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CABINET KEY DECISION

Subject:	Devolving Local Major Transport Schemes – Confirmation of Local Transport Body Geography
Cabinet Portfolio:	Transport, Cleansing and Waste
Corporate Lead:	Bill Cotton, Executive Director
Service Director:	Mike Holmes Director, Planning and Transport Services
Meeting Date:	12 September 2012
Status:	Public
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1.0 Purpose:

1.1 The Department for Transport (DfT) consultation on Devolving Local Major Transport Schemes proposed a new system for prioritising and funding transport major schemes from 2015 which devolves capital funding to democratically accountable Local Transport Bodies (LTBs).

1.2 Membership of the Local Transport Body would be based on Local Enterprise Partnership (LEP) geography. Bournemouth previously submitted a response jointly agreed with the LEP Board, Dorset County Council and the Borough of Poole. The response supported the proposal to implement LTBs based on LEP geography but questioned the need to establish larger areas.

1.3 Government has now asked that Local Transport Authorities and LEPs confirm their LTB geographies (The DfT letter is attached at Appendix A). It is proposed that Dorset's LTB geography be based on the boundaries of the Dorset LEP, encompassing the local highway authorities of Bournemouth, Dorset and Poole.

2.0 Recommendation:

2.1 It is recommended that subject to the Agreement with Dorset County Council, Dorset LEP and Borough of Poole, the Department for Transport be advised that Dorset's LTB geography will be based on the boundaries of Dorset LEP, encompassing the local Highway Authorities of Bournemouth Dorset and Poole.

3.0 Reason for recommendation:

3.1 To support the delivery of the Council's Corporate Priority for An Improving Environment by Increased promotion of sustainable modes of transport, especially bus travel, walking and cycling. This will also support the Local Transport Plan 3 Delivery Plan schemes, safeguard and enhance the Council's unique environment and support the local economy.

Supporting Information:

4.0 Background detail:

4.1 The Department for Transport (DfT) consultation paper Devolving local major transport schemes (http://www.dft.gov.uk/consultations/dft-2012-04/) was published on 31 January 2012. The consultation document sets out how the devolution process could work, the governance necessary, and the assurances required to ensure that investment returns are maximised.

4.2 Through the consultation the Government proposed that from 2015 Local Transport Bodies (LTBs) decide on priorities for major scheme funding. LTBs would be set up to match Local Enterprise Partnership (LEP) boundaries and would comprise LEPs and all constituent local authorities. Funding would be allocated according to LEP geographies. In some areas there may be a strategic case to combine two or more LEP areas in a transport consortium.

4.3 A response jointly agreed with Dorset County Council and the Borough of Poole, and endorsed by the Dorset LEP was submitted to the DfT in April 2012.

5.0 Consultation:

5.1 As detailed above the earlier consultation involved the Local Highway Authorities and the Dorset Local Enterprise Partnership. The joint response supported the core proposal that LEP geography should be the basis for the allocation of funding for future local major transport schemes. This complements the geography of the Bournemouth, Poole and Dorset Local Transport Plan 3 which sets out the transport strategy from 2011 to 2026 and which was adopted by a Special Cabinet and Council on 28 March and 19 April 2011 respectively.

6.0 Alternative options considered and rejected:

6.1 The joint Authority consultation response for Dorset supported the core proposal that LEP geography should be the basis for the allocation of local major transport scheme funding. However, the response questioned the need to establish larger areas, suggesting that LEP areas should retain the freedom to work together and pool resources on agreed schemes, and advised that there is little prospect of a larger transport consortium that would include the Dorset LEP due to its relative position to other major conurbations.

The Government has now written to the local transport authorities and LEP chairs inviting local partners to confirm their LTB geographies. The deadline for responses is 28 September 2012. Once it has this confirmation the DfT will provide a local indicative planning assumption figure for budgeting purposes. Following this the next stage in the implementation process will be for local transport bodies to submit proposals for sign-off of governance,

financial management, accountability, and providing and testing value for money.

6.2 It is therefore proposed that, in line with our consultation response and subject to the agreement with Dorset County Council, Borough of Poole and Dorset LEP, DfT be advised that Dorset's LTB geography will be based on the boundaries of the Dorset LEP, encompassing the local highway authorities of Dorset, Bournemouth and Poole.

6.3 No other options are proposed as they would not comply with the geography of the previously approved Bournemouth, Poole and Dorset Local Transport Plan3 dated April 2011.

7.0 Summary of Financial/Resource Implications – including comments from the Council's Chief Financial Officer:

7.1 Although currently no final funding levels have been guaranteed by Government they have advised that if the level is similar to that proposed in the 2010 Spending Review there would be £1.1bn available nationally from 2015/16 to 2019/20. If this was distributed by population it is estimated that £18m would be allocated to the Dorset LEP over the same four year period.

7.2 Any additional funding approvals would be prioritised to the major schemes identified within the Local Transport Plan's Delivery programme and would be subject to the normal Gateway approval process and project controls.

7.3 The three Dorset Authorities already have effective transport partnership arrangements and an up to date transport strategy developed from the earlier South East Dorset Transport Study and the development of the associated multi modal transport model. Government has also indicated that they will provide additional funds to assist Local Authorities with the additional scheme analysis which is to be devolved from the Department of Transport. It also believed that any additional costs of including the LEP Board within the governance arrangements would be minimal and have little impact on Revenue Budgets.

8.0 Summary of legal implications – including comments from the Monitoring Officer

8.1 The existing Dorset Local Enterprise Partnership and joint working between the Local Highway Authorities have already developed robust governance arrangements.

8.2 Following confirmation on the LTB geographies the DfT will provide local indicative planning assumption figures for budgeting. The next stage in the implementation process will be for Local Transport Bodies to submit proposals for sign-off of governance, financial management, accountability, and providing and testing value for money and this will be a modification to the existing LEP governance arrangements.

9.0 Summary of Environmental Impact:

9.1 Devolution of the decision making process from a central government decision to a more local decision is unlikely to change the environmental impact of local major transport schemes.

10.0 Summary of Equalities and Diversity Impact:

10.1 An Equalities Impact Needs Assessment showed no significant impacts although disabled and low socio-economic groups will potentially benefit from the proposed change to the funding process.

11.0 Summary of Risk Assessment

11.1 A Risk Assessment has been undertaken but does not indicate any High Risks. No commitment will be made to implementing any associated schemes until the funds are confirmed by the Department for Transport. Funding will be controlled through the proposed governance arrangements and the Council's Gateway and project monitoring controls.

Background papers:

- Department for Transport Consultation Paper: Devolving local major transport schemes.

APPENDIX A

Department for Transport

[Chief Executives of Local Transport Authorities and Chairs of Local Enterprise Partnerships]

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2 August 2012

Dear

We have now completed our analysis of the consultation on the devolution of major schemes. We intend to confirm our detailed proposals after the summer Parliamentary recess, including more detailed guidance about the setting up of Local Transport Bodies (LTBs). However, without prejudice to the details of those proposals, I am writing to provide you with some important guidance on interim next steps, in order to maintain momentum.

I am also pleased to enclose our summary of responses to the consultation which is being published today.

The key message from the responses is that the principle of devolution for major schemes is overwhelmingly supported and the specific proposals we put forward were supported by the majority of respondents, including the principle of Local Transport Bodies (LTBs) based on Local Economic Partnership (LEP) geography as a starting point.

It is also clear from the consultation responses that two of the most important issues where greater clarity was sought from DfT was on funding allocations and how they interact with LTB geography, particularly in areas where there are overlapping LEPs.

In many cases the LTB geography has already been established, but in some areas there is not yet local agreement on LTB boundaries or membership. The Department is therefore inviting local partners to confirm their LTB geographies. In formulating these we would suggest that you work on the basis that there is no overlap between LTBs (to avoid any confusion about responsibilities for major schemes), and that LTB boundaries should, as far as possible, be coterminous with existing boundaries of Local Transport Authorities and Local Enterprise Partnerships. In the vast majority of the

country this should be straightforward. However, in a minority of areas this leads to some choices where LEPs overlap. We are keen for these choices to be determined locally as far as possible, with the agreement of all affected parties. In response to calls from some respondents for guidelines to help local partners to resolve boundary issues, we have provided the attached guidance to inform local discussions.

This confirmation of LTB geography should be agreed by the relevant local authorities and LEPs, **The deadline for responses is 28 September.**

There is, of course, no guarantee as to the level of funding that will be available for major schemes from April 2015. If the level of funding for the four years from April 2015 was again £1.5bn, i.e. the same as SR10, then, after taking account of a tail of £400m for already approved schemes, the available funding nationally for new schemes would be around £1.1bn. Once we have your confirmation of LTB geography we will provide you with a local indicative planning assumption figure for budgeting purposes. The Department believes that in developing a prioritised pipeline of schemes, it would be prudent for LTBs to make contingency plans for one third above or below this planning assumption figure.

We will also base any population element of the formula upon the latest available population data, noting that the first results from the 2011 census were published on 16 July 2012.

Finally, we will be very keen to engage closely with you through our local engagement teams over the coming months and beyond and to provide you with the necessary advice and support that you need.

Yours sincerely

JOHN DOWIE
Director, Local Transport Directorate