

**ENVIRONMENT TRANSPORT &  
SUSTAINABILITY CABINET  
MEMBER MEETING**

**Agenda Item 114**

Brighton & Hove City Council

<b>Subject:</b>	<b>Response to government consultation 'Devolving local major transport schemes'</b>		
<b>Date of Meeting:</b>	<b>4 May 2012</b>		
<b>Report of:</b>	<b>Strategic Director - Place</b>		
<b>Contact Officer:</b>	<b>Andrew Renaut – Head of</b>		
	<b>Name:</b>	<b>Transport Strategy &amp; Projects</b>	<b>Tel: 29-2477</b>
	<b>Email:</b>	<b>andrew.renaut@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>No</b>		
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE/ EXEMPTIONS**

**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 The government is proposing to delegate its budget for local major transport schemes (currently defined as schemes costing more than £5 million) to a new localised decision-making process, to be overseen by democratically accountable Local Transport Bodies (LTBs). These bodies have yet to be set up, but their form/shape will be based on local decisions and they will provide a mechanism for partners to come together to make decisions. The consultation seeks responses on the areas the LTBs should cover and their membership, including the role of the Local Enterprise Partnership [LEP].
- 1.2 The deadline for responses to the consultation was 2 April 2012, and an officer response was submitted within this timescale in order to register views on behalf of the council, subject to approval by the Cabinet Member.

**2. RECOMMENDATIONS:**

- 2.1 That the Cabinet Member approves the officer response submitted on behalf of the council to the government's consultation (attached in Appendix 1).
- 2.2 That the Cabinet Member requests that the Strategic Director notifies the Department for Transport of his decision.
- 2.3 That the Cabinet Member notes the indicative timetable set out in Appendix 2 associated with the development of a Local Transport Body and authorises the Strategic Director to continue discussions with relevant local authorities and organisations to produce agreed draft Local Transport Body proposals.

**3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

- 3.1 The prioritisation and allocation of major transport scheme funding provided by the government for local schemes was previously overseen by Regional Transport Boards, established as part of Regional Assemblies/Partnership Boards, which have now been abolished by the government through changes to regional planning.
- 3.2 However, the Government currently has a programme of local major schemes set out to 2014/15, which prioritises the highest priority schemes identified from the previous government's Regional Funding Allocation process. The government now wishes to put in place a new system for the next Spending Review period, based on devolving control over decisions to a local level, and enabling those decisions to be more responsive to local economic conditions and needs. The approach is consistent with the government's commitment to devolving power and giving greater financial autonomy to local government and community groups.
- 3.3 The consultation was based on four main issues and views were sought on:-
- the creation of Local Transport Bodies [LTBs];
  - their role and membership;
  - the need for assurances on effective governance, financial management, accountability and the achievement of value for money; and
  - allowing individual arrangements to be established for each LTB.

- 3.4 In summary, LTBs would be expected to agree, manage and oversee delivery of a prioritised programme of schemes post-2015. Local authorities and LEPs will decide membership of the LTB and the LEP area is expected to be a starting point for allocating funding. LTBs can agree to prioritise any capital transport intervention. The £5 million threshold used by the government to define a major scheme will be removed and securing local or third party sources of funding will remain important.
- 3.5 The key issues on which the government also proposed a number of specific options for consideration were the:-
- role of LEPs within the LTBs;
  - allocation of funding to big/strategic schemes;
  - formula for distributing the funding;
  - prioritisation framework for a programme of schemes; and
  - appraisal of individual schemes.
- 3.6 The full response to the consultation submitted on behalf of the council, and for which the Cabinet Member's approval is sought, is attached at Appendix 1.
- 3.7 The government expects to publish a range of indicative funding allocations for each LEP area in August 2012. The LTB should submit its proposals for governance, financial management and value for money by the end of 2012. By April 2013, LTBs should have agreed their prioritised programme of schemes for delivery post-2015. Business cases should then be prepared to enable schemes to be ready for construction.
- 3.8 The likely timescale associated with this government proposal, incorporating dates when further local democratic decisions may be required, is set out in Appendix 2.

#### **4. COMMUNITY ENGAGEMENT AND CONSULTATION**

- 4.1 The government's consultation on this proposal began early in 2012. The Strategic Director - Place has been involved in recent, informal discussions with senior officers at East and West Sussex County Councils, in order to help identify key issues. The Coast to Capital Local Enterprise Partnership [LEP] has also sought the views of local authorities before responding to the consultation. These discussions will need to continue, involving lead councillors where necessary, in order to take forward the development of the LTB and its associated administrative arrangements, and also to consider the decisions that it is expected to make, such as governance and allocation of funds.
- 4.2 To assist local authorities and other respondees, the government published a question and answer sheet in March 2012 to clarify points raised during the consultation period. The government has followed its own Code of Practice on consultation in seeking views on this proposal.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 5.1 There are no direct financial implications associated with responding to this government consultation, other than the cost of officer time.
- 5.2 The effect of any future implications will be addressed in further reports following the conclusions drawn by the government on the consultation.

*Finance Officer Consulted: Karen Brookshaw Date:23/04/12*

Legal Implications:

- 5.2 There are no direct legal implications associated with responding to this government consultation. Future implications will become clearer following the conclusions drawn by the government on the consultation and any further decisions that it makes, and the agreement of the draft LTB proposals, and will be addressed in any future report(s).

*Lawyer Consulted: Carl Hearsom Date: 23/04/12*

Equalities Implications:

- 5.3 An Equality Impact Assessment has not been undertaken as the consultation response has no direct effect on council policy or the effectiveness or performance of the transport service. Future implications will become clearer following the conclusions drawn by the government on the consultation and any further decisions that it makes, and the agreement of the draft LTB proposals, and will be addressed in any future report(s).

Sustainability Implications:

- 5.4 There are no sustainability implications associated with responding to this government consultation.

Crime & Disorder Implications:

- 5.5 There are no crime and disorder implications associated with responding to this government consultation.

Risk and Opportunity Management Implications:

- 5.6 There are no risk and opportunity management implications associated with responding to this government consultation. Future implications will become clearer following the conclusions drawn by the government on the consultation and any further decisions that it makes, and the agreement of the draft LTB proposals, and will be addressed in any future report(s).

Public Health Implications:

- 5.7 There are no public health implications associated with responding to this government consultation.

Corporate / Citywide Implications:

5.8 The opportunity for greater local involvement in decision-making on transport funding at a more regional level is welcomed and will particularly support the council priority to engage people who live and work in the city in decision-making. Future implications will become clearer following the conclusions drawn by the government on the consultation and any further decisions that it makes, and the agreement of the draft LTB proposals, and will be addressed in any future report(s).

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

6.1 The submission of the response to this consultation on behalf of the council has ensured that its principal views will be taken into account by the government. Officers have considered the various options proposed by the government for devolving transport funding and responded accordingly.

**7. REASONS FOR REPORT RECOMMENDATIONS**

7.1 The Cabinet Member's consideration and agreement to the officer response that has already been submitted on behalf of the council will provide a formal indication to the government of the council's position.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Officer response to Department for Transport submitted on behalf of the council.
2. Indicative timetable associated with devolution of local major scheme transport funding and development of local transport body

**Documents in Members' Rooms**

1. None.

**Background Documents**

1. Department for Transport consultation document 'Devolving major local transport schemes'.

**OFFICER RESPONSE TO DEPARTMENT FOR TRANSPORT SUBMITTED ON BEHALF OF THE COUNCIL**

**Devolving local major transport schemes response form**

**Specific questions**

**Part 1:** Local transport bodies – this section of the consultation document set out the context, rationale and objectives for forming local transport bodies. It also considers the options for distributing funding, facilitating strategic investment and the role of Local Enterprise Partnerships in decision-making.

1. Do you have any comments on the proposed role and membership, preferred scale and geographical scope in forming local transport bodies and consortia, in particular the options to facilitate strategic investment decisions and the types of schemes to be funded?

**Response:**

Role & membership

The previously established and successfully managed South East Regional Transport Board provides a good model for membership of local transport bodies in terms of representation of key stakeholders and transport providers and users, and outputs, particularly scheme prioritisation. The role of local authorities will be essential to shaping local transport bodies and local democratic control over the funding allocation process will also enable informed consideration of the likely need in many cases to combine locally secured sources of transport and regeneration funding.

Scale & geographic scope

Significant differences in terms of need and geography could occur within a LEP area and therefore it is essential that there is flexibility in determining the most appropriate areas of coverage for decision-making on local investment in schemes. The size of the area will also determine the level of representation and the ability of organisations to allocate sufficient resources to support each body.

Facilitating strategic investment decisions

Similarly, the ability to consider and seek to support strategic or cross-boundary schemes must be available. The preferred Option 3 is supported whereby there would be local discretion to identify and prioritise schemes of local significance which could be cross-boundary. Where necessary, this could involve joint working or decision-making between bodies.

Types of schemes

The removal of the £5 million threshold is welcomed. This will enable smaller scale interventions to be considered which may provide good value for money and contribute to local objectives.

\*Maximum 400 words

2. Do you have any views on the membership of Local Enterprise Partnerships in local transport bodies, in particular whether they should have the final say in decision-making? Or on any other issues raised in relation to Local Enterprise Partnerships, and potential resourcing impacts?

**Response:**

Role of LEP in local transport body

In considering the role of the LEP in a transport body, option 1 is preferred whereby the LEP performs an advisory role to the transport body. It is fully recognised that the role of the LEP Board is primarily to influence and reflect regional business challenges. Transport investment can help to address these challenges but the need to balance the importance of other wider objectives such as carbon reduction, air quality, reducing severance, and addressing safety, security and health is overriding in developing and delivering local, major transport schemes that deliver strategic improvements and benefit local communities and their priorities.

Potential resourcing impacts

While acknowledging the DfT's assessment of potential savings on administration costs, administering

and supporting new decision-making arrangements to allocate funds will require adequate levels of resource from within all members of the local transport body. Without the provision of additional government funds to support a new process at a time when local authorities face significant budgetary pressures, some support may be required. Maximising the use of locally based expertise and experience will help maintain a proportional level of overhead on spending. In addition, a degree of flexibility and reasonability by the DfT in the assessment of business cases will assist in maximising the use of available funding.

\*Maximum 400 words

**Part 2:** This section of the consultation document explained the reasoning for providing assurances on governance, financial propriety and accountability for decisions. It also considered the options for the frameworks to support decision-making, meeting minimum quality standards on appraisal, and delivering value for money. It includes a proposed implementation timetable.

3. Do you have any thoughts or comments on assurance, in particular on whether there are any alternative ways of providing assurance other than putting in place some central criteria for local transport bodies to meet?

**Response:**

Centrally-based assurance criteria will provide a good starting point for all newly-formed local transport bodies to enable them to undertake their roles and ensure that their governance and accountability for decisions regarding the allocation of potentially significant sums of public money. Once established, a review of assurance structures/processes could be undertaken and local transport bodies could seek to alter those assurances with reference to the appropriate government department(s).

\*Maximum 400 words

4. Do you have any comments in relation to how local transport bodies should demonstrate that they are accountable to central Government for tax-payers' money and to local communities and citizens?

**Response:**

Accountability for decisions on investment priorities, delivery of schemes on time and to budget, and acceptance of outputs and outcomes, should be central to the devolution of funding. Representation on transport bodies of elected councillors will further strengthen the need to ensure that accountability and transparency are maintained both with central government and local communities and organisations.

\*Maximum 400 words

5. Do you have any comments on the options for appraising and evaluating schemes, in particular in order to meet and test value for money?

**Response:**

Appraising/evaluating schemes

A consistent approach to appraisal will provide local transport bodies with the opportunity to establish a robust framework for ensuring schemes are fit for purpose. Option 1 is therefore preferred, although the opportunity to adopt a flexible approach locally over time would also be supported. As referenced in response to Q1, due regard should also be given to the prioritisation framework successfully developed and approved by the SERTB to allocate the RFA.

Maintaining a clear understanding of the synergy/alignment with the Highways Agency's investment priorities will be essential and assist in identifying where benefits can be realised.

Value for money

Achieving value for money remains a fundamental principle of investing public money and the ability to set thresholds locally would be welcomed.

\*Maximum 400 words

6. Do you have any comments on the proposed implementation timetable, and any practical issues raised?

**Response:**

Implementation timetable

The proposed timetable represents a potentially challenging period for local authorities given the need for democratic decision-making processes to be fulfilled, in addition to the establishment of the transport body and its direct engagement in the development of a prioritised programme of schemes.

\*Maximum 400 words

## General questions

7. Do you have any general comments on proposals to devolve decisions and funding, and on any residual role for the Department?

**Response:**

General comments

The opportunity for local authorities to continue to take greater responsibility for decisions and funding, particularly in partnership with others, such as the LEP, is welcomed. The ability to further seek or secure other sources of funding through such partnerships will further assist in maximising potential benefits to local communities, economies and environments.

Residual role of DfT

The DfT will remain central to advising and assisting in the establishment of local transport bodies and the allocation of investment to local major schemes.

\*Maximum 600 words

8. Do you have any other comments on any of the other areas covered in the consultation?

**Response:**

None.

\*Maximum 400 words

## Consultation Responses

Please send responses, using this consultation response template, via email to:

Mr Karl Murphy  
Department for Transport  
Great Minster House  
33 Horseferry Road  
London  
SW1P 4DR  
Phone: 0207 944 0079  
Email: [karl.murphy@dft.gsi.gov.uk](mailto:karl.murphy@dft.gsi.gov.uk)

**INDICATIVE TIMETABLE ASSOCIATED WITH DEVOLUTION OF LOCAL MAJOR SCHEME TRANSPORT FUNDING AND DEVELOPMENT OF LOCAL TRANSPORT BODY**

<b>Date</b>	<b>Activity/Decision</b>
4 May 2012	Cabinet Member considers agreement of BHCC response to DfT consultation
May 2012	BHCC officer discussions continue with adjacent authorities and LEP
June 2012	Draft proposals developed for membership and operation of LTB including governance, financial management etc
July 2012	BHCC formally considers draft LTB proposals through appropriate democratic decision-making process*
August 2012	LTB formally established
	Government expects to announce indicative funding allocations for each LEP area.
	LTB considers funding allocations
October/November 2012	BHCC formally considers progress made by LTB through appropriate democratic decision-making process*, if required
December 2012	LTB submits proposals for administrative arrangements to government for sign-off.
April 2013	LTB agrees programme of priorities for delivery post-2015
May 2013 onwards	Business cases for priorities developed and finalised to enable construction from 2015 onwards.

\* likely to be through new committee system, subject to decision to be made at council meeting on 17 May 2012.

