



Tyne and Wear Integrated Transport Authority

Meeting to be held on Thursday 27 March 2014 at 10.00 am in a Committee Room, Civic Centre, Newcastle upon Tyne, NE1 8QH

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SUPPLEMENTAL AGENDA

	Page
5. An update on the proposed Combined Authority	1 - 6
Update on the proposed Combined Authority	

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DATE: 27 March 2014

SUBJECT: Update on the proposed Combined Authority

REPORT OF: The Clerk to the Authority

PURPOSE OF REPORT

This report provides Members with an update on the impending creation of the Combined Authority and how the Combined Authority will take on the ITA's responsibilities for transport functions following the abolition of the ITA.

RECOMMENDATIONS

Members are recommended to note this report.

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IMPACT ON OBJECTIVES

To support economic development and regeneration	Positive
To address climate change	Positive
To support safe and sustainable communities	Positive



1 Executive Summary

- 1.1 The Combined Authority will take on the ITA's role for transport matters in the Tyne and Wear area. This provides an opportunity to integrate transport strategy and delivery across administrative boundaries, to develop a closer relationship between transport and wider economic development, and, over time, to improve the connectivity and quality of public transport across the region. The proposed governance arrangements for the Combined Authority seek to develop a more integrated approach to transport across the entire area of the Combined Authority, whilst recognising the different issues and challenges which apply to urban and rural communities.

2 Effect of the order creating the Combined Authority

- 2.1 The statutory instrument ("the Order") which will create the Combined Authority for the North East area is expected to come into effect very shortly.
- 2.2 When it comes into effect, the Order will dissolve the Tyne and Wear integrated transport area and abolish the ITA. All of the ITA's functions, property, rights and liabilities will transfer to the Combined Authority.
- 2.3 Nexus, as a separate statutory legal entity (i.e. the Passenger Transport Executive), will continue to exist, with a remit for the delivery of public transport within the Tyne & Wear area. The Order provides that, for the purposes of the relevant legislation, Nexus will be an executive body of the Combined Authority and treated as an officer of the Combined Authority (which will allow the Combined Authority to delegate functions to Nexus). There are already close links between Nexus, Northumberland and Durham, and a significant amount of cross-boundary journeys. These connections will be further enhanced and brought under combined governance arrangements.
- 2.4 Given the need for transitional arrangements, measures will be put in place to ensure continuity of responsibility for transport delivery. At the same time, the Order will transfer to the Combined Authority comparable transport functions from the County Councils for their respective areas. The Combined Authority will delegate some of these functions back to the County Councils so that they can continue to be exercised by the County Councils, subject to the oversight of the Combined Authority. In effect, this means that, at a "local" level, the function



which Nexus carries out as a delivery agency for the combined Authority within Tyne and Wear will be broadly similar to that carried out by the County Councils in their areas.

- 2.5 In terms of funding, the Order provides that the Combined Authority shall issue three separate levies, namely:
- a. one levy for the district councils in Tyne and Wear;
 - b. one levy for Durham County Council; and
 - c. one levy for Northumberland County Council.

These new arrangements will apply from April 2015. As transitional arrangements, the Order also provides that, in the financial year beginning 1 April 2014, the levy for the Tyne and Wear area is to be that set by the ITA, and no new levy will be set for Durham and Northumberland for that year.

3 Decision-making arrangements of the Combined Authority for transport matters

- 3.1 The membership of the Combined Authority (which is to be known as the North East Leadership Board) will consist of the leader or elected mayor of each of the seven constituent authorities, together with a (non-voting) representative of the North East Local Economic Partnership. Each constituent authority will be able to appoint a substitute member to attend when their leader or elected mayor is unavailable.
- 3.2 The full Leadership Board itself will retain decision-making responsibility for the most important strategic and budgetary transport matters. Certain matters (such as the approval of the Combined Authority's budget, the setting of any transport levy and the adoption of any local transport plan) will require a unanimous decision of the full Leadership Board. One member of the full Leadership Board will be appointed as a Portfolio Lead for transport matters.



- 3.3 In order to support the Leadership Board, it will establish a joint committee called the Transport North East Committee which will oversee the governance of transport across the Combined Authority's area on a delegated basis from the Leadership Board. The details of the membership of Transport North East are being finalised but it will include each constituent authority's Cabinet/executive member who is their transport portfolio holder. The committee will be chaired by the leader/elected mayor who has been identified as the portfolio lead for transport matters, as a representative of the Leadership Board. It will have three vice-chairs, i.e. one from each County Council and one drawn from the Tyne and Wear authorities. Given the number of important issues which will continue to relate to the Tyne & Wear area (including the political oversight of Nexus), there will be a Transport North East (Tyne and Wear) Subcommittee comprising one member from each of the Tyne and Wear authorities.
- 3.4 In addition to these specific arrangements for transport, the Combined Authority will also have an Overview and Scrutiny Committee, which will be able to scrutinise the decisions and policies of the Combined Authority as a whole (including transport issues), and also a Governance Committee, whose remit will include the audit function. Arrangements are being made to ensure continuity of expertise from independent members of the ITA Audit Committee, to ensure the transfer of financial responsibility is as smooth as possible.

4 Transition from the ITA to the Combined Authority

- 4.1 Clearly, the replacement of the ITA with the Combined Authority represents a fundamental change in governance arrangements across the region. As well as covering a greater geographical area, the Combined Authority has a broader remit which spans economic development and skills as well as transport. Whilst this does represent a major shift in approach, it is important to stress that there will be a degree of continuity in that, in the immediate future at least, the Combined Authority will inherit the plans and strategies of the ITA (and those of the County Councils) as the basis for developing its own. Clearly, the Leadership Board will become responsible for many of the initiatives and projects which the ITA has been driving forward – for example, the Bus Strategy Delivery Project which is the subject of a separate report on this agenda. On a practical level, it is proposed that the existing officer support to the ITA will continue to support the transport functions of the Combined Authority, with Newcastle Council hosting the support team on



behalf of the seven authorities, reporting to the Chief Executives group.

- 4.2 As the transition to the Combined Authority is now likely to take place slightly after 1 April 2014, the ITA's existing arrangements for 2014/15 will continue until the transition takes place. A separate report on the agenda deals with the financial implications of this.

5 Wider Context

- 5.1 It is worth noting that the decision to create a North East Combined Authority does not sit in isolation. Across the North of England, Combined Authorities will be in place in Greater Manchester, Merseyside, South Yorkshire and West Yorkshire. Over time, this will provide opportunities for a stronger devolution of funding, powers and responsibilities. The northern local authorities are also proposing to play a more active and influential role in the rail network, through the Rail North partnership. Furthermore, the Single Local Growth Fund provides opportunities to negotiate longer-term commitments to capital investment into our transport system, within the Strategic Economic Plan being developed by the Local Enterprise Partnership, and negotiated with government over the next few months.
- 5.2 In all of these matters, the Combined Authority will benefit from the considerable success demonstrated by the Tyne & Wear Integrated Transport Authority, which has made a substantial contribution to the quality of public transport across the area. In transferring responsibilities to the Combined Authority, the north east will continue to benefit from the ITA's legacy, taking forward and extending the initiatives which it has led and championed.

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