

Bath & North East Somerset Council

MEETING:	Cabinet	
MEETING DATE:	5th December 2012	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2495
TITLE:	Local Transport Body & Devolution of Major Scheme Funding	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: None		

1 THE ISSUE

- 1.1 The report considers the proposed Department for Transport (DfT) arrangements for the devolution of major schemes funding from 2015/16. This includes proposals for an assurance framework to meet governance, accountability, financial management and evidencing value for money under a devolved major schemes regime to be overseen by a Local Transport Body (LTB).

2 RECOMMENDATION

- 2.1 The Cabinet Approve, in principal, the formation of a Local Transport Body to include the Joint Transport Executive Committee (JTEC) and two business representatives from the Local Enterprise Partnership;
- 2.2 The Cabinet Recommend to Council that they endorse the proposed arrangement for the Local Transport Body and
- 2.3 Agree that the necessary work is undertaken to support the creation of a formally constituted Local Transport Body, including the assurance framework to meet governance, accountability, financial management and value for money requirements to the satisfaction of DfT and the Council's own internal procedures.

3 FINANCIAL IMPLICATIONS

- 3.1 The proposal has no financial implication for the Council at the moment as the work for servicing the LTB will be covered by existing arrangements to support the JTEC; these arrangements are through the West of England office. B&NES' contribution to the West of England office is 25% of the total cost and for 2013/14 this is budgeted to be £150k. £20k of this £150k is proposed to be included within the Integrated Transport Block capital programme budget, with £130k included within the February revenue budget proposal as an ongoing budget line and is subject to Council approval at that time.
- 3.2 Any other costs arising will be directly attributable to major schemes; this is proposed to be funded through the LTB. Any schemes relevant to B&NES Council will be brought forward for approval on an individual basis at such time as is appropriate. There is an allocation proposed in next year's capital programme to support the development of the Greater Bristol Metro Project Phase 1 which is expected to be the first scheme supported by the Local Transport Body.

4 CORPORATE OBJECTIVES

- *Promoting independence and positive lives for everyone*
- *Creating neighbourhoods where people are proud to live*

5 THE REPORT

Government Consultation

- 5.1 On 31 January 2012, DfT issued a paper 'Devolving local major transport schemes'. This sought views on the proposals for the devolution of major schemes funding for the next Comprehensive Spending Review (CSR) period, 2015/16 – 18/19. The paper welcomed views from local authorities, Local Enterprise Partnerships and representative groups.
- 5.2 The DfT asked that local authorities and the LEP bring forward proposals for governance, financial management, accountability and evidencing value for money in the event that major transport funding were devolved to Local Transport Boards. These need to be submitted by December 2012. These arrangements and the programme of priorities for delivery from 2015 would need to be up and running by April 2013.
- 5.3 The Joint Transport Executive Committee (JTEC) on 7 March 2012 agreed a response to DfT which proposed that the West of England area, with its high level of transport self-containment, should be the geographic area for our Local Transport Body (LTB). The response proposed the LTB would build upon and strengthen the existing governance arrangement provided by JTEC.
- 5.4 The DfT ask that the LEP have a 'central and influential role' and the response to consultation envisaged the LEP as 'a key member of the Local Transport Body'. To achieve this two business representatives from the LEP, whom the LEP Board have nominated to have responsibility for transport, would join the four JTEC members to meet as the LTB Board. The LEP representatives would have equal

status and voting rights as each of the other individual members. It is likely that this will mean that the LTB will need to be a separate legal entity.¹

5.5 On 2 August 2012 the DfT published a summary of responses to the consultation paper. The key headlines are summarised in Appendix 1. On 18 September 2012 the DfT published 'Devolving Local Major Transport Schemes: Next Steps'. This confirmed the broad thrust of the original proposals and in particular that:

- It is expected that LTBs will have non-overlapping boundaries, to be broadly based on the geography of LEPs and determined by local agreement.
- Funding will be distributed on a simple per-capita basis. Indicative figures for planning assumptions will be provided for each LTB by DfT.
- LTBs must have a high degree of transparency, including routine and timely publication of all key documents, and arrangements for involving local stakeholders.
- The DfT's Transport Business Case guidance and appraisal framework WebTAG must be used for all schemes funded by the LTB.
- The LEP should have 'as a minimum, full membership of a LTB, with voting rights'.

5.6 The 'Next Steps' report warned that for those that fail to meet the timetable or chose to adopt a slower one might not receive the full major scheme allocation from DfT. There is therefore a need to submit proposals for the assurance framework by the end of December 2012 and have a prioritised list of transport schemes in place by April 2013. Progress with these elements is outlined below.

5.7 **LTB Geography** In August DfT confirmed that the geography of the LTB should be coterminous with the existing boundaries of Local Transport Authorities and LEPs. Following discussion at the LEP Board in June, and agreement at the JTEC on 20 September, confirmation was provided that the preferred geography of the LTB would be that of the West of England.

5.8 **Central Assurance Framework** DfT have requested that LTBs show how they will provide Government with assurance on governance, financial management, accountability, and achieving value for money. These need to be submitted by the end of December 2012. The existing Joint Working Agreement between the West of England Authorities will be used as an appropriate assurance framework.

5.9 **Accountable Body** The role of accountable body is still to be determined. However, it is likely that North Somerset Council will be asked to be the accountable body for the LTB, as this reflects the fact that they are likely to be leading the implementation of Greater Bristol Metro Phase 1 (which includes a reopened Portishead line), if the LTB agree this as the priority major scheme for the next CSR period.

5.10 **Major Schemes Prioritisation** 'Devolving Local Major Transport Schemes' states LTB's should prioritise major transport schemes on a clear basis agreed locally, which should be well-evidenced, robust and transparent. The paper also states that to encourage transparency 'there would be a central requirement to publish the programme of schemes for investment, together with the basis for prioritisation'.

¹ The constitutional arrangements of JTEC, which is a joint committee of local authorities, do not allow voting members who are not members of the constituent authorities. Accordingly alternate legal entities may be needed to be considered for the Local Transport Body.

5.11 The DfT have requested we submit our provisional list of prioritised schemes to be funded through this allocation by April 2013. In order to meet this deadline it has been necessary to start work on identifying and assessing potential schemes in advance of the formation of the LTB. This has included:

- Review of the Joint Local Transport Plan 2011-26 (JLTP3) and Core Strategies, with other detailed infrastructure plans (e.g. for the Enterprise Zone or Areas) to produce a long list of schemes.
- Review of these schemes by officers to identify those which fit less well with the devolved major schemes funding approach in terms of deliverability, affordability, or being below a minimum cost threshold.
- Development of a set of criteria and weightings to enable a transparent assessment of the schemes.
- Application of the revised criteria/weightings to the schemes, scoring each against a range of strategic fit and deliverability aspects.
- Identification of a small number of suggested schemes to be subject to further review to provide a priority programme.

5.12 At the JTEC meeting on 19 June 2012, Members noted the long list of schemes, approved the application of the affordability, deliverability and minimum cost threshold initial assessment criteria and provided comments on the short listing criteria. The long list was also discussed by the Infrastructure and Place Group in July 2012.

5.13 At the JTEC meeting on 20 September 2012, Members provided comments on this suggested list of schemes and a suggested revised priority programme.

5.14 As a result priority has been initially given to taking forward Greater Bristol Metro Project, Phase 1 to include a half hourly train services for the Severn Beach Line, local stations between Bristol Temple Meads, Bath Spa and Weston-super-Mare and the reopened Portishead line, at an estimated cost of £35m. This project will provide significantly improved rail services for Bath, Keynsham and Oldfield Park and could support the re-opening of Saltford Station.

5.15 **Next Steps** It is proposed that the necessary work is undertaken to support the creation of the LTB including the establishment of a formally constituted LTB Board, definition and enabling processes to facilitate the accountable body function, and technical work to understand priority scheme spend profiles and appraisal requirements under the assurance framework. This will include planned work to develop the Greater Bristol Metro scheme Phase 1. This also links to the City Deal which was endorsed in October 2012. We hope to receive final feedback from the DfT on the proposals for the assurance framework in January 2013, and would hope the detailed processes for the operation of the LTB would be endorsed at their inaugural meeting in March. It is proposed that the inaugural meeting of the constituted LTB Board is arranged for the close of the meeting of the JTEC on 13 March 2013.

6 RISK MANAGEMENT

6.1 The report author and Lead Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance. Risks associated with

individual capital schemes will be managed through the project governance in due course and there are not significant financial risks arising from this decision.

7 EQUALITIES

7.1 An Equalities Impact Assessment has not been completed at the present time as this is not relevant to the creation of a LTB. An EIA would be undertaken in relation to the approval of any project by the LTB in due course.

8 RATIONALE

8.1 The opportunity to decide ourselves where major transport funds will be spent in the future represents a significant opportunity for the Council to maintain transport investment within the District supporting the Core Strategy. Participation in the Local Transport Body is therefore supported.

9 OTHER OPTIONS CONSIDERED

9.1 None.

10 CONSULTATION

10.1 Cabinet members; Section 151 Finance Officer; Chief Executive; Monitoring Officer

10.2 Consultation undertaken during the drafting of this report and in discussion at JTEC and LEP Board.

11 ISSUES TO CONSIDER IN REACHING THE DECISION

11.1 Social Inclusion; Sustainability;

12 ADVICE SOUGHT

12.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

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Sponsoring Cabinet Member	Councillor Roger Symonds
Background papers	Reports to the Joint Transport Executive Committee
Please contact the report author if you need to access this report in an alternative format	

Appendix 1: Summary of the responses to DfT's consultation paper.

- There was near universal support for the principle of devolution of major transport scheme funding, and the specific proposals put forward in the consultation document received broad support from most respondents in all the key areas.
- The majority of respondents favoured the Department's proposals on the role of LTBs.
- Most LEPs appear to be assuming either an advisory role or as a full member of the LTB. Only a small minority of LEPs appear to be planning to act as the LTB themselves.
- A simple population basis of allocation was supported by almost half of respondents (49%) with no consensus in favour of any specific alternative method.
- There was a majority view (78%) supporting the principle of a central assurance framework or criteria for LTBs.