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TRANSPORT IN THE METROPOLITAN COUNTIES: CURRENT PERFORMANCE AND FUTURE PROSPECTS

VOLUME I: CONCLUSIONS

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This Report considers the arrangements for the planning and execution of transport functions in the metropolitan counties in the light of proposals to reallocate county powers to districts, joint boards and central government.

An examination of the extent of inter-district movement and of the way the functions are presently performed demonstrates a substantial county-wide dimension to metropolitan transport problems.

We refer to three main objectives in the assessment of both the existing structure and the proposed alternative.

Efficient resource allocation is facilitated by the present arrangements because a county authority is able to tackle county-wide problems; to allocate resources objectively to areas of greatest need; and to handle problems in one district by action in another. The proposals jeopardise these advantages by allocating responsibility to a district level without the protection either of a countywide or an inter-modal strategic context or of an appropriately sensitive allocation procedure.

Cost effective performance is facilitated because the county scale gives benefits from the specialisation of function within one organisation; from the efficient use of joint facilities; from the ability to absorb variation in workload; and from economies of scale in data collection, planning, purchasing and stockholding. The proposals recognise some of these advantages but presume, naively, that they can be maintained by voluntary agreements.

Democratic accountability currently benefits from the counties' possession of a sufficiently wide range of instruments and powers effectively to formulate and implement a policy which enables elected representatives to promise, deliver, and be held accountable for a comprehensive transport responsibility. The proposals would enhance the role of the Regional Controller, would introduce a joint board to deal with public transport and would require a large measure of cooperation between districts. All these measures would reduce the independence of the local political unit in transport matters and hence undermine democratic accountability.

The present arrangements are not perfect. The current system of agencies and Section 42 claims produces inefficiencies and confusion as to the allocation of responsibility. The procedures for allocation resources to and within the transport function could be improved. Unfortunately the proposals would not solve these problems but would destroy much of what is best in present arrangements.

We have examined some possible variants on the White Paper proposals but conclude that neither the radical redrawing of district boundaries, the transfer of some county functions to the regional office of the DfT, nor the creation of a joint planning board would be as satisfactory as would retention of the Metropolitan County Councils.
1. INTRODUCTION

1.1.1 This study is a contribution to the discussion of the proposals for the reorganisation of local government in the metropolitan counties contained in the White Paper "Streamlining the Cities", published in October 1983.

1.1.2 We were commissioned by the six English metropolitan counties to carry out an independent review of the way in which the transport functions of the metropolitan counties are performed and of the likely effects of the proposed changes.

1.1.3 Our terms of reference required us to examine the patterns of transport demand within the metropolitan counties; the way in which local transport functions are performed and relate both to each other and to the non-transport functions; to examine previous experience in this country and relevant experience abroad. The report of evidence (*) summarises our findings on those issues and is supported by a volume of more detailed resource papers. This report contains our conclusions and judgements on the likely effects of the proposals.

1.1.4 Our examination of the professional activities of the counties fell into three phases. In the first we collected information on the way in which each of the transport functions was performed in each of the counties. In the second phase we identified the most critical issues in respect of three main performance objectives. The third phase consisted of the examination of a number of detailed case studies on the basis of which we were able to appraise the strengths and weaknesses of the current organisation, and in relation to which we could assess the likely effects of organisational change.

1.1.5 In addition to the collection of data from county officers we also sought information from elected representatives, district officials, and public transport operators.

1.1.6 We recognise that part of the issue between central government and the metropolitan counties has concerned the extent to which central government is able to control both the amount of central government contribution to local government functions and, for general macroeconomic reasons, the total expenditure of the local authorities, however financed. Both of these issues lie beyond our brief. We have assumed, therefore, that some degree of overall central government control will continue, and have considered the performance of the transport functions in this context.

1.1.7 We have reviewed the arguments for and against the existing arrangements and the government's proposals, and the criticisms of both, and have examined the detailed consideration given to the criteria for local government organisation by the Redcliffe-Maud committee.

1.1.8 We have concluded that the three most important objectives of an organisation of transport functions are that it should be designed to:
- achieve efficient allocation of resources to strategically or locally defined needs;
- achieve cost effective provision of services;
- provide democratic accountability in decision making.

1.2 The Government's Proposals

1.2.1 The reorganisation proposals, contained in "Streamlining the Cities" (Cmnd 9063), and supporting consultative documents from the Departments of Transport and the Environment, involve the abolition of the six metropolitan counties and the Greater London Council.

1.2.2 The districts would become responsible for the production of structure plans and for the broad formulation of transport policy. They would also become the highway and traffic authorities for all except trunk roads, and would act as agents for the Department of Transport (DTP) for the latter. They would be expected to co-operate closely in the performance of these duties and, where appropriate, set up voluntary joint committees or delegate responsibilities between districts.

1.2.3 The counties' present role as Passenger Transport Authority (PTA) would pass to joint boards of members nominated by districts in proportion to their populations and political balances, having powers to precept on the constituent districts. Individual districts might be allowed to operate their own public transport services outside the aegis of the Passenger Transport Executive (PTE) with the approval of the Secretary of State for Transport. The joint boards would also take over the counties' role in the control of local airports.

1.2.4 The role of the DTP would be expanded considerably. Each district and PTE would be eligible for Transport Supplementary Grant (TSG) and it would be the responsibility of the Regional Controller of DTP to allocate grant to these 42 authorities. Existing controls on TSG and Rate Support Grant (RSG) would remain. In addition the Secretary of State would control the staffing levels and precepts of the joint boards in the first three years of their existence. The Regional Controllers would also be asked to act as arbiters in any conflict between districts.

1.3 Structure of the Report.

1.3.1 In section 2 we draw together our conclusions on the implications of the three objectives set out in 1.1.8 above.

1.3.2 In section 3 we consider the institutional consequences of the government's proposals. In particular we discuss the roles of districts and of the regional offices of the Department of Transport, the performance of inter-district working through joint boards and voluntary joint committees, the role of the PTE and other operators, the involvement of the private sector and liaison with other less directly involved organisations.

1.3.3 In section 4 we bring together our conclusions on each of the main groups of transport functions. We consider in turn public transport, highway construction and maintenance, traffic management and control, strategic transport planning, road safety and data analysis and planning services.

1.3.4 Finally in section 5 we summarise our main conclusions and make our synthesis.
We consider here the performance of existing and proposed arrangements in terms of our three objectives set out in para. 1.1.8.

2.1 Efficient Allocation of Resources

2.1.1 We regard the resource allocation process for transport as involving five distinct but inter-related stages:
- identification of transport-related problems and needs;
- formulation of strategies to meet those needs;
- allocation of resources (including both staff and finance) to preferred strategies and to transport as a whole in competition with other expenditure sectors;
- programming the allocation of resources and adjustment of programmes in the light of changing circumstances;
- monitoring the effects of allocation of resources and underlying trends on the identified problems and needs.

The whole is a cyclic process in which the last stage can be considered as a repetition of the first. The need for such a process has become more acute during the life of the Metropolitan Counties as resource constraints have become more severe. We consider that the counties' success in developing the necessary procedures and responding to changing pressures is an important indicator of their effectiveness as transport authorities. It is of paramount importance that any reorganisation should not reduce the effectiveness of such procedures.

2.1.2 The identification of problems and needs will become less effective if:
- major problems are not identified as such;
- priorities among problems across the conurbation are not identified;
- separate identification of public and private transport aspects of problems leads to their underestimation.

However, the importance of these potential weaknesses must be judged against the counties' proven ability to identify, and determine priorities between, the range of transport needs.

2.1.3 The counties, in their structure plans, demonstrate an emphasis on specific problems rather than broad objectives, and the government in its acceptance of those structure plans has implicitly accepted both the existence of those problems at a county-wide level and the priorities which counties have allocated to tackling them. We find it difficult to accept, therefore, the criticism in the White Paper that the counties have been searching for a strategic role. For some of those problems, notably accidents and road maintenance needs, the counties have made major advances in the development of monitoring techniques. While it would be possible for the districts to use these methods to monitor problems in their own areas, we argue elsewhere that they would do so less efficiently and would be less likely to continue their development.

2.1.4 However, all counties perceive their main problems as being those of economic and major centre decline and of accessibility deficiencies. Despite advances by some counties, less progress has been achieved in monitoring these problems. It is precisely on these issues that districts are likely to have the greatest difficulty in monitoring needs. Not only are the methods incomplete, but they require the measurement of accessibility to facilities such as jobs which frequently lie beyond the district boundary. Moreover, they require an understanding of both the conditions of private transport, which would be the districts' responsibility, and those of public transport, which would be monitored by the joint boards.

2.1.5 As a result, districts are unlikely to perceive the needs in their areas for access by other districts' residents and may well misperceive the relative importance of different types of problem when viewed from the standpoint of the county as a whole. In other ways, too, they are likely to give undue weight to problems in their own areas. Evidence indicates that accessibility deficiencies, in particular, are much more acute in some districts than others. Districts with less severe problems are still likely to claim resources for them.

2.1.6 Under the government's proposals the alternatives to individual district responsibility for monitoring would be for the districts to set up a joint monitoring team, or for the task of determining priority needs to fall to the Regional Controllers. The first of these options would place no onus on the districts to abide by the priorities which the team identified, and we think it unlikely that a district whose priorities differed from those identified would continue for long to support such joint activities.

2.1.7 The second option relies on the ability of the DTp to determine priorities objectively. The Department's attempts in the mid 1970s to establish indicators of need were abandoned. Our analysis of the Department's allocations of road maintenance expenditure between counties suggests that their current procedures, by contrast with those employed by the counties, bear little relation to objectively measured needs. It seems to us most unlikely that the DTp will be prepared to allocate resources between districts in the way that the counties now do; as a result those districts with the greatest problems per capita will be particularly disadvantaged by the proposals.
2.1.8 Effective strategy formulation requires an institutional arrangement able to:
- develop strategies on a conurbation-wide basis;
- encompass both land use and transport policies;
- combine both public and private transport;
- avoid bias in the formulation of strategies;
- develop and use analytical techniques for the assessment of strategies.

We have examined the extent to which the current and proposed arrangements satisfy these requirements.

2.1.9 County structure plans suggest that the most important area in which conurbation-wide strategies are required is in the solution of the problems of decline. In four of the six counties commuting between districts is substantial and apparently increasing; the problems of location of new jobs and provision of transport from unemployment areas will increasingly require an inter-district view. The proposed reorganisation offers no assurance, for example, that an outer district which attracts new industry would provide the transport services necessary to enable the inner area unemployed to work there.

2.1.10 This is one example of the need to integrate transport and land use planning. There is ample evidence that the counties now meet this need and some evidence that where functions are separated transport policy suffers. However, such problems are minor at present and, while the proposals might overcome some of them by integrating some transport functions with transport-demanding functions such as education, they would fail to encompass conurbation-wide land use needs.

2.1.11 Another example of the need for conurbation-wide strategy formulation is the development of policies in one district to solve problems in another. For instance, we very much doubt that districts will readily agree to lorry routes in their areas to relieve environmental pressures in neighbouring districts, even if such routes are planned by a voluntary joint committee. Such problems are particularly acute in those conurbations where district boundaries run across the grain of development, resulting in roads frequently crossing district boundaries, as in West Midlands, or having alternative routes in another district, as in Merseyside. The experience before 1974 in joint transport modelling in Greater Manchester and the West Midlands demonstrates just how difficult it is for a loose association of authorities, in which self-interest necessarily prevails, to implement conurbation-wide policies.

2.1.12 At the broad strategic level it is clear that public and private transport are considered together in terms of their roles in meeting structure plan objectives and of their competing demands on overall resources. Similarly at the most detailed level there is ample evidence of highway and bus management projects being co-ordinated. At the intermediate level of strategy formulation to solve a particular area's problems, there is less sign of integration. Even here, though, the current plans for both Liverpool and Manchester city centres suggest that progress is being made in the joint consideration of public and private transport solutions to specific problems. As public transport patronage declines, the need for such joint strategy formulation increases. Not only do the pressures on road space grow, but they are likely to be exacerbated by line and service closures. While none of the counties has been particularly effective in integrated strategy formulation, those which have established joint transport planning units have been the most successful. It appears to us that such units will be more important in the future, and we are concerned that there appears to be no provision in the government's proposals for their retention.

2.1.13 The objectives for the TSG system included "eliminating bias towards capital or current expenditure or towards particular forms of expenditure". We have considered carefully whether this objective has been met. We find no obvious sources of bias in the structure of transport decision making within counties. Such political biases as exist in the decisions reached are part and parcel of the democratic system. At central government level, however, the same is not the case. Government controls on revenue support through Protected Expenditure Limits (PELs) and grant penalties are likely to constrain counties' ability to choose among alternative solutions to their problems. These externally imposed biases will remain under the proposed arrangements and will be exacerbated by restrictions on staffing and precepts; the main change is likely to be that districts which are smaller and initially less experienced will be less able to resist them.

2.1.14 All counties have developed transport models for road scheme assessment. More recently some counties and PTEs have developed public transport strategy assessment models. The public transport assessment methods could remain with the PTEs but the highways ones would need to be serviced by a team responsible to all districts. It would be essential, however, for all districts to support such a team, share its activities fairly and be prepared to accept the implications of its findings. We see considerable difficulties in achieving such co-operation and commitment voluntarily.

2.1.15 Resource allocation itself will become less effective if:
- allocation between transport and non-transport budget areas is less fully considered;
- allocation between areas of transport expenditure is constrained;
- procedures are not available for allocation within specific areas of transport expenditure;
- allocation between districts is constrained.

2.1.16 It is generally accepted that there is no adequate objective means for allocating resources between transport and other heads of expenditure. Such allocations are based on political judgements, and the government's proposals could theoretically improve the situation by giving one authority the responsibility for allocating resources among most local services. However, we question the extent to which this would happen in practice.

2.1.17 More surprisingly, there is little evidence of objective methods for allocation of resources between transport budget heads. While appraisal methods have been developed within each sector they are not directly comparable. This is a weakness in the resource allocation process which requires urgent remedy, and we understand that attempts are now being made to do this. In the absence of such procedures it is particularly important that allocation between modes should occur at the most local level of government able to provide a comprehensive view of needs. The proposed reorganisation and the external biases now imposed by government will make this harder to achieve. In particular the direct controls on joint boards would place resource allocation to public transport under greater pressure than that to private transport. The requirement for a separate and readily identifiable precept for them would further complicate the situation.

2.1.18 All counties have developed methods for resource allocation within the areas of highways maintenance and highway construction; indeed in the latter case their methods represent an important advance in the broader assessment of urban road schemes. Despite advances in one or two counties, there is less evidence of progress with public transport. While the districts could simply take over the methods developed by the counties, their perception of the needs to be met may, as mentioned above, be more limited. There must be some doubt, also, about their ability to develop these allocation procedures further, or in a consistent way.

2.1.19 In allocating resources based on need, counties at present implicitly allocate them among districts. There is ample evidence both in the fields of highway maintenance and highway construction that such allocations are not in proportion to populations or ratesable values. It would of course be possible for Regional Controllers to make such needs-based allocations in future, but there is no evidence to indicate that the DTP's current procedures for allocating resources between counties would adequately reflect the imbalances currently identified by counties. As a result much of the existing emphasis on allocation according to need would disappear, and certain districts would be left with either a poorer transport service or (rate controls permitting) a higher rate levy.

2.1.20 The final process of programming and budgeting seems to us to be the least problematical. The Transport Policy and Programme (TPP) system has required counties to develop such arrangements; its main weakness is the short timescale between announcement and start of the financial year. Sudden changes in resource allocation and slippage in individual schemes have required the counties to develop procedures for programme adjustment. There seems to us no reason why the districts should not take over these procedures and benefit directly from the counties' initiatives, although there is a danger that, with a smaller resource base, control of slippage and incorporation of major investments will be more difficult. Moreover, with 42 metropolitan TSG recipients rather than 6, the opportunities for underspending are considerable. It is likely too that in attempting to avoid underspending there will be an increasing temptation to invest in less worthwhile but quickly implemented schemes.

2.1.21 While such procedures help the counties to avoid underspending on budgets announced to a short timescale, they have also been effective in avoiding overspending, particularly in the highway design field. The procedures for highway scheme assessment mentioned in 2.1.18 were introduced to reduce the backlog of road schemes proposed by the pre-1974 authorities and hence to avoid unnecessary design work and blight. By assessing individual districts' claims on a consistent basis, the procedures have reduced the value of schemes in the planning stage by as much as 70%; the resulting removal of blight has helped foster industrial development. There is a real danger that devolution to districts would lead to some of these schemes being resourced with resulting impacts on design resources and blight. Indeed the districts themselves have pointed out to us the need to avoid such an outcome by assessing strategic road proposals centrally.

2.2 Cost Effective Provision of Service

2.2.1 Our analyses of the cost effectiveness of service provision have considered the source and extent of efficiencies and inefficiencies in the current system. We have concentrated on two broad issues raised by the White Paper proposals. Firstly, since the White Paper proposes that many functions would be carried out at a district, rather than a county, scale we have paid considerable attention to any benefits or problems inherent in the larger scale of operation. Secondly, since the White Paper proposals envisage the establishment of separate institutions to deal with different transport functions, we have examined the question of linkages between separate functions.

2.2.2 On the question of the scale of operation we have
Our conclusions on these issues are contained in paragraphs 2.2.3 to 2.2.16.

2.2.3 We find ample evidence that the county scale of operation permits specialisation which would not be viable at the district scale. This specialisation, be it in skills or equipment, has undoubtedly led to improvements in service quality and advances in the state-of-the-art and, almost as certainly, to decreases in unit costs. The county scale of operation not only permits specialisation but attracts appropriately qualified personnel and provides the resources to invest in the necessary equipment and procedures.

2.2.4 Examples of such specialisation include Urban Traffic Control (UTC), system design and transport/traffic modelling, which can be seen as having grown from the broader disciplines of traffic signals engineering and data analysis/forecasting respectively. The appearance of specialists in these areas within county staffs has led to design work and technical innovations of a very high standard.

2.2.5 The existence of specialists in aspects such as structural design and street lighting has also produced high quality work widely acknowledged by the engineering profession. We question whether this quality and technical momentum could be achieved in smaller departments where there would be less opportunity for specialisation. We also suggest that the absence of the relevant specialists might lead to the downgrading of some important functions; we note the example of the bridge inspection function where there is evidence of inadequate cognisance of its importance prior to 1974.

2.2.6. Examples of specialist equipment used by the counties, but unlikely to be justified by all but the very largest of individual districts, include some bridge inspection equipment, traffic data analysis systems, snow blowers and a range of engineering plant used by county Direct Labour Organisations (DLO's). Such items of equipment bring undoubted improvements in service quality and efficiency which would be jeopardised by the abolition of the authorities large enough to justify their purchase. Although arrangements might be made to hire-in some of this equipment as and when required by individual districts, such arrangements would incur cost penalties and would, in any case, not be appropriate for equipment required on a continuous basis (e.g., data analysis systems) or at very short notice (e.g., snow blowers). The net result would probably be for districts to seek to avoid using the equipment and rely instead on less satisfactory facilities available in-house. The fact that some counties already hire in some specialist equipment (e.g., SCRM and deflectograph) does not detract from the wider argument.

2.2.7 Similar arguments can be put in respect of the specialist support services such as materials testing, forecasting and intelligence and computing/software skills, which could not be justified in every district. There is evidence that quality of service benefits flow from having such support services in-house rather than available only from another agency. These benefits derive not only from ease of access but also from linkages and closeness of working (see 2.3.17). It is already apparent in Greater Manchester that some agent districts, without in-house materials testing facilities, make little use of this important service. This bodes ill for the proposed arrangements for shared access to specialist support services.

2.2.8 We suggest that, recognising their need for in-house specialists in the various design and support services discussed above, districts would seek to employ extra staff. To prevent them from so doing would, we believe, lead to a reduced quality of service. If the districts were able to find the necessary finance the problem of indivisibilities would result in a greater net drain on public sector resources than is currently the case.

2.2.9 A major advantage that the counties have over smaller authorities is their greater capability to absorb temporal variability in workload. This variability is particularly marked in highway and structures design and construction, emergency winter maintenance and UTC design. The variability is, except in the case of emergency winter maintenance, intuitively more severe at district scale than at county scale and so some inter-district variation can obviously simply be absorbed at the county scale. Although many county transport functions are provided via working teams organised on an area basis, these can be and are used flexibly with work or resources transferred between them as and when necessary. Careful redrawing of the boundaries of area teams and abandonment of de facto boundaries has in some cases reduced workload variabilities. District inability to efficiently absorb variabilities in workloads have been quoted among other reasons for the withdrawal or surrender of agencies.

2.2.10. It would be incorrect to suggest that the districts would be completely unable to absorb temporal variabilities in workloads; they would for some activities have the option of...
diverting resources from other functions (as most of them already do in the case of emergency winter maintenance which is usually effected by maintenance/cleansing teams) or of hiring in assistance from outside.

2.2.11 We appreciate that a flexible approach to the use of functional specialists can bring benefits in terms of increased job satisfaction and cross fertilization of ideas, as well as helping to overcome a variable workload. However, if taken to excess, it can result in reduced quality of output through misuse of specialist expertise. The use of hired-in assistance is generally kept to a minimum not only because of its cost but also because it is thought to prejudice long term efficiency and quality, a point which we discuss more fully in section 3.5. Thus we conclude that these methods of overcoming variability in district workload will generally be less satisfactory than absorbing the variability at county scale by reallocating resources between districts.

2.2.12 Some transport sector functions clearly require a county scale perspective if they are to be performed effectively. Examples include travel demand analysis and forecasting and structure plan preparation, which require a county-wide perspective because of the importance of cross-district boundary travel and because of the strategic integrity of the conurbation. While co-operation between districts in these spheres is not impossible it would undoubtedly lead to inefficiencies through duplication of effort and increased liaison and consultation. These arguments are strongest in those counties where the constituent districts are most obviously component parts of a greater conurbation with a high degree of inter district movement and network connectivity, (e.g. Manchester, Salford and Trafford in Greater Manchester; Birmingham, Sandwell and Dudley in West Midlands.)

2.2.13 It has not been possible to find any direct evidence of important bureaucratic diseconomies of scale: rather have we been impressed by examples of the adoption of advanced management procedures, particularly in the programming and budgeting of maintenance and construction works. Although we have found some evidence of departmentalism, this is largely confined to some counties' relationships with their PTEs. Insofar as this reflects the existence of institutional separation, it is thus a problem that would be expected to increase rather than decrease were the White Paper proposals to be implemented. Other examples of departmentalism within the metropolitan counties when recognised have usually been the subject of internal reorganisations aimed at reducing their impact.

2.2.14 Although we have seen no convincing evidence of significant economies of scale in the highway cleansing function we have noted economies in the implementation of the routine maintenance and minor works functions (most particularly associated with the rationalisation of depots and teams in the county DLO). Even so, we are of the opinion that these economies in implementation are less significant than those pertaining to other county functions including design of minor works.

2.2.15 We have been convinced that the county scale of operation has led to real and substantial savings in the tendering, purchasing and stock-holding of items as diverse as road salt, traffic signal lamps, road safety publicity material and buses. Although some of these savings could in theory be achieved through voluntary joint purchasing/stockholding arrangements it is clear that in many instances prior to 1974 the individual authorities, far from co-operating over such matters, adopted such different specifications (e.g. for street lighting) that any attempt to form a joint purchasing organisation was out of the question. Even where there was no problem over incompatible specifications individual authorities did not find it attractive to forego their independence by joining joint purchasing arrangements in spite of any financial savings which might have accrued. We note in this context the withdrawal of individual districts from joint purchasing agreements established since 1974. We conclude that joint purchasing and stockholding between individual districts would only survive if it were made compulsory. Such compulsion would obviously be unwieldy and a source of irritation to the districts.

2.2.16 We also note that the adoption of county-wide standard specifications for such items as street lighting and road signing has resulted in improved conditions for road users. There is obviously a risk that following abolition of the counties and in the absence of regulations to enforce maintenance of these standard specifications, conditions might gradually revert to the pre 1974 situation when, for example, a driver often experienced a succession of different lighting types and intensities when crossing borough boundaries.

2.2.17 We turn now to the question of linkages between functions. The White Paper proposals, perhaps recognising some of the arguments for county scale operation of certain transport functions, envisage the establishment some of county-wide teams. Such a development would, of course, result in an administrative distinction between various parts of the overall transport sector. Recognising this, we sought evidence on the importance or otherwise of having the functions jointly administered. We have also considered the argument for the closer liaison between transport and non-transport functions implicit in the establishment of a unitary authority.

2.2.18 The specialist support services mentioned in paragraph 2.2.7 are, of course, available to serve more than one function. We believe that this efficient state of affairs could be jeopardized if the transport function were to split between different bodies. The provision of forecasts and computer based analyses for use by planners of both highways and public transport is a particular case in point. We also note here the extent to which engineering skills associated with the county highway functions have contributed to non transport county
functions such as the construction of refuse disposal plant.

2.2.19 We find that a number of tasks currently undertaken require, and receive, close liaison between functions which could be administratively separated under the White Paper proposals. Important examples include: bus priority measures (which require liaison between bus operators and traffic management specialists); road accident remedial measures (requiring liaison between accident investigators and infrastructure designers); UTC system design (requiring liaison between UTC and highway engineers); and abnormal load routeing (which requires liaison with bridge inspectors). Another group of tasks may be identified where although liaison is not essential, it clearly brings quality of service benefits (for example the liaison between road safety education and accident investigation). Although liaison between the different bodies which might be responsible for each of these functions is not impossible it would certainly absorb valuable resources and, judging by previous experience, might be ineffective.

2.2.20 We think it particularly important to emphasise here the benefits which have stemmed from the close links between UTC system design and traffic/highway scheme planning; several examples are included in the companion report but perhaps the best known is in West Yorkshire where the adoption of a UTC oriented solution at the important Sheepscar junction resulted in the saving of over £15m. on the original £20m. scheme for a grade separated road/bridge solution. Were the UTC finance and highway scheme design functions to be separated by one or other of them becoming the responsibility of a uni-functional county-wide unit such savings on future schemes would clearly be put at risk.

2.2.21 There are of course a number of other linkages which bring economies or efficiencies but which currently require liaison between different authorities. They obviously include major strategic decisions on the land use and transport networks dealt with through the structure plan system but, on the more day to day level they include: highway cleansing and verge cutting (which involves liaison between the environmental authority and the highway authority); the issue of concessory fare passes (needing liaison between social services and the PTE); and school based road safety education (which benefits from liaison between the education, highway and police authorities). Our conclusions from these are twofold. Firstly we believe that these linkages with non transport functions have less bearing on efficiency and effectiveness than those within the transport function. Secondly we believe that, with notable exceptions, they demonstrate on a minor scale many of the problems which flow from a system relying on liaison between separate authorities. This argument is pursued in later sections of this report.

2.2.22 On the basis of the evidence available to us we conclude that in terms of efficiency and cost effectiveness of service provision there are strong arguments in favour of the maintenance of county scale, multi-function transport authorities in the metropolitan areas. This conclusion is not seriously weakened by the fact that some counties have capitalised on the potential efficiency advantages less fully than others. Indeed, having examined differences in performance between the existing counties we find that where greatest attention has been paid to exploiting potential economies of scale, performance appears to have benefitted.

2.3 Democratic Accountability

2.3.1 By democratic accountability we mean the process whereby the responsible executive authority is accountable for its actions to those who are affected by them, either directly through the impact of policies on transport users or indirectly through the fiscal impacts of the system. The evidence of the last ten years is that, contrary to the declared intentions when the present regime was introduced, central government has progressively wished to increase its control not only over the total level of centrally financed local expenditure but also over the detailed composition of that expenditure. This is sometimes defended on the grounds that so large a proportion of local government finance comes from national and corporate sources that central government has a proper interest in the control of local government expenditures.

2.3.2 We believe that central and local interests can, and should, be separated. Conflicting views are taken about the balance between local and national interests. Were the UTC and highway scheme design functions to be separated by one or other of them becoming the responsibility of a uni-functional county-wide unit such savings on future schemes would clearly be put at risk.

2.3.3 If, on the grounds of efficient resource allocation and cost effective administration, it appears that a county-wide performance of the transport functions is appropriate then the test of local democratic accountability is whether local interests are taken fully into account in the allocation decisions and implementation procedures adopted. Given that complete consensus is rarely achievable in any society it seems appropriate to us to state the accountability requirement as follows:

- that the process of consultation at the policy design stage, and in appraisal, should be designed to give consensus a high chance of emerging if possible;
- where such consensus does not emerge, judgements of major political significance should be determined by the appropriate elected representatives, in the light of clear and well presented technical advice;
- the location of the political responsibility should be clear and well known, so that members are ultimately electorally responsible for their judgments.
2.3.4 We believe that the present system performs well against the first criterion. The structure plan, all major construction schemes and traffic management schemes are subject to procedures of direct consultation within which the members as well as the officials participate. Moreover, we are persuaded that on these matters the consultation process is not merely a formality undertaken when political positions have predetermined the outcome but is a real basis informing decisions. Where prevailing general philosophies (such as the South Yorkshire fares policy or the Greater Manchester emphasis on the role of the regional centre) are at issue they are likely to attract central attention both in the formulation and discussion of structure plans and in the electoral process, and so we do not consider that democratic accountability is deficient in respect to them.

2.3.5 On the second criterion the system also appears to have generally worked well. Officers appear able to communicate the technical aspects of issues to members, without disguising the areas where major value judgements of a political kind have to be made, which members are able to identify and determine. There does seem to us to be some danger that district level members might be overwhelmed by the wider range of responsibilities that the proposed reorganisation allocates to them. In that respect real democratic accountability might be reduced, unless the councils operated with more members than at present, or with smaller committees, both of which options will have some disadvantages. The institutional separation of highway and traffic responsibility from public transport responsibility seems to us to diminish the ability of local elected representatives to make crucial judgements on the allocation of resources in the sector without offering any acceptable alternative democratic process.

2.3.6 On the third criterion we are less satisfied. The role of the counties in public transport policy seems to be well understood by the public, but the division of function between counties, districts and the DP in highway matters less so. Both the concurrent performance of functions by districts and counties on different classes of roads, and agency arrangements, wherein it is not clear whether it is the policy or the implementation which is defective, are confusing. One feature of the current system appears to be that it is possible for one level of local government to blame the other when things go wrong. This may be convenient, but we do not consider it desirable and are therefore led to think that proper local accountability demands that responsibility should be concentrated in one authority which the technical arguments for integration of transport policy imply should be at county level. However, we think that the responsibilities of the district as the local planning authority and the county as the highway and traffic authority are sufficiently clearly distinguished in principle for this division of function to be workable.

2.3.7 We are aware that the PTEs operated without intolerable friction until 1974 in a framework very similar to that now proposed. In Tyne and SELENC it may also be observed that local area subcommittees were used during that period to obtain the necessary local responsiveness. But we are still not convinced by the argument that this demonstrates that joint boards can be successful, because we believe that the financial pressures under which the PTEs operated, and the expectations of them, were less than they are now. Our consideration of joint boards convinces us that they will result either in officer domination within general resource allocations determined by central government, or in private coalition forming by District Leaders or Chief Executives. Either outcome would demean the status of the boards. We believe that this would militate against high quality membership of the boards and ultimately reduce the quality of the management exercised as well as taking public transport policy out of its relationship with the rest of local transport policy and away from effective local democratic control.

2.3.8 We support the case for unification of the highway and traffic responsibilities but consider that the proposals are worse than the present arrangements in two respects. The county-wide interaction of traffic is implicitly denied, but will not disappear, so that the district authorities will not be substantially in control of their own destinies. The retention of some kind of unit with executive powers for strategic planning of land use and transport seems to us to be absolutely essential. Voluntary arrangements would inevitably be weakened by the threat of dissatisfied constituents opting out, whilst the creation of a statutory body with powers to precept would further reduce the flexibility of resource allocation within the local transport sector. Without such a body the Department of Transport would determine priorities without reference to any democratically accountable local authority. Much more will than depend on the accepted expenditure levels and PTEs.

2.3.9 Despite the benefits which flow from the abolition of the two-tier system of local government the combination of the increased centralisation of policy responsibility at central government level, the separation of highway from public transport matters, and the transfer of public transport from a directly elected to an indirectly elected body, leads us to conclude that the proposals are detrimental to effective local democratic accountability in transport planning and operation.
3. INSTITUTIONAL ARRANGEMENTS

In this section we present our conclusions on the performance of various institutional arrangements which are particularly relevant to the current debate. We start by considering the current agency and Section 42 arrangements, which have been the subject of considerable criticism. We then consider the role of individual districts, and of districts working jointly. Finally we consider the involvement of the private sector, the need for liaison with other organisations, and the role of central government.

3.1 Agency and Section 42 Agreements

3.1.1 Although the White Paper proposals would replace the system of Agencies and Section 42 Agreements between metropolitan counties and their districts, we think that their performance is worthy of particular note in that they provide examples of district scale operation of part of the transport function and of joint arrangements between different authorities.

3.1.2 It is widely held that the existing Agency and Section 42 systems have been fraught with difficulties. Over the ten years since they were established many arrangements have been withdrawn, modified or surrendered by one or other party.

3.1.3 In those cases where an arrangement has resulted from a Section 42 claim, significant inefficiencies have often resulted for the county and the district, both of whom have to deal with an unsatisfactory mix of responsibilities and an incomplete network coverage. In the case of Agencies it is, of course, theoretically possible for the counties to arrange matters to their total satisfaction. Since 1974 a number of arrangements have been modified to help overcome problems of inefficiency stemming from an unsatisfactory division either of functions or of network coverage. In Lyne and Wear, for example, it has been shown that the former arrangements for design agency produced inefficiencies due in part to the peakiness of the workload, and that substantial benefits accrued from redeployment of staff on withdrawal of the agency. In West Yorkshire the Section 42 Agreements with Bradford district have been progressively modified to the mutual benefit of both parties; interestingly Bradford decided, in 1982, that the most advantageous position would be to surrender all its maintenance functions to the county.

3.1.4 Rather more difficult to resolve, other than by outright withdrawal of an agency, have been those problems which arise from disagreements over the standard and phasing of work. Counties have claimed that districts' failure to adhere to the terms of agencies have required the county to do or redo the work themselves - with obvious resulting inefficiencies. It is clear from the history of such disagreements that the districts have different priorities from the counties and that, generally, they give less regard to the strategic network.

3.1.5 Some of the apparent inefficiencies of the Agency and Section 42 system may be attributable to the fact that the agents are able to pass on their costs (plus the fee) to the Highway Authority. Some of it is no doubt associated only with arrangements for limited functions or classes of road. However, there can be no doubt that it has been a serious source of friction between the counties and their districts. Not only have there been disagreements over the standards and real cost of works but there have also been conflicting views over the interpretation of the precise boundary between the two parties' responsibilities. This is manifest in accusations from both sides over 'shadow' engineering. It must also be said that the system has caused confusion in the mind of the general public.

3.1.6 We note that the districts' right to make Section 42 claims has hampered the counties in their attempts to rationalise their agencies. Counties have, in some instances, settled for suboptimal agency arrangements rather than suffer the greater inefficiencies inherent in a Section 42 arrangement.

3.1.7 The proposals would, of course, replace the present system and, in so far as the Agencies and Section 42 agreements have been unsuccessful, this would be no source of regret. However we think that the current system has revealed that problems of inefficiency and loss of strategic integrity are associated with the implementation of some transport functions at a district scale. More generally the system has produced inter-authority frictions which do not bode well for some of the proposals for inter-district joint working.

3.2 The Role of the Individual District

3.2.1 The government suggests that, under its proposals, the districts will act broadly as unitary authorities in the sense envisaged by Redcliffe-Maud, with all the potential benefits of integration of transport and transport-demanding functions. However, 14 out of the 36 are below the population threshold which Redcliffe-Maud suggested for unitary authorities, and as we note elsewhere we suspect that the smallest districts would be unable to exercise their functions efficiently. Moreover, the nature of the district boundaries in some conurbations means that the transport functions would be performed for areas which had no real meaning in transport terms. More generally the reliance on voluntary joint committees and on a joint board for public transport would remove many of the advantages of unitary operation. So many of the apparent benefits would not, in fact, accrue.

3.2.2 There are also some very definite disadvantages for the districts. They would be taking on additional responsibilities at a time when real resources are being reduced. Rate controls would serve to exacerbate the situation. Moreover, there is no intention to increase the number of elected members, and existing members would therefore be faced with an increased workload and with dealing with issues of which they have little experience.
3.2.3 For the poorer districts the problems are likely to be even greater. In many cases they have benefited from needs related allocation of past experiences and would presumably incur debt charges on past investment. Moreover, they would in future be competing with wealthier districts for limited resources, and have no assurance as yet from government that their needs would be adequately met. Indeed it is often the case that such districts look to improvements in jobs and in access in neighbouring districts, and they would be powerless to achieve such improvements under the proposed arrangements.

3.2.4 We are not suggesting that no district could benefit. For example, a district which took over staff and responsibility for a function such as UTC might reap the advantages of having all the expertise at their disposal, and being able to give priority to their own problems as they arise. Such advantages, however, would accrue to one district at the expense of the others, and the absence of a county-wide scale of priority means that skills and resources might not be allocated in the best interests of the conurbation as a whole.

3.3 Joint Boards

3.3.1 We make a distinction between joint boards, which we take to be formal collaborative bodies with precepting power and joint committees which do not have precepting power.

3.3.2 The White Paper has proposed that a Joint Board be set up for public transport to replace the PFA. It would be composed of district members who would be recallable by their authorities. For the first three years of operation the precepting power would be subject to direct ministerial control, as would manning. Thereafter, it is presumably the intention that the Board itself would determine the level of support which it required. The essence of that change lies in the replacement of a directly elected body by an indirectly elected body. There is also the possibility outlined in the White Paper that some districts might be able to opt out of the Joint Board and provide their own services directly. We have considered this proposal in terms of our three basic objectives.

3.3.3 The most obvious effect on resource allocation is that indirect election would involve the loss of the county-wide perspective in an area in which there is an admitted county-wide interest. The possibility of trade off between the distribution of benefits in different policy areas would disappear unless it were to be achieved by some form of very high level agreement between district leaders. The possibility of that occurring is limited by the fact that it would be difficult to take credit for the achievement of such a deal which were favourable to the district, or to explain the nature of the deal in those aspects which might appear immediately unfavourable to the district.

3.3.4 We believe that a number of county-wide initiatives, such as through-ticketing and card systems which are to the general benefit may be prejudiced by the narrower views taken by mandated district representatives. This would be even more of a problem if individual districts were allowed to opt out of the Joint Board. Planning of cross boundary bus and rail services would become impossibly complex. Almost certainly that would result in some sub optimal outcomes emerging by accident as the product of the games of bluff which districts would play with each other and with the supply agencies in the attempt to pass on as much as possible of the burden of support.

3.3.5 The conditions under which a district would be permitted to opt out of a Joint Board are not very clear. But we can see the distinct possibility that if the Joint Boards inherit the accumulated capital liabilities of the PTEs some districts would be able to opt out of defence of their fiduciary duty to their ratepayers.

3.3.6 Another potential problem with resource allocation in Joint Boards, already expressed by some districts, is that the Boards might be dominated by one or two districts (e.g. Birmingham in the West Midlands) to the detriment of sensible management on a wider view. The physical location of the management might have a similar biasing effect. If the smaller districts did not feel able to operate a viable public transport system on their own they would still have to carry the precepting burden of policies to which they were opposed.

3.3.7 We are concerned that the proposed arrangement would involve the separation of public transport and highways responsibilities, with no proper co-ordination between the two. Moreover, one would lose whatever capability presently exists jointly to monitor private and public transport accessibility needs, and to exploit the interaction between private traffic management and restraint policies and public transport enhancement policies. The traffic effects of public transport retreatment would also cease to be treated within a co-ordinated policy.

3.3.8 Efficient management requires a degree of firmness and consistency in the task set for the operators. Broadly that has been achievable with the PTEs because the strategic issues of public transport policy have tended to be very politically apparent so that, at least between elections, the policy objectives and hence the requirements made of agent operators, became predictable and reliable. The danger is that, even if no district opted out, a Joint Board composed of recallable delegates would be indecisive or vacillating.

3.3.9 Our examination of the way in which other joint boards and joint committees have operated in the past gives us some concern also on the score of democratic accountability. Mandated, recallable membership, charged specifically to protect district interests, is hardly a basis on which the most able or
ambitious members will seek service. There appears to be little prospect of promotion through merit in the membership of a joint board, and the pursuit of district interests within a joint board is hardly a basis on which district elections are likely to be won because of the difficulty in actually delivering any promises made in district elections, or in attributing responsibility for the actual outcomes. There does seem to us, therefore, to be a substantial possibility that the joint board would be a formula for professional domination. Such professional domination, however, would occur in circumstances where the prospect of strong policy guidance or of secure political support for a consistent professionally generated policy would also be lacking. Hence we cannot see any obvious compensating benefit for the loss of democratic accountability that the joint board arrangement would involve.

3.4 Joint Committees and Other Voluntary Arrangements

3.4.1 The reorganisation proposals envisage two different kinds of joint committee. The first is that with an executive arm and an independent spending function, which is very similar to the joint board except that it has no automatic finance through precept. Existing joint committees of this kind include those set up to manage local authority airports. The second type of joint committee is that which acts as a co-ordinator between the activities of the independent district authorities, with no independent spending power. On a number of matters, e.g. laboratories, the proposals imply that a joint activity might be involved, without spelling out precisely what these arrangements might look like. Some of these activities will consist of management for a jointly executed service, with little effective delegation of policy formulation powers, whilst others, such as lorry routing, will involve important joint policy formulation.

3.4.2 The pre-1974 Mersey Tunnels Joint Committee and the present Leeds/Bradford Airport Joint Committee are examples of the first type of arrangement. It is clear to us from the recent history of the Leeds/Bradford Airport Joint Committee that its federal status has militated against a county-wide ethos in an area where by implication there is a county-wide interest. Consideration of the case of the airport runway extension suggests to us that a more direct responsibility to the county authority would not have led to a different outcome but that it would have been arrived at more quickly, less expensively, with no reduction in the amount of public participation. So long as the undertakings are in surplus the joint committee approach may work tolerably well, but we do see a danger that for service organisations requiring financial support the pressures might always be to reduce the level and quality of the activities provided in this way, to the general detriment.

3.4.3 There is much less direct evidence to go on in the case of the non-executive committees. We have seen evidence of effective collaboration between county and district committees in such matters as local plan developments, the relationships of road schemes to local planning considerations, and pedestrianisation. But these cases have mostly related to consultation on activities in which both parties have had well defined responsibilities; they have not involved any abrogation of designated powers. Several of the pre-1974 transportation studies found it necessary to emphasise the need for all parties to implement their parts of the planned solutions if the plan as a whole was to be viable. In such circumstances it may be very difficult to enforce conformity on a dissenting district.

3.4.4 Perhaps the closest parallels which we have found in our study are with the attempts to set up joint activities in the Netherlands. Both in the case of the Rijnmond authority and in the case of the 'gewest' for the Hague region we are convinced that the reservation of the ultimate power to commit resources to the municipalities has been the prime reason for the lack of success in development of a co-ordinated authority. Even in the context of an attempt to devolve authority to lower levels, by the creation of districts in the major municipalities, the overall strategic responsibility of the municipality is to be enforced by law, and the nature of the devolution to be practised is to be determined by the municipalities. This evidence suggests to us that, even where the desire to decentralise is strong, careful consideration of the practical advantages of different structures will lead to the retention of substantial powers in transport planning at the highest available level within the government structure of the city region.

3.4.5 There are a large number of functions for which some kind of joint activity would be necessary under the proposed regime, most of which are identified for such treatment in the White Paper or the consultative documents. The list includes:

- Urban traffic control;
- Lorry routeing;
- Bus lanes;
- Parking regulations;
- Monitoring;
- Computing services;
- Safety analysis;
- Strategic transport planning;
- Tunnels;
- Planning and execution of cross boundary road schemes.

The very length of this list is a powerful demonstration of how important is the county wide role in local transport. The suggestion that the DTP regional office can give help and advice implies the location there of a fund of skill and experience of which there is no evidence. Furthermore, it is not admitted that there may be a fundamental problem of incompatibility of district interests to overcome. The painful history of parking policy in London suggests this to be falsely optimistic. If the problem is one of genuine conflict of interest the role of a technically ill-informed regional office becomes even more anomalous.
An alternative arrangement would be for a common service to be provided by one district for others on a contract basis. UTC might be handled in this way with the apparent merit that responsibility and financial relationships could be clearly seen as those of customer/contractor. Such services would, however, be natural monopolies in which the provider (typically the central or dominant district) might be able to exploit this position and would be unlikely to pay as much attention to the needs of other districts, especially where the issue of investing new capital for system expansion or improvement arose. Functional teams attached to one district but working on behalf of others might well be the focus of inter authority disputes about the allocation of costs and services at least as severe as those which have beset the Agencies. Moreover, any policy interactions between the function contracted out and other functions in the smaller districts might be difficult to provide for.

The Use of Consultants and Contractors

It is widely envisaged that, were the current proposals for the abolition of metropolitan counties to be implemented, there would be increased use of private consultants. The use of contractors is already widespread, and is not expected to increase significantly. It is quite clear that some districts, being far too small to justify retaining specialist skills and equipment, might seek to hire them in from the private sector as and when required. It is also likely that, for some of those functions where a multi-district approach is required, districts will see administrative and accounting advantage in jointly commissioning a private consultant or contractor rather than establishing a joint team.

Examination of current arrangements shows that the counties already consider it appropriate to use the private sector in the following situations:

- if they require a one-off job for which they have not sufficient expertise or specialised equipment (e.g. specialist inspection of a bridge in Tyne and Wear, SCRIM in South Yorkshire);
- if their own resources, though technically capable, are temporarily overstretched (e.g. some of the counties now find it necessary occasionally to hire in assistance in bridge design and inspection);
- if such a course is more cost-effective (e.g. use of contractors to implement major schemes);
- if they require an independent assessment (e.g. assessment of W.Y.P.T.E. by management consultants).

We accept that the main advantages associated with the use of contractors and consultants are: the ability to deal with peaks in workload and with infrequent or unusual tasks; the greater likelihood of a demonstrably objective assessment (divorced from internal politics); and, generally, administrative and accounting convenience. Against these we set a number of disadvantages.

There will be a reduction in continuity which brings with it inefficiencies in terms of learning time and familiarisation effort. This is obviously reduced if the same consultant is employed repeatedly but such a practice obviously distorts the free market ideal.

An external design consultant may pay more attention to efficiency in design than to long-term maintenance costs which may be perceived as outside his firm's responsibility. Well known examples of problems attributed to this phenomenon include the Midland Links in West Midlands and the Tinsley Viaduct in South Yorkshire. We are not convinced that tightly written briefs can overcome this problem entirely.

Although one of the purposes of using private firms is to deal with peaks in workload, we believe that private firms, contracted by districts, would be less able to deal with emergencies than are the present counties. The situation allows resources to be directed in an emergency (e.g. winter maintenance or emergency bridge works) irrespective of prior allocation to lower priority jobs elsewhere. A private contractor would not be in a position to withdraw his services to one client to deal with an emergency for another.

A further important problem associated with reliance on external consultants rather than in-house expertise is that specialist advice is less accessible at short notice particularly for one-off queries.

We have found less conclusive evidence on such points as whether or not outside firms produce a better quality product. Such evidence as there is suggests that, because of the specialised and infrequent nature of the task, external consultants may have made a significant contribution to large transportation studies but that for other purposes, county resources have produced a product of at least equal quality without any input from consultants. We note several instances of county personnel being asked to advise consultants on technical issues that have arisen in dealings with quite separate clients in the UK and overseas.

We noted in section 2.2 that specialist county teams have been associated with important technical innovations and high quality designs; we should add here that many such developments result from joint working between established county teams and external consultants. Some of the quality-of-product benefits often associated with the use of consultants are in fact
the result of an interplay of knowledge and expertise between the consultants and the in-house team and would not occur if abolition of the counties were to disperse the in-house knowledge and expertise. We further suggest that the paucity of expertise likely to be available in some districts would leave them unable to manage, assess or capitalise on the work of consultants.

3.5.10 In this context we believe that a project on behalf of a relatively small client is less likely to foster the innovation and imaginative design which have been a feature of large specialist teams working within the metropolitan counties over an extended period of time on areas such as UTC. Innovation might be further stifled if, in an attempt to avoid the problems of the limited frame of responsibility of an outside consultant (see section 3.5.5) the contract were to be very tightly drawn.

3.5.11 It has been suggested that a private firm, unless sure of continuing contracts, would not invest in the necessary skills and equipment to ensure a high quality product. We have no evidence to judge this proposition in respect of the transport sector except to reiterate that, in some specialised instances, consultants have requested assistance from county personnel. We accept that any unwillingness on the part of the private sector to invest in high quality specialist expertise and equipment in the absence of a guarantee of continuing contracts could be substantially reduced by the establishment of a shortlist of approved tenderers. However, we see dangers that such a system could distort the very market forces which produce such efficiencies as do exist in the private sector.

3.5.12 We have not gathered evidence on the costs of using external consultants and contractors but we note that a recent government study has concluded that use of outside firms rather than in-house resources results in increased costs. Factors leading to increased costs include: the contractor's fee which is bound to pass on the costs of tendering, overheads for slack periods and the profit margin; supervision; and administration. Given these, we are not convinced that, except in a limited number of areas, any greater efficiency inherent in the private sector could result in an equivalent quality of work being provided at lower cost by the private sector than is currently provided by the metropolitan counties.

3.5.13 We do not suggest that, were the counties to be abolished, use of consultants and contractors would not be preferable in many cases to provision by individual districts. But we do suggest that, by virtue of their size and lack of expertise, these districts would be less able to use the resources of the private sector to maximum effect and that the net result would be less cost effective than the current arrangements.
understanding and responding to the needs of the communities affected and it is difficult to see how it will achieve this either through the efforts of its officers or the local knowledge of MPs. Certainly we see limited evidence at present of the government attempting to develop realistic indicators of local transport need for its own use.

3.7.3 The Green Paper notes that the Regional Controller will be responsible for ensuring co-operation between districts in the formulation of structure and local plans and the implementation of highways and traffic management responsibilities. While in the latter case such responsibilities will presumably be limited to situations in which one district objects to another's proposals, we would expect such cases to arise frequently particularly in those conurbations such as the West Midlands where district boundaries cut rather arbitrarily across the grain of development. It is by no means clear how the Regional Controller will exercise his powers but we can see the procedures imposing a particular delay on inter-district schemes, which are most likely to be those designed to meet the strategic problems of the conurbation.

3.7.4 The Green Paper identifies several areas in which the Regional Controller's staff will provide advice. There has been a marked reluctance among ministers over the last few years to involve civil servants in the provision of advice to local authorities and in parallel the number of specialist staff has declined. Indeed it is now not uncommon for the Regional Controller to seek specialist advice (for example on transport modelling and traffic signals) from the counties.

3.7.5 This raises the general question of staff availability. Both the offer of advice to 36 authorities, many of them inexperienced in transport matters, and the need to negotiate an increasing range of government controls with seven times as many authorities eligible for TSG in metropolitan areas must impose a major burden on civil servant staff resources. We have not been able to assess in detail the abilities of the Regional Controllers' staff to respond to these challenges, but we cannot imagine that they would be able to do so without a significant influx of staff and particularly of specialists.

3.7.6 In the particular case of trunk road planning and maintenance we are already aware of concern being expressed privately by the staff concerned. At the planning stage they would need access to data and to transport modelling expertise. While the government suggests a joint team for data collection, they make no suggestions for the equally essential joint modelling team. At the design and maintenance stages they will be negotiating for trunk roads with 36 districts, many of whom will be operating at an extremely small scale at least as far as design is concerned. We conclude that there is considerable risk of the trunk road procedures becoming less efficient as a result. For motorways responsibility might rest with one district in each county, but this might well represent a substantial increase in
4. TRANSPORT FUNCTIONS

In this section we present our conclusions on the proposed arrangements for the spectrum of functions within transport.

4.1 Public Transport

4.1.1 The proposal that for public transport there should be an indirectly appointed Joint Board, with pre-empting power on the districts, implies that there is a county-wide interest in public transport that is to continue to be recognised. The emphasis on the continued use of outside operators as contractors, and the permissive power for districts to opt out of the joint board in certain circumstances, suggests that the county-wide interest is at the strategic and planning level rather than at the level of operations. We agree with those two judgements, though not necessarily with the detailed way in which the proposals provide for their implementation.

4.1.2 We have identified a number of ways in which public transport arrangements need to be improved. For example, there is some evidence on a lack of co-ordination in capital spending arising from the detail of the current agreements between PTEs and the National Bus Company (NBC). But some of the problems that have arisen between some counties and PTEs and between PTEs and NBC derive from the fact that neither needs nor performance has been adequately monitored as a basis for policy formulation. In some counties, for example South Yorkshire, there has been a high level of agreement and co-operation between county, PTE and NBC on monitoring, audit and control, so we do not see the institutional separation as inevitably disruptive. It is for these reasons, and on the basis of the independent evidence which we have presented, that we do not see the need for money offered by different operators, that we would put the emphasis on the need to improve management objectives and information systems rather than to change institutions. Unfortunately the proposals seem likely to make things worse rather than better in this respect.

4.1.3 We also see a need for improved methods of allocating resources between roads and public transport. We understand that work is presently under way on this. We observe, however, that the freedom of counties to control that allocation is likely to be severely constrained by the impact of PTEs. This trend appears to be contrary to the expression of local democratic accountability.

4.1.4 We are further concerned about the lack of integration between transport policies and other sector policies. In some respects, e.g. co-ordination of education and transport policies, the reorganisation proposals may improve matters because they put the financial responsibility for the two interacting sets of decisions at the same level. In others, e.g. relationships with land use planning, the changes appear very detrimental. Most particularly, we are concerned about the destruction of the link between a county structure plan and a county-wide public transport function. For districts to produce a set of concerted structure plans, with equivalent and compatible implications for the Joint Board, would require an amount of co-ordination, and self denial. As a result provision for adequate integration of public transport and land use planning may be omitted from the structure plan.

4.1.5 We see six other major difficulties. Firstly, the separation of the responsibility for public transport and for highways and traffic management seems to us to be a very retrograde step. We have seen some evidence of useful co-ordination on the supply side in such traffic management exercises as the Central Manchester bus priority scheme, the London Road bus priority scheme in Liverpool, and a number of smaller schemes in South Yorkshire. To some extent, for example in West Yorkshire during the late seventies, we believe that even more would have been achieved had the relationships between the PTE and the County been better. It is perhaps significant that this was one of the metropolitan counties without a joint transport planning unit of county and PTE. Hence we can only regret the loss of co-ordination which seems inevitable with the proposals, and particularly the loss of the capacity for joint planning of public transport, highways and traffic management which requires an activity far more positive than mere liaison.

4.1.6 Secondly, and arising from the last issue, we note that a number of PTEs profitably share technical services such as forecasting, structural design, and computing with the county. We believe that the sensible economy of scale will be lost.

4.1.7 Thirdly, as we have explained in section 3.3, we believe that the Joint Board arrangement will inevitably reduce the effectiveness of local consultation. The separation of the local consultation procedures from the direct political process is likely to weaken the county-wide planning and regional transport planning unit of county and PTE.

4.1.8 Fourthly, we find it difficult to reconcile the implicit admission of a county viewpoint with the narrowly parochial interpretation of the roles of the members of the Joint Board as recallable mandated representatives of the district interest, which the government has in mind. If they do indeed interpret their roles in that way, the county-wide schemes such as through ticketing and consistent pensioner concessions will find it very difficult to emerge and survive because of their different distributional effects from district to district. Moreover, the development of any new initiatives of this kind will, we believe, be substantially discouraged.

4.1.9 Fifthly, we have a rather different concern about management initiative. It has been argued that the existing public transport arrangements discourage management initiative because they involve a delaying process of political consultation
on even relatively trivial changes or innovations, so that management initiatives may have the advantage of distancing management from political judgement. If, however, that distance simply means a greater uncertainty as to what level of support or structure of public transport strategy will be acceptable, then it will not contribute to greater management initiatives.

4.2.1 In this section we bring together our comments on highway related functions. We consider in turn trunk road design and construction, current road maintenance, and bridge maintenance.

4.2.2 The Green Paper suggests that the DTP might increase the trunk road network, and would enter into agency agreements with districts, though not necessarily with the district in whose area the trunk road lay. In particular, motorway maintenance for the consultation would be given to one district as an example. We note elsewhere our concern over the availability of skilled staff in some districts, and consider that the DTP would be wise to be selective in its choice of agents. There is some precedent, for example in West Yorkshire, for the use of agency arrangements for roads outside a county and we see no problems with extending this arrangement, provided that due regard is paid to operational efficiency. Even so the DTP would be faced with a considerable increase in the number of agents with whom it has to negotiate, and the districts in turn are likely to experience much more variation in trunk road workload.

4.2.3 Most counties have made substantial advances during their ten years of operation in the formulation of strategic road networks, the development of scheme priority ranking systems and the use of county-wide scheme assessment models. While districts could take advantage of all these developments, the strategic network would have to be jointly agreed and protected in the structure plans, and careful controls would need to be imposed to ensure that a joint modelling team was adequately and fairly financed and that its recommendations were accepted by all districts. Past experience, for example with the West Midlands and SELNEC transportation studies, suggests that there would be considerable difficulties in achieving these agreements and a danger that the network providing for the main inter-district movements could suffer as a result. In particular those roads which cross district boundaries or have alternative routes in another district are likely to be less well planned.

4.2.4 We think it unlikely that the districts would be able to rise to the challenge of their locally preferred highway schemes and adjusting the scheme assessment method to justify them. Most counties have been successful in reducing substantially the list of proposed road schemes and the associated design work and blight. It would be extremely unfortunate if resources were now to be diverted again to schemes which were less deserving of resources, yet it would be difficult for the DTP to ensure that this does not happen.

4.2.5 Scheme design would become the responsibility of the districts. While several of them have had these responsibilities as agents, they have only been responsible for the often less challenging minor schemes. Even so there has been a tendency for counties to withdraw agency arrangements; in one case a 10% cost saving is quoted. In part the problems have been those of negotiation with several districts, which would no longer arise. However the main problem seems to be one of fluctuating workloads, which results in staff being underused or unavailable. While use of consultants could overcome some of these problems, we conclude that the costs of scheme design would increase.
4.2.6 For the major schemes there would be a requirement for additional skilled staff, which raises the related issue of ability to innovate. Many counties have won awards for innovatory designs, and although it is hard to find firm evidence there does seem to be a relationship between size and ability to innovate. Yet even counties occasionally find it difficult to retain skilled staff in the face of private competition. We anticipate that the districts would find it difficult to attract high calibre staff, and that much of the contribution of local government to innovation in the civil engineering profession would be lost as a result. While innovatory skills would not be totally lost as a result, we argue elsewhere that they would be associated with higher implementation costs.

4.2.7 The problems of scheme design are at their worst with the bridge design function. Workloads are extremely variable from district to district and from year to year. A substantial increase in specialist staff would be needed to maintain the current level of output across the six counties.

4.2.8 While much construction work could be performed by contractors, a substantial part of the maintenance would fall to DLOs. Those counties which have DLOs find that district boundaries are not always the most efficient divisions for distribution of DLO activities and depots, and that there are substantial benefits from sharing resources between depots. While they have proved efficient at a county scale, districts might themselves be prepared to do this there would not be the same community of interest in doing so. As a result there might well be continuing as well as transitional costs in transferring DLOs to districts.

4.2.9 Most counties currently provide materials testing laboratories. While they have proved efficient at a county scale, they could not be justified in all districts. Some sharing of facilities would therefore be essential. This would require careful allocation of costs and output, and most particularly could lead to districts choosing to reduce their use of such facilities to the possible long term detriment of the infrastructure.

4.2.10 All the counties have argued that maintenance expenditure allocated in 1975 is too low; indeed South Yorkshire spent 25% more than their accepted expenditure in 1983/4. In addition they have argued that the allocations to metropolitan and shire counties do not match their respective needs. Unfortunately the National Road Maintenance Condition Survey is not adequate for testing this assertion, but our analysis of allocations to different metropolitan counties demonstrates that they bear little relation to need. This is one of the budget areas which is particularly vulnerable to GREA and rate control problems. There are clear imbalances in need between districts. There is a real danger as a result that some districts would suffer a further deterioration in maintenance standards, unless the DTp used MARCH or CHART assessments to allocate 15%. It has shown no signs of doing so to date.

4.2.11 Maintenance assessment responsibilities would probably fall to districts. There have been criticisms in the past that districts have not had the skills or the commitment to carry out such assessments themselves. These problems would be reduced if they had a direct interest in the results, but even so the problem of availability of skilled staff and access to specialist equipment would remain. We consider that it would be more appropriate for this to be one of the responsibilities of a joint monitoring team. While it would be important that districts should adhere to the priorities identified by such a team, a requirement to do so might well lead to those whose maintenance needs were less severe opting out of the joint arrangements.

4.2.12 Most districts should be large enough to perform cyclical maintenance and cleansing efficiently, although there may be some continuing and transitional costs in the transfer of depots from counties and the resulting increase in their number. It would be for the DTp to ensure that adequate standards were maintained on the trunk and strategic road network.

4.2.13 Bridge inspection and maintenance is one of the functions most vulnerable to cost increases under the proposed arrangements. Most counties employ a small specialist staff whose workload is extremely unevenly distributed among districts. There would need to be a substantial increase in the number of bridge staff to undertake this function. The only solution, as we see it, would be to to have yet another joint district team, with all that implies for cost and workload allocation, increased liaison requirements and fragmentation of responsibilities.

4.3 Traffic Management and Control

4.3.1 The proposal for traffic management functions (other than UTC) is that they would become the responsibility of districts but that each district would have the duty to consider the needs of the wider area, with the Secretary of State having reserve powers to ensure this.

4.3.2 While such arrangements might be adequate for those minor functions of strictly local impact (e.g. facilities for cyclists and pedestrians, bus stop location, hazard signing) we feel that there is a whole body of functions, including parking control, route signing, lorry routeing and speed limits, which require a considerable degree of coordination between districts if optimal policy decisions are to be taken. This co-ordination is unlikely to arise voluntarily, or indeed through joint boards or committees, because it involves individual districts trading off their parochial interests against those of the conurbation as a whole. Evidence of these dangers can be seen in the way that the existing system of split (county/district) responsibility produces conflicts of interest between different districts and between individual districts and the county.

4.3.3 The Secretary of State's role in ensuring co-
ordination would not, we think, be effective without additional resources and procedures. The necessary procedures would include checking and approving both broad policy and detailed items such as contentious Traffic Regulation Orders (TROs) and would result both in bureaucratic inefficiencies and emasculation of effective local control.

4.3.4 The design and provision of UTC systems display important economies of scale and furthermore, where neighbouring districts are part of a contiguous urban area, effective traffic system operations clearly require cross boundary coordination.

4.3.5 The White Paper proposals appear to accept that there ought to be a centralised or at least multi-district approach to UTC system design and operation. Our concern is that, if such arrangements were in the context of a devolution of highway and traffic management matters to districts and of public transport to a separate joint board, the prospects for effective integration of UTC into overall transport system design and management would be seriously damaged. We have been convinced that such integration is both achievable and beneficial.

4.3.6 We are also concerned that, although the proposal to attach UTC to one district might not lead to insurmountable difficulties in operating an established UTC system it would create serious problems for cost allocation and for reconciliation of competing claims when the system requires modification or extension. Since all UTC systems are in a continuing process of development and extension this is a serious weakness.

4.3.7 We believe that, whether provision for UTC was by a unit attached to one district or by a separate joint unit, the unit would face serious problems of prioritising conflicting claims for new system developments in the various districts. We expect that aggrieved districts would seek to withdraw and make their own separate arrangements, presumably with private consultants, thus destroying the economies of county scale integration. The experience, before 1974, was that despite the commissioning of joint transportation studies (e.g. WMIS in West Midlands and the SE propose in the Greater Manchester) progress on UTC was confined almost exclusively to the 'lead' authority with others making little effort to be involved in the technical developments.

4.3.8 A particular feature of many aspects of traffic management is that they involve careful consideration of how to get the best results out of the transport system. This implies a holistic approach to the determination of solutions which is at risk if, through a proliferation of joint units and uni-function teams, institutional barriers are created between teams responsible for different components of the transport system. We are particularly concerned at the threats which the current proposals pose for the treatment of UTC which, if it continues as an integral part of transport system design, should provide low cost alternatives to more traditional engineering solutions. We also see serious problems for bus priority measures, accident remedial measures and lorry routeing, all of which require close liaison between functions which, under the White Paper proposals, may be institutionally divorced.

4.3.9 On the specific topic of pedestrian crossing facilities we see arguments for the prioritisation and provision of facilities at the county scale. The maintenance of a consistent policy on this (such as speed limits) across the county brings obvious road safety advantages. Furthermore the links between UTC and crossing facilities and between accident analysis and prescription of remedies are of obvious importance (see 4.4.3). On the question of school crossing patrols, however, we find the arguments less clear cut. The system, currently used in some counties, whereby schools receive the services of the county Police, as and when resources permit does not strike us as satisfactory. It may be that a radically new system (not unlike that in the Netherlands) whereby schools, teachers and parents were more closely involved in the organisation and provision of crossing patrols might be preferable. Such a system would require a complete reallocation of powers and might be best organised in conjunction with education authorities. This would clearly be at the expense of any economies of scale or benefits which currently accrue from close co-ordination with other crossing facilities.

4.4 Road Safety

4.4.1 The proposals envisage some unspecified form of district co-operation in carrying out this function. We will distinguish here between road safety education and the design of remedial measures; accident data collection and analysis are to be dealt with in section 4.5.

4.4.2 We recognise that some benefit might arise from a closer link between road safety education and the schools and that there might be some psychological advantage in road safety campaigns being targeted more closely to the local community. We also suggest that it may be as important to retain and enhance the link between school based road safety education and a revitalised school crossing patrol service (which we have argued above might best be provided at a district scale), as it is to preserve the link between road safety education and accident investigation. The balance of argument may rest on the existence of economies of scale which stem from the viability of specialist training facilities (e.g. for motorcyclists) at county scale, the lower unit cost of county-wide publicity campaigns and the ability occasionally to focus county effort and resources in one district to produce maximum impact. We find it hard to come to any firm conclusion on this function.

4.4.3 By contrast, we believe that the links between accident data analysis and the design of remedial measures are crucial. These links have been used to the full in the identification and prioritising of black spots and the detailed design of remedial
measures. A close familiarity with accident data and an appreciation of how to interpret the figures for a specific site are invaluable background when it comes to advising on the prioritisation and design of remedial measures. We question whether all districts would be in possession of the requisite skills and, for these reasons, we conclude that design of remedial measures should be retained with accident analysis as county-wide functions.

4.5 Data Collection, Analysis and Transport Planning Services

4.5.1. The Government's proposals recognise the existence of economies of scale in suggesting that traffic and accident data collection and, presumably, preliminary analysis should be performed by a central team perhaps attached to one district. We believe that these economies of scale, reinforced by arguments of statistical and transport system integrity, are real and demonstrable.

4.5.2. The statistical case for analysing accident data at county scale or larger is irrefutable. We did consider whether this analysis might not better be done by the DTP at regional or subregional scale. But, although this would retain and indeed enhance the economies of scale, such a move would divorce accident data analysis from the formulation of road safety policy and design of accident remedial measures.

4.5.3. If the proposals were implemented then collection and preliminary analysis of data would be institutionally split from the policy making and design functions. We believe that this would seriously weaken the valuable link between data analysis and those responsible for policy. Close understanding of the policy unit's needs often results in more efficiently targeted data collection and analysis programmes, for which an institutionally separate data unit might not see the need. We also see the risk that an institutional split might lead either to an unhealthy reliance on sub optimal data and a reluctance to monitor policy or scheme effectiveness or to an inefficient duplication of the function at district scale.

4.5.4. We also feel that the collection and preliminary analysis of data by an institutionally distinct unit would produce problems in the allocation of costs and resources and the prioritisation of claims for attention. Again we see the prospect of inter district friction and the probability that aggrieved districts would seek to withdraw from, or duplicate, the joint unit's function.

4.5.5. The transport planning function, properly based on adequate information, is central to strategy formulation and investment appraisal across the spectrum of transport in the metropolitan areas. Without it there is no prospect for informed decision making or for coherent, effective or efficient policy formulation. Not only must this function exist but it must be comprehensive to be effective. We are very concerned that some districts - and the government - apparently do not yet appreciate the need for this function. We believe that, were the proposals to be implemented, the districts' ability to perform this function effectively would be severely limited. Firstly, they would be but component parts of the greater conurbations and thus unable to produce their own coherent strategies. Secondly, in the interests of efficiency some of their important functions (e.g. UTC and data services) would be available only at second hand, and thus likely to be less effectively integrated into their planning processes. We suggest that the proposed arrangements for structure plan formulation provide an unwieldy and incomplete solution to the first of these issues and we see no proposals that even address the second.

4.5.6. The list of county-wide activities that would be lost with the abolition of the transport planning function is a long one. It would include freight strategy, transport modelling, traffic monitoring, parking strategy, strategic highway planning and inter-model co-ordination of public transport. Contrary to the views expressed by the government, we believe that this is a list of real and important activities without which local transport provision would be very much the poorer.

4.5.7. A possible solution which we have considered would be to enhance the role of the proposed data collection unit to include all monitoring and transport planning policy. This would, of course, effectively re-establish the county council albeit with weaker political control structure, and with less direct control over implementation; it would, in fact, have many of the problems of the Agency and Section 42 system writ large.
5 CONCLUSIONS
5.1 The Existing Arrangements

5.1.1 We believe that in terms of resource allocation the main benefits of the current institutional arrangements are the ability:

- to allocate restricted resources to areas of greatest need in counties where need varies markedly between districts;
- to tackle countywide problems, and particularly economic decline, which clearly require a county scale solution;
- to pursue solutions to problems in one district by actions in another;
- to plan public and private transport jointly;
- to develop and maintain countywide analytical tools for strategic transport planning;
- to allocate resources to individual projects - on an objective, rather than a parochial basis.

The most significant problems are:

- the ability of districts to frustrate the implementation of some strategic policies;
- the lack of any machinery to allocate resources between transport and non-transport functions;
- the degree of control imposed by central government on local authorities' ability to allocate resources within the transport sector;
- the short timescale of resource planning imposed by the TSG system.

5.1.2 With respect to cost effective provision of services we believe that the main advantages of the current arrangements are:

- the benefits from specialisation of function in such tasks as UTC and bridge design;
- the ability to share specialist services such as traffic forecasting, materials testing and engineering services;
- the ability to overcome variation of workload;
- the benefits arising from countywide treatment of transport planning particularly for public transport, freight, parking and highway strategies;
- the economies of scale in stockholding and purchasing resulting from standardisation and centralised stockholding.

The most significant problem is the inefficiency which results from the distortions attributable to the Section 42 system.

5.1.3 With respect to democratic accountability we believe that the main benefit of the current arrangements is:

- that it concentrates the responsibilities, skills and powers at the most appropriate level to enable local politicians to promise, deliver, and be held accountable for policies to meet the transport needs of their areas.

The main disadvantages are:

- the electorate's confusion as to the allocation of responsibility for certain functions between central government, the counties and the districts;
- the ability of any one of the three tiers of government to frustrate the policies of another.

5.2 Commentary on the Proposed Changes

5.2.1 Although the White Paper proposals would overcome those problems in the present system which are attributable to a two-tier system of local government, they would leave other problems unsolved and, more seriously, would put most of the benefits of the present system in jeopardy by:

- destroying both the machinery for the identification of problems and strategies on a countywide scale, and the existing processes for allocating resources on the basis of need;
- losing the advantages of scale and linkages over a wide range of functions;
- reducing the independence of the basic political unit responsible for local transport and thus undermining its democratic accountability.

5.2.2 The transfer of so many powers to the districts may appear, prima facie, to have the merit of locating responsibility in a unitary authority with the necessary comprehensive power to ensure effective, locally responsive, political control. We are convinced, however, that many of the current metropolitan
districts would be quite unworkable as unitary transport authorities, either by virtue of their size or by virtue of their connectivity with other districts. Almost half the districts are below the population threshold recommended by Redcliffe-Maud for unitary authorities, and most are smaller than several shire districts to which have not been allocated the powers which metropolitan counties would obtain. The extent of cross boundary travel, particularly in parts of Greater Manchester, the West Midlands and Merseyside make it totally inappropriate to establish the existing district boundaries as the frontiers between separate transport authorities.

5.2.3 Whilst some of these difficulties might be overcome by redrawing of boundaries, merging of some districts, and incorporation of others into the neighbouring shire counties, abolition of the metropolitan counties would still leave major problems of interaction, with little opportunity for one district to seek solutions to its problems in a neighbouring district. Individual districts would still not be in direct control of public transport or of functions such as monitoring, transport modelling and UTC. Planning of these activities, and particularly of public and private transport, would be divorced. Most importantly resource allocation to those districts with the greatest needs would depend upon the goodwill and understanding of the Regional Controller.

5.2.4 These weaknesses are so serious that, if the Government is committed to abolition, it will be essential to provide continuity of county-wide planning and resource allocation for all transport modes. In the absence of the county, the only options appear to us to be the establishment of joint boards with wider responsibilities, or the establishment of a county-wide transport planning unit in the Regional Controller's office.

5.2.5 The Government has already tacitly admitted the significance of the loss of strategic capability and of economies of scale and scope by accepting the need for a joint board for public transport and for voluntary joint activities in such a long list of functions. We are very suspicious of the capability of the voluntary joint activities, without the financial security of precepting power, to be anything other than weak and reactive. Even a joint board with precepting powers may be a very weak instrument because of the uncertain policy basis likely to emerge from a body in which the competing claims of district interests dominate the common county wide interests. For similar reasons a joint board is likely to result in a reduction in effective democratic accountability.

5.2.6 These weaknesses would exist even if all the inter-district functions were to be combined, with transport planning, into one joint board. We therefore conclude that a joint transport planning board would be substantially less effective and accountable than the current arrangements.

5.2.7 The alternative envisaged by the government is for the Regional Controllers to inherit the task, currently performed by the counties, of allocating resources between districts and PTEs. Whilst they could continue to apply the Department's crude formula allocations, such a procedure fails to respond to imbalances of needs.

5.2.8 In order to make any more subtle allocations to need, the Regional Controllers would require the understanding of programmes and problems across the county currently possessed by county staff. To do this they would need the range, quality and quantity of skill currently residing in the counties. Since at present the Regional Controllers play an essentially passive role, this would imply inventing a staff and an understanding closely resembling that of the unit of local government that was being abolished.

5.2.9 Any such large scale transfer of staff and skills from the metropolitan county to the DTP regional office would negate one of the main advantages, economy, claimed for the proposed system. Even if achieved it would still have the effect of divorcing the judgement on detailed local resource allocation from any local democratic process. Hence we are led to conclude that, in order to meet our fundamental objectives for the satisfactory performance of transportation functions in the major conurbations, if the metropolitan counties did not exist we would probably have to invent them.

5.3 Alternatives to Current Arrangements

5.3.1 Our investigation has not suggested that all is presently perfect, or that there in practice is only one way of allocating responsibilities. We believe that local government performance could be improved by:

- the elimination of Section 42 claiming powers so that duplication is avoided and the location of responsibility further clarified (agency could still exist on the explicit understanding that responsibility for policy rested with the strategic level unit);
- separation of the issue of control over total expenditure for economic reasons from control of the allocation of resources within the local transport sector, which should be based on need;
- a longer time scale over which financial support is committed, particularly in the allocation of TSG;
- the development of more objective and more comprehensive methods for the appraisal of resource allocations, both within and between authorities.
5.3.2 Although we accept that implementation in such matters as cleansing, routine maintenance, minor works, school crossings and safety education may in certain cases be best effected at district scale, it does seem to us crucial that the major planning and resource allocation responsibility remains with a county wide, democratically founded, authority.

5.4 Overall Conclusion

5.4.1 In summary it appears to us that the White Paper proposals destroy a great deal of what is best in the present arrangements in the metropolitan counties and are likely to create a significant obstacle to continuation of the improvements in quality and efficiency of local transport service which have been achieved in the last decade.