



National Assembly for **Wales**
Cynulliad Cenedlaethol **Cymru**

Draft Local Transport Bill

Abstract

This paper provides a short summary of the draft Local Transport Bill published on 22 May 2007 and the proposals in the Bill as they affect Wales.

June 2007



Draft Local Transport Bill

Graham Winter

June 2007

Paper number: 07/065/gw

© Crown copyright 2007

Executive Summary

The draft Local Transport Bill was published by the Department for Transport on 22 May 2007. The consultation period on the draft Bill ends on 7 September 2007.

The provisions in the draft Bill are intended to support the UK Government's strategy to tackle increasing road congestion and to improve the quality of local bus services.

The draft Bill contains provisions to amend the legal frameworks relating to:

- the operation of local bus services;
- the responsibilities of English local authorities in relation to local transport including the establishment and functions of Passenger Transport Authorities (PTAs) in England only; and
- the establishment and operation of local road user charging schemes

The draft Bill confers a number of new or expanded powers on the Welsh Ministers, in line with changes being made to certain powers of the Secretary of State in relation to England (excluding London).

In Wales, the *Transport (Wales) Act 2006* already gives Welsh Ministers the power to establish Joint Transport Authorities, should voluntary collaborative arrangements between local authorities prove to be unsatisfactory.

Part 4 of the Bill deals with PTAs which do not exist in Wales and so does not apply. There are also a small number of provisions that have a different effect in Wales as compared to England.

Contents

1.	Introduction	1
2.	Part 1: Senior Traffic Commissioner	1
3.	Parts 2 and 3: local bus services and public transport provision.....	2
4.	Part 4: Passenger Transport Authorities	4
5.	Part 5: Local charging schemes	4

Draft Local Transport Bill

1. Introduction

The draft Local Transport Bill and various supporting documents including a consultation paper¹, were published by the Department for Transport on 22 May 2007. The consultation period on the draft Bill ends on 7 September 2007.

The provisions in the draft Bill are intended to support the UK Government's strategy to tackle increasing road congestion and to improve the quality of local bus services. It follows the publication of two reports in December 2006; the *Eddington Transport report*² on the long-term links between transport and the UK's economic productivity and the Department for Transport report on improving bus services, *Putting Passengers First*³.

The draft Bill contains provisions to amend the legal frameworks relating to:

- the operation of local bus services;
- the responsibilities of English local authorities in relation to local transport including the establishment and functions of Passenger Transport Authorities ("PTAs") in England only; and
- the establishment and operation of local road user charging schemes (commonly referred to as "local road pricing schemes").

The draft Bill confers a number of new or expanded powers on the Welsh Ministers, in line with changes being made to certain powers of the Secretary of State in relation to England. Part 4 of the Bill deals with PTAs which do not exist in Wales and so does not apply. There are also a small number of provisions that have a different effect in Wales as compared to England (outside London).

2. Part 1: Senior Traffic Commissioner

Traffic Commissioners for Great Britain are appointed by the Secretary of State for Transport under Section 4 of the *Public Passenger Vehicles Act 1981*.

The Traffic Commissioners are responsible for regulating the road haulage and bus industries. They oversee the bus registration system for local bus services and can take action against operators who fail to run services in accordance with registered particulars.

¹ Department for Transport, *Strengthening local delivery: The draft Local Transport Bill*, 22 May 2007
<http://www.dft.gov.uk/consultations/open/localtransportbill/>

² Sir Rod Eddington, *The Eddington Transport Study, Transport's role in sustaining the UK's productivity and competitiveness*, Main Report, December 2006
<http://www.dft.gov.uk/about/strategy/eddingtontstudy/>

³ Department for Transport, *Putting Passengers First: The Government's proposals for a modernised national framework for bus services*, December 2006
<http://www.dft.gov.uk/pgr/regional/buses/secputtingpassengersfirst/>

Traffic commissioners are appointed to one of eight traffic areas - six in England and one each in Wales and Scotland. The commissioner for Wales is also the commissioner for the West Midlands.

One of these is designated a Senior Traffic Commissioner and the draft Bill proposes to make this a statutory appointment and for the Senior Traffic Commissioner to give guidance and general directions to the traffic commissioners, replacing guidance previously issued by the Secretary of State.

3. *Parts 2 and 3: local bus services and public transport provision*

The aims of the proposals on local bus services in the draft Bill are to:

- promote more effective partnership working between local authorities and bus operators, to deliver services that are better matched to the needs of passengers in their local areas;
- make the implementation of 'quality contracts' schemes a realistic option in areas where it is in the public interest for local authorities to take greater control over bus services;
- provide a new regime to deliver better punctuality, for the first time holding local authorities as well as bus operators to account for their contribution to punctuality performance; and
- support further development of the community transport sector, by removing unnecessary restrictions and by streamlining the system for issuing permits to community transport providers.

The draft Bill therefore includes proposals to:

- reform the provisions in the *Transport Act 2000* relating to quality partnership schemes so that such schemes could cover minimum frequencies, timings and maximum fares as appropriate;
- reform the provisions in the 2000 Act relating to quality contracts schemes to change the way the schemes are assessed and to increase the maximum possible length of such schemes;
- provide a competition test relating to voluntary partnership agreements;
- strengthen the enforcement powers of the traffic commissioners;
- amend existing legislative provisions relating to the community transport sector to simplify the procedures for gaining a permit and to allow drivers to be paid; and
- extend the existing power for Welsh Ministers to subsidise passenger transport services to cover standards of service.

In England, a new framework for the approval of quality contract schemes is proposed with a right of appeal to the Transport Tribunal. In Wales, Welsh Ministers will remain responsible for approving these schemes and there is no right of appeal.

The Economic Development and Transport Committee of the Second Assembly together with the Welsh Affairs Committee considered the issue of the Assembly's powers over bus

services in 2004, as part of its consideration of the Draft Transport (Wales) Bill. The EDT Committee's report states:

"The Committee heard evidence from Professor Stuart Cole to suggest that a fully integrated public transport strategy for Wales would be difficult to achieve without effective bus powers for the Assembly. In his view these are not currently available and in this respect the Bill did not pass this particular test for alternative organisation structures as set out in public transport policy review carried out by the Environment, Planning and Transport Committee of the First Assembly.

Professor Cole argued that the Assembly would benefit from 'London style' or supply-side bus franchising powers, which would give the Assembly greater control of bus services in Wales. However other witnesses said that such powers would require changes to other primary legislation (eg: the Competition Act 1998) and it would be better to use the Bill as an opportunity to amend the Transport Act 2000 to make it easier to establish quality partnership schemes and quality contract schemes for bus services in Wales. Others argued that the Assembly and local authorities already have the necessary powers but are unwilling or face too many difficulties in using them at present, particularly because of the bureaucratic nature of such schemes.

The Committee's view is that the Bill should be seen as an opportunity to amend existing legislation, if this is not working, to enable the Assembly, joint transport authorities and individual local authorities to ensure that bus services are more effectively integrated with other modes of transport. This may require amendments to the Transport Act 2000 or to other primary legislation.

We recommend that Ministers should consider whether the Assembly needs further powers over the provision of bus services in Wales. Any necessary changes to existing primary legislation should be included in the Transport (Wales) Bill."⁴

In its response to the Committee's report, the Welsh Assembly Government said:

The Assembly Government's view is that there is already considerable flexibility to develop bus policies within the existing legislative framework and that there is no need to seek further powers at this time. In reaching this view, we are conscious of the advice we have received recently from the Commission for Integrated Transport on "The Bus Industry: Encouraging Local Delivery". This makes it clear that bus franchising would be expensive and that a great deal can be done within existing legislation. The Department for Transport are consulting on guidance on implementing the existing Quality Contract regime established under the *Transport Act 2000*."⁵

⁴ National Assembly for Wales, Economic Development and Transport Committee report, *Draft Transport (Wales) Bill*, July 2004

<http://www.wales.gov.uk/keypubasemecondevtran/content/tb-report-e.pdf>

⁵ Welsh Assembly Government, *Assembly Government Response to the Economic Development and Transport Committee report on the Draft Transport (Wales) Bill*, November 2004

<http://www.wales.gov.uk/assemblydata/N0000000000000000000000000025661.pdf>

4. Part 4: Passenger Transport Authorities

This part of the draft Bill proposes changes to the management arrangements for public transport services in England only, including the introduction of PTAs. In Wales, the *Transport (Wales) Act 2006* already gives Welsh Ministers the power to establish Joint Transport Authorities, should voluntary collaborative arrangements between local authorities prove to be unsatisfactory.

5. Part 5: Local charging schemes

Under part 3 of the *Transport Act 2000*, local authorities in Wales can establish local charging schemes. Part 5 of the draft Bill mostly deals with the role of PTAs in local charging schemes and so is not applicable to Wales. There are also some proposed amendments to the 2000 Act, some of which apply differently in Wales, as compared to England. In England, the draft Bill proposes that local charging schemes will no longer need the approval of the Secretary of State. In Wales, schemes will continue to require the approval of Welsh Ministers.

Other proposed provisions include:

- Local authorities would be under a new duty to consider potential impacts on climate change and air pollution when considering whether to introduce a scheme;
- The requirement for the application of revenues by local authorities to support local transport policies would apply to all local schemes at all times, although Welsh Ministers retain the power to approve a local authority's plans for how it intends to use these revenues;
- Welsh Ministers could make regulations requiring charging authorities to accept payment from specific types of road user in a specific manner;
- A new power for Welsh Ministers to regulate the manner in which equipment installed as part of a charging scheme is used.
- A new power for Welsh Ministers to direct a local traffic authority to provide specified information about an existing or proposed local charging scheme.