

## **Decision Record – Devolving Local Major Transport Schemes – Response to Government Consultation**

**Cabinet Portfolio Holder taking decision:**

**Councillor Peter Butlin – Portfolio Holder for Transport & Highways**

**Date of Decision: (NOT BEFORE 23 March 2012 )**

**23 MARCH 2012**

### **Decision taken**

I, as Portfolio Holder for Transport and Highways, agree the proposed response to the Department for Transport consultation 'Devolving Local Major Transport Schemes' as set out in Appendix B of the report.

### **Reasons for Decisions**

Currently local authorities must submit a detailed major scheme business case to the Government to obtain funds for major transport schemes over £5m.

Government are consulting on a proposal to devolve funding to new Local Transport Bodies (LTBs) based on the geographical boundaries of LEPs. It would then be for the new LTBs to prioritise a programme of major schemes, demonstrate value for money and determine the appropriate delivery bodies.

The enclosed sets a response to the series of questions being put by the Department for Transport.

### **Background Information/ factors considered in arriving at these decisions - (set out below):**

2.1 On 31st January the Department for Transport published its consultation paper on the devolution of local major transport scheme funding. 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.

2.2 Currently major scheme funding is accessed via direct bids to Government. Applications are expensive to assemble, requiring significant evidence and documentation. This work is undertaken at the scheme promoter's risk, which can be a significant barrier to progress a scheme. Warwickshire has been successful in attracting major funding in the past for schemes such as Coleshill Parkway and Barford bypass.

2.3 The consultation paper proposes that bids for major scheme funding would no longer need to be submitted to the Department for Transport (DfT) for appraisal. Instead, a new Local Transport Body (LTB) will receive a funding allocation and would be responsible for determining which schemes are funded. An LTB is proposed to be a formal group of Local Authorities, Transport Authorities, Local Enterprise Partnerships and other organisations based on the Local Enterprise Partnership geographies which will programme and prioritise major transport scheme funding.

2.4 The proposal is to devolve funding from 2015/16 onwards to at least 2018/19. It is possible that the devolved funding would continue beyond this period. The level of funding would be formulae based. The government aims to publish indicative budgets for 2015/16 to 2018/19 by August 2012.

2.5 Currently DfT funded Major Schemes are defined as those costing more than £5m. The consultation proposes that the £5m threshold is removed, enabling smaller value schemes to be funded.

2.6 It is proposed by Government that membership of the LTBs would be locally determined and that LTBs should be led by democratically accountable bodies. The consultation paper clearly sets out that membership should include, as a minimum, the Local Enterprise Partnership (LEP), Local Authorities and Integrated Transport Authority (ITA). The consultation proposes different levels of membership ('full' or 'associate') which would be determined individually by the LTB.

2.7 A number of options are set out for the role of the LEP in any decision making process. The consultation paper and subsequent clarification makes it clear that Local Authorities are seen as having the primary role in the LTB. However, Government suggests that LEPs should also have an influential role which is welcomed for the business perspective that the LEP can bring.

2.8 The consultation is not asking respondents to set out how they would propose to form a Local Transport Body, or its membership at this stage. However, the timetable for implementation means that the Council will need to start discussions now with Coventry City Council and the Coventry & Warwickshire LEP about the structure of the LTB.

2.9 The consultation document sets out that a consortia of LTBs may enable strategic large schemes with cross boundary benefits to be more easily delivered. It is likely that some schemes in the Coventry and Warwickshire LEP area which may be suitable for major scheme funding will extend, or have strategic impacts, beyond its boundary (whether on the north-south or east-west transport corridors). However, the majority of schemes are likely to be within the LEP area boundary and many will be highway schemes. This suggests that a collaborative approach between Local Transport Bodies on a scheme by scheme basis would be sufficient to enable the any large strategic schemes to be delivered. It is not therefore envisaged that any permanent arrangements with adjacent LTBs will be necessary or appropriate.

2.10 The principles proposed in the consultation document are to be welcomed. The devolved approach would enable local priorities, including those of the LEP, to be

better reflected, and would provide an opportunity for the scheme appraisal process to be streamlined and tailored to the scale of scheme.

The questions and options posed in the consultation paper issued by DfT are summarised in Appendix A of the officer's report. The full formal proposed response to the consultation is provided in Appendix B.

## **Financial and Legal Implications**

The Government proposes to devolve funding from 2015/16 onwards to at least 2018/19. It is possible that the devolved funding would continue beyond this period. The level of funding would be formulae based. The government aims to publish indicative budgets for 2015/16 to 2018/19 by August 2012.

Currently DfT funded Major Schemes are defined as those costing more than £5m. The consultation proposes that the £5m threshold is removed, enabling smaller value schemes to be funded.

Report Author:	Roger Newham
Head of Service:	Graeme Fitton
Strategic Director:	Monica Fogarty
Portfolio Holder	Peter Butlin (Highways and Transport)

## Checklist

**Urgent matter: yes/no\***

No

**Confidential or Exempt (state category of exempt information)**

No

**Is the decision contrary to the budget and policy framework**

No

**List of Reports considered** [please attach or forward a copy]

Report (text included above).

**List of Background Papers** [please include directorate contact names and numbers for access to background papers]

None

**Any members and officers consulted or informed and any comments given.**

**For Comment:**

Cllr P Butlin (decision maker).  
Vicki Barnard  
Ian Marriott

**For information:**

Cllrs Saint, Whitehouse, Sweet.