

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Second Delegated Legislation Committee

DRAFT SUB-NATIONAL TRANSPORT BODY
(TRANSPORT FOR THE NORTH)
REGULATIONS 2017

Wednesday 10 January 2018

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Sunday 14 January 2018

© Parliamentary Copyright House of Commons 2018

This publication may be reproduced under the terms of the Open Parliament licence, which is published at www.parliament.uk/site-information/copyright/.

The Committee consisted of the following Members:

Chair: JOAN RYAN

- | | |
|--|---|
| † Amesbury, Mike (<i>Weaver Vale</i>) (Lab) | † Murray, Mrs Sheryll (<i>South East Cornwall</i>) (Con) |
| † Benyon, Richard (<i>Newbury</i>) (Con) | † Norman, Jesse (<i>Parliamentary Under-Secretary of State for Transport</i>) |
| † Cadbury, Ruth (<i>Brentford and Isleworth</i>) (Lab) | † Rodda, Matt (<i>Reading East</i>) (Lab) |
| † Cummins, Judith (<i>Bradford South</i>) (Lab) | † Sobel, Alex (<i>Leeds North West</i>) (Lab/Co-op) |
| † Davies, Chris (<i>Brecon and Radnorshire</i>) (Con) | † Stephenson, Andrew (<i>Lord Commissioner of Her Majesty's Treasury</i>) |
| † Foxcroft, Vicky (<i>Lewisham, Deptford</i>) (Lab) | † Tomlinson, Justin (<i>North Swindon</i>) (Con) |
| † Herbert, Nick (<i>Arundel and South Downs</i>) (Con) | |
| Lewis, Clive (<i>Norwich South</i>) (Lab) | |
| † Mak, Alan (<i>Havant</i>) (Con) | Adam Evans, <i>Committee Clerk</i> |
| † Mann, Scott (<i>North Cornwall</i>) (Con) | |
| † Maskell, Rachael (<i>York Central</i>) (Lab/Co-op) | † attended the Committee |

Second Delegated Legislation Committee

Wednesday 10 January 2018

[JOAN RYAN *in the Chair*]

Draft Sub-national Transport Body (Transport for the North) Regulations 2017

8.55 am

The Parliamentary Under-Secretary of State for Transport (Jesse Norman): I beg to move,

That the Committee has considered the draft Sub-national Transport Body (Transport for the North) Regulations 2017.

It is a pleasure to serve under your chairmanship, Ms Ryan. The draft regulations, which were laid before the House on 16 November 2017, establish Transport for the North as the first sub-national transport body. This debate is the culmination of the parliamentary phase of the draft regulations, but it will not surprise Members to know that a lot of hard work has brought us to this point, and I start by paying tribute to the civic, business and political leaders across the north who have come together in the past few years to create Transport for the North.

TfN provides the north with a huge opportunity to combine the individual strengths of its constituent areas and to work with the Government to plan transport more effectively across the region. The draft regulations, together with the creation of metro Mayors, give the north greater autonomy and control over transport, and a powerful voice to articulate the case for new transport projects. If approved, they will provide TfN, acting as a single voice for the north, with statutory status. That status is a crucial symbol of the Government's commitment to rebalancing the economy, because it will give TfN a clear leading role in planning and developing a programme for the north and enable it to ensure that transport interventions in the north not only improve journeys but are targeted at unlocking growth across the region.

I am keenly aware that Members across the House and in the other place share our aim to transform northern growth and to rebalance the country's economy. The Government have been very clear that we wish to see and to support better transport connections across the whole of the north, particularly east to west. To address that, we are already spending record amounts on transformational projects such as High Speed 2 and the great north rail project, and on new trains and extra services through improved franchises. We are also spending billions of pounds extra on roads to make journeys faster and more reliable.

The northern powerhouse rail programme aims significantly to improve connections between major cities across the north of England. TfN is considering a range of options, and we are due to receive a business case from it later this year. TfN is also taking forward important work to develop smart ticketing in the north and a cross-northern strategic transport plan. Those programmes will help to realise the vast potential of a region with more than 15 million people, 1 million businesses, exports worth upwards of £50 billion, thriving regenerated cities and world renowned universities.

We all agree that greater investment in the north is vital, but there is also a need for a long-term strategy to drive investment decisions—a strategy developed by the north, for the north. Developing such a strategy will be a core function of this new sub-national transport body and will mean that the Secretary of State formally considers the north's strategy when taking national decisions. That unprecedented role in national transport planning is designed to ensure that links between transport and economic development are maximised.

The draft regulations also give TfN powers to work with local authorities to deliver and fund transport projects, including road schemes and smart ticketing in the north, and to be consulted on rail franchises. The role set out for TfN in the draft regulations will enable it to plan, recruit, enter into contracts and spend effectively the £260 million it has so far been allocated to take forward its work. As required under the legislation, TfN has provided the Secretary of State with a formal proposal and draft regulations, which have been approved by no fewer than 56 separate local authorities. In administrative terms, that is a Herculean effort.

The role set out for TfN in the draft regulations strikes a careful balance between what is right for the north and what is right for the country. The Government and our agencies are already working closely with TfN on national infrastructure decisions. As a formal partner with statutory status, TfN's role will be strengthened, paving the way for even better co-operation in the future. Most fundamentally of all, speaking with a strong unified voice will be pivotal in bringing our cities closer together and creating a modern, reliable and improved transport system in the north. The benefit of the transport regulations is clear, in allowing us to work towards that goal, and I ask the Committee to give them its support.

9 am

Rachael Maskell (York Central) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Ms Ryan. I represent a constituency within the proposed jurisdiction of the newly-established Transport for the North, and I declare an interest, in that I want to ensure that we get the establishment of Transport for the North absolutely right.

We have seen the power of real devolution and the impact that it has on economic regeneration and opportunity, and how, when transport and the economy are combined into spatial planning, we can build a country fit for the future. Over the past 18 months we have seen that power in London in particular, with Transport for London's ability to drive economic opportunities for the city and what it has done through its transport plan to connect communities, address social mobility, attract inward investment and kick-start a house building strategy. By determining that public transport must be prioritised alongside cycling and walking, TfL has been able not only to map its mobility objectives, but to relate business, housing, environmental and health priorities to them, for full connectivity from a fully integrated transport system, and a fully integrated overarching strategy for Greater London. Similar benefits have been brought about through Transport Scotland and Transport for Wales.

With that approach have come resources—although they are being withdrawn without the necessary transitional funds—and powers to make decisions and bring about

change. However, as we head north we see a different concept proposed in the regulations. Labour's ambition for devolution and, in particular, devolution for the transport system as set out in part 5A of Labour's Local Transport Act 2008, which makes the regulations permissible, reaches well beyond the scope of what is set out in the regulations before the Committee.

As I have already set out, Transport for London, utilising all its powers, is able to realise the ambition of its community and deliver a transport system for the future. Northern communities already get a 10th of the spending that goes to London, and the new regulations restrain opportunity for the new sub-national transport body. In a variety of announcements, the Secretary of State first scrapped the promised investment, but proposed that he would deliver devolved powers that would allow the north to address its own transport needs. However, the statutory instrument delivers neither resource nor the powers that he promised just months ago.

I want to begin by talking about the schedule and the governance arrangements. Labour will be supportive of the proposals set out for the co-ordination and governance of Transport for the North. We believe that to have equal voices representing the breadth of communities in the north is right, and the ability to determine on simple majorities, population size or track coverage proportions to the weight of votes is right, when it comes to certain matters such as franchises.

It is essential, for any strategic body to function, to ensure that partners can engage; robust scrutiny is also vital, to ensure that the challenges are put within the system, and that the strategic body keeps being held to account over its determinations.

That brings me to the area of contention, namely regulation 5. I ask the Minister whether it is lack of ambition or lack of trust that has determined the regulation's limitations with regard to the powers to prepare, advise and make proposals. Is the Minister really serious in introducing regulations for a new strategic transport authority that has the right to put its hand up and say, "Please"? It is staggering, when we all know why rail is failing so badly at the moment, with the fragmentation conspiracy held at the heart of Government, that the regulations provide zero power to drive a different approach or culture into our rail system.

Let me take each point in turn. Regulation 5(a) specifies the power to prepare a transport strategy. Should it not at least specify the power to prepare and set the priorities? We need legislation to enable TfN to deliver an integrated transport strategy linked to an economic plan and a spatial plan. We hear about the northern powerhouse, but we just get the right to prepare a strategy and pass it on to the Secretary of State, who then has the powers to do whatever he so chooses with it. Labour would bolster that power, to bring real power to the north.

It gets worse. Regulation 5(b) sets out the power to "provide advice"—just provide advice—to the Secretary of State about the exercise of transport functions in relation to the area, whether they are exercisable by the Secretary of State or others. I know the Secretary of State would seriously benefit from the provision of advice from a strategic transport body, but honestly, this is completely substandard and does not need legislating for. Anyone can provide advice. There is no credence given to the depth of the advice or how it will be received, and there is nothing in the regulations to say whether any of it will have any effect and see the light

of day. In other words, the Secretary of State gets someone to do his homework for him and then decides what he wants to do with it. He may rub it out if he so chooses; he is given no obligations on how to respond to that advice.

Labour wants Transport for the North to have the powers to implement the strategy; to co-produce, at the very least, the plan to implement the strategy; to determine the priorities for the area covered; and to be able to make decisions on the strategy. Of course, Labour's move to a publicly owned railway system will reflect the strength of devolution right through its structures and will ensure, through Transport for the North, that local authorities will help to determine their destiny, while also ensuring national co-ordination to bring economic opportunity to all corners of the nation, with a transport system that delivers the right solutions to the country.

The continued economic inequality and failure will not abate if all the decision making is still taking place at the Department for Transport and by the Secretary of State. He must let go of his powers and start trusting those who are experts in the north and know what is needed for local growth. We must break the Secretary of State's Stalinist grip on the railway, where every decision must go across his desk. That is exactly why we need Transport for the North and why we need a Labour Government.

Let me give the example of TransPennine Express. The leaders of all the authorities within the Transport for the North footprint have been absolutely clear that that major artery needs to be electrified and to provide the high-speed, high-capacity service necessary for economic opportunity. It must be Transport for the North's role to determine what is needed. Clearly, the Secretary of State has got it wrong in downgrading that scheme, switching the power off in the north. Everyone in the north knows that and has been incredibly vocal about it; however this remote Government do not understand its importance.

Transport for the North must be able to set the strategy and priorities and then implement them. These regulations fall completely short of that. I urge the Government to redraft the whole of regulation 5, but I have not finished yet. Regulation 5(c) provides for a co-ordinating role between the authorities to improve effectiveness and efficiency. Should those powers not also extend to an arbitrating role? Co-ordination is good if everyone agrees, but when they do not we need to ensure that the broader interests are determined, and therefore the powers of Transport for the North should be extended to achieve that.

Then we get to regulation 5(d), under which if Transport for the North believes that effectiveness and efficiency can be improved, it has the power to make proposals. Once again, there is nothing that must be acted upon. These are not powers. We need to ensure that proposals are turned into determinations that can be delivered. Then we have regulation 5(e), where proposals can be made to the Secretary of State about the role and function of Transport for the North. Once again, we can ask, beg and plead, but there is no obligation on the Secretary of State to be cognisant of such proposals. The whole of regulation 5 is poor—really poor—and I call on the Minister to amend it. Subsections (2) to (6) of section 102H of part 5A of the 2008 Act enable the Secretary of State to go further, and I urge the Minister to take that on board.

[*Rachael Maskell*]

I have a few further points to make about the remainder of the regulations. It is unclear how the instituting of advanced and smart ticketing will be specifically resourced in the longer term, after the £150 million allocated for now has been spent, or how it is proposed that that will be interrelated across the rest of the transport network outside the jurisdiction of Transport for the North. We urgently need smart ticketing that is intermodal and dovetails into the national ticketing scheme. Will the Minister give a clear response to that?

Let me briefly move on to highways. I note that, again, the Secretary of State will sign off on initiatives on trunk roads and the acquisition of land, its use and its environmental impact. Surely, these matters should be devolved to Transport for the North, under the direction of the Secretary of State. It speaks of a lack of an existing national strategy for the highways, and a lack of faith in a northern body such as Transport for the North having the ability to make these determinations. Labour believes that it should.

Regulation 11 sets out the relationship between TfN and local authorities on highways matters. May I point out to the Minister that, although it mentions footpaths and trunk roads, it is silent on bridleways and cycle paths? Is there intent behind that omission, and if so, why? Labour believes that far more investment is needed in walking and cycling to tackle poor air quality and congestion and to improve health.

Finally, funding is key to growth and economic and social success, yet the regulations are virtually silent on the matter, save for saying that contributions will come from the local authorities in a proportionate way, and for the initial resourcing. Section 102L of part 5A of the 2008 Act makes provision for grants to be allocated. Why has that not been included in the regulations? Will the Minister share more details? Labour's intent with the 2008 Act was to ensure that real power was devolved to strategic regions, and it is deeply disappointing that the Government have not shared our ambition. We wholeheartedly support the setting up of Transport for the North, and I speak for the vast majority of local authorities in the north in saying that we are deeply disappointed with the regulations and that we want the Government to redraft regulation 5. Transport for the North should have the powers to set and implement a strategy that it owns, and the Secretary of State should be bound not only to fully consider it but to support it, unless he can provide strong evidence of why it should be refocused. As things stand, the power in these regulations sits in the wrong place.

In order to make progress in the setting up of Transport for the North, Labour will not block these regulations today. However, we seek a guarantee from the Government that they will go back and extend powers to Transport for the North, to enable it to be a truly strategic body across the whole transport system, delivering for all communities in the north.

9.12 am

Jesse Norman: I thank the Opposition Front-Bench spokesperson for her comments. Let me address the several points she raised.

First, the regulations have been drafted with the support, and in some cases at the formal request, of Transport for the North and the constituent authorities themselves.

The Government are acting not in a vacuum but very closely in consultation with the constituent authorities and Transport for the North's own management and executive team. Therefore, I do not think it is correct to say that those things are in some sense not supported locally; on the contrary, the reason the Labour party supports them and the reason they command support across the north is that everyone recognises that this body is a very important step for this important subject, in a central area of our future economic development.

Secondly, it is very bold to talk about devolution in a grand way. The Labour party ought to be careful to think about what that actually implies. We have national networks in road, rail and other areas mentioned by the hon. Member for York Central, and devolution can upset national flows and the coherence of a national strategy. It is important for Government to recognise and respect that. I have no doubt that any Government in this position would be concerned about the national aspect of such important networks.

Thirdly, these powers are absolutely not unambitious, as the hon. Lady suggested. I remind the Committee that this is the first sub-national transport body, and important powers are being allocated to Transport for the North. The power to produce the statutory transport strategy is important, and the fact that it is statutory gives it an authority and status that commands respect. This entity now has the capacity to fund organisations that can deliver transport projects—smart ticketing, for example—and the Government are working with and giving the power for TfN to work with local authorities to fund, promote and deliver schemes, and to be consulted on schemes, which is important. Those are important powers, and an important devolution of autonomy and control to the region, and rightly so.

As I have said, 56 authorities were consulted and the idea that they form an entirely coherent group that is able to speak with one voice is fanciful. It is important for TfN to bring together all those concerns and mould them into a strategy, and in due course we will see the results of its work on that. The idea that there is somehow a single voice, and therefore a comparison with Transport for London, is far-fetched. We are in the early stages of setting up a new institution, and anyone who wishes to ask whether that institution speaks with one voice, and whether more powers should be devolved to it, should ask from which local transport or other authority those powers will be removed. Is the hon. Lady genuinely suggesting that Transport for Greater Manchester should have some of its powers removed to go to Transport for the North, because that is the implication of creating a body of the kind she described? This is far from unambitious—these are ambitious and far-reaching proposals on which this Government, and future Governments, could build if they are successful.

This Government are the first to have introduced a national walking and cycling strategy. They inherited a situation in which walking and cycling were being funded at the rate of £2 a head per year, and that is now £6 a head per year. That is not enough, but it is a significant improvement.

I thank the hon. Lady for her constructive points, and we will obviously attend to them. We see the establishment of Transport for the North as a significant step for the north and the country as a whole. It will work with the region's transport authorities and elected

Mayors to build a long-term vision for transport across the north of England. As the voice of the north in that area, Transport for the North will have unprecedented influence over Government funding and decision making. The Government have demonstrated that by setting up this institution and backing the election of metro Mayors, we are giving the north greater autonomy and control, and a powerful voice to articulate the case for new transport projects.

Rachael Maskell: I thank the Minister for his response, but I wish to come back on a number of issues. First, let me be clear that Labour fully supports the setting up of this sub-national transport body, Transport for the North. We want it to be successful, but we do not underestimate the real challenges faced by the new strategic body, and we therefore want to ensure that it has the powers and authority to deliver what it needs to deliver on behalf of local authorities and strategic bodies across the north. That is why we have made a close determination about what those powers should be, in dialogue with authorities across the north, as well as Transport for the North.

I challenged the assumptions made by the Minister because there are successful bodies, whether in Wales, Scotland or London, that have greater control over their transport determinations, and we must question why a similar determination cannot be made by a body in the north. Transport for the North should clearly have greater powers to determine the destiny of the economy and communities of the north, and that is why we urge the Minister to go further in future.

I challenge the Minister's claim that TfN has those wider powers, because there is still a massive dependency on the Secretary of State making determinations. We are not talking about taking any powers away from local authorities, because we believe in devolved decision making. However, the regulations are too dependent on the Secretary of State making the determinations and the sign-off.

Although we recognise the importance of a strategic national plan for our transport system, it is important that those powers are devolved down into a sub-national transport body. The Secretary of State should produce evidence of why that should not happen and why it is he should affirm such decisions. I question the Minister's claim that our proposal would not function, given what is happening in other areas.

The Minister also raised the issue of not all the strategic bodies speaking with one voice. That is exactly why we recognise the role of collaboration, but we also argue that, where a dispute occurs between authorities, they should be able to access arbitration. Of course, there will be different interests and approaches. Those are determined by the difference and variety of communities across the north. We believe that the strategic body for transport in the north should have greater powers at that level.

Finally, on walking and cycling, the latter is funded at the rate of £6 per head, but we want the figure to be increased to £10 per head. We want to be ambitious and to change the approach. I specifically asked the Minister why cycle paths and bridleways were omitted from the regulations, while footpaths, roads and highways were included. Is that an omission by default or was there intent behind it?

Jesse Norman: I am grateful to the hon. Lady for that intervention. I have a few points to make in response. There are two kinds of devolution: the first relates to whether more powers should be devolved from the Secretary of State, and the second to the relationship between Transport for the North and its constituent authorities. I will take those two in turn.

The hon. Lady's appeal with regard to Transport for London relates to the second issue. If Transport for the North is to function in due course in any way analogous to Transport for London, that will require local and transport authorities to give up powers to TfN. She has to answer whether she—and those authorities—are comfortable to give up those powers, because that is what is implied by her comparison to Transport for London. I do not think that those authorities would be comfortable with that; there is no evidence for that. They have vigorously asserted the powers that they have received under the metro Mayors, and rightly so, and in many cases they are doing exciting and interesting things with those powers.

That is one aspect of devolution. As to the other aspect, which is whether the Secretary of State should devolve more powers, the hon. Lady said I did not offer an argument, but in fact the opposite is true: I offered two arguments. First, this is a new entity. It is the first sub-national transport body. Let us see whether this entity, with all the embedded conflicts and properly articulated differences of priorities, can pool that into a concrete set of proposals and work effectively with this and future Governments to prove its worth. When it has done that, the case for further devolution of powers will become clear. The regulations already provide substantial devolution.

Secondly, one must be very careful to ensure that devolved powers do not conflict with national networks. We do not want to do that. In this country we have always run the strategic roads network as a strategic network. Increasingly, with the development of the new major roads network, we are running a network on a national routes basis, and it is important to respect that.

The hon. Lady's final question concerned cycle paths and footpaths, but they are a matter for local authorities. They do not need to be mentioned in the regulations and can perfectly properly be managed, as matters presently stand, by local authorities. That is the principle adopted by the regulations.

Rachael Maskell: Clearly, the Minister and I, and our parties, have a completely different view of devolution. We very much see it as taking power from the centre down into the regions. Evolution is how I would describe the taking away of power from local authorities—we certainly do not support that.

I have a couple of final questions. On a point of clarity, the Minister indicated towards the end of his response that there would be further devolution of powers. Does he intend Transport for the North to have greater powers in future? Is this a staging process to achieve that, in line with other transport authorities, which are clearly on a different statutory setting? It would be interesting to hear his response, given the weakness of the powers in the regulations.

Secondly, I need to correct the Minister: cycle paths and bridleways are not mentioned in the regulations but footpaths are. I asked why there is that disparity. The Minister now says that footpaths and cycle paths are for

[Rachael Maskell]

local authorities, so why are footpaths in the regulations? I need clarity on that point because it is now more opaque than when we started.

Jesse Norman: On cycle ways and footpaths, I will write to the hon. Lady with details of the history of that, which should settle the matter. On future powers, the Government have made no judgment. The thrust of my argument is that, once Transport for the North is a fully functioning, successful body and able to discharge the functions it has presently been given, it will then be

open for it to make the case to this or future Governments for the devolution of further powers. That would be a perfectly proper exercise of its voice, which has been given statutory authority by the regulations. The Government have made no decision on that but have not ruled it out.

Question put and agreed to.

Resolved,

That the Committee has considered the draft Sub-national Transport Body (Transport for the North) Regulations 2017.

9.27 am

Committee rose.