

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

Fifth Delegated Legislation Committee

DRAFT TRANSPORT LEVYING BODIES  
(AMENDMENT) REGULATIONS 2017

*Wednesday 22 February 2017*

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**The Committee consisted of the following Members:**

*Chair:* MRS CHERYL GILLAN

- |   |   |
|---|---|
| † Ansell, Caroline ( <i>Eastbourne</i> ) (Con)                                  | † Mathias, Dr Tania ( <i>Twickenham</i> ) (Con)                         |
| Coyle, Neil ( <i>Bermondsey and Old Southwark</i> ) (Lab)                       | † Menzies, Mark ( <i>Fylde</i> ) (Con)                                  |
| Donelan, Michelle ( <i>Chippenham</i> ) (Con)                                   | † Pickles, Sir Eric ( <i>Brentwood and Ongar</i> ) (Con)                |
| † Dowden, Oliver ( <i>Hertsmere</i> ) (Con)                                     | † Poulter, Dr Daniel ( <i>Central Suffolk and North Ipswich</i> ) (Con) |
| † Foxcroft, Vicky ( <i>Lewisham, Deptford</i> ) (Lab)                           | † Prentis, Victoria ( <i>Banbury</i> ) (Con)                            |
| † Jones, Andrew ( <i>Parliamentary Under-Secretary of State for Transport</i> ) | † Spencer, Mark ( <i>Sherwood</i> ) (Con)                               |
| Jones, Mr Kevan ( <i>North Durham</i> ) (Lab)                                   | † Zeichner, Daniel ( <i>Cambridge</i> ) (Lab)                           |
| Lewis, Mr Ivan ( <i>Bury South</i> ) (Lab)                                      | Leoni Kurt, Tamsin Maddock, <i>Committee Clerks</i>                     |
| McKinnell, Catherine ( <i>Newcastle upon Tyne North</i> ) (Lab)                 | † <b>attended the Committee</b>   |

# Fifth Delegated Legislation Committee

Wednesday 22 February 2017

[MRS CHERYL GILLAN *in the Chair*]

## Draft Transport Levying Bodies (Amendment) Regulations 2017

8.55 am

**The Parliamentary Under-Secretary of State for Transport (Andrew Jones):** I beg to move,

That the Committee has considered the draft Transport Levying Bodies (Amendment) Regulations 2017.

The draft regulations were laid before the House on 24 January. If approved, they will enable the combined authorities for the Tees Valley and the West Midlands to collect appropriate levies from their constituent councils to meet the costs of carrying out their transport functions. They are administrative and allow the fulfilment of local governance changes.

It is worth noting that such levying regulations have not been presented in Committee before; in the past, they have been subject to the negative approval procedure and, indeed, that has happened several times. However, with the passing of the Cities and Local Government Devolution Act 2016, it was determined that such regulations made in relation to combined authorities would in the future be subject to the affirmative procedure.

The five constituent councils of the Tees Valley Combined Authority, which are Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland, and Stockton-on-Tees, and the seven constituent councils of the West Midlands Combined Authority, which are Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton, have led a local process to improve their governance arrangements. That culminated in this House and the other place agreeing orders that saw the establishment of the Tees Valley Combined Authority on 1 April 2016 and the West Midlands Combined Authority on 17 June 2016. Those orders gave effect to the desire of the local authorities in those areas to improve their joint working, including on transport matters. Orders have since been made to provide for mayors to be elected on 4 May for both the Tees Valley Combined Authority and the West Midlands Combined Authority. Once elected, the mayor will be the chair of the combined authority.

Combined authorities are designated as levying bodies under the Local Government Finance Act 1988. Under that Act, the Secretary of State can make regulations in relation to the expenses of combined authorities that are reasonably attributable to the exercise of their functions, including in relation to transport. The regulations before the Committee will amend the Transport Levying Bodies Regulations 1992 to take account of the creation of the two combined authorities in Tees Valley and the West Midlands. They have been drafted to reflect the proposed approach of the local areas and have been agreed by the two combined authorities.

The levy could fund any of the transport functions that sit with the combined authority in question. The functions of each combined authority are set out in its establishment order and any subsequent order that confers functions, and transport functions are clearly identified. The transport functions of the two combined authorities include the development of a local transport plan, a concessionary fares scheme and the provision of information on transport services in their areas. It will be for the combined authority to decide how to fund its functions, including its transport functions, in accordance with its establishment order and any subsequent orders. The constituent councils will then need to consider how they fund any levy issued by the combined authority as part of their budget process—whether by council tax, Government grant or other revenue sources. They will need to take into account the impact on council tax levels in their area, including when determining whether any council tax increase is excessive.

In the case of the West Midlands, the regulations in effect constitute a name change. The previous West Midlands integrated transport authority was dissolved as part of the move to the West Midlands Combined Authority, and the ITA's functions were transferred to the combined authority. Like the ITA before it, the West Midlands Combined Authority will continue to levy its constituent authorities for transport purposes. It will also continue to apportion the levy by agreement, or on the basis of the population of the constituent councils.

The situation for the Tees Valley Combined Authority is different, because there was no previous integrated transport authority. For that reason, the draft regulations set out how any transport levy would be apportioned between the constituent councils if the combined authority could not secure agreement. In the event that they cannot agree, the combined authority will apportion the levy by taking into account previous levels of transport expenditure by the constituent councils.

The regulations will help to facilitate the provision of transport arrangements as part of the wider governance changes across these two areas, and I commend them to the Committee.

9 am

**Daniel Zeichner (Cambridge) (Lab):** It is a pleasure, Mrs Gillan, to serve under your chairmanship, to use your preferred terminology. In 2012 an amendment was made to the transport levying bodies regulations that enabled the Greater Manchester Combined Authority to issue levies to meet the costs of carrying out its transport functions. In 2015, after a number of other integrated transport authorities were established, they too were enabled to issue levies by an amendment to the regulations. Therefore, it is only right that this latest amendment is made so that the newly established Tees Valley and West Midlands Combined Authorities can also issue such levies. Furthermore, I understand that both of the combined authorities and their constituent councils have had the opportunity to comment on the instrument and lawyers for the councils have confirmed that they are content with the provisions.

The Labour party fully supports the devolution of transport funding, and the establishment of the Tees Valley and West Midlands Combined Authorities presents

a promising prospect for both regions. Indeed, research conducted by IPPR North shows the stark contrast in spending on transport across the country, with England's north-east seeing £300 per person and the West Midlands receiving £266 per person, compared with London's £1,900 per person for key infrastructure between 2016-17 and 2020-21. The capacity to issue levies will accordingly allow the two combined authorities to invest in transport for their respective regions, even as the UK Government nationally fail to address nationwide disparities in transport spending.

The Labour-run Tees Valley Combined Authority, with the support of Councillor Sue Jeffrey—Labour's candidate for Tees Valley Mayor—has set out four strategic transport priorities that it intends to pursue with the involvement of national agencies and investment by Government: the first is that Darlington station should be HS2 ready with new platforms and links to adjacent developments; the second is an additional crossing of the River Tees; the third is improvements to east-west road connectivity from the A1(M) to the international gateway at Teesport; and the fourth is the electrification of the Northallerton to Teesport rail line to improve freight to Teesport and passenger services to Middlesbrough.

In the West Midlands, Labour's candidate Siôn Simon has put forward a number of exciting policies. He has pledged to freeze public transport fares for a year, as well as to provide subsidised charges for job seekers, bring in 24-hour, seven-day running on key bus routes to help shift workers, cut congestion on the roads and improve journey times across the region, make the M6 toll free for drivers, expand Birmingham airport and quadruple the £8 billion growth and transport investment plan for the region.

We therefore welcome this amendment, which we believe will be an important tool for Labour Mayors to implement those policies following the elections in both the West Midlands and Tees Valley on 4 May.

9.3 am

**Mark Menzies** (Fylde) (Con): We understand from this draft measure that component constituent authorities are making a transport charge towards the running of the bodies in their areas. If a local authority in a combined authority area decides at a later date to withdraw from the combined authority, will it still be required to pay in any costs or charges to the pool? I ask that because in Lancashire, where we have a shadow combined authority, Wyre has not taken part, my own council Fylde has decided to withdraw and at least another three local authorities are now at various stages of deciding that a combined authority is really not for them. I would like some clarification from the Minister on whether, if a local authority is not part of a combined authority, or if it is and then withdraws, it is still liable for financial costs.

9.4 am

**Andrew Jones:** I can answer my hon. Friend's question. If an authority leaves a combined authority, it will no longer be a part of it so it cannot be levied. However, it can of course voluntarily contribute if it wishes to do so.

*Question put and agreed to.*

9.4 am

*Committee rose.*

