

South East Midlands
Local Transport Board

**Contains Confidential
or Exempt Information** No

Title of Report LOCAL TRANSPORT BODY – Background Information

Meeting Date: 23 April 2013

Responsible Officer(s) Glenn Barcham, Bedford Borough Council, Paul Cook, Central Bedfordshire Council, Keith Dove, Luton Borough Council, Brian Matthews, Milton Keynes Council, Hilary Chipping, SEMLEP.

Presented by: Brian Matthews, Milton Keynes Council

**The Board is
asked to:**

- 1. note this report as setting out the background and rationale to the Local Transport Body for the South East Midlands area; and**
- 2. note the Government's response to the report produced by Lord Heseltine 'No Stone Unturned' in which there are proposals to set the Local Transport Body within the context of a wider funding framework which supports local growth and wealth generation by 2015. In particular this move highlights the need for Local Transport Bodies to progress in adopting their assurance frameworks and developing their priorities by the prescribed timeline.**

Executive Summary

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| 1. | Government has a role to support major investment in strategic highways & transport schemes which are delivered by Local Highway Authorities. This tends to be via funding from the Department for Transport major scheme fund. The allocation was previously based on assessment of detailed business cases individual highway authorities submitted. Success in this bidding process depended upon the scheme addressing local, regional and national objectives to a greater extent than other schemes within the region/national context. To qualify for funding via this process a scheme had to have a minimum capital value of £5m. |
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	<p>Following a consultation on devolving major scheme funding during the early part of 2012, the coalition government has now introduced the concept of a Local Transport Body (LTB) to allocate funding to local transport priorities.</p> <p>This LTB comprises the four highway authorities within the South East Midlands Local Enterprise Partnership (SEMLEP) area (Bedford Borough, Central Bedfordshire, Luton and Milton Keynes).</p> <p>Guidance on the establishment of LTBs was issued on 23 November 2012. The guidance seeks the creation of the LTB in early 2013 with its assurance framework adopted and for the board to agree its priorities by July 2013. Funding of schemes by the LTBs will commence from 1 April 2015.</p> <p>An officer working group has been established with representatives from the four unitary authorities and SEMLEP, together with the Highways Agency. This group has developed the governance/assurance frameworks and prioritisation process so that the advised timescales can be met.</p> <p>In March 2013, Government published its response to the Lord Heseltine report (No Stone Unturned). This reviewed how in particular decentralisation can benefit growth and wealth generation. Whilst there is likely to be some restructuring of how regions (based on LEP boundaries) support economic growth, the report highlighted the need to continue with the development of LTB.</p>
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Background	
2.	<p>Government has previously supported major investment in strategic highways and transport schemes via funding allocated by the Department for Transport major scheme fund. The allocation was based on assessment of detailed business cases individual highway authorities submitted against local, national and regional transport objectives. Success in this bidding process depended upon the scheme addressing regional and national criteria to a greater extent than other schemes. To qualify for funding from this process a scheme had to be valued at least £5m.</p> <p>Following a consultation process, the Government has introduced new governance arrangements for the allocation of major scheme funding. This involves the creation of Local Transport Bodies. The specific guidance for the creation of the LTB is that they relate to Local Highway Authority boundaries and where possible mirror LEP boundaries.</p> <p>SEMLEP is one of a small number of LEPs where the Local Highway Authority boundaries do not match that of the whole LEP area. The highway responsibilities within SEMLEP are with Bedford Borough, Central Bedfordshire, Luton Borough and Milton Keynes. As a consequence this LTB consists of the four authorities named above.</p>

	<p>Each local authority will be represented on the LTB by the appropriate elected Member determined by each individual authority.</p> <p>One requirement of the LTB is to support the transport and wider economic objectives of the LEP. To address this, the South East Midlands LTB includes a representative from the LEP.</p> <p>Funding to support delivery of transport schemes has now been published. The amount allocated has been calculated based on population. This means the indicative allocation for the South East Midlands LTB is £22.1m for the 4 year period covering the financial years 2015/16 to 2018/19.</p> <p>The timetable set to establish LTBs is such that there is an expectation that the governance arrangements are agreed and in place by the end of April 2013. In addition the LTB needs to identify and agree its priority schemes by July 2013.</p> <p>To achieve this officers from the four authorities have met on a regular basis to establish the governance arrangements, and prepare technical work to support the identification and prioritisation of appropriate transport schemes.</p>
<p>3.</p>	<p>Lord Heseltine’s report – No Stone Unturned</p> <p>In October 2012 Lord Heseltine published a detailed report which reviewed all parts of Government policy affecting economic growth. In total the report included 89 recommendations which challenged the way the nation delivers growth and wealth creation.</p> <p>In March this year the Government published its response to the report and its recommendations. In summary the response highlighted that, the government confirms that it is <i>‘accepting in full or part 81 out of the 89 recommendations to dramatically advance the process of decentralisation, unleash the potential of local economies strengthen partnerships with industry and foster economic growth.’</i></p> <p>In terms of the impact on the role of the LTB the report emphasises the importance to continue with the agreement of the assurance frameworks and have schemes prioritised by July 2013.</p> <p>However, the government response highlights that the development and context of funding Local Transport Major will be looked at alongside other funding streams including the Single Local Growth Fund, EU structural funds and City Deals. Officers are currently engaging with government officials to better understand the implications of the response and will report back to the LTB with further detail should it be necessary at a future meeting.</p>

Issues	
Strategy Implications	
4.	Transport schemes submitted for consideration by the LTB will be drawn from 'long lists' submitted by each individual authority. The expectation will be that these schemes are presented on the basis that they support agreed policy objectives.
Governance & Delivery	
5.	The servicing of the LTB i.e. administrative support is expected to be minimal with the costs being met from existing resources within each authority. Any funding allocated via the process will be managed in accordance with the individual authority's standing orders and processes.
Management Responsibility	
6.	None applicable to this report.
Financial Implications	
7.	The servicing of the LTB i.e. administrative support is expected to be minimal with the costs being met from existing resources allocated from within each authority. Any funding allocated via the process will be managed in accordance with the assurance framework and the individual authority's standing orders and processes.
Legal Implications	
8.	The LTB will operate within the assurance framework agreed set to be agreed at the LTBs first meeting. Transport scheme brought forward through this process will be developed with due consideration to relevant legislation including how it impacts on disability issues and environmental impact.

Environmental and Health Impacts	
9.	The prioritisation process per se does not have any environmental impacts although, as part of that process, the pro-forma for individual transport schemes will consider impacts at a strategic level. However individual transport schemes brought forward through the LTB process will be developed with due consideration to relevant legislation including how it impacts on the environment.
Public Sector Equality Duty (PSED)	
10.	Each individual authority will undertake its responsibility in terms of ensuring an appropriate equality impact assessment is undertaken for individual schemes. The prioritisation process will consider impacts at a strategic level.
	Are there any risks issues relating Public Sector Equality Duty Yes/No
	No

Risk Analysis
Briefly analyse the major risks associated with the proposal and explain how these risks will be managed. This information may be presented in the following table.

Identified Risk	Likelihood	Impact	Actions to Manage Risk
LTB acts outside its remit	Low	High	Development of robust assurance framework
Loss of support from 1 or more LTB member authorities.	Low	High	Timely information provided. Regular officer meeting to identify and respond to any tensions
Background Documents	Location (including url where possible)		
- Local Frameworks for funding major transport schemes: guidance for local transport bodies (Nov 2012)	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15176/guidance-local-transport-bodies.pdf		

<ul style="list-style-type: none">- No Stone Unturned (Lord Heseltine review (October 2012- Government response to the Heseltine review (March 2013)	<p>http://www.bis.gov.uk/assets/biscore/corporate/docs/n/12-1213-no-stone-untuned-in-pursuit-of-growth</p> <p>http://www.hm-treasury.gov.uk/ukecon_heseltinereview_index.htm</p>
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