

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

Fifth Delegated Legislation Committee

DRAFT SOUTH YORKSHIRE PASSENGER  
TRANSPORT EXECUTIVE (TRANSFER OF  
FUNCTIONS) ORDER 2023

*Thursday 19 January 2023*

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

*Chair:* SIR GEORGE HOWARTH

Allan, Lucy ( <i>Telford</i> ) (Con)	† Lavery, Ian ( <i>Wansbeck</i> ) (Lab)
† Burgon, Richard ( <i>Leeds East</i> ) (Lab)	† Lightwood, Simon ( <i>Wakefield</i> ) (Lab/Co-op)
† Carden, Dan ( <i>Liverpool, Walton</i> ) (Lab)	† Mullan, Dr Kieran ( <i>Crewe and Nantwich</i> ) (Con)
† Drummond, Mrs Flick ( <i>Meon Valley</i> ) (Con)	† Penrose, John ( <i>Weston-super-Mare</i> ) (Con)
† Fletcher, Colleen ( <i>Coventry North East</i> ) (Lab)	† Whitley, Mick ( <i>Birkenhead</i> ) (Lab)
† Fuller, Richard ( <i>North East Bedfordshire</i> ) (Con)	† Whittaker, Craig ( <i>Calder Valley</i> ) (Con)
† Fysh, Mr Marcus ( <i>Yeovil</i> ) (Con)	† Young, Jacob ( <i>Redcar</i> ) (Con)
† Gardiner, Barry ( <i>Brent North</i> ) (Lab)	
† Holden, Mr Richard ( <i>Parliamentary Under-Secretary of State for Transport</i> )	Foeke Noppert, <i>Committee Clerk</i>
† Knight, Sir Greg ( <i>East Yorkshire</i> ) (Con)	† <b>attended the Committee</b>

# Fifth Delegated Legislation Committee

Thursday 19 January 2023

[SIR GEORGE HOWARTH *in the Chair*]

## Draft South Yorkshire Passenger Transport Executive (Transfer of Functions) Order 2023

11.30 am

**The Parliamentary Under-Secretary of State for Transport (Mr Richard Holden):** I beg to move,

That the Committee has considered the Draft South Yorkshire Passenger Transport Executive (Transfer of Functions) Order 2023.

The draft order was laid before Parliament on 8 November and agreed to in the House of Lords on 19 December. It is solely concerned with the South Yorkshire Passenger Transport Executive and the South Yorkshire Mayoral Combined Authority. Henceforth, I shall refer to passenger transport executives as PTEs and mayoral combined authorities as MCAs.

The draft order was laid at the original request of the former Mayor of South Yorkshire, the hon. Member for Barnsley Central (Dan Jarvis), with the full support of the current Mayor of South Yorkshire. The order is being made under section 85 of the Passenger Transport Act 1985, which allows the Secretary of State for Transport to make provision for the dissolution of PTEs and to transfer their functions, property, rights and liabilities to an integrated transport authority for the area. The order will dissolve the South Yorkshire PTE and transfer its functions, property, rights and liabilities to the South Yorkshire MCA.

PTEs are delivery bodies responsible for implementing the strategic transport plans in their area and for securing the provision of local public transport across the area as they consider appropriate. That includes commissioning socially necessary bus services and administering travel concessionary schemes. PTEs have existed in many of our larger city regions, predating the combined authorities, which are now largely responsible for transport planning in those areas.

**Sir Greg Knight** (East Yorkshire) (Con): The explanatory memorandum that the Minister's Department has produced, at paragraph 12.2, under "Impact", states:

"The impact on the public sector is beneficial, as this consolidates two local public bodies into a single organisation, which should lead to operational efficiencies."

Will there be any departmental review, say in 12 months' time, to see whether that is indeed the case?

**Mr Holden:** I thank my right hon. Friend for making that point. We are not planning any reviews at the moment. The main issue is that the mayoral combined authority has responsibility in this space. The passenger transport executive operates in the same building, as I understand it, but has to publish its own independent set of accounts, so although they work closely together, the dual administrative set-up continues. Merging them

into one means little need to look at what extra can be done, as we are mainly removing the extra administrative burdens that exist currently for the PTE body, but which will now be automatically covered by the MCA. I hope that reassures him. In fact, my first decision as a Minister was to pass this draft statutory instrument, so I have spent an inordinate quantity of time looking at it in depth.

The South Yorkshire PTE was established by the South Yorkshire Passenger Transport Area Order 1973. It has variously been accountable to the metropolitan county council, the passenger transport authority and the integrated transport authority.

**Ian Lavery** (Wansbeck) (Lab): Will the Minister give us a flavour of the different rules, if this legislation is passed, between the SYMCA and the SYPTE?

**Mr Holden:** If the hon. Gentleman is asking about the difference in the rules of the two different bodies, there are no different rules. Basically, the PTE is operating, but in conjunction with and under the mayoral authority. In that scheme, it has to provide a different set of accounts and that sort of thing, but it does not have democratic accountability in the same way as the MCA does—the Mayor is directly elected by the people, rather than being a collection of councillors and other appointed officials. We hope to provide greater democratic accountability. There are no real issues aside from removing some of the dual administrative burden on both bodies, if that makes sense.

The PTE most recently became accountable to the mayoral combined authority in 2014, when the Barnsley, Doncaster, Rotherham and Sheffield Combined Authority Order 2014 dissolved the integrated transport authority for the area, transferring its functions to the MCA. As well as the PTE responsibility for buses, the South Yorkshire PTE owns the supertram and is responsible for the arrangements for its operation.

South Yorkshire MCA's 2019 review of bus services in its area, chaired by the hon. Member for Sheffield South East (Mr Betts), recommended, among other things, that the PTE should cease to exist as a separate organisation and instead become fully part of the combined authority. The review concluded that the separate arm's length transport authority was no longer the right model. It concluded that a single entity responsible for bus transport strategy and delivery in South Yorkshire would provide a clearer focus on passenger needs, user-centred transport design and delivery and, of course, democratic oversight. As the review notes, this is already the case in some other city regions, such as the West Midlands and West Yorkshire, while other city regions have chosen to retain their PTEs as executive bodies of their combined authorities, such as in Greater Manchester or the Liverpool city region.

The Government recognise that a single entity may better support alignment of transport priorities with economic growth and decarbonisation objectives. However, provided that there are clear lines of accountability and sound governance in place, it is right that the combined authorities themselves determine which arrangements are best for their area. In this case, South Yorkshire has also identified scope for significant efficiency savings, which it is hoping to reinvest in the local bus network, away from administration.

Following the bus review, the then Mayor of South Yorkshire asked the Department for Transport to take the necessary steps to transfer the functions of the PTE to the combined authority. The Secretary of State agreed to do so, and my officials have worked closely with the Mayor's team to bring forward this order. The order will make the combined authority responsible for planning, delivering and managing public transport services, bringing those functions under a single roof. Though as I said before, my understanding is that they are physically under a single roof now, but now it will be under a combined authority too.

To conclude, this order will make a straightforward and sensible amendment to the administration of local transport services in South Yorkshire at the request of the Mayor. It is important that the Government deliver on devolution by supporting local authorities in providing services in the most efficient way for the people in their area. I commend this statutory instrument to the House.

11.37 am

**Simon Lightwood** (Wakefield) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Sir George, and to be speaking to this statutory instrument—my first—on behalf of the shadow transport team.

As the Minister has outlined already, this statutory instrument is a simple piece of legislation, effectively dissolving the South Yorkshire Passenger Transport Executive and transferring its functions to the South Yorkshire Mayoral Combined Authority. We on this side welcome this move as a long overdue return of democratic control of transport to local leaders across Barnsley, Doncaster, Rotherham and Sheffield. The first two Labour Mayors for South Yorkshire, my hon. Friend the Member for Barnsley Central and the incumbent, Oliver Coppard, have developed innovative policy on public transport.

Devolved powers have allowed the Mayor to deliver the £2 fare cap on buses and trams, the zoom pass—providing concessionary travel for young people—and they have put supertram's future into public hands. They have built South Yorkshire's reputation in public transport and proved that they are serious about delivering for passengers, especially during the current cost of living crisis. I want to pay tribute to their trailblazing work, and I would invite the Minister to reflect on these successes too in his wider transport policy going forward. This statutory instrument formally merges the two organisations into one, allowing the combined authority to invest in and manage the 102 million passenger journeys made each year. With one entity responsible for regional transport strategy and delivery, there can be a clearer organisational focus on delivering for passengers and for user-centred transport design and delivery.

This is essential in a county aspiring for greater modal integration across buses, walking, cycling, trains and trams. The instrument would bring South Yorkshire into line with other city regions, such as my home authority in West Yorkshire. However, from the day this merger happens, the combined authority will still not have the Government's commitment to sustained investment, nor will it have a multi-year funding settlement. That means that it will not have the certainty it needs to invest and plan for the future.

That has unfortunately become an all-too-familiar story in local transport, as operators and authorities face cliff edge after cliff edge in funding settlements, which we can currently see with the bus recovery grant. I would be grateful if in his response, the Minister could outline the funding that the South Yorkshire combined authority will have going forwards, and express whether he intends to move towards a multi-year funding settlement.

To conclude, we support the Minister in laying this statutory instrument before Parliament, and look forward to seeing the fruits of returning democratic control of local transport to South Yorkshire. Labour will continue to call on the Government to let communities control the public transport that they depend on, with the power to set bus routes and fares. However, until that is delivered, we acknowledge that this legislation will help the authority deliver on its mission of a stronger, greener and fairer South Yorkshire. Alongside that, we hope the Government will do more to provide funding certainty to local transport authorities so that they can properly use their devolved powers.

11.40 am

**Mr Holden:** I thank the hon. Member for Wakefield for his comments. In terms of funding, hon. Members will know that we have provided a huge amount of support through the bus service recovery grant, including over £5.7 million recently for South Yorkshire, and an additional £22 million in operational subsidy for the supertram during the pandemic period.

On top of that, when it comes to long-term funding going forwards, one of the most crucial things—not just for South Yorkshire, but for other combined authorities—has been trying to decarbonise their bus fleets. To date, South Yorkshire has received over £8.3 million towards that end, so we are providing some significant long-term funding for South Yorkshire. That is in addition to its £570 million city region sustainable transport settlement, which is part of a £5.7 billion deal for combined authorities that will run over a significant number of years. That will hopefully provide some of the long-term funding that the hon. Member for Wakefield mentioned.

To respond to my right hon. Friend the Member for East Yorkshire, while there will not be a separate look at the individual merger of the two organisations, DLUHC carries out an overall review of the mayoral combined authorities, their measures and what they are looking after every five years. There is an ongoing review there, but a review of the broader picture, rather than this specific measure.

To conclude, this order will dissolve the South Yorkshire Passenger Transport Executive and transfer its functions, rights and property liabilities to the combined authority. We hope that doing so will increase the accountability of transport services delivery in the area and, in particular, streamline administrative procedures, which will help realise efficiencies that can be properly invested in the services that local people across South Yorkshire need.

*Question put and agreed to.*

11.42 am

*Committee rose.*





