

EXPLANATORY MEMORANDUM TO
THE TRANSPORT LEVYING BODIES (AMENDMENT) REGULATIONS 2015

2015 No. 27

1. This explanatory memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of Her Majesty.

2. **Purpose of the instrument**
 - 2.1 This instrument, made under sections 74 and 143(1) and (2) of the Local Government Finance Act 1988 (a), further amends the Transport Levying Bodies Regulations 1992 (“the Principal Regulations”) in consequence of the establishment of new combined authorities under Part 6 of the Local Democracy, Economic Development and Construction Act 2009.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**
 - 3.1 Regulation 4(2) amends regulation 3(a) of the Principal Regulations so as to apply those Regulations both to integrated transport authorities (ITAs) established under section 28(1) of the Local Government Act 1985 and to those established under section 78 of the Local Transport Act 2008. In seeing that the Principal Regulations apply to ITAs established under section 78 of the Local Transport Act 2008, it thus remedies the drafting defect reported by the Committee on 14th March 2012.

4. **Legislative Context**
 - 4.1 Four new combined authorities were constituted in 2014. These were—
 - The Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority (known as the Liverpool City Region Combined Authority);
 - The Durham, Gateshead, Newcastle Upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Authority (known as the North East Combined Authority);
 - The Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (known as the Sheffield City Region Combined Authority);
 - The West Yorkshire Combined Authority.

- 4.2 In each case the combined authority superseded ITAs within those areas. ITAs are levying bodies for the purposes of section 74 of the Local Government Finance Act 1988, as is a combined authority by virtue of section 74(8) and (10) of that Act, and regulations may be made by the Secretary of State in relation to the expenses of the authority that are reasonably attributable to the exercise of its functions relating to transport.
- 4.3 The Principal Regulations are expressed by regulation 3 to apply to ITAs, and to the Greater Manchester Combined Authority that was established in 2011. This instrument (regulation 4(3)) amends that definition to include the newly constituted combined authorities.
- 4.4 Regulation 6 of these Regulations amends the Principal Regulations by inserting regulations 7A and 7B which, for the reasons explained in paragraphs 7.2 and 7.3 below, make special provision for the assessment of levies by the Liverpool City Region Combined Authority and the North East Combined Authority respectively.
- 4.5 These regulations are subject to the negative resolution procedure.

5. Territorial Extent and Application

- 5.1 This instrument applies to England.

6. European Convention on Human Rights

- 6.1 As this instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

- ***What is being done and why***

- 7.1 The four new combined authorities, listed above, were established in March and April 2014. The combined authority Orders gave effect to the joint desire of the local authorities in those areas to exercise the powers available under the Local Democracy, Economic Development and Construction Act 2009, in order to improve their joint working by establishing a combined authority with functions relating to economic development, regeneration and transport.
- 7.2 In each case, the schemes prepared by the local authorities under the 2009 Act proposed that the combined authorities should be given an equivalent levying power to that enjoyed by the ITAs. In the case of the West Yorkshire Combined Authority and the Sheffield City Region Combined Authority, where there was no change to the constituent

membership of the combined authority compared with the ITA, this means that the amounts raised by such levies would be apportioned to the constituent authorities by population size.

7.3 However, two of the new combined authorities, namely the North East Combined Authority and the Liverpool City Region Combined Authority, have expanded beyond their original ITA boundary and brought in new local authority constituent members. These are Halton Borough Council in the Liverpool City Region Combined Authority, and Northumberland County Council and Durham County Council in the North East Combined Authority. In the case of these two combined authorities, the calculation and apportionment of levies is subject to bespoke arrangements to take into account the different levels of transport expenditure across the local authorities.

8. Consultation outcome

8.1 The Government undertook consultation exercises for each of the proposals to establish combined authorities before that legislation was taken through Parliament. In respect of the specific measures in this instrument, the Government has consulted the local authorities in the combined authority areas to ensure they are content. Their response showed support for the proposed instrument.

9. Guidance

9.1 There is no guidance associated with this Order.

10. Impact

10.1 An Impact Assessment has not been prepared for this instrument as it has no impact on businesses, charities or voluntary bodies.

11. Regulating small business

11.1 The legislation does not apply to small business.

12. Monitoring & review

12.1 The combined authorities will be responsible for reviewing the levying arrangements in their areas. Each combined authority has established overview and scrutiny arrangements to enable review and challenge of the matters within the remit of the combined authority.

13. Contact

- 13.1 Carl Sutcliffe at the Department for Transport can answer any queries regarding this instrument. Tel: 020 7944 4683. Email: carl.sutcliffe@dft.gsi.gov.uk.