

**GOVERNING THE METRO:  
OPTIONS FOR THE CARDIFF CAPITAL  
REGION**

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## **GOVERNING THE METRO: OPTIONS FOR THE CARDIFF CAPITAL REGION**

### **Summary of key recommendations**

- The optimal long term arrangement should be based on the Combined Authority model now being established in the English City Regions
- An interim solution is to use Joint Transport Authority powers to create an arm's length regional executive body with appropriate funding and resources
- Funding for such a body should come from both Welsh Government and the city region's local authorities
- The detailed form of such a body needs to be subject to further work and should be informed by the Metro Implementation Plan and the Board of the Cardiff Capital Region
- The execution of any Metro development and/or regeneration interventions should also be subject to further study
- The role and status of transport users should be recognised by giving users formal representation in the governance arrangements of the Metro.

## Chapter 1: Introduction

### Context

Two major trends are re-shaping the economic geography of the UK and together they carry enormous implications for the developmental prospects of the Cardiff Capital Region. The first is the accelerating pace of **city-regionalism** in England, confirming the fact that the city-region is the preferred model of English devolution, a model that is now endorsed by all the main political parties. Over time, these city-regions – Manchester, Leeds and Bristol in particular - will assume more and more control over their affairs, enabling them to attract talent and investment from other parts of the UK.

The second trend is the growing significance of **enhanced connectivity**, particularly high speed rail and the integrated metro systems that are addressed in detail in this report. The most dramatic example of enhanced connectivity in the UK today is the £50 billion HS2 project, a project that will primarily benefit the core cities of England. Another major example of enhanced connectivity is London's Crossrail scheme, a £15 billion project that runs from Maidenhead in the west to Shenfield in the east. Crossrail provides the London city-region with a double dividend because, in addition to enhanced connectivity, it provides a major stimulus to commercial and residential property development along the route.

Transport planners are already referring to a "Crossrail uplift" because of the fact that nearly 50% of all planning applications within a kilometre of stations cited the route as the justification for going ahead with the investment. The chief executive of British Land confirmed the uplift effect, saying: "Crossrail will improve the rental profile at places near the sites and real estate investors are always interested in investing money around infrastructure hubs" (Financial Times, 6 March, 2014).

These trends – accelerating city-regionalism and enhanced connectivity – provide the context for this report, the chief aim of which is to distil the lessons from metro systems in and beyond the UK. It hardly needs to be said that the world is not waiting for the Cardiff Capital Region to put its metro house in order.

### Aims of the Study

In order to advance the Metro project and deliver a step change in public transport, there is an urgent need to examine whether existing governance arrangements are fit for purpose and how they could be radically improved.

The study will examine a number of different approaches to transport governance and will be informed by case studies of best practice in three leading UK city regions: namely London, Manchester and Nottingham.

Lessons will also be drawn from two international case studies illustrating how integration can be achieved through different forms of governance, namely Stuttgart in Germany and Seoul in South Korea, two world class metro systems.

In addition to these five city regions, lessons from other relevant city regions will also be used to identify a spectrum of options. These options range from the status quo to the introduction of a fully integrated regional transport agency. The advantages and disadvantages of each of the options will be considered. In particular, each option will be tested against a number of key attributes that are needed to meet the particular aspirations of the Cardiff Capital Region, namely:

- Project delivery
- Accountability
- Resourcing
- Efficiency and effectiveness
- Ease of application to the Cardiff Capital Region

A number of activities will need to be considered as part of any governance arrangements. These include activities associated with planning and project development:

- Long-term strategic planning
- Securing funding
- Project development and appraisal
- Project implementation
- Land assembly and property development

Governance for network co-ordination and integration will also need to be considered, particularly with respect to:

- Network planning
- Fares and ticketing
- Interchange
- Integration with land use planning

Finally, the options for network management and operations, including the role of direct service provision, franchising, contracts and partnerships also need to be considered.

## **Chapter 2: London**

### Background

Transport for London (TfL) is an executive agency of the Greater London Authority. The elected position of the Mayor of London provides democratic accountability. The TfL Board is the ultimate decision making authority with representation from a variety of public, private and voluntary sector interests. The link with the GLA and Mayor's Office is achieved through the position of the Deputy Mayor on the Board.

The current structure of London governance was established in 2000 when the position of Mayor and the executive function of the GLA came into being. As an elected individual the Mayor has extensive powers over the emergency services and planning but the largest single area of influence is over transport. Successive Mayors have invested political capital in taking forward major transport improvements.

Although TfL is a recent creation, there is a legacy dating back to 1933 when the London Passenger Transport Board was created to take over Underground, bus and tram services and to provide greater co-ordination in the management of transport. Mainline rail services have always remained outside this structure although in recent years the establishment of the London Overground network of inner orbital services has given the Mayor and TfL an increased role in this area. On the creation of TfL, the new organisation took on a role in the management of the strategic road network which carries the heaviest traffic flows and the road traffic signalling system across all roads. This enables highways management and investment projects to be supportive of wider policies through the introduction of public transport priorities or measures to support walking and cycling.

### Long-term strategic planning

The Mayor prepares the statutory London Plan and Mayor's Transport Strategy. The London Plan is the regional development plan and the Mayor's Transport Strategy as a subsidiary document provides the long-term basis for TfL's activities. The two documents are complementary and carry significant weight once formally adopted. All development plans prepared by London boroughs must be in conformity with the London Plan ensuring that the Mayor's strategic policies are carried through to local level. London boroughs also prepare Local Implementation Plans (LIPs) to take forward strategic transport policies. The boroughs' LIPs must be consistent with the Mayor's Transport Strategy. All local transport funding to London boroughs is channelled through TfL, giving the organisation the power to ensure that strategic transport priorities are reflected at local level.

### Securing funding

TfL prepares an annual Business Plan which sets out expenditure on capital projects and revenue streams. A block grant is awarded by the UK Treasury through the Spending Review process. This includes a five year capital guideline which provides

certainty in forward planning. The central government grant is supplemented by council tax funding. Income from fares, investments and secondary sources such as advertising is significant and these secure revenue streams provide TfL with an AA creditworthiness rating which enables it to borrow in the capital markets to fund future investment. Smaller sources of income come from developer funding in the form of section 106 obligations and the Community Infrastructure Levy (CIL) and a one off supplementary business rate towards the construction of Crossrail.

### Project development and appraisal

TfL has a significant central resource dedicated to project development and appraisal. Consultants are used to provide specialist expertise. Dedicated teams are established to take major investment projects through the initial planning and development stages. Once they have secured formal approval and funding the projects are passed to the relevant modal divisions of TfL – Surface Transport, Underground, London Rail, Tramlink or Docklands Light Railway for implementation.

### Project implementation

The largest projects such as Crossrail have large multi-disciplinary teams to oversee implementation, managed with a degree of autonomy from the main TfL organisation. Works on the London Underground are managed by in house project teams although governance is further complicated by the former Public Private Partnership split between infrastructure management and service provision. Extensions and upgrades to the DLR have generally been carried out through Design, Build, Finance and Manage (DBFM) contracts by private sector companies. Smaller TfL projects have dedicated project teams within the relevant departments such as London Surface Transport or London Buses. During the implementation stage there is extensive public consultation and liaison with London boroughs and other stakeholders. Works on local roads managed by the boroughs will often be procured jointly.

## **TfL project case studies**

### *Croydon Tramlink*

The Tramlink project secured cross-party political support within Croydon Council and although the implementing authority was London Transport (the predecessor to TfL), the Council played a major role in building and sustaining support during the difficult construction period. Without this support the project may not have progressed and could have been tarnished by adverse publicity. This is a particular issue for projects that involve major highway works in sensitive locations.

### Key messages

- Need to depoliticise major projects by establishing cross-party local support
- Need to ensure that local stakeholders retain a sense of ownership even with projects managed by a regional authority

### *Central London congestion charging*

Congestion charging was introduced successfully and although there has been some negative publicity, broad public and business support has been maintained. A strong research base was established at the outset and this was used to engage with a wide range of stakeholders. A clear legislative framework and public backing was secured through legal advice that resulted in the precise wording used in the Mayor's Transport Strategy outlining the proposed scheme. Because the Transport Strategy was subject to full public consultation, which involved specific questions about support for the policies including congestion charging, the need for a specific referendum was avoided. A congestion charging scheme was also a key manifesto commitment by the Mayor which gave it democratic legitimacy. Political support was backed up by a continuous process of managing the media message and a willingness to make concessions ensured its successful implementation.

#### Key messages

- Need to have a clear research base tied to a robust legislative framework for any controversial projects
- Managing the media message and ongoing liaison with stakeholders is needed to defuse potential objections before they pose a risk to the project

### *Thames Gateway Bridge*

The project was controversial from the outset as it involved new road construction which was elsewhere discouraged. Although a proposal to provide new bridge links across the Thames was included in the Mayor's Transport Strategy, the Thames Gateway Bridge appeared to run counter to a number of policies aimed at traffic reduction. The Mayor only gave lukewarm support and agreed to provide funding to an articulate group of protestors to present their case at inquiry. This attempt at appeasement backfired because they were able to employ expert advice. Local boroughs also expressed concerns about the potential for traffic generation. The project was abandoned after the Inspector at the planning inquiry recommended refusal stating that the economic case was not proven while the environmental case was evenly balanced.

#### Key messages

- Need for strong political backing at regional and local level
- The policy framework must be unambiguous and supportive
- Technical work must be able to withstand legal scrutiny

## *Greenwich Waterfront Transit*

Greenwich Waterfront Transit was developed as a concept over a number of years and included negotiations to secure land reservations in new developments. However, due to funding constraints the scheme was abandoned by the incoming Mayor.

### Key messages

- Securing land at an early stage in the process can raise expectations and lead to a waste of resources because it can't easily be converted to alternative uses

### Land assembly and property development

TfL has in the past secured powers for major new infrastructure projects through Transport and Works Act legislation which grants project approval, compulsory purchase of land and planning powers for guided transport systems. However, this is a time consuming process. For smaller projects, planning permissions or highways powers may be used. The assistance of local boroughs may be required to secure compulsory purchase of land off the highway or rail route. The Infrastructure Planning system for major infrastructure projects now provides a streamlined approach to secure the necessary planning powers for projects of national significance. Although TfL has significant landholdings as a legacy of its predecessors it does not have powers to acquire land for non-operational purposes which rules out the option of directly undertaking development on land around major new projects. However, the Crossrail project, promoted under a Hybrid Bill through the UK Parliament has secured the rights to undertake a number of over station developments and to plan the future use of construction sites. These will be carried out in partnership with major development companies and will require separate planning permissions from the local planning authority. TfL is also able to protect land required for future transport projects from alternative development if the project is clearly specified in the relevant local development plan.

### Network planning

Uniquely in the UK, planning of the bus network is carried out by TfL London Buses. This includes all aspects of service provision including routes, frequencies, information, fares and vehicles. Services are provided by commercial operators (and social enterprises) which bid on a route by route basis. Five year quality incentivised contracts (QICs) are awarded with the possibility of two year extensions if service quality standards are met. All revenue risk remains with TfL.

### Fares and ticketing

All fares are set by TfL and are fully incorporated in the Oyster smartcard system. Oyster is now used for the majority of transactions although use of contactless debit

cards is increasing. Only 1% of passengers pay in cash to the bus driver, leading to proposals for cash fares to be phased out entirely. Ticket offices at Underground stations are also proposed to be closed due to declining demand. The use of smartcards and pre-paid tickets has significantly speeded up boarding times on buses. The Oyster card system is managed by a commercial service provider. One of the advantages of Oyster card is the vast amount of data generated about how people use the public transport system. It can also be used to adjust fare levels to better meet demand and has the potential to influence travel patterns. All fares revenue on London Overground, Underground, DLR, Tramlink and buses as well as the proceeds from congestion charging, goes to TfL. This creates a steady revenue stream to support future investment.

### Interchange

A high proportion of journeys within London require interchange between different lines or modes of transport. Significant investment by TfL is underway at a number of major interchange locations, including Victoria, Paddington, Farringdon and Tottenham Court Road. Interchange improvements are often part financed by property development. A set of interchange standards are applied to all new developments to ensure that they improve step free access and provide as seamless a journey as possible. In contrast to areas outside London, interchange between car and public transport in the form of Park and Ride is not promoted because of the risk of attracting additional traffic onto the roads and limited capacity to provide parking.

### Active involvement in land use planning

TfL through the Mayor is a statutory consultee on all strategic developments. These are defined according to overall floorspace or numbers of units. On the advice of TfL, the Mayor can try to secure changes to development proposals or order an application to be refused. The Mayor is also able to take over determination of an application where the borough indicates it is minded to refuse it but the Mayor sees strategic benefits from its approval. TfL also has powers as the strategic highways authority to be consulted on planning applications adjacent to strategic roads. TfL has been able to use the planning process to secure a range of benefits in the form of new transport infrastructure, safeguarded land, bus service subsidies, commitments to promote sustainable transport and financial contributions towards transport improvements. A specific Community Infrastructure Levy (CIL) towards Crossrail is applied to employment development within specific areas. Transport needs often have to be offset against other contributions such as affordable housing, public art or community facilities. This requires skilled negotiation backed up by evidence of transport impacts.

### Network management and operations

Although TfL has wide-ranging powers, it relies on arms length operating subsidiaries and private sector providers to deliver services and maintain infrastructure.

London Underground is a wholly owned subsidiary of TfL and runs all services on the Underground network through direct employment of its own staff. Following the partial failure of the Public Private Partnership (PPP), infrastructure maintenance and upgrades are split between a private sector consortium and an in house subsidiary.

The Docklands Light Railway is operated and maintained by Serco Docklands under a franchise agreement which is currently being retendered. DLR is managed separately from London Underground with its own lean management structure and a reliance on private sector partners for project management and service provision.

Croydon Tramlink opened in 2000 and is currently owned by London Tramlink – a TfL subsidiary. Operations are provided under a concession arrangement with Tram Operations Limited – a division of First Group. It runs on street in Croydon town centre and elsewhere on a mix of newly built track and disused rail lines. The original Private Finance Initiative to design, build, operate and maintain the infrastructure was terminated in 2008 when TfL took over management after disputes over a wide range of issues, particularly concessionary fares compensation.

Bus services are managed and monitored by London Buses, a wholly owned subsidiary of TfL. Bus infrastructure including stops and shelters is provided and maintained by London Buses but all services are provided by commercial operators including the big four bus companies – Stagecoach, First, Arriva and Go Ahead. New entrants are encouraged but often have difficulties in securing premises. One of the smaller operators providing services on 10 bus routes is the HCT group, trading as CT Plus. HCT group is a social enterprise and could provide instructive in seeking to apply the social enterprise model to transport governance in SE Wales. London Buses also keeps an in house ‘operator of last resort’ in case one of the suppliers fails or is dismissed from a franchise.

Five year contracts are awarded on a route by route basis specifying all details including the timetables, fares, vehicles and other quality standards. Financial awards and contract extensions are awarded for meeting specific service criteria. Ongoing performance monitoring, origin and destination passenger surveys, complaints procedures and customer service research are carried out by London Buses. Comparisons with the deregulated operations elsewhere in the UK are instructive, although they often fail to take into account the higher level of reliance on public transport in London, the benefits of integrated ticketing, generous concessionary travel arrangements and the currently high levels of public subsidy provided for London’s bus services.

## **Chapter 3: Greater Manchester**

Transport for Greater Manchester (TfGM) is the executive arm of the public body responsible for co-ordinating public transport across the city region. It is linked to the Combined Authority comprising the 10 local authorities of Greater Manchester through a committee structure. The Combined Authority was established in 2011, when it took over the powers of the Integrated Transport Authority which in turn had replaced the Greater Manchester Passenger Transport Authority and Executive. The transport body can trace its history back to the Transport Act 1968 when it was first created as a co-ordinating authority for public transport in the Manchester conurbation. It has survived changes of local government structure and altered central government priorities. In recent years its role has been strengthened to extend beyond public transport, embodied in the name change to Transport for Greater Manchester. However, compared to a full regional transport authority such as TfL there are some significant weaknesses in its powers and ability to fund investment which will be explored below through an examination of the main transport governance functions.

### Long-term strategic planning

Transport for Greater Manchester is responsible for preparing long-term plans and strategies. The Greater Manchester Local Transport Plan (LTP) sets out a detailed investment programme from 2011/12 to 2015/16. However, the role of LTPs has been downgraded by the coalition government. A greater handicap is the lack of a statutory role in the land-use planning system equivalent to the role of the Mayor and TfL in London. Although TfGM can make representations on land use planning issues, it is dependent on the individual local authorities to support its views when determining applications. This limits its ability to shape the urban environment to support its public transport objectives.

### Securing funding

The majority of funding comes from a levy on the ten Greater Manchester Councils, working out at an equivalent of £72 per resident each year. This is supplemented by government grants, funding from third parties, Metrolink fares and borrowing to make up the Greater Manchester Transport Fund. The Fund is aiming to deliver £1.5 billion of transport improvements including extensions to Metrolink, new interchanges and major road improvements. Bids are also submitted to central government to bring in funding which is used to carry out specific programmes or initiatives.

Until recently, capital funding has been tightly controlled by the DfT but increasing devolution to the local level has enabled the Combined Authority to access new sources of funding and to have more freedom in deciding how government grant and the local levy is spent.

### Project development and appraisal

In the past ITAs have had to submit proposals for major projects to the DfT. Devolution and the signing of a City Deal has provided more freedom to Transport for Greater Manchester to determine its own priorities, in contrast to some other ITA areas. Where specific project approval from DfT has been required, this requires close adherence to DfT approved appraisal methodology. It can lead to abortive work on projects which are subsequently rejected. In the past this has delayed progress on the Leigh guided busway and Manchester Metrolink extensions. In other ITA areas such as Merseyside and West Yorkshire it has led to the cancellation of major light rail investment projects at a very advanced stage of their development.

### Project implementation

Manchester Metrolink extensions are being carried out by MPact-Thales (MPT). They were awarded a contract to design, construct and maintain three new tram lines in 2010. Project management remains with Transport for Greater Manchester.

Lessons could be learned from the failed attempt to introduce a form of road pricing which was defeated in a public referendum held in 2008. Road pricing was seen as a way to bring in funds for investment but the public voted against the imposition of charges rather than for the new investment.

### Land assembly and property development

Compared to TfL, TfGM has comparatively few landholdings although it owns the freehold of the Manchester Metrolink system including interchanges and car parks. It also owns the freehold of a number of bus stations and manages public car parks (including Park and Ride) at rail stations and tram stops. However, like TfL, it is unable to own or to develop non-operational land and so it is unable to take advantage of the uplift in property values when new investment is made.

### Network planning

TfGM has powers to determine service provision including timetables and fares on Manchester Metrolink. This control is an incentive to build up the Metrolink network. Rail planning remains with a number of local train operating companies. However, TfGM has powers to increase service levels beyond the franchise commitments if capacity is available and it is prepared to finance these from its own resources.

### Fares and ticketing

Cash fares on buses are set by the operator. Fares on rail services are set by the franchise operator. In the early days Metrolink fares were also set by the system operator but these are now set by TfGM to cover both running costs and borrowing

to finance network extensions. System One is the brand name for a range of multi operator tickets available for travel across the TfGM area. They can be used on services provided by all bus operators within Greater Manchester and are also available for use on trams and trains. They are operated by a separate company (GMTL) owned jointly by the transport operators and Transport for Greater Manchester. System One represents the largest integrated multi-operator ticketing system outside London. However, a number of bus operators provide season tickets and discounted fares are still offered as an aspect of competition and are restricted in use. This can inhibit moves towards greater network integration.

### Interchange

Transport interchanges are provided and managed by TfGM in many of the key town centres. The Manchester Metrolink network also has a number of key interchanges with bus and rail services and in the form of Park and Ride facilities. Interchanges, bus stations and tram stops can provide opportunities through secondary revenue in the form of retail and catering facilities and advertising.

### Active involvement in land use planning

Unlike TfL, TfGM has no statutory role in the land use planning system although it is consulted by local authorities on major developments affecting its landholdings or future plans. It also offers good practice to developers and local authorities. The success of its intervention depends on establishing good relationships and trust with both local planning authorities and developers. However, it does not have the same powers of sanction as TfL and is unable to commit significant resources to this area. This is important in establishing a supportive urban environment that encourages use of public transport.

### Network management and operations

Manchester Metrolink is operated and maintained under contract by RATP Dev – a French owned transport service provider. An in house team monitors this franchise to ensure compliance with performance and customer service standards.

Bus services are wholly provided by private sector operators. Most routes are operated on a commercial basis. The two largest operators are Stagecoach which operates largely to the south and First Group to the north. There is little direct competition between the two although a number of smaller operators provide competition on key corridors. There were complaints in the early years of deregulation about 'over bussing'. On some corridors there were multiple operators, some with low vehicle or service standards, creating congestion and uncertainty. Many of these have now been absorbed by one of the larger groups or withdrawn completely. More recently there have been concerns about the service provided by major operators, particularly First Group. This has centred on service levels, fares and performance. More recently relations between TfGM and the bus operators have

improved significantly. A continuing issue is that bus services are run in competition with Metrolink on a number of key corridors, thus hindering the development of an integrated network.

Rail services in Greater Manchester are provided by a number of train operating companies including Virgin West Coast, Northern Rail, TransPennine, CrossCountry and Arriva Trains Wales.

## **Chapter 4: Nottingham**

Unlike Greater Manchester, the Nottingham city region has no clearly defined boundaries. It presents an interesting case study of an area that has developed an extensive and well used public transport network, focused on the city of Nottingham but also extending into adjoining districts. It has achieved this without the benefit of formal city region structures. Nottingham Express Transit (NET) is the brand name for the tram service which began operating in 2004. Unlike some other light rail systems, it immediately exceeded estimates of patronage. The city and surrounding sub-region also supports some of the most successful bus services in the country in terms of ridership and passenger satisfaction. In 2010 Nottingham was named as England's least car dependent city. Nottingham is a similar size to Cardiff and therefore Greater Nottingham provides some valuable pointers on what can be achieved through strong political leadership supported by partnership working without formal structures underpinning it.

### Long-term strategic planning

The Greater Nottingham Transport Partnership is a body comprising public and private sector partners. Unlike some of the examples of governance examined elsewhere, it has a low public profile. 'The Big Wheel' is used as a branding device to promote its activities to the public. However, long-term strategic planning also takes place through more ad hoc partnerships. The first two Local Transport Plans (LTPs) for Greater Nottingham were prepared jointly by Nottingham City Council and Nottinghamshire County Council. Following a change in political administration the most recent LTP only covers Nottingham City and there has been less joint working than in earlier years. This could have had an impact on the NET extensions which the new political administration at the county council opposed. Instead Nottingham City Council took on the lead role. Devolution of transport prioritisation to Local Economic Partnerships may lead to changes because the relevant LEP covers an area much larger than Greater Nottingham. The brand D2N2 has been adopted in recognition of the large twin city region which covers Derby and Nottingham cities as well as the whole of the surrounding Derbyshire and Nottinghamshire counties.

### Securing funding

Nottingham City Council was the first authority in the country to introduce a workplace parking levy. It represents a charge on employers providing more than 10 parking spaces. The levy for 2014/15 is set at £362. The levy acts in a similar way to a congestion charge, targeted specifically at journeys to work and paid by employers rather than drivers. Money raised is ring-fenced and used to provide funding for the second stage extension of the NET, the Nottingham hub project based around the rail station as well as a network of bus services. It provides a guaranteed revenue stream and represents the local contribution that was required to secure government funding for the tram extensions.

#### Project development and appraisal

There is no agency providing dedicated resources for project development at a city region level and Nottingham City Council relies on its own resources to carry out development and appraisal. All appraisal work must be carried out to conform to the Webtag approach and major projects submitted for approval by DfT. The emerging devolution of transport prioritisation may result in work being carried out at the LEP level, reducing the need for detailed scrutiny at national level.

#### Project implementation

Extensions to the NET system are being carried out by joint venture partners, Taylor Woodrow and Alstom on behalf of Tramlink Nottingham, the NET concession holder appointed by Nottingham City Council. Tramlink Nottingham is a consortium of six organisations including transport operators, construction companies and investment partners. The consortium was awarded the contract to take over operation of phase one of the NET system in 2011 and to build phase two, comprising two new lines which are due to open in 2014.

#### Land assembly and property development

Land required for the NET extensions was secured through the Transport and Works Act process. This provides for acquisition of all land required for construction and operational purposes. Two large sites have been secured for Park and Ride facilities at the termini of the two new lines, designed to intercept longer distance traffic. However, the process does not allow for land to be acquired for commercial property development by the public authorities or their contractors.

#### Network planning

Nottingham City Council has no powers over bus or rail services although it has indirect control through Tramlink Nottingham of network planning for the NET system. This partial control could lead to competition between bus and tram

operations, as experienced in Greater Manchester and Tyne and Wear but in practice bus operators have co-operated to remove duplication and provide services that feed into tram stops. This is helped by the ownership of the two principal bus operators. Nottingham City Transport is owned by the city council and Trent Barton is part of Wellglade who form part of the Tramlink consortium.

### Fares and ticketing

The Kangaroo season and day tickets allow unlimited travel on all buses, trams and trains within Greater Nottingham. The system is administered by the public transport team at Nottingham City Council but its coverage extends beyond the city boundaries. However, it is not a Smartcard and is not universal. Individual transport operators offer a range of alternative tickets valid only on their services.

### Interchange

Five Park and Ride sites providing a total of 3,000 parking spaces are strategically located along the NET system. A further two sites are served by dedicated bus services. Pocket Park and Ride sites provide a limited number of parking spaces during the daytime on private sites close to existing bus services. More Park and Ride sites, strategically located to intercept traffic from the M1 and other major routes are planned as an integral part of extensions to the tram system. A number of stops on the NET network provide for interchange between bus and tram with local bus services feeding passengers into the faster tram service.

### Active involvement in land use planning

Nottingham City Council has a strong record of opposing out of centre developments within the city but there is no authority covering the Greater Nottingham area to ensure that developments encourage use of the public transport system. This depends on the policy framework and decisions made by individual local planning authorities as in South East Wales.

### Network management and operations

Tramlink Nottingham took over the operation of the existing NET services in 2011 along with construction of two new lines to Clifton and Chilwell for completion in 2014. The concession provides for maintenance and operation of the complete system for a 22.5 year period. It is assumed that the concession would need to be renegotiated should further system extensions be proposed.

The majority of bus services in Greater Nottingham are provided by two companies – Nottingham City Transport which is majority owned by the City Council and Trent Barton, part of the Wellglade Group which also forms part of the Tramlink Consortium. Both companies have won awards and have high passenger

satisfaction ratings. Close working with local authorities and other partners, for instance in recasting services to take account of tram services, has helped to create a positive climate for bus operations. This has been achieved without resorting to quality contracts or formal partnerships.

Rail services are provided by local train operating companies and the local authorities have no particular role. However Nottinghamshire County Council, Derbyshire County Council and Nottingham City Council played a major role in securing the reopening of the Robin Hood Line from Nottingham to Worksop.

## **Chapter 5: Lessons from England**

Transport for Greater Manchester is the transport executive arm of the first Combined Authority to be created and has taken on the powers of the former Greater Manchester ITA. Combined authorities for West Yorkshire/Leeds, South Yorkshire/Sheffield, Merseyside/Liverpool and North East/Newcastle are in the process of being established and will also take over from their respective ITAs. The only ITA unlikely to be covered by a Combined Authority in the short to medium term is Centro in the West Midlands/Birmingham.

Transport bodies which form part of Combined Authorities are able to exercise a greater range of powers and are able to determine transport priorities and develop investment programmes with greater freedom from central government. As a result ITAs will come to resemble TfL in their range of powers and responsibilities. However, their resources are much more limited and they will be reliant on the willingness of local councils to raise the local transport levy to fund future investment. They will also lack the political power wielded by the London Mayor. Central government has indicated its support for the idea of city region Mayors who could act as a figurehead. This may also provide the impetus to increasing the links between transport and strategic land use planning.

### Transport partnerships

There are a number of models of governance that have been tested in English city regions that do not have an ITA or equivalent structure. These rely on voluntary partnerships which are similar to the Welsh regional consortia although they often have closer links with economic development policies through Local Enterprise Partnerships.

#### *West of England Transport Partnership*

The West of England authorities including Bristol, Bath and North East Somerset, North Somerset and South Gloucestershire have been working together since 2004.

Joint Transport Plans have been prepared and submitted to Department for Transport outlining an ambitious 15 year programme of transport and infrastructure investment to support growth. This has included £79 million funding for 10 Showcase bus routes, £22.8 million investment in the Cycling City initiative and £40 million through the Local Sustainable Transport Fund to promote behavioural change. Five major transport infrastructure projects are planned for the next few years including the Bath Transportation project, the Weston package, three rapid transit projects known collectively as Metrobus and the Metrowest initiative to improve the local rail network. Funding for a ten year period has been guaranteed through the signing of a City Deal involving devolution of decision making powers and funding from central government.

The structure is aligned with the West of England Local Enterprise Partnership – a body bringing together business and local authorities with a remit to promote growth. The Transport Partnership is formalised through a Joint Transport Executive Committee comprising Members from the four constituent local authorities. This is supported by a Planning, Housing and Communities Board and a Joint Scrutiny Committee. Although this represents a more deeply embedded partnership than some of the more ad hoc or voluntary arrangement, it is a model that is gradually being adopted throughout England through the establishment of Local Transport Bodies based on the structure of Local Enterprise Partnerships. These bodies are charged with prioritising local transport major schemes from 2015/16 and for overseeing their delivery. However, their functions are primarily project based and they will not have any role in transport operations or management. Transport network planning and co-ordination remains with the individual local authorities. Although there are links with promoting economic growth, statutory land use planning also rests with individual authorities.

#### *Transport for South Hampshire*

This body is similar to the West of England Partnership and provides a project management resource to prepare funding bids and develop and implement specific transport projects. It is governed by a joint committee and is closely aligned with the Local Enterprise Partnership in promoting development of a series of strategic sites. A major project that has recently been delivered with the involvement of Transport for South Hampshire is the Eclipse (South East Hampshire Bus Rapid Transit) with 3.4 km of dedicated busway running along a disused rail line (in part replacement of the cancelled light rail scheme).

## **Lessons from the governance of specific transport projects and initiatives**

The following section looks at some of the specific projects and initiatives being taken by transport authorities outside London and Manchester that may be relevant.

### **UK light rail and tramway schemes**

Apart from DLR and Croydon Tramlink in London and Manchester Metrolink, there are light rail or tramway systems in Tyne and Wear (Metro), West Midlands (Midlands Metro), Sheffield (Supertram) and Nottingham (NET). All except Nottingham have been developed by the relevant ITA. In Nottingham where there is no ITA, the lead authority has been the City Council. Extensions beyond the city boundary have required the co-operation of Nottinghamshire County Council, although this has proved to be more challenging following a change in political administration at county level.

In Scotland Edinburgh City Council has taken the lead role in developing a tram network which is expected to be operational in 2014. However, there have been changes in governance, difficulties with funding and protracted disputes with contractors which have resulted in a much reduced network. Lessons could be learned here for the implementation of SE Wales Metro.

Most light rail systems have involved the use of former rail lines or rail alignments. In the case of Tyne and Wear, Croydon and Manchester formal closure of passenger services has had to take place prior to conversion to light rail. The Tyne and Wear Metro extension to Sunderland shares track with mainline rail services. Tram train operation is to be introduced on the Sheffield Supertram network providing an extension to tram services using mainline rail tracks to Rotherham.

### **UK bus transit schemes**

Bus transit operations (defined here as rubber tyred vehicles operating with a higher level of priority than a bus lane) have been developed in a number of locations. The most ambitious schemes are busway schemes in Cambridgeshire and Luton.

### **Cambridgeshire Guided Busway**

The Cambridgeshire Guided Busway is the longest guided busway in the world. Two guided sections make up 16 miles of the route although the guidance does not extend into Cambridge city where buses have to share roads with mixed traffic. The busway was largely constructed along the alignment of disused rail lines. It has been a success in terms of ridership and customer satisfaction although there were significant problems during the construction stage leading to delays and ongoing legal disputes with the contractors relating to a substantial overrun on the construction budget.

Cambridgeshire County Council obtained planning powers and oversaw construction using private contractors. However, this was not a smooth process and resulted in significant delays, legal disputes and a legacy of outstanding costs for the authority. The county council has retained ownership and management and charges bus operators to use the busway from 07:00 to 19:00 Mondays to Saturdays. Services are operated on a commercial basis by two (competing) operators although this is governed by five year contracts in which the operators have to meet quality standards and guarantee to provide a minimum level of service on weekdays.

### Luton and Dunstable Busway

The busway which opened in September 2013 was constructed along the alignment of a disused rail line and runs for eight miles linking the town centres of Luton and Dunstable with a spur to Luton Parkway serving the airport. Most of the route benefits from guidance. Three (competing) operators provide four different routes serving a range of destinations. These are provided commercially under a Quality Partnership agreement with Luton Council which includes service frequencies on the busway section of the routes in a Qualifying Agreement. A HipHop multi operator ticket was introduced in advance of the busway although at the launch it was only available on the two main operators' services. There were also reports of a lack of information at stops. These factors may have contributed to the slow take up with passenger numbers in the first month significantly below predicted levels.

Other transit schemes with varying degrees of priority and guidance include:

- Kent (Fastway)
- Crawley (Fastlink)
- Swansea (FtR/Metro)
- South Hampshire (Eclipse)

There are also short sections of guided busway on routes within Ipswich and Leeds.

A busway is under construction in Leigh, Greater Manchester involving a mix of guided sections which take advantage of a former rail alignment and segregated sections of highway. In Leeds an ambitious electric trolleybus system (using overhead wires) branded as New Generation Transport (NGT) is currently the subject of a public inquiry. If built, it will provide a 15 miles north south link, running on a public transport corridor through the city centre and will utilise former tramway reservations on arterial roads. However, First Bus, the principal local operator is not supporting the scheme and has proposed investment in a large fleet of high specification buses as a lower cost alternative.

### Quality Contracts

Nexus – the ITA for Tyne and Wear is pressing ahead with proposals to implement a Quality Contracts Scheme for buses within its area. This is designed to address

some of the weaknesses attributed to a deregulated bus environment. The QCS envisages declaring a contract area within which all commercial bus registrations would be cancelled and replaced by franchised bus services managed by the ITA. Detailed proposals have been issued for consultation, setting out governance arrangements and including an analysis of costs and benefits. The contract proposal has proved controversial with local bus operators who have offered alternative partnership arrangements to deliver some of the planned improvements. Stagecoach – one of the major operators had threatened complete withdrawal from the area should the contract proposals proceed.

Metro (West Yorkshire) ITA has previously expressed an interest in establishing a similar Quality Contracts Scheme. At its December 2013 meeting it resolved to pursue the QCS option as well as continuing dialogue with the local association of bus operators who wish to develop a partnership arrangement as an alternative to the QCS.

South Yorkshire ITA announced in 2009 that it wished to pursue a QCS but after reaching agreement with local bus operators has instead developed a number of statutory Quality Partnership for specific areas and corridors as well as agreeing a comprehensive Sheffield Bus Partnership.

#### Sheffield Bus Partnership

South Yorkshire ITA was dissatisfied with the quality and cost of local bus services and proposed a Quality Contract to address concerns. The bus operators took the initiative in proposing a partnership as an alternative. This was introduced in November 2012 and offers a range of benefits to passengers including:

- A simpler bus network
- Co-ordinated timetables
- A new range of 'CityWide' tickets
- More services on many routes
- Fewer changes to timetables
- More buses with low floor access

It is significant that the partnership extends to the operation of tram as well as bus services, a rare example of integration between modes.

Following the first year's operation it is claimed that there have been significant benefits including:

- An overall increase of 2.75 million fare paying passengers
- Network improvements benefiting around 50,000 bus passengers
- 60% of customers are enjoying cost savings and lower fares
- 90.9% of buses are on time and reliability of buses is 98.8%
- Customer satisfaction has improved by up to 45%

- Investment of £13.5 million in newer, more environmentally friendly buses

### Oxford Bus Strategy

In Oxford there was a particular problem with 'over bussing' causing pollution and congestion in the city centre. This was partly the result of intense competition between the two major operators which has been sustained over a number of years. The local authorities had proposed pedestrianisation of the main bus routes, restricting buses to the periphery of the city centre. To combat this proposal the two principal bus companies worked with Oxfordshire County Council (as the local transport authority) to introduce a range of measures which would reduce the number of vehicle movements and remove unnecessary duplication as well as enhancing integration. This was formalised in a voluntary partnership agreement signed by both bus companies, covering four key corridors through the city. It has resulted in a reduction of 25% in the number of buses in some environmentally sensitive streets, while service frequencies have been maintained. Other measures included integrated ticketing and fares as well as co-ordinated information,

### Rail franchising

The Merseyrail network providing local services in and around Liverpool is largely self-contained from other national rail services. This has enabled it to be used as a testbed for devolving the franchising process to local level. Merseytravel ITA acts as the franchising authority for the Merseyrail network. Merseyrail consistently performs highly on measures of performance and passenger satisfaction. However, it is also one of the most heavily subsidised of all the rail franchises in the UK. Other ITAs would like to assume a more significant role in the provision of rail services in their areas. This is currently being explored in discussions with the DfT.

London Overground has been created as a separate franchise to operate a series of linked lines providing an orbital route within London. Transport for London is the franchising authority for London Overground bringing the benefits of greater integration and more control over service levels, rolling stock and service standards. Like Merseyrail, London Overground consistently scores well in terms of operational performance and passenger satisfaction. Transfer of some routes in north-east London to the London Overground network is due to take place and TfL would like to add further inner suburban routes to the London Overground network. However, the vast majority of rail routes within London form part of traditional franchises managed by the Department for Transport.

In South East Wales, the relatively self-contained Valleys Lines network could become a micro franchise managed by a regional transport authority in a similar way to Merseyrail. It could be defined by the routes that will be electrified and possibly include light rail and other transit operations. Management of the Wales rail network is already devolved to the Welsh Government and so the impact of creating a separate franchise on services in the rest of Wales would need to be considered.

### Active involvement in land use planning

There are considerable advantages to the transport network in active engagement in land use planning issues. A number of local authorities employ officers concerned with highways development control, promotion of travel plans and securing section 106 or CIL obligations but the only area where there has been a sustained and comprehensive approach to securing positive land use change is in London. Formerly under London Transport and the Traffic Director and now with Transport for London, there is a team of officers responsible for ensuring that planning and development outcomes support wider transport objectives, specifically greater use of public transport, encouragement for walking and cycling and minimising pressures on a congested road network. This involvement spans the full range of planning activities from influencing the national, regional and local planning policy framework, providing input to masterplans and planning briefs, as well as direct intervention in the development management process.

Pre application meetings with developers to offer advice, formal responses to planning applications and negotiations to secure changes to development proposals have yielded major benefits including significant financial contributions or transport works as well as a more positive operating climate for public transport. This authority is reinforced by the Mayor's statutory role in the planning process. To a more limited extent, ITAs also engage in the planning process although they lack the resources and authority of an elected Mayor. The establishment of a Joint Transport Authority in south-east Wales would not confer these powers although advisory powers to ensure compliance with national, regional and local transport strategies could be delegated by Welsh Government could be used in advance of any legislation required to formalise the role.

## **Chapter 6: Lessons from international city regions**

This section concentrates on the experience gained in two examples of city regions beyond the UK. Stuttgart, in Baden Wurttemberg, Germany represents a successful European city region with a number of unique features of governance, while Seoul, the capital of South Korea offers examples of transport integration achieved in a rapidly expanding metropolis.

### **Stuttgart**

The political administrative unit of Verband Region Stuttgart (VRS) was created in 1994 and is home to a population of approximately 2.6 million. Stuttgart City which lies at the centre has a population of 585,000 but there are a number of significant centres of population elsewhere in the region. This mirrors South East Wales where significant population centres such as Newport, Merthyr Tydfil and Bridgend provide counter attractions to Cardiff. The VRS is governed by an elected regional assembly and has specific responsibility for a regional land use plan and for the co-ordination and operation of the regional light rail system. The light rail system known as S-Bahn provides six lines, totalling 195 km.

In theory this combination of land use and transport responsibilities should improve integration but apart from the light rail system, the VRS has no control over planning or operation of other elements of the city region's public transport system including city trams, buses or long distance rail services. This is a serious weakness in an authority that aims to achieve co-ordination and there have been calls to pass greater powers to the VRS over public transport. However, strengthening of VRS powers in this area would require a state act and political leaders have failed to secure sufficient support.

Instead the longer established VVS Transit and Tariff Association Stuttgart created in 1978, provides public transport network co-ordination. The VVS works with over 40 transport providers to deliver integrated timetables and common marketing and information services. It offers a range of tickets which are available for journeys on all forms of public transport within the Stuttgart city region covering an area similar in extent to the VRS. As well as co-ordinating public transport services, over 16,000 parking spaces are provided at rail stations. This ensures that the public enjoys the benefits of an integrated transport system, albeit one that is not directly overseen by the elected city region authority. The VVS enjoys stronger powers of service co-ordination than those of the ITA or combined authority model in the UK through its direct role in negotiating timetables and tariffs across the full range of transport. However, it has no direct operational responsibilities which are in the hands of a range of commercial and publicly owned transport providers.

## Seoul

Seoul's entire Metro system may not be directly applicable to the Cardiff City Region as the former represents a megacity with some fifteen million residents living in the Metropolitan Area. However, its overall public transport network, with the recently reformed bus services primarily as a feeder for the Metro (rail), as well as the significant changes that were made to transport governance to deliver one of the world's most convenient metropolitan transport systems, is worth noting.

In 2004 Seoul Metropolitan Government (SMG) undertook 'bus reform' involving reorganisation of bus service routes, which were individually monopolised by private companies, route by route, prior to the reform. The government resumed its control over bus fares and route design, transforming a privatised bus market into a semi-public operation, and implemented a fully integrated public transport fare system with the help of electronic transport cards which enabled offering free transfers between different public transport modes, in addition to the usual benefits offered by smart cards such as convenience and time saving.

As part of the reform, bus services were classified into clearly differing categories of services. For instance, 'Red' connects New Towns in the adjacent province to Seoul (serving the existing commuting demands) and there are local services within city centre (painted in yellow) and within the metropolitan area (painted in orange), respectively. The Red (express) services run on dedicated bus lanes for a large part of their respective intercity journeys and thus offer comparative speed advantages over cars which were predominantly the preferred mode of commuting along their service routes prior to the bus reform.

At the bottom of the bus service hierarchy is what is called 'Village' Bus which covers a neighbourhood-level service area and carries residents between major transit nodes of the community, which are served by express buses or the metropolitan rail. 'Village' bus stops are no more than 500-800 metres from any residential location, depending on the spatial setting (central vs. suburban), for most metropolitan residents. The service is so named because it covers a small, neighbourhood area despite the fact that its service area is distinctly urban. The patterns of today's urban areas are increasingly dispersed as a result of having been largely guided by the needs of the car – the individualised and ubiquitous form of transport. It is therefore one of the most challenging tasks to cover an extensive urban area with conventional public transport services, which are inevitably *linear* in nature. The challenge is greater when the chosen form of collective service is rail which runs on fixed routes. Planning for the 'last mile' thus becomes crucial if a public transport system is to convince travellers to switch from private cars.

It is not as difficult to draw a most efficient set of public transport service routes as it is to implement it, especially if it involves structural changes to the existing transport service regime such as shifting the power to make decisions over fare and service

routes altogether. Just as seen in other world's most notable transport decisions and schemes, such as London Congestion Charging, the role and power of a committed political figure championing the scheme was also indispensable– the then mayor of the SMG MB Lee who served a term as South Korea's President soon after the reform.

Another notable aspect of the reform was the establishment of a completely new form of governance. 'The Bus System Reform Citizen Committee (BSRCC)', comprised of public officials from the SMG, bus firms, civil groups, transport experts such as transport planners, engineers and economists, a lawyer and an accountant and worked very closely and intensively to make decisions relating to the new bus system. This new governance approach signified a departure from the tradition of the metropolitan government planning and executing any major transport scheme single-handedly. The importance of partnership working between public officials and bus companies is well known through UK's good practice cases such as that in Oxford. Similarly, the benefit of public consultation, which goes beyond a notional gesture, has been well illustrated in the aforementioned case of London Congestion Charging.

Seoul's bus reform involved significant increases in fares and high levels of initial user dissatisfaction– due mainly to the drastic changes to service routes with which users were already familiar – but it did not take a month for very high satisfaction levels in all categories including fares and service routes to be reached. It showed how users are willing to pay more for seamless and auto-competitive transit services. On the part of passengers in Seoul, free transfers and associated calculation methods ensuring fair determination of fares, together with the added benefit of convenience offered by smart card, comprised a bundle of value they were willing to pay for on the top of the previous fare levels. In addition to the 'Transport Card' which is a pre-paid fare card, most credit cards issued in Seoul offer an optional use of credit cards for transit fare (post-)payment across modes and across towns within the Seoul Metropolitan Area.

## **Chapter 7: Lessons for Metro governance**

Based on evidence from the case studies a spectrum of options for transport governance will be discussed and tested against a number of attributes:

- Project delivery
- Accountability
- Resourcing
- Efficiency and effectiveness
- Ease of application to South East Wales

The principal options are:

- Retain the status quo
- Create a Joint Transport Authority (JTA) using existing legislation
- Adapt UK legislation to create a Combined Authority
- Create a regional transport agency with comprehensive powers

Alternative governance models that could be considered for activities in support of the Metro project include:

- Social enterprise
- Development corporation

### Status quo

This requires no change to existing structures or responsibilities. However, it would score badly in terms of project delivery and efficiency and effectiveness. Accountability would be indirect and lines of responsibility unclear. Additional resourcing would be required to boost the Metro team.

### Create a Joint Transport Authority (JTA)

This could be achieved using existing legislation which sets out a clear process. Powers and responsibilities of a JTA are set out in the legislation although these were drawn up before the advent of the Metro project and may need some amendment. The JTA could undertake project planning and delivery and would be accountable directly to the relevant Minister. However, there may be concerns raised about loss of local accountability, given that the voluntary status of the regional consortia would be lost as powers were taken on by the new joint authority. This may lead to difficult relationships with potential local authority partners which could only be overcome if agreement was secured from all relevant authorities that this represented the best governance model.

To ensure successful project delivery resources would need to be increased. Efficiency and effectiveness would depend on the authority's ability to influence stakeholders including transport providers, political leaders and the business community. Given that this governance model is untested there may need to be a period of institution and capacity building before it is fit for purpose. This could be addressed through a period of shadow running as staff resources and powers from the existing organisations are gradually moved across to the JTA in a phased approach, alongside external recruitment.

### Establish a Combined Authority

The establishment of a combined authority would also require a high level of agreement between political leaders in all of the ten SE Wales authorities. It would

be necessary for them to agree to cede a wide range of transport powers to the new authority. Resourcing would depend on securing financial levies from the participating authorities. Incentives in the form of City Deals that provide devolution of decision making, guarantees of future funding and freedom to borrow against future revenue streams could help to ease this process.

A Combined Authority would provide clearer lines of local and national accountability, potentially bringing greater potential to link economic and social development with strategic planning and transport. The Combined Authority model represents a more comprehensive devolution of powers to the city region but it may meet a measure of resistance and could be blocked by individual authorities. Although it has proved successful in Greater Manchester in delivering projects such as Metrolink extensions, it is untested elsewhere and there may be questions of efficiency and effectiveness if political commitment and resources are lacking.

### Create a Regional Transport Agency

Establishing a transport agency similar in scope to TfL linked to an elected regional body would provide the greatest potential to realise Metro project objectives. However, it would require significant resources and new legislation. Although it is suited to the unique problems of Greater London it is unlikely to be justified as an immediate solution for the SE Wales city region. There is unlikely to be the appetite for upheaval involved and resistance from transport operators and local authorities could not be taken lightly. As such, it is recommended that this option is not pursued as a short-term objective. However, many of the good practice and lessons learned from TfL could be adapted and incorporated in a more flexible governance structure.

### Social enterprise

The model of Glas Cymru has been suggested as an alternative form of governance. A social enterprise could be established to take on the operations of Arriva Trains Wales when the national rail franchise comes up for renewal. Similarly a social enterprise could provide bus or light rail operations or manage parts of the transport network. The social enterprise bus operator CT Plus has been successful on a small-scale in bidding for bus route contracts in London and elsewhere. A similar social enterprise could be encouraged to develop in South East Wales, not least to act as a comparator with the large bus groups.

The social enterprise model is likely to be more suited to public transport operations and management rather than any of the planning and co-ordination functions. As such it would only provide a partial solution to transport governance in combination with other public bodies such as a JTA.

### Development Corporation

The development corporation model has been used as a vehicle to undertake large-scale residential and commercial development. The initial purpose was to carry out

the post-war new towns programme. In the 1980s and 1990s the model was adapted to take forward regeneration of industrial areas including docklands in London and Cardiff. As well as extensive planning and land assembly powers, development corporations could also provide transport infrastructure. In Cardiff this included building the Butetown Link Road and in London the construction and operation of the Docklands Light Railway. However, this is more a model to achieve complementary development or regeneration objectives rather than an option for transport governance. Given the extensive land assembly and development powers of the Welsh Government, development partnerships for specific sites, rather than a standalone development corporation may be more appropriate.

## **Chapter 8: Conclusions and recommendations**

The following general principles are assumed to underpin any new governance structure:

- The transport body will need to be responsible for specifying, developing, delivering and overseeing the operation of public transport in the Cardiff Capital Region with a primary focus on the Metro project and its integration with other forms of transport
- It will have a democratic mandate from the region and will be accountable via the City Region Board
- It will have FORMAL representation from transport users and operators who will be involved at all stages
- It will have an executive and operational responsibility, suitably resourced and financed to undertake its duties
- It will act as the Promoter in any scheme requiring legal promotion (such as under the Transport and Works Act)
- It will be funded from both the Welsh Government and the region
- It will work with the Welsh Government on other overlapping activities such as economic development and planning as required
- All work will be informed by and integrated within a statutory strategic regional plan

Based on the case studies and evidence of best practice it can be seen that the most effective organisations in driving forward change and managing service delivery are those vested with comprehensive powers to achieve policy co-ordination, project development and service provision. It is unlikely that the status quo, matched with the current level of resources would be capable of taking forward the development of the Metro project.

However, resourcing of new statutory transport authorities comes at a significant cost to the public purse and requires an ongoing political and financial commitment.

In a climate of severe spending cuts and continued austerity it is unlikely that the establishment of a comprehensive regional transport agency modelled on Transport for London could be established in the short-term.

However, the option of a Combined Authority, modelled on Transport for Greater Manchester (TfGM) is a much more viable option although it would require formal agreement from all ten constituent local authorities to surrender a wide range of transport powers. This form of governance is well suited to the largest English city regions with established Integrated Transport Authorities but it is likely to require time to establish a similar body in south-east Wales. A phased approach may be required as expertise and capability is built up from the collective resources which are currently spread across a range of organisations.

Given the success of TfGM in taking forward extensions to Manchester Metrolink, as well as initiatives in relation to the bus network in Tyne and Wear and South and West Yorkshire, it will be worth monitoring progress in the English city regions. It may also be beneficial for any transport authority in the Cardiff Capital Region to become an associate member of the Passenger Transport Executive Group (PTEG), the umbrella organisation for transport executive agencies of ITAs and Combined Authorities.

In the short-term, and perhaps as an interim step towards a Combined Authority, a Joint Transport Authority (JTA) could be established under existing legislation contained in the Transport (Wales) Act 2006. It would be essential to secure support from the local authorities and transport operators to ensure that the JTA had **democratic legitimacy** and the active support of key partners.

The JTA could offer an improvement on the SEWTA model, the voluntary joint governance arrangements established at a regional level which have existed for the last seven years. The lack of powers and resources available to regional consortia have resulted in a weak organisational structure which would be unable to drive forward the step change required in the city region's transport network.

It is therefore recommended that immediate steps are taken to build on existing resources and goodwill in the transition towards a formal JTA structure as a first step towards the long-term goal of a Combined Authority. A shadow JTA should be formed as soon as possible using a combination of secondments from local authorities and a strengthening of the Metro project team. The period of shadow running should allow resources to be built up and roles and responsibilities formally agreed with stakeholders. The shadow JTA structure must have the support of local authorities and ensure that the views of transport operators and other stakeholders are fully represented during the transition process.

The JTA/Combined Authority will need to have a much greater public presence and awareness than the regional consortia. This can be achieved through strong

branding and active engagement with the media. Raised awareness should go hand in hand with greater democratic accountability and oversight by elected Members.

Once formally established, the JTA/Combined Authority would absorb all the former functions and activities of the regional consortia in relation to bus services. It should aim to secure partnership working with bus operators. The option of moving towards a franchising system, letting contracts on an area basis should be considered if these partnership arrangements fail to deliver. It will be important to draw on experience gained in Combined Authorities and ITAs in this field. A greater role in managing the future franchise for rail services in the city-region should also be considered. This could be in the form of a separate micro franchise, using experiences from Merseyrail and London Overground. For any potential light rail operations on a separated part of the current heavy rail network, a body similar to Manchester Metrolink could be tasked to develop and deliver the network, in partnership with transport industry stakeholders.

To ensure that public transport is given adequate priority in highways management, the JTA/Combined Authority should over time become the principal highways authority for routes that accommodate significant bus movements. A role in traffic signal management should also be considered. This has worked to advantage in London and more recently in Greater Manchester. Finally, powers to create a positive framework for public transport through the land use planning system should be exercised, initially through active engagement with local planning authorities as practised in London. Links with development activities led by the Welsh Government and local authorities could be strengthened in relation to key sites at transport hubs without the need for establishing a separate development corporation.

The form of any interim JTA should be subject to more detailed work which would need to consider issues including its specific remit, resources and funding. This study will need to be commissioned as a matter of urgency.

To reiterate what was said at the outset: the world is not waiting for the Cardiff Capital Region to put its metro house in order.

