed that a review of transport governance should be undertaken along the lines set out in the report and endorsed the principle of the review being undertaken jointly by the GMITA and AGMA authorities. These included a first stage consultation involving the Authority and the 10 districts individually, the associate member authorities, other appropriate neighbouring authorities and other stakeholders including the Business Leadership Council based on this preliminary work. It was also agreed, in consultation with the Chair and Vice Chair, that it was important to ensure proper balance in the review process between the roles and responsibilities of both the Executive Board and the Authority and, with this in mind, it was agreed that the Chair and Vice Chair of the Authority and the Chair and Vice Chairs of the AGMA Executive Board would form a “sounding board” for the review going forward.
- 9 In accordance with the Executive Board’s decisions and the timetable set out in the report, the review report was published as a formal consultation document and advance copies were sent to all members of the Authority at the end of July. A further copy is attached. It was also circulated to a comprehensive list of stakeholders and put on the AGMA and GMITA websites. Stakeholder consultees have been asked to submit responses either online or in writing and a response form which contains 7 questions was included in each document and on the websites. The end of this first stage consultation is **30 September** which allows just over 2 months for responses to be

submitted. The full process and timetable for the review is detailed in paragraph 7 of the document.

- 10 This document constitutes Stage 1 of a 4 stage governance review process. The process thereafter will be as follows:

### **Stage 2**

The intention will be to report back to the Authority and AGMA on the outcome of the consultation no later than November 2009. The Authority and AGMA can then determine their preferred model and work will then proceed on the preparation of a detailed scheme which will be the subject of a further consultation exercise. The period of time for and scope of this consultation will be determined at that time.

### **Stage 3**

The detailed scheme will be submitted for approval to the Authority, the 10 districts and the AGMA Executive Board prior to this consultation exercise taking place.

### **Stage 4**

After consultation on the detailed scheme, and the Authority and AGMA have determined the outcome, the scheme will be presented to the Secretary of State. The intention is to get to this point by the end of March 2010.

- 11 It is anticipated that the sounding board comprising the Chair and Vice Chair of the Authority and the Chair and Vice Chairs of the AGMA Executive Board will meet to review the outcome of the consultation generally in the period between the end of September and November as the latest date envisaged for a report back on the consultation process.

## **CONCLUSIONS AND RECOMMENDATIONS**

- 12 This report and the review document present a genuine opportunity for Greater Manchester to capitalise on the real progress which has been made in advancing the City Region transport agenda in the last few months. The City Region pilot status accorded to Greater Manchester provides the potential for much greater powers over the sub-regional transport system to be devolved to sub-regional governance structures. Crucial to this from a Government perspective is that AGMA can show that new robust governance arrangements can be agreed to satisfy them that new responsibilities can be delegated effectively. The work being undertaken to examine the feasibility of greater powers and responsibilities being delegated to the City Region will take place in parallel with the process of reviewing governance arrangements. It is vital that this first stage of the process of review of current arrangements leads smoothly into the identification of a preferred

model and then beyond that to the next stages of the review process including a further consultation on the detailed scheme.

- 13 A set of recommendations appear at the beginning of this report.

**SIR HOWARD BERNSTEIN**  
**CLERK, GMITA**

# Transport Governance

A consultation on future arrangements  
in Greater Manchester



# Purpose of this document

This document puts forward a proposed framework and timetable for a review of transport governance within Greater Manchester within the terms of the Local Transport Act but which also takes into account the wider governance reforms being pursued by AGMA, the findings of the Manchester Independent Economic Review and the provisions of the Local Democracy Bill.

The document has been prepared by AGMA and GMITA as the first stage of a four stage process of review of transport governance arrangements in Greater Manchester. The document sets out the results of preliminary work on current structures and the potential options for future arrangements. It has been written in an open-ended way so as to generate debate and encourage people to comment. Responses to this document can be submitted in the following ways:

- By completing the form included with this document and returning it to the Clerk, GMITA, P.O. Box 532, Town Hall, Manchester M60 2LA
- By completing the form on-line at [www.agma.gov.uk](http://www.agma.gov.uk) or [www.gmita.gov.uk](http://www.gmita.gov.uk)
- By writing directly to the Clerk, GMITA, P.O. Box 532, Town Hall, Manchester M60 2LA.

Responses should be received no later than the close of business on **Wednesday, 30 September, 2009.**

# Foreword

AGMA has been pursuing for some time a programme of major reforms in the arrangements for the governance of the Manchester City Region including transport. Our objective has been and is to ensure that these arrangements will enable the 10 districts to work together effectively in order to improve the economic and social well-being of the whole City Region for its people and businesses.

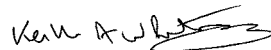
Our objective is recognised by Government through its designation of Greater Manchester as a City Region pilot earlier this year. This is an important opportunity for Greater Manchester to engage Government on the economic potential of the area and the importance of ensuring that this is achieved in full for the benefit of the nation.

An effective transport system is the lifeblood of a successful economy and the primary objective of those responsible for its governance is ensuring that transport plays its full part in the achievement of agreed economic and social outcomes. Although the current arrangements with GMITA as an independent body work well, the key issue is whether they could work better. This document sets out the results of our preliminary work on the issue of transport governance including the framework and timetable agreed by AGMA for a formal review under the terms of the Local Transport Act and Local Democracy Bill. This document constitutes the first stage of a 4 stage review process and it has been written in an open-ended way so as to generate debate and encourage responses. Once we have analysed the responses, our intention will be to develop a detailed scheme which will be the subject of a further consultation at the end of the year.

We commend this document to you and urge you to let us have your views.



Lord Peter Smith,  
Chair, AGMA



Councillor Keith Whitmore,  
Chair, GMITA

29 July, 2009



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# Context

- 1 AGMA has been discussing for some time the principles around which they would wish future City Region governance arrangements including transport to be developed. The underlying objective of the 10 authorities has been to ensure that these arrangements should enable them to work effectively together in order to improve the economic and social well-being of the Manchester City Region, its people and businesses through measures and joint actions which they may determine from time to time.
- 2 A programme of major reforms is already well advanced and this has meant significant changes both in the way AGMA is structured and the way in which it operates. This reform programme is reflected in the new constitution which was approved in August last year which is based upon the Executive Board becoming the accountable focus for co-ordinating economic development, transport, planning and housing policies for the Manchester City Region, with a supporting structure of 7 Commissions including one for transport. One of the earliest manifestations of this approach is the advent of the MAA (Multi Area Agreement) which creates a new framework between local, regional and national government to drive economic performance. A more recent development is Government's invitation to AGMA for Greater Manchester to become a statutory City Region pilot the successful outcome of which was announced in the Budget on 22 April. The rationale underpinning AGMA's bid was that the Manchester City Region is the principal economic powerhouse outside London for regional and national growth and that the devolution of powers is fundamental to the Manchester City Region realising its full economic potential and to ensuring that economic development, transport, housing and planning functions can be properly integrated and co-ordinated.
- 3 Although the co-ordination and integration of strategic functions including transport is a firm political priority, it is also a key policy priority. Independent work commissioned by AGMA (the Manchester Independent Economic Review) has shown that the greatest economic gains are to be achieved from focussing on improving transport links within the City Region and the MIER recommended a review of transport governance from the perspective of improving productivity and the connection between those areas of the City Region, including the Regional Centre, where employment is concentrated and others. They suggested that there is a need to develop robust governance and they recommended that the City Region should look at how it makes major decisions to ensure that difficult decisions needed to promote sustainable growth are considered effectively. Finally, they called for a more effective system of programme and project evaluation and proposed that housing, economic development, regeneration, skills and other policy areas join transport priorities in being evaluated rigorously on a City Region wide basis through a process which could include, amongst other criteria, prioritisation based on productivity enhancement at the City Region level.
- 4 The Government has accepted the need for reform of governance arrangements both for City Regions generally and for transport in particular. In addition to the Government's recent announcement of Manchester as a statutory City Region pilot, a change in governance arrangements to enable the integration and alignment of transport functions with economic development, planning and housing functions is envisaged in the provisions of both the Local Transport Act 2008 and the Local Democracy Bill:
  - The **Local Democracy Bill (LDB)** provides for the creation of a statutory Economic Prosperity Board (EPB) with economic development and regeneration functions or (as an alternative to both an EPB or an Integrated Transport Authority (ITA) or a Combined Authority (CA) to enable economic development, regeneration and transport powers to be exercised by the same authority.
  - The **Local Transport Act (LTA)** provides for one or more authorities or the ITA to carry out an objective review of current transport governance arrangements and an evaluation of a range of options for reform.

- Appendices 1 and 2 to this report contain summaries of the key provisions of both pieces of legislation. The guidance issued by the Government since the enactment of the Act states, “Local Authorities considering changes to transport governance will wish to ensure that there is read across to any work they may be doing on MAAs and that transport governance changes are developed in the wider economic development context.” Although some changes may be possible without legislation, it is likely that the governance arrangements which are agreed following the review will, taken as a whole, require recourse to either or both pieces of legislation.
- 5 Thus, the terms of reference for the review of transport governance arrangements in Greater Manchester should be based on the context described above. This means that the review should not only be related to the terms of the Local Transport Act and its associated guidance but should also take into account the wider governance reforms being pursued by AGMA, the findings of the MIER and the provisions of the Local Democracy Bill. This would underline that the primary objective of the review should be the creation of arrangements which ensure that economic development, transport, strategic housing and strategic planning functions can be properly integrated and co-ordinated. This will enable transport to make its rightful contribution to the economic and social well-being of Greater Manchester.
  - 6 Many of the issues to be considered in a review under the LTA are the same as in a review under the provisions of the LDB. This is because the LDB provides that any order of the Secretary of State establishing a CA can include any provision that can be made in relation to the ITA under the LTA as regards:
    - Constitutional arrangements
    - Delegation of the transport functions of the Secretary of State
    - Delegation of local authority functions
    - Conferral of a power to direct highway and traffic authorities
  - 7 This document constitutes **Stage 1** of a 4 stage governance review process. In compliance with the LTA and its guidance, this first stage document sets out the framework for the review which includes an objective analysis of problems with the current arrangements and a set of high-level objectives for future governance arrangements as well as identifying and assessing a series of delivery and governance options. This paper provides the basis for detailed consultation with local authorities (the 10 districts individually, the associate member authorities and other appropriate neighbouring authorities) and other stakeholders including the Business Leadership Council over a 2 month period. The process thereafter will be as follows:
 

**Stage 2**

The intention is to report back to AGMA and the GMITA on the outcome of the consultation no later than November 2009. AGMA and the GMITA can then determine its preferred model and work will then proceed on the preparation of a detailed scheme for further consultation. The period of time for and scope of this consultation can be determined at that time.

**Stage 3**

The proposed, preferred model will be submitted for approval to the AGMA Executive Board, the GMITA and the 10 districts prior to this consultation taking place.

**Stage 4**

After consultation on the detailed scheme, and AGMA and the GMITA have determined its outcome, the scheme will be presented to the Secretary of State. The intention is to get to this point by the end of March 2010.

# Problem Analysis and Statement of Objectives

- 8 According to the Government's Guidance on Governance Reviews issued in association with Sections 78 to 98 of the Local Transport Act, local authorities undertaking a governance review need to consider as a first stage their high level vision and objectives and why existing arrangements are or could be a barrier to their achievement. High level objectives are defined as being likely to include not only transport outcomes but wider economic outcomes as well as the way in which governance arrangements should deliver the required sub-regional outcomes eg transparency and clear accountability.
- 9 AGMA has already determined (with all 10 local authorities in support) that it will be the accountable focus for co-ordinating economic development, transport, planning and housing policies. It has also determined that it should have a supporting structure of 7 Commissions including one for transport. This position would appear to be strongly reinforced by the findings of MIER. Thus, the key issue which the governance review is to address is as follows:
- “What is the most appropriate and effective relationship between the GMITA and its functions, as they exist now, with present and potentially emerging City Region governance structures?”**
- In addition, in accordance with the Government guidance, the review will also examine the relationship of sub-regional governance structures with those external agencies responsible for planning and funding arrangements in relation to local rail, bus and strategic highway networks.
- 10 There will clearly be a read across between the transport governance review process and the work being undertaken by AGMA with Government on the City Region pilot. Discussions between AGMA and Government on the City Region pilot insofar as the outputs for transport are concerned have made significant progress since the announcement of the pilot in April and it has been agreed that, within the context of the pilot status, an examination will be undertaken of how Manchester can, as a City Region, assume responsibilities and influence comparable to Transport for London alongside the robust governance arrangements that will be necessary to support this. It has been accepted in those discussions that without this scale of ambition and approach, Manchester cannot develop the transformational transport systems and services necessary to bring about the self-sustaining economic growth which the strategy for the City Region pilot is intended to spur. It is intended that the strategy will cut across all modes together with smarter choices, information, marketing, fares and ticketing. The short-term priority will be to develop a strengthened relationship between Greater Manchester and DfT on **heavy rail** to be captured in a Protocol. In developing this, consideration will be given to how the distribution of available resources for Manchester can better reflect economic outcomes, how priorities can be better aligned, and how greater input over service specifications can be assumed. The partnership will also examine how greater levels of integration with the **Highways Agency** can be achieved in terms of investment priorities, traffic management measures, research and enforcement. Regarding **buses**, it will consider the case for greater levels of influence over available funding, including concessionary fares, Bus Service Operators Grant and fares and ticketing options. Our capacity to achieve these improvements will not only be influenced by our continuing dialogue with Government but also by how we can show that new robust governance arrangements can be agreed to satisfy them that new responsibilities can be delegated effectively. Our intention is to try to forward definitive proposals on all these matters including an agreed detailed scheme for transport governance in the early part of 2010.

- 11 The following issues need to be considered as part of the transport governance review but, where appropriate, feedback from the consultation on governance will be fed into the work of the pilot partnership as outlined above:
- The relationship between the strategic role of the AGMA Executive Board and the sub-regional commissioning and delivery roles in relation to transport including highways.
  - Constitutional arrangements, for example relating to the membership, decision-making, executive arrangements, accountability and institutional structure of the existing and/or proposed transport-related structures.
  - Functional changes, for example, relating to the powers of direction or statutory delegation of transport functions from the Secretary of State or a district authority to existing and/or proposed structures.
  - Geographic scope and boundaries ie. determining the relevant boundaries of the City Region in transport terms. This may possibly include formalising the relationship with authorities within the travel-to-work area of the conurbation. There would clearly need to be a read across between this work and parallel work on City Region boundaries in a wider economic development context.
- 12 Each of these issues is considered in turn below.
- a) Relationship between the strategic role of AGMA Executive Board and the sub-regional commissioning and delivery roles in relation to transport including highways**
- 13 The Executive Board has as described above already determined that it should be the accountable focus for co-ordinating economic development, transport, planning and housing policies and that it should have a supporting structure of 7 Commissions including one for transport. In the new AGMA constitution, the district councils in Greater Manchester have already delegated to the AGMA Executive Board (a joint committee which is to be the basis of the statutory City Region pilot) responsibility for:
- i) Developing (together with GMITA) an integrated transport system for Greater Manchester; and
  - ii) Overseeing (together with GMITA) the development and management of actions resulting from the Greater Manchester Local Transport Plans and any other investment programmes agreed by the parties
- 14 Assuming that this remains the case, key issues to be resolved are the exercise of the transport commissioning role (including the future of the GMITA and its relationship with the proposed Transport Commission) and providing for either/both to be accountable to the Executive Board. Also crucial is the responsibility for the discharge of non-public transport functions generally including those responsibilities exercised by district councils on the one hand and by other agencies on the other. Any implications which decisions on these issues might have for the GMPTE's executive and delivery role will then need to be considered and resolved. Issues associated with functions generally are considered in c) below as are executive and delivery arrangements. Issues associated with the GMPTE's role are considered towards the end of this paper.
- 15 Providing a statutory basis for the Executive Board to have formal strategic transport powers can only be achieved currently through powers which are likely to become available through the Local Democracy Bill (pending clarification on what devolved powers may become available to the Executive Board as a result of the statutory City Region pilot). This will enable the Secretary of State to make an order establishing a Combined Authority following a local review. Issues associated with potential future structural options are considered in b) below.
- 16 Issues need to be resolved about the proposed Transport Commission and its relationship with GMITA or CA. The role of the 7 Commissions was intended to be to take responsibility for commissioning, overseeing delivery and the development of more strategic approaches to fulfil the aims and objectives set by the Executive Board at a strategic level. There are 2 options insofar as transport is concerned:

- It could take the same form as the other Commissions ie. it could be smaller in size than the current GMITA but with both elected member and private sector representatives.
- It could take the same form as the current GMITA comprising only elected members appointed by the 10 districts.

There are clearly advantages and disadvantages with either option: a Transport Commission along the lines of the other Commissions would gain the benefit of the expertise of private sector input into the commissioning role but would lose the democratic base which is a major strength of the ITA's current composition. In coming to a view about the Transport Commission consideration will also need to be given to a range of constitutional and functional issues which are set out below. The wider functional responsibilities of GMITA (for the whole range of transport within Greater Manchester and not just public transport) as provided for within the LTA would underline the importance of integration and co-ordination and for GMITA (in whatever form) to be accountable to AGMA.

- 17 Exercising strategic oversight should be primarily about accountability in the first instance and then be outcome and performance driven with performance management as a critical discipline supporting this. This is partly about governance structures which provide for accountability between the separate strategic, objective driven role of the Executive Board and the commissioning and delivery structures and arrangements and partly about the arrangements for integration and co-ordination of transport with other key functions such as economic development, regeneration, strategic housing and strategic planning. This sort of framework is essential to inform views on the constitutional and functional issues and the options analysis presented later in this paper.

**b) Constitutional arrangements, for example relating to the membership, decision-making, executive arrangements, accountability and institutional structure of the existing and/or proposed transport-related structures**

- 18 Originally ITAs were established (as PTAs) under the Transport Act 1968 and although current constitutional arrangements derive mainly from the Local Government Act 1985 (as amended by the Local Transport Act 2008) which established them (including the GMPTA) as joint authorities on the abolition of the metropolitan counties. Key aspects of these arrangements in relation to GMITA include:
- The GMITA has 33 members who must be elected members of the district councils within Greater Manchester which is the integrated transport area. Each district has a proportion of the total membership of the ITA which broadly reflects its local electorate. Under the Local Government and Housing Act 1989, each district council must appoint members to the ITA in a way which is so far as possible proportionate to its political composition. However, this only applies where the district has three or more seats on the ITA.
  - Each member of GMITA has an equal vote on ITA decisions. The ITA elects a chair and may decide to discharge its functions through a number of committees appointed in accordance with the rules of political balance. The requirements in the Local Government Act 2000 in relation to the appointment of a cabinet/executive do not apply to ITAs. However, the ITA could (though GMITA has not done so) appoint an Executive Committee to carry out most of its functions, provided that the committee was politically balanced.
  - Because the ITA is not required to operate executive arrangements, statutory provisions for scrutiny of its decisions do not apply although again the ITA can make its own audit and scrutiny arrangements. The GMITA has an Audit Committee though no formal scrutiny function.

- Although the ITA has its own power to appoint officers, it mainly discharges its functions through the Greater Manchester Passenger Transport Executive (GMPTE), a separate statutory body with its own powers and duties. However an order under the LTA as a result of the review, could abolish GMPTE and merge it with the ITA. Alternatively, it could transfer some GMPTE functions to the ITA and vice versa.
- 19 The major issue for review and determination is clearly whether GMITA should continue to exist as a separate legal entity dealing only with transport functions in its current form or in the form of a Transport Commission (TC) (recognising that it has assumed wider transport responsibilities under the LTA) or whether a Combined Authority (CA) should be established under the provisions of the Local Democracy Bill (LDB) with responsibility for economic development, regeneration and transport. In either case, there are a number of issues which need to be determined:
- **Size** As indicated above, the current GMITA membership comprises 33 members although the LTA simply sets a legal minimum size for the ITA (following a review and parliamentary order) of one member from each constituent district within the integrated transport area. The current size and political composition of GMITA, as prescribed in earlier legislation, ensures the widest possible representation of geographic and sectoral interests. There has been an acceptance of the principle that the GMITA should remain in its present composition and size. If it were decided, however, to have a smaller ITA of, say, 10 members (1 per district), consideration would need to be given to whether each member should have one vote each or whether each member's vote should be weighted in accordance with their district's population/electorate.
  - **Appointment of an executive** It would be open for an Executive to be appointed reporting to the GMITA. This would operate in a similar way to arrangements in constituent authorities. If executive arrangements were to operate, appointment of the executive could be on the basis of either one or more per district or appointment by the ITA/CA without reference to district. If appointment was agreed on the basis of one per district, either the district or the ITA/CA could make the appointment. Key issues would be: whether the rules of political balance should apply and the allocation of functions between the full ITA/CA and the executive (other than the setting of the levy which must be the responsibility of the full ITA/CA).
  - **Co-option** Whatever size is ultimately agreed for the ITA/TC/CA, consideration will need to be given to whether or not it should consist of only elected members or whether or not it should be able to co-opt non-elected ie. private sector members and, if so, whether or not they should have voting rights on any, some or all matters.
  - **Scrutiny Arrangements** An important consideration will be how the ITA/TC/CA ensures that its decisions are scrutinised. If either the CA or TC option is ultimately chosen, this will be through the established AGMA Scrutiny Pool arrangements. If a stand alone ITA option is chosen, it is suggested that appropriate scrutiny arrangements will still need to be developed.
- 20 The major question which needs to be addressed is whether GMITA should continue to exist as a separate legal entity dealing only with transport functions in its current form or in the form of a Transport Commission (recognising that the GMITA has assumed wider transport responsibilities under the LTA) or whether a Combined Authority (CA) should be established under the provisions of the Local Democracy Bill (LDB) with responsibility for economic development, regeneration and transport. If GMITA is retained as a separate legal entity, it will be vital to consider how it could be better integrated with the existing or emerging AGMA governance structures (ie. the Executive Board or the potential Economic Prosperity Board).

**c) Functional changes, for example, relating to the powers of direction or statutory delegation of transport functions from the Secretary of State or a district authority to existing and/or proposed structures**

21 As indicated above, the AGMA constitution sets out the role of the Executive Board vis a vis transport as being to have responsibility together with the appropriate statutory bodies for the development of an integrated transport system for Greater Manchester and overseeing the development and management of actions resulting from the Local Transport Plan and any other investment programmes agreed by the districts. The major issue in terms of functions is whether or not the current division of functional responsibilities enables the Executive Board to discharge these functions.

22 Transport functions are currently divided between the districts, GMITA and the Secretary of State. In general terms:

- **the districts** are the local highway, traffic and street authorities
- **GMITA** is responsible for securing public passenger transport in the area
- the **Secretary of State** is responsible for rail and strategic highways

In addition, the LTA gives GMITA overall responsibility for developing “policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within their area”. This is not confined to policies relating to public passenger transport but covers the whole range of transport within their area and includes responsibility for the production of the Local Transport Plan for the area. Previously, this was the joint responsibility of GMITA and the district councils but now the district council are consultees. Moreover, the district councils have a statutory duty to carry out their functions so as to implement the policies developed by GMITA. This is a change to the arrangements which existed prior to the passing of the LTA and it is necessary to consider how these new arrangements impact on the current distribution of transport functions.

23 The LTA and the LDB allow for the statutory delegation of transport functions (following a review and a parliamentary order):

- from the Secretary of State to an ITA or CA
- from district councils to an ITA or CA

In addition, the LTA and LDB provide for the order to enable the ITA or CA to give a direction to district councils as a highway or traffic authority about the exercise of their powers. Such a direction can require or prohibit the exercise of a particular power or impose requirements or conditions on its exercise.

24 However, there are already existing powers to voluntarily delegate certain functions between authorities or for authorities to carry out their functions jointly. In particular, district councils can delegate their highway or traffic functions to the ITA or to a CA or can carry out their functions jointly through a joint committee. The ITA can voluntarily delegate certain functions to another local authority or carry them out jointly with other authorities through a joint committee. For instance, the districts and the ITA could enter into joint arrangements involving one or more joint committees to discharge their transport functions (other than those which cannot legally be delegated).

25 The following issues need to be considered:

- How the GMITA (in whatever form) becomes accountable to the wider AGMA and City Region structures. If the GMITA with its wider responsibility for developing overall transport policies and the LTP for Greater Manchester is to be retained as a separate entity, it will be difficult to see how AGMA’s vision of integrating and co-ordinating transport policies with economic development and regeneration policies can be realised. This may point to the creation of a CA.
- The current distribution of transport functions creates significant problems for the development of an integrated transport system and the provision of effective transport facilities and services for Greater Manchester. The GMITA’s wider responsibilities can only intensify these problems if

the current distribution of functions remains unchanged. Conversely, GMITA might find it difficult to carry out its new wider functions without a change in the current distribution of functions.

- Consideration needs to be given to whether improvements to current arrangements could be made under existing powers through formally transferring certain functions from one body to another or whether improvements can only be delivered through the use of powers in the LTA and LDB which will enable the creation of a CA following the completion of the review and a parliamentary order. Individual local authorities will have a view on whether functions will be delegated, if at all, to a CA rather than GMITA.
  - Consideration could be given to whether or not more transport functions need to be exercised at a strategic level given the new wider responsibilities of GMITA (which could become the responsibilities of a CA following the completion of the review and a parliamentary order). Work undertaken by Transport Chief Executives some time ago which categorised different types of transport investment between Greater Manchester strategic, local/strategic and local/local could be a helpful starting point in this respect. A consideration of arrangements elsewhere eg London would also be helpful.
  - Consideration will also need to be given to whether or not the statutory delegation of any of the Secretary of State's functions insofar as rail and strategic highways should be sought. Appendix 3 contains an analysis of functions which are currently under the Secretary of State's control which could be the focus for greater local involvement and/or devolution. AGMA has always argued that there needs to be local influence if not control over rail and strategic highways if it is to deliver a truly integrated transport system within Greater Manchester. The discussions to be held with DfT through the pilot partnership will determine whether the Secretary of State will be prepared to delegate key functions and, if so, to either a CA or GMITA or both.
  - Consideration will need to be given to whether or not the ITA should be given the power to direct other authorities as provided for in the LTA and, if so, whether there should be any restrictions on the use of this power. The activities which a direction could cover include district powers as traffic or highways authorities including parking arrangements on particular roads, speed limits, traffic calming measures, restriction on the use of roads, public transport priority measures, carrying out of local authority road works, co-ordination and control of utility company street works and traffic signs.
  - Consideration will need to be given to the practical issues relating to the proposed change, the effects of transfer on those delivering functions, the employing body, the likely costs and benefits of the changes proposed and the implications for efficiency.
- 26 The major question which needs to be addressed is whether or not the current division of functional responsibilities between the districts, the GMITA and the Secretary of State enables proper strategic oversight of transport across the City Region to be exercised to ensure the integration and co-ordination of transport with other key functions.

#### **d) Geographic scope and boundaries**

- 27 The boundaries of GMPTA/GMITA were originally defined in the Local Government Act 1985 and simply replicated the boundaries of what are now the 10 districts. The LTA and the guidance document allow for the possibility of these boundaries being revised to take account of changing times and circumstances including changed local transport patterns into, out of or within an ITA area. Potential changes include the expansion or contraction of the boundaries of ITAs including the ability of authorities to join an ITA area. The ITA's boundaries must match those of 2 or more districts so as to make it easier to define clear arrangements for political and financial accountability and to provide co-terminosity allowing transport to be considered alongside other functions even though service planning and delivery are via another organisation.

Existing arrangements which allow flexibility for authorities to reach agreement on local transport planning arrangements over travel to work areas which are not necessarily co-terminous with local authority boundaries remain unchanged and, recognising that travel patterns develop irrespective of boundaries over time, the guidance document encourages cross-boundary working to ensure that cross-boundary travel patterns and needs are being provided for. Authorities are asked to consider how far existing boundaries accurately match transport patterns to, from and within their areas and, where they do not, how far this stands in the way of the provision of an effective and efficient transport system.

- 28 The AGMA Executive Board has previously considered the whole issue of boundaries in a City Region context. At that point, the view was taken that there should be no change in Greater Manchester's boundaries and that proper consideration could be given to providing for those in the Greater Manchester travel to work area through the creation of robust working relationships with neighbouring authorities in the City Region's travel to work area. One of the purposes of the consultation would be to discern the views of neighbouring sub-regions on whether this view is shared or whether more institutionalised partnership structures should be considered further.
- 29 This analysis of issues leads to a number of options for future governance arrangements for transport in Greater Manchester. These are considered in detail below.

# Options for Future Governance Arrangements

- 30 Based on the above analysis, there are a range of constitutional models for transport governance which need to be considered. These probably fall into three main categories:
- A** Models which retain GMITA as a separate legal entity with a similar membership and similar relationships as the current model.
  - B** Models which retain GMITA as a separate legal entity but with a far greater City Region focus and more integration into existing or emerging AGMA governance structures and specifically the Executive Board or a possible future Economic Prosperity Board.
  - C** Models which whilst formally dissolving the GMITA and establishing a Combined Authority with responsibility for transport, economic development and regeneration, provide for a Joint Committee to be established reporting to the Combined Authority with a composition and size equivalent to the present GMITA.

### Category A – based models

31 Within this category, there are 2 models:

**A 1** The Status Quo – the ITA is retained with a similar membership as currently both in terms of numbers (33) and personnel (ie. generally not including leaders). There would be few changes in the ITA's functions with the primary focus being on public passenger transport. However, pursuant to the LTA, the ITA would have overall responsibility for determining transport policies for the area and for producing the LTP even though these will involve the whole range of transport issues and not just public transport. Any change in arrangements would focus on internal matters such as whether or not to operate executive and scrutiny arrangements and the relationship with GMPTE.

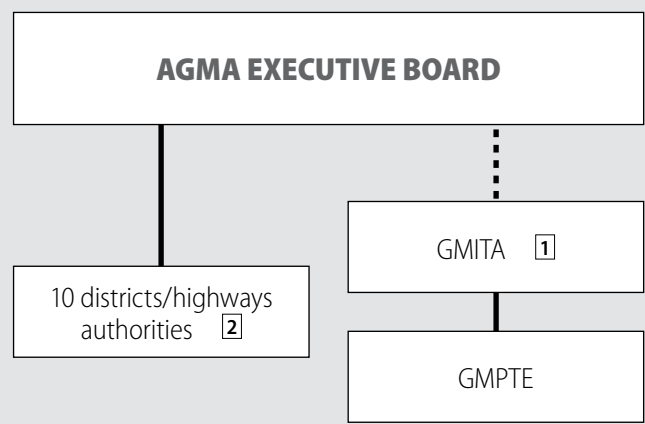
**A 2** A variant of A1 might involve a consideration of some strategic highways and traffic functions being delegated to GMITA.

32 The main advantage of option A1 is that current arrangements would remain unchanged though its main disadvantage is that it would be in conflict with AGMA's objectives of integration and co-ordination of transport with other strategic functions eg economic development and regeneration. Moreover, GMITA would find it very difficult to meet its new wider transport functions without a change in its functional responsibilities. Option A2 goes some way to addressing this problem by means of a transfer of key functions from the districts to GMITA. The key issue here is whether or not such a transfer of functions to a body which is not accountable to AGMA would be acceptable.

### A Options – GMITA retained with similar membership and relationships as now

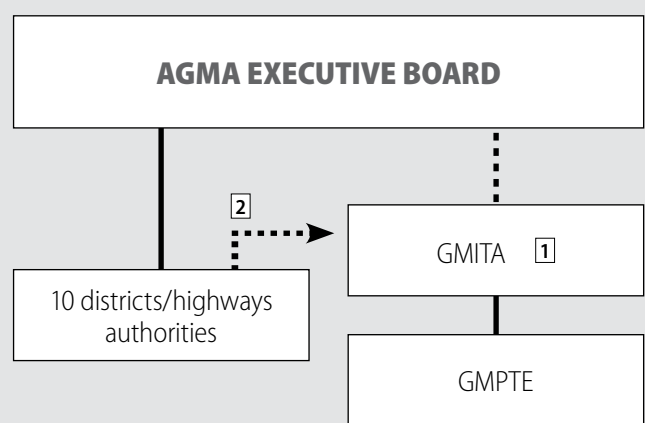
#### A1 – The status quo

- 1 GMITA retained with current membership and primary focus on public transport plus new responsibilities added by LTA including determining transport policies for GM and producing GMLTP.
- 2 Districts as highway authorities have consultee role only in relation to GM transport policies and production of GMLTP. Retain full responsibility for non-public transport functions.
- 3 Any other changes would focus on internal matters only



#### A2 – Variant of A1

- 1 GMITA retained with current membership and primary focus on public transport plus new responsibilities added by LTA including determining transport policies for GM and producing GMLTP.
- 2 Districts as highway authorities have consultee role only in relation to GM transport policies and production of GMLTP. Some strategic non-public transport functions delegated to GMITA.
- 3 Any other changes would focus on internal matters only.



**Category B – based models**

33 There are 4 models in this category:

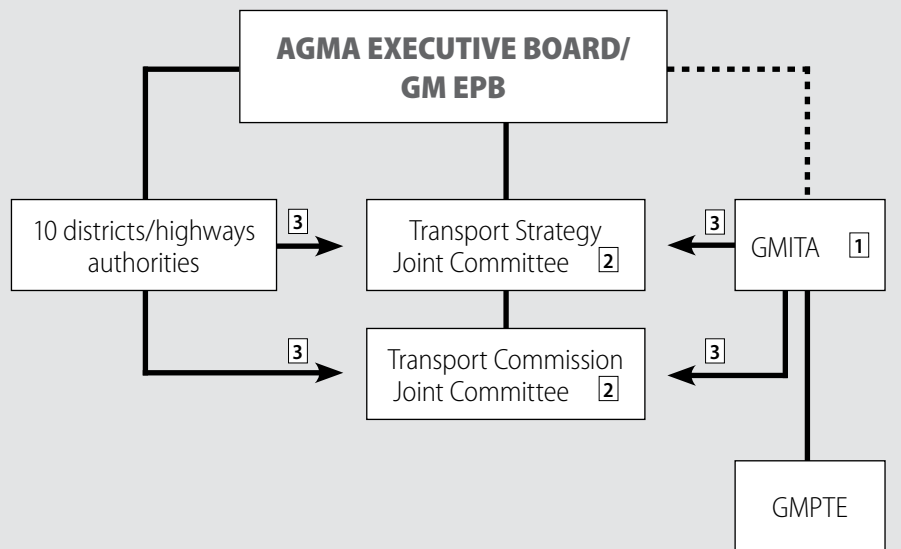
- B 1** The ITA is retained with its current membership and functions. Joint arrangements are made between the ITA and the ten districts (and the EPB, if any) establishing one or two joint committees, for example, one strategic transport committee (including, say, the ten AGMA leaders and leading members of the ITA), supported by an operational/ delivery committee, involving other members of the ITA and carrying out the role of the Transport Commission. The ITA would delegate appropriate public transport functions to the joint committee(s) and the districts would delegate appropriate highways/traffic functions.
- B 2** The ITA is retained with its current number of members, but including the ten members of the AGMA Executive/ EPB who could form a strategy committee. The other members of the ITA would form an operations/delivery committee and other functions envisaged for the Transport Commission. Appropriate district highways/ traffic functions could be delegated to the ITA.

- B 3** A restructured ITA is retained with a reduced membership of 10 members (one appointed by each district) who could be the same members as those on the AGMA Executive Board/EPB. Appropriate district highways/traffic functions would be delegated to the ITA. Joint arrangements would be made between the ITA and the ten districts establishing a joint committee with similar membership to the current ITA which would undertake the role of the Transport Commission.
- B 4** All of the above options involve a committee or joint committee fulfilling the role of the Transport Commission. In models B1 – 3, the Transport Commission would contain only elected members. In B4 it would become a partnership between elected members and co-opted representatives of other sectors, including the private sector. A joint committee would be established to undertake the operations/delivery role.

**B Options – GMITA retained with greater City Region focus and integration with AGMA structures and specifically an EPB**

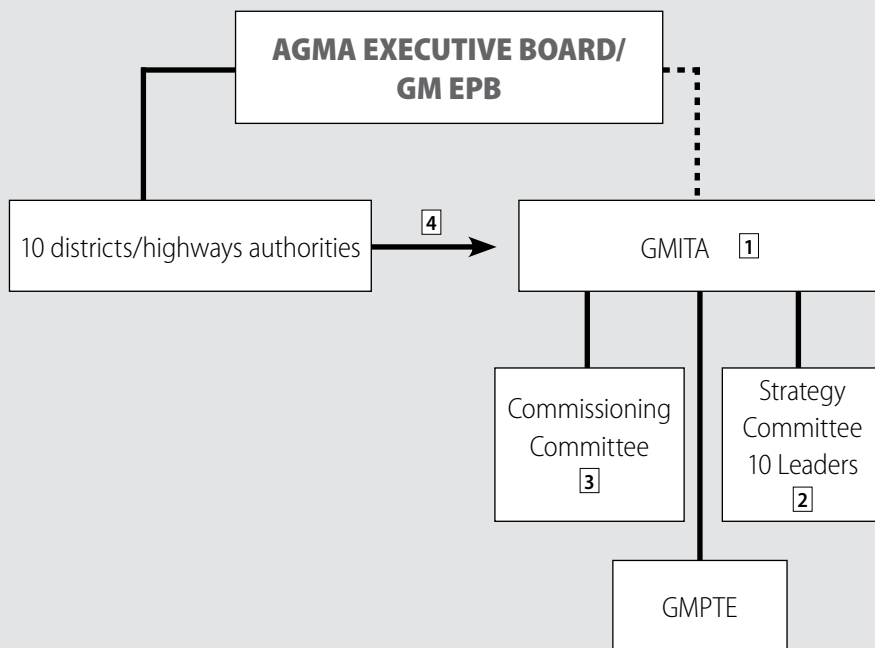
**B1**

- 1** GMITA retained with current membership and primary focus on public transport plus new LTA responsibilities.
- 2** One or two joint committees of the 10 districts and GMITA set up focussing on strategy (including 10 Leaders and GMITA lead members) and delivery (including other GMITA members)
- 3** Both GMITA and the 10 districts delegate appropriate functions to the joint committees.



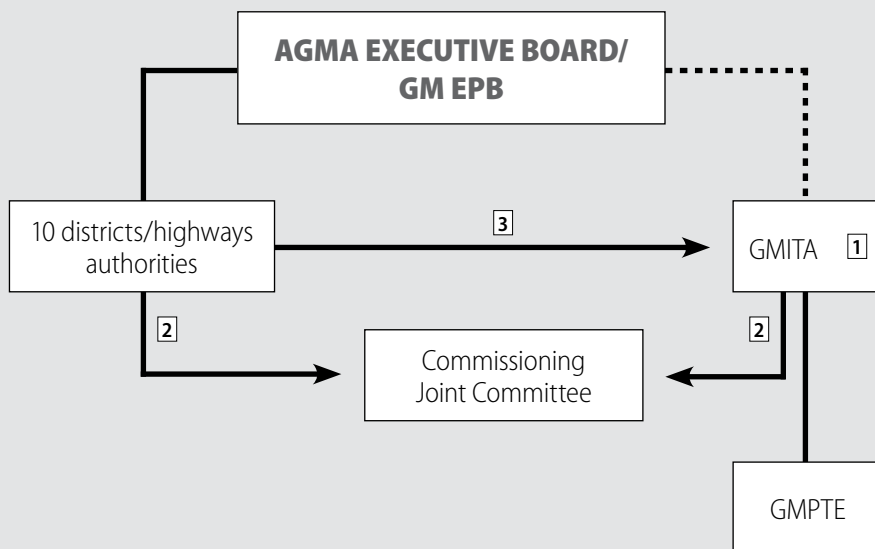
**B2**

- 1 GMITA retained with 10 Leaders among its 33 members.
- 2 10 leaders form Strategy Committee.
- 3 Remaining members form Operations/Delivery/Commissioning Committee.
- 4 The 10 districts delegate appropriate functions to GMITA.



**B3**

- 1 GMITA retained but with membership of 10 (one per district, probably leaders).
- 2 GMITA and 10 districts form a joint committee with similar membership as current GMITA to undertake commissioning role.
- 3 The 10 districts delegate appropriate functions to GMITA.



**B4 – Variant of B1, B2 and B3**

- In relation to B1, the Transport Commission-Joint Committee has non-elected as well as elected members.
- In relation to B2, the Commissioning Committee has non-elected as well as elected members.
- In relation to B3, the Commissioning Committee has non-elected as well as elected members.

- 34 These options represent a “half way house” in terms of the degree of change envisaged. The GMITA would be retained as a separate entity in some form in all options but they all involve as a minimum new joint working arrangements with AGMA thus providing a greater City Region focus, better co-ordination and integration of transport with other strategic functions (option B1) and others involve internal restructuring to involve Leaders as a new strategy committee (option B2), a reduced membership of 10 with a new joint committee with the districts to take on a commissioning role (option B3) or a partnership with the private sector, the role originally envisaged for the Transport Commission (option B4). In all of these options, highways and traffic functions would be delegated either to joint committees (B1) or to a restructured ITA (B2, B3, B4).
- 35 The main advantage of these options is that GMITA would continue to exist as an independent entity though with new joint working arrangements and, in some options, internal restructuring which would ensure more effective compliance with AGMA’s objectives of integration and co-ordination of transport with other strategic functions. A key issue would be the extent to which districts would be willing to delegate highways and traffic functions either to joint committees or to a restructured ITA and, even if they were prepared to do so initially, whether they would reserve the right to reverse the delegation if they became unhappy with the approach taken by the joint committee or restructured ITA.

## Category C – based models

- 36 There are 2 models in this category:

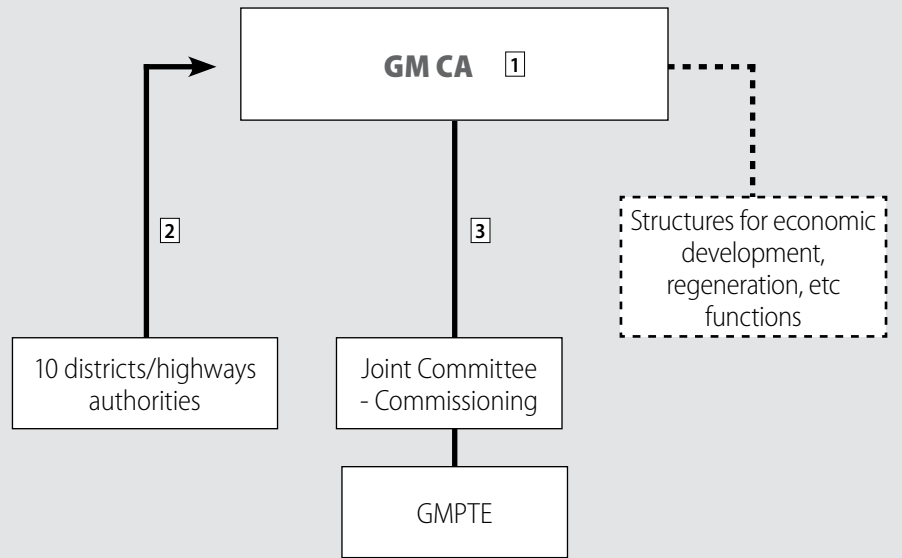
- C 1** A Combined Authority is established with functions relating to transport, economic development and regeneration and consisting of ten members – the ten AGMA leaders. The ITA would be formally dissolved and the CA would take over all the ITA’s functions. The order establishing the CA could also statutorily delegate appropriate district highways and traffic functions to the CA and such functions of the Secretary of State as are agreed. Joint arrangements would be made between the CA and the ten districts to establish a joint committee to act as a Transport Commission in accordance with either model B3 or B4.
- C 2** A Combined Authority is established with, say, 33 members, including the ten AGMA leaders who would form a strategy/policy committee. There would be a number of other committees of the CA to undertake the roles of the Transport Commission and other relevant commissions and the scrutiny function. Members of these could include those elected members on the CA who are not members of the strategy/policy committee and co-opted representatives of other sectors.

- 37 These options represent significant change to current arrangements. However:
- The Executive Board would achieve its key objective of securing integration of transport policy with other functions, and a focus on strategy
  - A Joint Committee could be established to discharge on a day to day basis commissioning and operational delivery functions on a clearer basis than now
  - The Joint Committee could have a size and composition the same as the GMITA, or can take the form similar to other Commissions which have been established.
  - Whether highway functions are to be delegated or not, and the basis for doing so, can be the subject of consultation with individual authorities.

**C Options – GMITA dissolved and Joint Committee established reporting to a new CA**

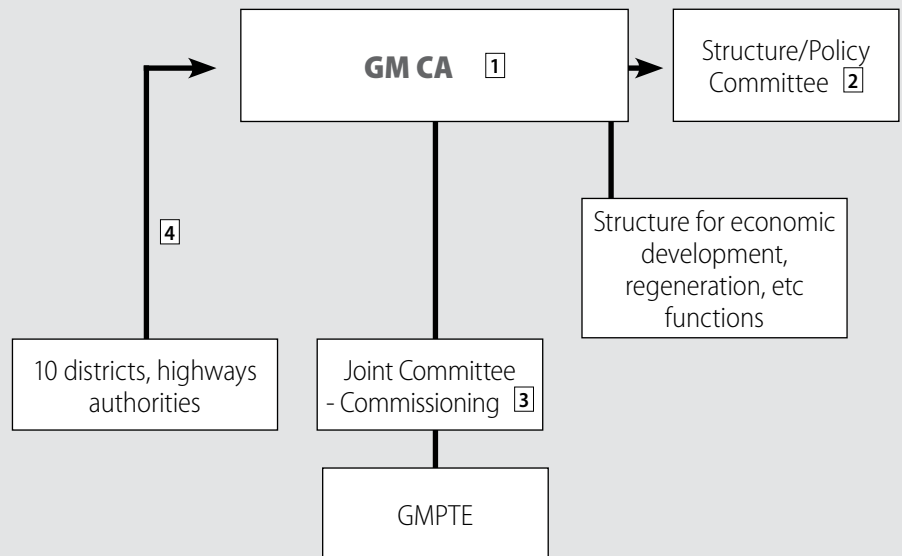
**C1**

- 1** AGMA Executive Board becomes CA, consisting of 10 Leaders responsible for economic development, regeneration and transport functions, including the GMITA's functions. GMITA is dissolved.
- 2** Appropriate district, highways and traffic functions, and some Secretary of State functions are delegated to CA.
- 3** Joint Committee formed to act as commissioning body in accordance with either B3 or B4.



**C2**

- 1** A CA is established with 33 members including the 10 Leaders.
- 2** A Strategy/Policy Committee of the CA is appointed consisting of the 10 Leaders.
- 3** Joint Committee formed to act as transport commissioning body consisting of those members of the CA not on Strategy/Policy Committee and co-optees.
- 4** Appropriate district highways and traffic functions and some Secretary of State functions are delegated to the CA.



38 It is recognised that to satisfy stakeholders that the Executive Board and a Joint Committee would each have a proper focus, it will be necessary to define terms of reference for a Joint Committee which not only secure a strong functional base but also afford it the opportunity to shape AGMA's future policies.

## Delivery Arrangements

39 Once a broad package of potential proposals which resolves the approach to the strategic oversight and commissioning roles and associated functional responsibilities is agreed, the whole issue of delivery arrangements can be addressed. Although GMPTE will remain the major focus for delivery, consideration will need to be given to whether it needs to be reformed in any way so as to enable it to take on any different role or functions required as a result of changes to governance structures and in functional responsibilities (including any additional responsibilities arising from the City Region pilot partnership on transport). The same applies to officer policy advice and administrative support structures.

40 Depending on the choice of future governance options, the review of delivery arrangements will need to consider the roles and functions not only of GMPTE but also of the existing GMITA officer team and the various AGMA joint transport units (GM Transportation Unit (GMTU), GM Urban Traffic Control Unit (GMUTC) and the Joint Transport Team (JTT)). If governance options are agreed which involve a Combined Authority or AGMA Executive Board assuming a strategic oversight of transport with functions being delegated to a CA, a restructured GMITA or joint committees, consideration will need to be given to how those delegated functions are supported by officer structures and account will need to be taken of existing arrangements within each of the districts.

41 On the question of officer policy advice and support to future governance structures, it is already clear at this stage that some change is needed and models might include for example and without prejudice to the outcome of the governance review process:

- If a CA or other option involving AGMA Executive Board having a greater strategic oversight is selected, it would be advisable to combine the relevant policy and strategy functions (comprising the GMITA officer team, the GMTU and JTT officer functions plus the strategy component of the GMPTE) to create an enhanced officer team to support the new governance structures and commissioning functions which would operate alongside the body specifically designed for the delivery of transport functions (the larger part of the GMPTE plus potentially other bodies such as GMUTC); or
- If the option of retaining GMITA with its current structure and composition is selected, it would be advisable to subsume into a single body the policy and strategy advice and delivery functions ie the current GMITA officer team and the GMTU and JTT officer functions would be subsumed within GMPTE.

42 Firm decisions on the form and role of future political governance structures are needed before any decisions can be taken on the officer support and delivery structures which will be needed to underpin them. It is vital that supporting structures follow and are appropriate to the governance options which are ultimately agreed.

# Conclusions and next steps

- 43 This document puts forward a proposed framework and timetable for a review of Greater Manchester's transport governance. All optional models are identified and evaluated having regard to the essential purpose of any review which is considered to be the determination of the most appropriate and effective relationship between an ITA and its functions, as they exist now, with the role and functions of the AGMA Executive Board driving economic change within the City Region.
- 44 The key issue raised in this document is that an ITA with its present functional base does not sit comfortably with the declared objective of AGMA that it should be the body which co-ordinates strategy where transport, economic development, housing and planning functions are concerned. The only options which simply and effectively reconcile these problems are those which involve the creation of a new focus for strategic transport policy either through the Executive Board or through a Combined Authority. Whilst this would involve the replacement or dissolution of the current ITA, it would be possible through the establishment of a new Joint Committee to recreate a similar body to the ITA with a size and composition the same as now with clear commissioning responsibilities and operational delivery functions. It would be necessary to determine terms of reference to reflect these requirements, and the accountability arrangements to AGMA, and ensure that the new Joint Committee had the opportunity to input into the development of AGMA's future strategy. It would also be open for this Joint Committee to have private sector representation although this would be "outwith" the principle which has been previously been accepted that in any new governance arrangement, there would be a role for the present ITA.
- 45 Another key issue is the delegation of strategic highways and public transport responsibilities. One of the purposes of the consultation with stakeholders should be to determine the basis upon which the principle of delegation would be appropriate even over time - whether this should be focussed solely on strategic responsibilities, whether any delegation should be to the AGMA Executive Board (or CA) or not and whether there are any circumstances where delegation could be afforded to an ITA, whether in its present form or not. These questions are as important for Government as they are for individual local authorities.
- 46 Another issue is the role and participation of neighbouring Sub-Regions. The present view of AGMA is that the emphasis should be on joint working without affording any formal participative and voting arrangements on transport matters. One of the purposes of the consultation should be to discern from partner sub-regions their views on this and in particular whether more institutionalised structures would be appropriate, perhaps a Partnership Board made up of representatives of AGMA/ITA and sub-regions.
- 47 Finally, there is the issue of delivery structures. Whilst it is a widely shared view that these must follow the form and shape of new governance arrangements, it is the case that there is not a "do nothing" option. There is a need to strengthen and streamline officer support structures in relation to transport whatever new arrangements are determined.

# Appendix 1

## Summary of Local Democracy, Economic Development and Construction Bill: Economic Prosperity Boards and Combined Authorities

- 1 Part 6 of the Local Democracy, Economic Development and Construction Bill (“the Bill”) enables the Secretary of State to make an order establishing an Economic Prosperity Board (“EPB”) or a Combined Authority (“CA”) for an area. An EPB will have functions relating to economic development and regeneration of an area. A CA will have functions relating to economic development, regeneration and transport. Part 6 of the Bill needs to be considered alongside Part 5 of the Local Transport Act 2008 relating to transport governance.
- 2 Before an order can be made establishing an EPB or a CA for an area, all the following conditions must be satisfied:
  - the area must consist of the whole of two or more local government areas
  - the area must have contiguous boundaries – it will not be possible to have an area of an EPB or CA which has no common boundaries with any part of the rest of the area, nor an area which completely surrounds an area which does not form part of it
  - in relation to an EPB, no part of its area must form part of the area of another EPB or the area of a combined authority, i.e. the same area cannot be part of an EPB and a CA
  - no part of the area of a CA must form part of the area of another CA, the area of an EPB or an integrated transport area – in effect, to establish a CA there must be an order dissolving the integrated transport area and the ITA
  - each local authority area that forms part of an EPB or CA must be included in a scheme prepared and published following a local review.

## Economic prosperity board

- 3 The process for establishing an EPB is set out in paragraphs 4-12 below.

### Local Review

- 4 Any two or more authorities (being a County Council or a District Council) may undertake a review of the effectiveness and efficiency of arrangements to promote economic development and regeneration within the area covered by the review. The review area must contain the area of any district undertaking the review (or, in the case of a county, any district within the county), but can also include the area of a council not undertaking the review.
- 5 Where the authorities conducting the review conclude that the establishment of an EPB for the area would be likely to improve the exercise of statutory functions relating to economic development and regeneration in the area, and economic conditions in the area, they may prepare and publish a scheme for the establishment of an EPB. The scheme area must consist of or include the whole or part of the review area, and may include other local authority areas. However, the scheme area may not include a local government area unless the appropriate authority for the area participates in the preparation of the scheme or consents to its inclusion in the scheme area.
- 6 The Secretary of State may make an order establishing an EPB only if s/he considers that this is likely to improve the exercise of statutory functions relating to economic development and regeneration, and economic conditions in the area. Before making the order, the Secretary of State must consult each appropriate authority and such other persons as s/he considers appropriate.

## Constitutional Arrangements

- 7 An order in respect of constitutional arrangement may include:-

### 7.1 Membership of the EPB

This includes the number and appointment of EPB members. Any scheme and subsequent order must provide for the majority of EPB members to be appointed by the EPB's constituent councils from amongst the elected members of those councils. Each constituent council must appoint at least one of its elected members to the EPB. If the scheme/order provides for non-elected members to be appointed to the ITA, such members must be non-voting members, unless the voting members of the ITA resolve to the contrary.

### 7.2 Voting Powers of Members

This includes provision for different weight being given to the votes of different descriptions of member.

### 7.3 Executive Arrangements

The scheme/order may provide for executive arrangements to apply to the EPB, similar to those applying to most principal councils. It could provide for the appointment of an executive, determine which functions would be executive functions and set out scrutiny arrangements. However the budget of the EPB can only be agreed by the full EPB

## Functions

Any order may provide for functions of a local authority (defined as a district or county council, but not an ITA) to be exercisable by the EPB in relation to the EPB's area, provided that the Secretary of State considers that the function can appropriately be exercised by the EPB.

An order may provide that the function is exercised by the EPB either instead of the local authority or concurrently with the local authority. The EPB must perform such functions with a view to promoting the economic development and regeneration of its area.

## Funding

- 10 The order may provide for the costs of the EPB to be met by its constituent councils, and the basis on which the amount payable by each authority is to be determined.

## Boundaries

- 11 An order may subsequently change the boundaries of an EPB's area by adding or removing a local government area to and from the area of the EPB, but this would require the consent of the councils concerned.

## Dissolution

- 12 The Secretary of State may by order dissolve an EPB's area and abolish the EPB, but only if a majority of the councils in the area consent.

## Combined authority

- 13 The process for establishing a CA is set out in paragraphs 14-22 below.

## Local Review

- 14 Any two or more of the district councils and the GMITA (ie. two or more of the 11 authorities) may undertake a review of the exercise of statutory functions relating to economic development, regeneration and transport in the area, the effectiveness and efficiency of transport in the area and economic conditions in the area. Where the authorities conducting the review conclude that the establishment of a CA would improve the above matters, they may prepare and publish a scheme for the establishment of a CA.
- 15 The scheme area must include the whole or part of the area reviewed and may include other local authority areas. However, the scheme cannot include a local authority area unless the appropriate authority for the area has participated in the preparation of the scheme, or consents to its inclusion in the scheme area.

- 16 The Secretary of State may make an order establishing a CA only if s/he considers that this is likely to improve the exercise of the relevant statutory functions, the effectiveness and efficiency of transport in the area and economic conditions in the area. Before making the order, the Secretary of State must consult each relevant authority and other persons considered appropriate.

### **Constitution and Functions: Transport**

- 17 Any order of the Secretary of State may include any provision that may be made in relation to an ITA under the Local Transport Act 2008 as regards –
- Constitutional arrangements,
  - Delegation of functions of the Secretary of State
  - Delegation of local authority functions
  - Conferral of a power to direct highway and traffic authorities
- 18 These provisions are summarised in paras 6-9 of Appendix 2 of the Local Transport Act 2008.
- 19 The order may transfer functions of the ITA and the PTE to the CA

### **Constitution and Functions: Economic Development and Regeneration**

- 20 The order may provide for a function of a local authority which is exercisable within the CA's area to be exercisable by the CA, if the Secretary of State considers this appropriate. The order may provide that the function is exercised by the CA instead of the local authority or concurrently with the local authority. The CA must perform such function with a view to promoting economic development and regeneration of the area.

### **Funding**

- 21 The order may make provision for the costs of the CA relating to economic development and regeneration to be met by its constituent councils and the basis on which the amount payable by each council is to be determined. It would appear that the CA would continue to fund the exercise of its transport functions through the existing levy.

### **Guidance**

- 22 In exercising any functions in relation to a local review with a view to establishing either an EPB or CA, local authorities must have regard to any statutory guidance issued by the Secretary of State.

# Appendix 2

## Summary of Local Transport Act 2008: Transport Governance issues

- 1 Part 5 of the Local Transport Act 2000 (“LTA”) changes the name of a “passenger transport area” to an “integrated transport area” and of the Passenger Transport Authority (“PTA”) to the Integrated Transport Authority (“ITA”).
- 2 The Act enables the Secretary of State to make an order relating to various transport governance matters including:
  - the constitutional arrangements of the ITA
  - the functions of the ITA
  - the boundaries of an integrated transport area
  - the dissolution of the ITA
- 3 Such an order would follow a local review of these matters carried out by one or more of the district councils or the ITA. In Greater Manchester the review could be undertaken by one or more of eleven authorities (ie. the 10 districts and GMITA).
- 4 Where the authority/authorities which have undertaken the review conclude that a change in governance arrangements would improve the exercise of statutory functions in relation to transport or the effectiveness and efficiency of transport in the area, they must prepare and publish a scheme.
- 5 Before making an order, the Secretary of State must have regard to the scheme, and conclude that any order would improve the exercise of transport functions and the efficiency of transport in the area. The relevant district councils, the ITA and other appropriate bodies must be consulted.

## Constitutional Arrangements

- 6 The review of constitutional arrangements may include:-

### Membership of the ITA

This includes the number and appointment of ITA members. Any scheme and subsequent order must provide for the majority of ITA members to be appointed by the ITA’s constituent councils from amongst the elected members of those councils. Each constituent council must appoint at least one of its elected members to the ITA. If the scheme/order provides for non-elected members to be appointed to the ITA, such members must be non-voting members, unless the voting members of the ITA resolve to the contrary.

### Voting Powers of Members

This includes provision for different weight being given to the votes of different descriptions of member.

### Executive Arrangements

The scheme/order may provide for executive arrangements to apply to the ITA, similar to those applying to most principal councils. It could provide for the appointment of an executive, determine which functions would be executive functions and set up scrutiny arrangements. However, the budget of the ITA can only be agreed by the full ITA.

### GMPTE

The scheme/order could abolish the GMPTE and merge it with the ITA. Alternatively, it could transfer some PTE functions to the ITA and vice versa.

## Functions

- 7 Any order may provide for the delegation of certain transport functions of the Secretary of State to the ITA. It may also provide for the delegation of functions of a district council to the ITA. However, an order providing for the delegation of functions relating to road user charging can only be made with the consent of the majority of authorities covered by the order.
- 8 The order may provide powers for an ITA to give a direction to a local highway or traffic authority about the exercise of their powers. Such a direction may require or prohibit the exercise of a particular power or impose requirements or conditions relating to the exercise of the power.

## Boundaries

- 9 An order may change the boundaries of an integrated transport area by including or removing a county or district in or from that area, but this would require the consent of the authority concerned. However, any change in the boundaries of the integrated transport area cannot leave any part of the area without a common boundary with the rest of the area.

## Dissolution of the ITA

- 10 An order may provide for the dissolution of an ITA. However, such an order could only be made with the consent of a majority of the councils in the area. The order would have to designate another authority as local transport authority. Any move towards a combined authority pursuant to the provisions of the Local Democracy, Economic Development and Construction Bill would require the dissolution of the ITA.

## Guidance

- 11 In exercising any function in relation to a local review of transport governance, local authorities must have regard to the statutory guidance issued by the Secretary of State.

# Appendix 3

## Effective Devolution of Local Transport

Effective commuter and business-to-business connectivity will be a critical factor in maximising the future economic potential for the City Region that is offered by the Bill. To secure the full impact of this key growth factor, the City Region will need to effectively influence national planning and funding arrangements for local rail, bus and motorway networks.

**Rail.** The local rail network has witnessed a rapid growth in rail commuting in Greater Manchester (c.60% since 1999/2000) in response to the strong growth of activity in the Regional Centre in particular. Current mechanisms for City Region influence over the shape/quality of local rail services, capital investment programmes and rolling stock investment are not fit-for-purpose in terms of ensuring that local rail services and developments fully complement wider sub-regional economic objectives.

In particular, we would highlight three key areas for appropriate devolved arrangements:

- a) **Local rail franchise development/management.** In 2012 and 2013, three key rail franchises will come up for review/renewal (Northern, Transpennine Express and West Coast Mainline). This presents the opportunity to establish new franchise development and management mechanisms to provide Greater Manchester with effective influence over key franchise matters, relating to network definition; service capacity and quality enhancements; and effective integration with the wider City Region transport network.
- b) **Network Rail capital investment.** The City Region's (GMITA/PTE) current status as a statutory consultee does not allow for effective influence of Network Rail capital programmes to ensure that they best meet the needs of local commuters and complement wider regeneration programmes. A high profile example of this is the fundamental lack of strategic fit of Network Rail's current proposals for Salford Crescent Station in the context of regeneration strategies for Central Salford and the Regional Centre. We would welcome a dialogue with Government to establish a new and distinct status for the City Region that would enable sub-regional

economic and transport policy priorities to be fully reflected in Network Rail investment plans within Greater Manchester.

- c) **Rail rolling stock investment.** A similar issue arises from the current consultative approach adopted by DfT Rail in developing its plans for the local elements of the national rail rolling stock programme. This approach has raised a significant risk that the final deployment of rolling stock will not be sufficient in scale and quality to meet the demands of projected future growth levels in the Regional Centre in particular. We would welcome a dialogue to establish a new and distinct status for the City Region to ensure that sub-regional economic priorities are fully reflected in the rail rolling stock programme going forwards.

**Bus.** The Local Transport Act does not address the current arrangements for total public subsidy of bus services (c. £1.5bn in 2007/8 nationally for areas outside London), which could be utilised to support wider policy objectives if managed by the City Region through devolved powers. The allocation processes for the Bus Service Operators Grant (£413m nationally in 2007/8) and funding support for the implementation of the national concessionary fares scheme are currently managed centrally by Government. DfT's intention to utilise BSOG to nationally incentivise operators' take-up of Smartcard technologies risks national bus groups establishing operator-specific technologies and ticketing systems that would undermine local City Region integration objectives.

The Local Transport Act has strengthened GMPTE's ability to influence bus operators through quality partnerships and quality contracts, however this is still to be tested in practice.

We would welcome a dialogue with Government on the potential devolution of control over these funding streams to ensure that they can be utilised to maximum effect to incentivise bus industry activity that best supports sub-regional strategic objectives and maximises value for money.

**Local Motorway (Highways Agency) Network.** The Highways Agency's forward strategy for the Greater Manchester motorway network is a critical element in ensuring a robust local transport system to sustain the future economic performance of the City Region. Currently, the Greater Manchester authorities, as local planning bodies, are statutory HA consultees on individual schemes that relate to their local area. This arrangement does not allow for consistent development of forward planning at a strategic level. In addition, the absence of a formal planning relationship with GMPTE has precluded the opportunity to identify complementary strategic benefits – for example, the recent development of HA plans for M60 hard-shoulder operation has not allowed for the consideration of segregated express commuter bus use of these facilities.

We would welcome a dialogue with Government to establish a new and distinct status for the City Region that would enable sub-regional economic and transport policy priorities to be fully reflected in HA investment plans within Greater Manchester.



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**MANCHESTER**  
CITY COUNCIL

# Transport Governance Consultation Response Form

Please read **Transport Governance: A consultation on future arrangements in Greater Manchester** before sending us your comments.

It would be helpful to if, in commenting, you could answer the following questions 1 to 7.  
If, however, you would prefer to submit a general comment only, please do so by answering question 7.

1 Do you agree with the analysis presented in the document concerning:

a) The relationship between the strategic role of AGMA and the transport commissioning and delivery roles (see paragraphs 13 to 17)

b) Constitutional arrangements (paragraphs 18 to 20)

c) Functional changes (paragraphs 21 to 26)

d) Geographic scope and boundaries (paragraphs 27 and 28)

2 Do you agree that the 3 main categories of options identified in the document (paragraph 30) are comprehensive?

YES/NO

If **no**, do you think there are others? Please identify these and let us have your views on them.

3 Please give us your views on **Category A** based models (paragraphs 31 and 32). Both models retain the GMITA in its current form. If you support either of these models, please explain why.

4 Please give us your views on **Category B** based models (paragraphs 33 to 35). All models retain the GMITA though with various changes to its size and functions. Again, if you support any of these models, please explain why.

5 Please give us your views on **Category C** based models (paragraphs 36 to 38). Both models propose a Combined Authority. Again, if you support either of these models, please explain why.

6 Do you have any comments on the analysis of delivery arrangements presented in the report paragraphs 39 to 41)?

7 Do you have any other comments?

Name:

Address:

Postcode:

**THANK YOU FOR YOUR COMMENTS**

**Please return this form to:**

**Clerk to GMITA, PO Box 532, Town Hall, Manchester M60 2LA  
by close of business on Wednesday 30 September 2009.**

**Alternatively this form can be completed on-line at [www.agma.gov.uk](http://www.agma.gov.uk) or [www.gmita.gov.uk](http://www.gmita.gov.uk)**