



SOUTH EAST ENGLAND COUNCILS EXECUTIVE COMMITTEE MEETING

Date: 8 March 2012

Subject: **Strategic transport and Local Transport Body
consultation: Draft response**

Report by: Nick Woolfenden, SEEC Head of Policy Co-ordination

Recommendations:

SEEC Executive members are asked to:

- i) Discuss and agree key issues to include in response to DfT's consultation on devolving decisions and funding for local major transport schemes to local areas, emphasising that local government must have a leading role in future arrangements.
- ii) Agree that SEEC's Chairman and Transport Convenor agree the final response, jointly with SESL's Chairman, in order to meet the 2 April consultation deadline.

1. Background

- 1.1 The Department for Transport (DfT) is consulting on proposals to devolve decisions and funding for local major transport schemes to local areas¹. The consultation proposes establishing new Local Transport Bodies (broadly a single Local Enterprise Partnership area) or Consortia (larger than a single LEP area), made up of local government, LEPs and other partners. These will develop/prioritise, agree and monitor transport scheme programmes from 2015 onwards. For context, such schemes fell in-scope of the former Regional Transport Board's programme, although the new proposals may adjust the scope by removing the £5m lower-threshold for projects (see para 2.2 below).
- 1.2 The consultation runs until 2 April 2012. We recommend SEEC submits a response, jointly with SESL, reflecting high level views from across South East England. This will complement individual local authorities' responses. We ask for members' agreement that SEEC's Chairman and SEEC's Transport Convenor, Cllr David Robertson, be delegated responsibility for signing off the final submission on behalf of SEEC in order to meet the deadline.

2. Proposed response - key issues

- 2.1 Members' views are invited on proposed responses to a number of key consultation issues set out below.
- 2.2 In addition to these issues, we also invite members' views on consultation proposals to remove the £5m lower limit for local major schemes. Whilst this will allow for greater freedom in use of funds, it may result in funding being used for smaller schemes rather than larger/longer-term schemes. It could also signal DfT's intention to fund smaller transport schemes, currently part of Integrated Transport Block allocations, through this process. This could be at odds with the LTB/LTCs' intended focus on major local schemes. Do members want to specifically comment on this issue?

Overview comments

- 2.3 The principle of devolving local major transport scheme decisions and funding to local areas is welcomed. The Government should clarify local government's important leading role in such decision making, and we welcome the opportunity to shape new arrangements.

¹ <http://www.dft.gov.uk/consultations/dft-2012-04/>

- 2.4 Local government's central role is critical to ensuring democratic accountability of the new arrangements. Local government also has existing statutory responsibilities for transport planning and delivery, and extensive experience in planning and enabling programmes of infrastructure delivery, linking these with economic growth opportunities and socio-economic needs.
- 2.5 We believe that funding distribution should be based on a combination of greatest population (current and expected growth), economic contribution and transport needs. This will help direct infrastructure investment to where it is needed most, supporting economic growth and reducing congestion in the South East, which in turn will strengthen the national economy.
- 2.6 Local authorities will work with Government and other partners, including LEPs, to take this important work forward and ensure new arrangements are effective, efficient and accountable. We welcome further discussions with the Government on any residual role for the DfT once new local arrangements begin to take shape. We support the Government's timetable to move new arrangements forward as a matter of urgency, in order that local areas can start developing plans now and take full control over the priorities and decisions for the next round of funding from 2015.
- 2.7 We have grouped our comments around the main themes in the consultation; individual authorities will also respond reflecting local views.

Consultation Part 1: Local Transport Bodies - purpose and funding

Purpose

- 2.8 We support the principle of devolving decisions on local major transport scheme priorities and funding to local areas, but emphasise the importance of local government's leading role in agreeing and managing programmes of schemes and overseeing/monitoring delivery working closely with partners including LEPs.

Schemes

- 2.9 We welcome local flexibility regarding the types of schemes that can be funded and a non-prescriptive approach to cross-boundary working/joint funding of schemes (*please also see question for SEEC Executive Committee in para 2.2 above re £5m lower-threshold for schemes*)
- 2.10 We are however concerned that the consultation proposal to allow some work that should rightly be funded by the Highways Agency (HA) to be within scope could mean the HA uses this as a reason to not 'core fund' schemes - the Government must ensure the National Trunk Road Budget remains the core funding source for these schemes.

Funding for schemes

- 2.11 Whilst we agree with Government that the funding distribution should broadly follow the greatest population, the economic demand/contribution of the area and current congestion/pressure on the system should also be given greater prominence. Expected population growth should also be factored in.
- 2.12 We agree a simple formula approach with funds allocated as set out above is better than competitive bidding as it gives greater certainty, and better targeting, in a similar way to the Growing Places Fund. We support the Government's preference that decisions on match-funding requirements should be left to the local area.

Geography and membership

- 2.13 Local areas should be allowed to decide what geographic areas LTBs/LTCs cover. Similarly, local discretion must be allowed about how best to work together on important larger schemes with cross-boundary implications.
- 2.14 Accountability and transparency is critical in shaping arrangements given the scale of public funding that the new bodies will be responsible for. County, unitary and district authorities must have a central role in new arrangements, bringing accountability, experience and the ability to integrate transport investment decisions with wider economic, social and environmental needs and opportunities.
- 2.15 We agree LEPs and other partners have key roles to play working with local government to provide input on the needs of the area to shape decisions on transport priorities; however it should be left to local partners to decide the most appropriate form of LEP engagement in each locality.

Resourcing

- 2.16 Whilst we welcome any reductions in bureaucracy brought about by the new arrangements, we do not accept the Government's assumption that net savings in administration costs to local authorities will be enough to fully cover all additional work required to deliver the new approach. This aspect needs further work by the Department with local government to ensure any additional financial burdens are met by central government.

Consultation Part 2: Sound Governance and Operation

Governance and accountability

- 2.17 We strongly support the need for the new arrangements to be accountable to local communities. Ensuring leading roles for elected councillors from all tiers of local government is critical to ensuring new arrangements are democratically accountable for the spending decisions taken.

Scheme prioritisation, appraisal and evaluation

- 2.18 Once funding is allocated to local areas, it should be left to them to identify the most appropriate way to prioritise schemes based on local circumstances. Whilst DfT's Transport Business Case guidance (the Government's preferred option) can provide a basis for this, robust local approaches (another option suggested by the Government) should also be encouraged.
- 2.19 Whilst there needs to be robust methodology for scheme appraisals, local areas should be allowed to decide the most appropriate approach (ie whether to use Green Book or WebTAG as proposed in the consultation).
- 2.20 We agree it will be important that scheme impact is evaluated, but this must be as light touch as possible to ensure limited public resources are focused on scheme delivery, not administration.