

**The new Transport Alliance across South-East Wales
Y Gynghrair Newydd sydd ar draws De-Ddwyrain Cymru**

Welsh Affairs Committee
House of Commons
7 Millbank
London SW1A 0AA

Economic Development and
Transport Committee
National Assembly for Wales
Cardiff Bay
Cardiff CF99 1NA

Dear Sirs

Tuesday 15th June 2004

**Welsh Affairs Committee of the House of Commons
The Economic Development and Transport Committee of the National Assembly for Wales
Consideration of the draft Transport (Wales) Bill**

We are pleased to submit our evidence on the Transport (Wales) Bill. Our evidence offers assistance to the Committees in their contribution to the further drafting of the Bill.

We do not wish our evidence to be taken as implying a poor current relationship between local authorities and the Welsh Assembly. In practice the relationships are very good - liaison on a whole range of issues takes place on a daily basis and we believe that good progress is being made across a spectrum of transport improvements. The Transport Bill (as currently drafted and if used) would completely change that relationship. Our comments relate to the powers within the Bill and the consequences of them being applied. They do not reflect the current reality. One must ask, however, about the need for legislation that would only be used if current working arrangements, which work well, break down. Further, the exercise of the powers in the Bill might produce a breakdown in the delivery of services, which currently have a high public profile.

There are sections of the Bill relating to strengthening the Assembly's role in interfacing with the Strategic Rail Authority, which we very much welcome. With regard to much of the remainder however, we have to say that we feel the Parliamentary time associated with this Bill would be better spent on providing an improved legal framework for implementing integrated transport policy rather than tinkering with the political delivery mechanisms. This could include securing quality bus services, assuring more continuous funding streams and providing more enforceable links between transport and the provision of other services.

The Welsh Assembly already has extensive influence over the details of local government actions on transport. There is a strong existing legislative framework and the grant system offers major powers of censure against any council that strays too far from Welsh Assembly policy. We therefore see much of the Bill as being unnecessary and most of the rest as changing the current climate of improvement by consensus to one driven by Welsh Assembly dictat.

The evidence has been drafted in a very short time and we would therefore be pleased to meet with the Committees to discuss our contribution further. We anticipate our partners will be presenting their own evidence and this is therefore submitted on behalf of the 10 local authorities in the SEWTA partnership.

South East Wales Transport Alliance (SEWTA)

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DRAFT TRANSPORT (WALES) BILL

WELSH AFFAIRS COMMITTEE AND THE ECONOMIC DEVELOPMENT AND TRANSPORT COMMITTEE OF THE NATIONAL ASSEMBLY FOR WALES

EVIDENCE FROM SOUTH EAST WALES TRANSPORT ALLIANCE

SUMMARY

- A This evidence is from SEWTA, a consortium of local authorities and partners, set up to improve transport in the south east for half the population of Wales. We anticipate that our partners will submit their own evidences. This is therefore submitted on behalf of the 10 local authorities in the partnership.
- B We welcome the powers the Welsh Assembly wishes to assume over rail and air services in Wales. We believe however the powers of direction over local authorities contained in the Bill are unnecessary and contrary to the spirit of the concordat that exists between the Welsh Assembly and local government. The general direction of the Bill, while well intentioned, is misdirected. The way forward is to pursue the demonstrably successful forms of partnership that are already in place. The SEWTA joint committee is a good example of such an arrangement. A joint authority cannot be successfully imposed on a set of local authorities.
- C The primary problems that must be tackled to improve transport in Wales are lack of funding and the absence of appropriate regulations to implement integrated transport. Changing organisational structures will make no difference.
- D If the Bill is enacted, the powers it offers the Assembly Government must be circumscribed by procedures that prevent the powers from being improperly exercised.
- E The Bill makes local transport plans statutory documents. It proposes that plans should be documents that show how the Wales Transport Strategy is to be implemented. That is the wrong approach. LTPs, whether for one authority or for several, should be plans drawn up by the local authorities to meet the transport needs of local people and businesses. They should be drafted within the context of community strategies and with reference to the Wales Transport Strategy and not the other way round.
- F The scale of costs associated with the Welsh Assembly proposals have been significantly underestimated.
- G We make a number of detailed drafting comments on the Bill that will improve it, irrespective of its final strategic direction. Many of these relate to the incorporation within the Bill of comments that presently lie in the accompanying texts.

SEWTA - DETAILED EVIDENCE

- 1 This evidence is submitted by the local authorities which form part of the South East Wales Transport Alliance (SEWTA). SEWTA takes over the responsibilities previously assumed by the SWIFT and TIGER public transport consortia and by the South East Wales Transport Forum. SEWTA understands the complexities of delivering regional transport strategies better than most and has the record to prove it.
- 2 The Bill refers to "transport functions". These might be interpreted as relating only to public transport as defined in the Transport Act 2000. We have assumed the Bill intends to assume a much wider definition of "transport functions" to cover all matters related to travel that might be included in a local transport plan.
- 3 SEWTA is a body constituted under the Local Government Acts 1972 and 2000. It comprises the 10 local authorities in south east Wales from Bridgend eastward. Its constitution incorporates as partners the Confederation of Passenger Transport, the National Bus Users Federation, Network Rail, Arriva Trains (the incumbent train operating company) and the Rail Passenger Committee (Wales). SEWTA is the first statutorily based regional body with transport responsibilities in Wales and the only such body with such a wide membership in the UK. SEWTA represents the regional transport interests of half the population of Wales and rather more than half of its economic activity. Appendix A comprises the agreement to set up SEWTA that has been subscribed to by all the local authorities.
- 4 The Welsh Assembly already has substantial powers over the way local authorities discharge their transport responsibilities. The present grant system gives them major powers over capital projects. They also have substantial powers over revenue budgets through a wide range of statutes and specific grants. Finally, the wider framework of planning powers and the entitlement to direct some policies, such as free concessionary travel, constrains the opportunity any local authority has to adopt transport policies that are different from national policy. Those powers are sufficient with respect to the Welsh Assembly's legitimate desires to force a single national transport policy on local authorities. The additional powers offered in the Bill are not needed.
- 5 We have no argument with the policy aims the Welsh Assembly sets itself in the Bill. We are happy with the overview of the Bill in the letter dated 27 May 2004 with the exception that the word "committee" be substituted for the word "authority" in the third bullet point. SEWTA fully supports the aims of the integrated transport strategy and we are content with the principles contained in the Welsh Assembly Transport Framework. Our concerns relate to the detailed content of the Bill and the mechanisms the Welsh Assembly wishes to put in place to deliver its objectives. We see some of those mechanisms as being unnecessary and/or unworkable.
- 6 The Bill affords the Welsh Assembly very significant powers to intervene in matters that are primarily the remit of local government. SEWTA accepts that the Welsh Assembly should set policies that will ensure fairness across Wales and aim at comparable levels of service between different areas having broadly similar characteristics. The counterpoint to that acceptance must be recognition that circumstances differ one place from another and that consequently the local authority is best placed to determine the details of local service provision. The Welsh Assembly should not therefore use its powers of intervention merely because it disapproves of how a local authority is handling its responsibilities. Within any geographic area, the Welsh Assembly acts on a strategic plain but it is no more or less important in respect of its responsibilities for providing services than the local authority. It is certainly in a poorer position than the local authority to ensure that service provision is responsive to local circumstances. One interpretation of the Bill, as drafted, is that local authorities should not themselves have transport policies unless the Welsh Assembly approves them. That clearly is a position that is

untenable with respect to the democratic legitimacy of local authorities.

- 7 One of our main contributions to the debate on the Bill centres therefore on the checks needed (but currently absent from the Bill) on the way the Welsh Assembly would use its powers. The Bill requires that the Welsh Assembly approves a local authority's local transport plan. If it is not approved, then the plan must be resubmitted until the Welsh Assembly finds it is satisfactory. SEWTA finds that position unacceptable; we feel it contradicts the concept of local accountability, and the joint working arrangements agreed between the Assembly and local government in Wales. The Wales Transport Strategy may be a broad ranging document that advocates transport improvements in a particular direction - for instance better accessibility for people without a car, and safety improvements for pedestrians at the expense of the mobility of car drivers. SEWTA accepts the value of such proposals; but it does not accept that the Wales Transport Strategy could dictate that, for instance, every settlement with at least 500 people must have a two hourly bus service, provided if necessary at the local authority's expense, to the nearest town having a general hospital and a supermarket of 20,000 sq ft (say).
- 8 The Welsh Assembly may say it does not intend to be so detailed in its directions; but it has that power if the Bill goes through in its present form and no one can say the power would not be used at some time in the future.
- 9 The Bill should be modified to protect the democratic legitimacy of local authorities, and remove the extraordinary powers the Bill confers on the Welsh Assembly. Further debate is therefore essential on the drafting of those parts of the Bill related to the powers of direction the Welsh Assembly will obtain. We propose the debate covers:
 - * Definition of the scope of the Wales Transport Strategy, in advance of the Bill being enacted. The WTS needs legal constraints on its extent.
 - * Issuing of guidance on the content of LTPs and effective consultation with local government on the content of that guidance. This already happens and should continue.
 - * Consideration of the inappropriateness of direction powers on matters that are the direct responsibility of the local government. SEWTA believes the premise on which parts of the Bill are based is unsound.
 - * Discussion on making the Welsh Assembly a statutory consultee during the preparation of the LTP with a requirement that the local authority must be able to demonstrate that it has properly considered all representations and whether there is a need for modifications to the plan, before its formal approval.
 - * The consequences of a substantial change in Welsh Assembly transport policy on local authorities. The policies of local authorities and the Welsh Assembly are broadly consistent at present, but is it desirable for the Welsh Assembly to be able to say "our policies are now completely different and so must yours be"?
- 10 The requirement for transport movements arises from a host of decisions taken at a local level by businesses, households, local authorities and so on. The local authorities, through their community strategies, land use plans, and many service specific strategies and plans, are in a position to properly co-ordinate decisions on these strategies and plans with those on Local Transport Plans. The Welsh Assembly cannot be so well placed to merit the power of direction on such issues of primarily local significance.
- 11 The explanatory notes contain one crumb of comfort. Note 40 says "Any proposal to establish one or more joint transport authorities would itself have to be the subject of consultation and regulatory impact assessment before it could be implemented by order of the Assembly." We would like to see that statement contained within the Bill itself rather than left as an adjunct in the notes.
- 12 We have a number of detailed comments on the Bill. Extracts from the Bill are in italics and

our suggested additions and comments are in plain text.

- 13 *1(3) "Those facilities and services include facilities and services for pedestrians and cyclists.*
- 14 *2 Wales Transport Strategy* (1) The Assembly must prepare and publish a document to be known as the Wales Transport Strategy. The Strategy must be compiled following consultation with the local authorities and their representative bodies.
- 15 *4 Arrangements for discharge of transport functions.* We have more to say about the proposal for joint transport authorities but a power to direct local authorities to enter into arrangements for the joint exercise of unspecified transport functions is unwarranted. It ignores the practical problems posed by such arrangements. How is such an arrangement to be funded? Does the arrangement remove entirely all powers related to the function from one of the partner authorities? How is the arrangement supposed to be compatible with the concept of joined up local government thinking? The explanatory note 20 gives no proper indication as to why the Welsh Assembly seeks these powers which should consequently be refused. If this power remains in the Bill, the Welsh Assembly must be required to provide evidence in support of their use of the power in every case.
- 16 There is a second point here that is equally important. A unitary council in Wales is assumed to represent the expressed views of its residents. Those councils will not necessarily be of the same political hue as the Welsh Assembly. It would be fundamentally unsound for either the Assembly or a regional body to impose a transport policy on local people that is at direct odds with the wishes of the unitary council. That position might reduce the likelihood of Assembly policies being implemented fully across the whole of Wales in a manner approved by the Assembly. But local authorities must, in extremis, maintain control over the implementation of national policy, otherwise local democracy means nothing.
- 17 *5 Joint transport authorities* This section seeks powers to establish joint transport authorities. SEWTA has been set up as a joint committee; we do not therefore have any problem with the principle of establishing joint working relationships. We have however major concerns about the way the Welsh Assembly might use the powers it confers. We see a significant difference between a joint committee (a partnership of several local authorities with support from those authorities, with in our case close liaison with other bodies) and a joint authority (having a structure and constitution entirely separate from its component parts). Our support for joint working is without prejudice to the creation of joint committees or authorities elsewhere in Wales where there is less need for their existence on a formal basis.
- 18 If the Welsh Assembly intends to use the powers in section 5, it must demonstrate that the joint working will improve matters. There are two reasons that the Welsh Assembly should not attempt to use in support of creating joint bodies:
- i) Lack of funding. This is not an organisational problem and creating a joint body will, by itself, do nothing to solve it.
 - ii) For the convenience of the Welsh Assembly. Understandably, the Assembly might find it easier to deal with four bodies rather than 22. That is not however a good reason for setting up joint bodies.
- 19 SEWTA is constituted as a joint committee under the Local Government Act 1972 and 2000. The agreement (our appendix A attached hereto) to set SEWTA up covers all of the points set down in section 5(4) of the draft Bill. We have however set SEWTA up so as to avoid some of the pitfalls that might arise from other parts of section 5 - we come back to these soon. South east Wales has half the population of Wales in 14% of its land area. It therefore faces transport problems that are not mirrored elsewhere in Wales. That disparity reflects the need for different levels of cooperation between local authorities across Wales to deal with regional problems.

- 20 We do not believe that a joint authority can be imposed on a set of local authorities; it must be done with agreement and under those circumstances a joint committee is a more appropriate body. Any imposition would mark a total breakdown between the two levels of government. SEWTA believes the tone of the draft Bill, as regards the power to direct local authorities to work together, is draconian and not supported by any evidence as to its need. We ask that the Welsh Assembly be required, within the Bill, to provide evidence on the failure of local authorities to meet their commitments to deliver a regional transport strategy.
- 21 SEWTA recognises the scale of the problems with the transport system in Wales and the south east in particular. Those problems are not being fully tackled primarily because of lack of funding and not because of lack of cooperation between local authorities. The Bill suggests a solution to that criticism : section 5(8) offers section 74 of the Local Government Finance Act 1988 as an answer. In practice that would not work, as it presupposes the levying body (comprising local members) would precept to an extent needed to provide the extra funding. That would not happen. The problem with transport in Wales, and the rest of the UK for that matter, lies with a collective inability to fund improvements. The Bill offers very little hope in that respect. In fact the Explanatory Note 37 offers derisory amounts as the cost of the Bill. We return to this later but the Bill will not produce the substantial improvement sought in the transport system merely by changing the organisational arrangements of those responsible for delivery.
- 22 In addition to lack of finance, the present statutory basis within which the transport system is to be "integrated" is inadequate. It is extremely difficult to make quality bus partnerships work effectively and the relationship between planning for better transport and the planning of other public services is almost non-existent. Addressing these problems through new legislation is much more important than tinkering with the management arrangements of the public sector.
- 23 Section 5.4(a) would allow the Welsh Assembly to place its members on a joint transport authority. A joint committee set up by a set of local authorities might invite Assembly Members to sit on the committee but that should be its choice. (Indeed, SEWTA made such an offer to the Welsh Assembly but it was declined.) The proposal in the Bill to allow an enforced Assembly membership is totally unacceptable.
- 24 *7 Provision of public passenger transport services* We are unclear how the Welsh Assembly would exercise its powers under section 7(1). Who would finish up by funding the improvements secured by the Welsh Assembly? Would it be the local authority? - in which case the Welsh Assembly would in effect have powers of sequestration over local authority budgets, a situation that is completely unworkable. Would the Welsh Assembly fund the services direct themselves? - in which case a local authority might choose to effectively divest itself of responsibility for supporting local bus services on the grounds that someone else will pick up the bill. Additionally how would other impacts of the extra services be managed? If, as a consequence of the extra services, the local bus station proves to be too small, how will that be handled?
- 25 This section of the Bill has been drafted with good intentions - that is to aim at more uniform provision of bus services across Wales. We doubt very much whether it could be used effectively to address that problem.
- 26 *9 Power to give directions etc to the Strategic Rail Authority* SEWTA welcomes the principle of the Welsh Assembly assuming more power over railways in Wales. The crucial matter that is not covered in the Bill is the budget that is transferred to Wales. Rail expenditure per head of population in Wales is lower than the UK average. If the Welsh Assembly is to assume these extra responsibilities, it should only do so on terms that ensure a satisfactory budget settlement.

- 27 *14 Interpretation* The list of designations in 14(3) is incomplete. Newport titles itself "Newport City Council".
- 28 *Schedule 1 section 2(2A)* (These comments relate to section 3 of the main part of the Bill.) The additional requirement here completely changes the intention of the local transport plan. In the Transport Act 2000, the LTP is a local transport plan - that is a plan that meets the local needs of people and businesses as interpreted by the local authority. The additional clause in the Bill changes the LTP to the Welsh Assembly's plan, with the details being filled in by the local authority. We have to question either the fairness or the wisdom of that approach. It is a subversion of the whole intent of this part of the Transport Act 2000 which was to provide a framework for local authorities to implement a broadly agreed policy in their own way.
- 29 *Schedule 2 section 4* This concerns section 109 of the Transport Act 2000. The comments we have made in our paragraph 6 above relate to this section 4. We have made plain our objection to giving the Welsh Assembly a statutory power to refuse an LTP. If they insist on taking that power, the basis for allowing the Welsh Assembly to reject an LTP needs to be spelled out within the statute. Their reasons for refusal should relate only to:
- i) Inconsistency with the Wales Transport Strategy, with specific reference as to the non-conformance.
 - ii) Does not contain adequate policies to implement to the WTS.
 - iii) The plan contains policies that are incompatible with those of neighbouring authorities.
- 30 The presentation and layout of a plan not in line with the guidance or a plan with policies outside the context of the WTS that are of local importance should specifically not be grounds for refusing to accept an LTP. In any case of refusal, the grounds must be set out in detail. Requiring that reasons for refusal of a plan be recorded in detail would allow a local authority to challenge the soundness of the refusal. That would protect the local authority, to an extent, from unreasonable behaviour by the Welsh Assembly.
- 31 *Schedule 2 section 6* This concerns section 113 of the Transport Act 2000. We repeat our assertion that joint working can only be successful if it is with the willing cooperation of the parties. An enforced marriage would not work and it is therefore pointless including provision for one in the Bill. If the Welsh Assembly really wants to remove transport powers from local authorities for itself, it should be honest and say so rather than seeking to use local government as its agent rather than partner.
- 32 *Explanatory note 37, Financial effects of the Bill.* We feel this section is very misleading and contains factual errors and assertions that are demonstrably untrue.
- 33 The claim that four posts can be funded for £100,000 per annum presupposes an average cost of £25,000. In practice an average salary of £35,000 is more appropriate for posts of this kind to which must be added overheads of about 80%. That yields an annual cost of £252,000. The difference is small in overall effect but an error of this proportion in a numerical value bodes badly for the assumed effect of the legislative changes the Bill proposes. The Bill proposes much more rigorous evaluation of local transport plans than hitherto. That also requires a more bureaucratic structure within the Assembly. We estimate as many as 20 new posts would be needed to operate the new regime.
- 34 Notes 38,39,40 assume no extra costs will arise from collective arrangements; even savings are supposed under some circumstances. That assumption is contradicted by experience elsewhere. Setting up what in effect are new organisations always costs much more than at first anticipated. The new organisation needs not only its own technical staff but its own lawyers, accountants, personnel managers, administrative and IT staff. It also needs its own premises, its own

- committee systems and insurances. The PTAs in England have staffing levels at the rate of about 1.5 people per 10,000 population. In Wales that transcribes to 440 staff, whereas the local transport staff working on public and community transport (allowing for support staff) come to about 150. That is not a criticism of PTAs but it does highlight the increase in posts the public would perceive if the Welsh Assembly's proposals are carried out.
- 35 Finally on finance, the Bill foresees major improvements in Wales' transport system. Nowhere does the Bill recognise the scale of expenditure needed to address the problem. It falsely presupposes that the answer is organisational change; it is not.
- 36 The approach SEWTA has adopted to this problem is quite different in that it is a locally responsive approach, led by the local authorities and designed to meet the Welsh Assembly objectives. It has much lower staffing overheads. Given the level of expenditure on services and capital works, the SEWTA approach will be at least as effective as any other (including the use of PTAs) in delivering improvements, much cheaper, better integrated with other service provision and democratically more accountable. The SEWTA joint working model is vastly superior to the heavy handed approach proposed in the draft Bill.
- 37 *Impact Assessment 6 current arrangements, third bullet.* It is here perhaps that our objections to the Bill can be most clearly seen. The text claims the lack of current statutory mechanisms handicaps the Assembly Government in taking forward its strategy. SEWTA does not dispute the right of the Welsh Assembly to set a national policy and to seek to implement it. The policy must however reflect a consensus, otherwise it will fail. Any of the Assembly's partners - the local authorities, the transport industry or the public - can thwart the Assembly's aims. Obstruction may be at a cost to one or more parties and it will certainly be unproductive; but that is what will happen with imposed solutions. In that case, why does the Assembly insist on taking to itself powers of direction which are demonstrably not needed at present and which, if used, would make matters much worse?
- 38 Our comments may be construed as lacking support for proposals to improve the transport system in Wales and public transport in particular. That analysis would be incorrect. We believe the Bill, while being well intentioned, is basically misdirected. It seeks to employ force where more subtle controls already exist and it seeks to create regional bodies controlled from the top down, whereas the whole direction of the governance of Wales is one of partnership between the levels of democratic government in Wales, but within a Welsh Assembly driven strategy that aims at consistent and fair treatment of all who live in Wales.

**BLAENAU GWENT COUNTY BOROUGH COUNCIL
BRIDGEND COUNTY BOROUGH COUNCIL
CAERPHILLY COUNTY BOROUGH COUNCIL
COUNCIL OF THE CITY AND COUNTY OF CARDIFF
MERTHYR TYDFIL COUNTY BOROUGH COUNCIL
MONMOUTHSHIRE COUNTY COUNCIL
NEWPORT CITY COUNCIL
RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
TORFAEN COUNTY BOROUGH COUNCIL
VALE OF GLAMORGAN COUNCIL**

**AGREEMENT
TO ESTABLISH
THE SOUTH EAST WALES TRANSPORT ALLIANCE**

THIS AGREEMENT is made this _____ day of _____ 2004
BETWEEN the Councils listed in Schedule 1 to this Agreement

WHEREAS: -

- (1) Prior to this Agreement the Councils have made joint arrangements in relation to their transportation functions without establishing formal committees
- (2) The Councils have terminated the arrangements referred to above in anticipation of the new arrangements in relation to their transportation functions as described in this Agreement.

NOW IT IS HEREBY AGREED as follows: -

1. Definitions and Interpretation

- (a) For the purpose of this Agreement the following definitions apply:
 - "Administrative Host Authority" shall mean Newport City Council or such other Council as determined by the Alliance and with the approval of that other Council;
 - "The Alliance" shall mean the joint committee established by this Agreement;
 - "The Councils" shall mean the councils who from time to time are parties to this Agreement;
 - "external funding" means funding provided to the Alliance from any source other than the Councils; and funding from one or more Councils towards a project which does not involve all the Councils shall be deemed to be external funding ;
 - "financial year" shall mean a year beginning on 1 April;
 - "Financial Host Authority" shall mean Torfaen County Borough Council or such other Council as determined by the Alliance and with the approval of that other Council;
 - "monitoring officer" shall mean the monitoring officer of a Council designated in accordance with section 5 of the Local Government and Housing Act 1989;
 - "s151 officer" shall mean the officer appointed for the purposes of section 151 of the Local Government Act 1972;
 - "share" shall mean an equal share.
- (b) (i) Any references to a specific statute include any statutory extension or modification amendment or re-enactment of such statute and any regulations or orders made under such statute or statutes
- (ii) References to any clause, sub-clause, schedule or paragraph without

- further designation shall be construed as a reference to the clause, sub-clause, schedule or paragraph to this Agreement so numbered
- (iii) The clause, paragraph and schedule headings do not form part of this Agreement and shall not be taken into account in its construction or interpretation
 - (iv) Person shall mean corporation, partnership, firm, unincorporated association and natural person
 - (v) The singular includes the plural and vice versa.
2. This Agreement is made under the powers conferred by Sections 101, 102 and 113 of the Local Government Act 1972 and section 20 of the Local Government Act 2000.

The Alliance and its Functions

3. The Councils agree to establish a joint committee in respect of which the Second Schedule shall have effect.
4. The functions of the Alliance are:
- (a) to prepare regional strategies comprising transportation policies, proposals and programmes;
 - (b) to apply for external funding in pursuit of those regional strategies (including formulating public transport capital and revenue programmes for that purpose);
 - (c) to the extent only that the functions are resourced through such external funding and subject to clause 5, to discharge the Councils' transportation functions in implementation of those regional strategies, and for the avoidance of doubt this includes obtaining advice and services and the appointment of staff; (d) to respond to consultations which have regional transportation implications;
 - (e) to provide advice to the Councils on strategic, regional and local policy and operational transportation issues relating to the area of South East Wales; and
 - (f) to do such other things as are agreed by the Councils to be dealt with by the Alliance.
5. The Council or Councils in whose area or areas the implementation referred to in clause 4(c) is to take place shall carry out such implementation but may request the Alliance to do so.

The Alliance's Core Aim and Objectives

6. The Alliance shall exercise its functions under this Agreement so as to achieve the following core aim and objectives –

Core Aim

Working for better co-ordinated and more effective transport for people and businesses in South East Wales

Objective 1

To work in partnership with the people and with organisations with a stake in transport in South East Wales

Objective 2

To co-ordinate the delivery of an integrated transport strategy for South East Wales, seeking to influence the modal choice through an appropriate mix of transport projects and supporting policies in the transport and related fields

Objective 3

To promote the essential role of transport in economic and land use planning, and to influence land development to make the necessary provision for transport, and in particular public transport

Objective 4

To ensure that full account is taken of safety, sustainability, social inclusion and relevant environmental policies in transport plans and schemes

Objective 5

To seek to increase the resources for transport for Wales, and to maximise the share available for South East Wales

Objective 6

To pursue common standards for transport across the whole of South East Wales based on best practice; to seek cost-effective use of resources; and to identify and monitor targets to judge the success of its strategy

Objective 7

To drive the policy debate as a champion for transport, and in particular public transport; and to raise awareness of the role of local government in transport.

7. The Councils severally agree that throughout the duration of this Agreement each will comply with the terms of this Agreement and without prejudice to the generality of the foregoing will make such financial provision as may be provided under the terms of this Agreement.
8. The Administrative Host Authority shall—
 - a) provide administrative support for the Alliance;
 - b) subject to the statutory role of each Council's monitoring officer in relation to their Council, provide for the purposes of the Alliance the services of its monitoring officer; and
 - c) employ any staff appointed by the Alliance in accordance with clause 4(c).
9. Subject to the statutory role of each Council's s151 officer in relation to their Council, the Financial Host Authority shall provide for the purposes of the Alliance the services of its Chief Financial Officer as Treasurer to the Alliance.

Use of Council Staff

10. When a Council or Councils agree and with the approval of the Alliance,, designated staff of that Council or those Councils may be directly engaged on the performance of the work of the Alliance.

Indemnity of Employees

11. Each of the Councils agrees to indemnify and not make any claim against or in respect of any officers of any Council at that time or previously a constituent council of the Alliance engaged in the work of the Alliance in respect of any expenses, liability, loss, claim or proceedings whatsoever arising from their neglect, act, error or omission whilst performing such work provided that: -
 - (i) The indemnity will not extend to loss or damage directly or indirectly caused by or arising from:
 - (a) fraud, dishonesty, a criminal offence committed by the employee (except when the criminal offence is an offence under the Health and Safety at Work etc Act 1974) or wilful misconduct;
 - (b) any neglect, act, error or omission by the employee otherwise than that in the course of his or her employment;
 - (c) liability in respect of unlawful expenditure or losses certified by the auditor or under the provisions of the Local Government Finance Act 1988; and
 - (d) liability in respect of libel or slander.
 - (ii) No employee shall without the written express permission of the Alliance or relevant Council admit liability or negotiate or attempt to negotiate a settlement of any claim falling within the scope of this clause.
 - (iii) The above indemnity and undertaking shall be without prejudice to the right of the employing Council to take disciplinary action against one of its employees in respect of any neglect, act, error or omission.
 - (iv) The above indemnity and undertaking apply: -
 - (a) retrospectively to any neglect, act, error or omission which may have occurred before the date of this Agreement and
 - (b) after the retirement or resignation of the officer concerned as well as during their employment.

Withdrawal

12. (a) Any of the Councils may withdraw from this Agreement by giving to the others not less than twelve months notice in writing expiring at the end of a financial year.
- (b) Any Council which withdraws from this Agreement in accordance with this Clause shall –
- (i) remain liable to pay its contributions to such running costs as are incurred by the Alliance up to the effective date of its withdrawal;
 - (ii) subject to paragraph (iii), from the effective date of its withdrawal be released from its obligation to give indemnities in relation to any liability arising after the date of its withdrawal, other than a liability which arises out of the performance of this Agreement prior to the effective date of such Council's notice of withdrawal;
 - (iii) be liable to contribute a percentage of its equal share (or what would otherwise have been its equal share) of the redundancy costs of any employee who was appointed by the Alliance in accordance with clause 4(c) before the date when the notice of withdrawal was given and whose redundancy became effective within 5 years after the effective date of the Council's withdrawal from this Agreement as follows:
- | <i>Redundancy is effective within</i> | <i>% of equal share</i> |
|---------------------------------------|-------------------------|
| 1st year after withdrawal | 100 |
| 2nd year after withdrawal | 80 |
| 3 rd year after withdrawal | 60 |
| 4 th year after withdrawal | 40 |
| 5 th year after withdrawal | 20 . |
- (c) Notwithstanding the withdrawal of one or more Councils from this Agreement it shall continue in force mutatis mutandis as between the remaining parties and the terms "the Councils" and "the share" as defined in clause 1 shall be deemed to refer to the reduced number of Councils remaining parties to the Agreement.
- (d) On termination of this Agreement the Councils shall use reasonable endeavours to reach agreement concerning the distribution of any outstanding liabilities or assets and in the event that agreement cannot be reached, any Council may refer the matter to arbitration in accordance with clause 14.
13. At any time the Alliance or one or more of the Councils may in writing to the Councils or, as the case may be, to the other Councils recommend changes to this Agreement. The Councils in receipt of the notice shall use all reasonable endeavours to consider within six weeks of such receipt whether to accept the recommendation. If all the Councils agree to the recommended changes a memorandum of variation shall be prepared for signature on behalf of all the Councils and appended to this Agreement.
14. All disputes between the Councils on the interpretation of this Agreement and all disputes or differences in any way or at any time arising hereon shall be referred to some competent arbitrator to be agreed between the parties in dispute and failing agreement to an arbitrator appointed on the nomination of the President for the time being of the Law Society and the Arbitration Act 1996 shall apply to any such arbitration.
15. This agreement may be executed in any number of counterparts, and by the parties on separate counterparts, each of which so executed and delivered will be an original, but all the counterparts will together constitute one and the same agreement.

FIRST SCHEDULE THE COUNCILS

BLAENAU GWENT COUNTY BOROUGH COUNCIL
BRIDGEND COUNTY BOROUGH COUNCIL
CAERPHILLY COUNTY BOROUGH COUNCIL
COUNCIL OF THE CITY AND COUNTY OF CARDIFF
MERTHYR TYDFIL COUNTY BOROUGH COUNCIL
MONMOUTHSHIRE COUNTY COUNCIL
NEWPORT CITY COUNCIL
RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
TORFAEN COUNTY BOROUGH COUNCIL
VALE OF GLAMORGAN COUNCIL

SECOND SCHEDULE

THE ALLIANCE

Establishment and Constitution of Alliance

1. (a) There shall be constituted a joint committee of the Councils
 - (i) consisting of one or two members to be appointed by each of the Councils,
 - (ii) having the functions, powers and duties described in this Agreement, and
 - (iii) upon and subject to the terms and conditions described in this Agreement.
- (b) The name of the joint committee shall be the South East Wales Transport Alliance but the Alliance may adopt or authorise the use of a brand name, logo or similar method to describe itself or its activities.
- (c) Whilst the Alliance shall endeavour to work by consensus, each Council shall be entitled to one vote at meetings of the Alliance. Prior to any formal vote taking place each Council shall indicate to the Chairperson which of their members will exercise that Council's vote at that meeting.
- (d) If the Alliance reaches a decision where less than 80% of the votes cast were in support of the decision, the Alliance shall not implement the decision.

Nomination of Deputy to attend Meetings

2. Each Council shall from time to time nominate (under the hand of their Chief Executive Officer or other authorised officer as the case may be) a deputy for any member elected by them to attend and, subject to paragraph 1(c), to vote at any meeting of the Alliance or of a sub-committee in place of the member so elected who for any reason is unable to attend that meeting.

Appointment of Representative Members and Period of Office

3. Each of the Councils shall appoint representatives as mentioned in paragraph 1 and a representative so appointed shall hold office until
 - (a) the Annual Meeting of the Council which the member represents following the ordinary election of Councillors
 - (b) the member dies
 - (c) the member resigns
 - (d) the member becomes disqualified

- (e) the member ceases to be a member of the Council he or she represents, or
 - (f) the Council which the member represents has decided that another member should act in his place,
- whichever may first happen.

Failure to Attend Meetings / Filling of Casual Vacancies

- 4. (a) The Clerk to the Alliance shall notify a Council if a representative member fails to attend three consecutive meetings of the Alliance.
- (b) If by reason of death, resignation, loss of qualification, cesser of membership of the appointing Council or in any other manner there shall be a vacancy in the representation of any of the Councils on the Alliance allowed under the terms of this Agreement for the time being, the Council in whose representation the vacancy occurs may forthwith fill such vacancy by appointment.

Election of Chairperson and Vice-Chairperson

- 5. (a) The Alliance shall elect a Chairperson and a vice-Chairperson who are members of one or more of the Councils.
- (b) The first Chairperson and vice-Chairperson of the Alliance shall be elected at the first meeting of the Alliance after the date of this Agreement. Subsequently, at the first meeting of the Alliance after 1 May in each year the Alliance shall elect a Chairperson and a vice-Chairperson whose periods of office shall be until the first meeting of the Alliance after 1 May in the following year.

Co-opted persons

- 6. (a) The Alliance may appoint to the Alliance or any of its sub-committees such number of co-opted persons as it shall determine;
- (b) Such persons may be individuals or representatives of such organisations as the Alliance shall determine;
- (c) Such co-opted members may not vote at meetings of the Alliance or its sub-committees.

Meetings

- 7. The Alliance may hold such meetings at such intervals as they shall find necessary or convenient.

Sub-Committees

- 8. The Alliance shall have the power to appoint sub-committees for any purpose which in their opinion could better be managed or considered by means of a sub-committee. The constitution and the terms of reference of the sub-committee(s) shall be such as the Alliance shall determine.

Convening of Meetings

- 9. The meetings of the Alliance and any sub-committees shall be convened by the Clerk of the Alliance or by the Chairperson and every meeting shall be convened by notice in writing by the Clerk and delivered to each member of the Alliance or sent by post to or delivered at the member's residence or place of business at least three clear working days before the day of the meeting.

Quorum of Meetings

- 10. To constitute a meeting of the Alliance not less than five Councils should be represented.

Minutes of Meetings

- 11. The minutes of the proceedings of every meeting of the Alliance or sub-committee thereof shall be drawn up by the Clerk to the Alliance. Copies of the draft minutes of the proceedings of every meeting of the

Alliance shall after each meeting be sent by the Clerk to the Chief Executive Officer of the Councils.

Special Meetings

12. The Chairperson of the Alliance shall call a special meeting of the Alliance within fourteen days of the receipt of a requisition for the purpose signed on behalf of four Councils and/or co-opted persons and setting forth the nature of the matter requiring consideration. The notice summoning any special meeting shall have noted thereon the matter to be discussed at the special meeting.

Budget

13. (a) At the first meeting of the Alliance after the date of this Agreement, the Alliance shall agree a budget for its first financial year.
(b) Subsequently, in respect of anticipated costs to be shared by the Councils, the Alliance shall, prior to 30 September each year, submit to the Councils a draft budget for the following financial year. In particular the budget shall provide for the costs of the Host Authorities in providing the services described in clauses 8 and 9 and for the cost of staff who are working for the Alliance in accordance with clause 10. The Councils shall indicate their approval or otherwise to the budget by 31 March.
(c) In respect of external funding, the Alliance shall notify the Councils in writing of the sums which have been granted to the Alliance as and when the Alliance are aware of such grants.
(d) The Alliance shall operate within any external funding and such budget as is unanimously approved by the Councils in accordance with sub-paragraph (a) (except to such extent as the Councils agree otherwise).
(e) The Councils shall contribute their share to the net costs of the Alliance in such manner and at such times as directed by the Financial Host Authority. The reference to net costs in this subparagraph includes any net costs of the Alliance incurred in the period from the date of this Agreement coming into effect to 31 March 2004 and any redundancy costs of staff employed by the Host Administrative Authority in accordance with clause 8(c).

Accounts

14. (a) The Alliance and every Officer, Clerk and Servant who is engaged in the work of the Alliance and who is by reason of his office entrusted with the custody or control of monies shall keep proper accounts of all monies received by or on behalf of the Alliance or by any such Officer, Clerk or Servant and of all expenditure thereof by the Alliance or by any such Officer, Clerk or Servant and such accounts shall be subject to audit as accounts to which section 2 of the Audit Commission Act 1998 applies.
(b) The Alliance shall as soon as may be after the conclusion of every financial year send to each of the Councils a copy of the final accounts of the Alliance for such financial year this provision being in addition to and not in substitution for any obligation to furnish to each of the Councils copies of the auditor's report on such accounts and of the financial statement thereof.
(c) The accounts of the Alliance shall at all reasonable times be open to inspection free of charge by any member of the Councils or any officer of any of those Councils duly authorised for the purpose.

Standing orders etc

15. For the avoidance of doubt the Alliance shall, where relevant and subject to the provisions of this Agreement, operate in accordance with –
- (a) the Administrative Host Authority's
 - (i) business standing orders
 - (ii) equal opportunities policy
 - (iii) racial discrimination policy
 - (iv) harassment policy

- (v) Welsh language scheme
- and
- (b) the Financial Host Authority's
 - (i) contract standing orders
 - (ii) financial regulations
 - (iii) budgetary and audit controls.

Financial Provisions

16. If any of the Councils fail to pay the amount due under this Agreement within two months from the date of receiving an invoice for the same the same shall be a debt due to the Financial Host Authority from such Council or Councils and may bear interest till payment at the rate of one per centum per annum in excess of the base lending rate of the Bank of England during the period in respect of which the payment of the said amount is in arrear.

IN WITNESS whereof the Common Seals of the respective Councils were hereunto affixed the day and year first before written.

The Common Seal of
xxx COUNTY BOROUGH COUNCIL
was hereunto affixed in the
presence of

etc.