

<b>DECISION-MAKER:</b>	<b>CABINET</b>
<b>SUBJECT:</b>	CREATION OF A LOCAL TRANSPORT BODY
<b>DATE OF DECISION:</b>	19 FEBRUARY 2013
<b>REPORT OF:</b>	Cabinet Member for Environment and Transport

<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>
NOT APPLICABLE

### **BRIEF SUMMARY**

This report seeks approval for the attached Local Transport Body (LTB) Joint Agreement.

### **RECOMMENDATIONS:**

- (i) That Cabinet approves the LTB Joint Agreement attached in Appendix 1:
- (ii) That Cabinet delegates to the Monitoring Officer authority to fine tune the agreement before submission to the Department of Transport(DfT).

### **REASONS FOR REPORT RECOMMENDATIONS**

1. In order that the LTB can meet the requirements of the DfT Assurance Framework for a LTB for the Solent LEP Area.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

#### **Do Nothing**

2. This has been rejected as if a LTB is not established, the Solent LEP Area will not be able to secure any local major transport scheme funding.

## **DETAIL (Including consultation carried out)**

### **Introduction**

3. In September 2012, the Department for Transport (DfT) published *Devolving Local Major Transport Schemes: Next Steps*, which summarised responses to the January 2012 consultation and set out guidelines for the establishment of LTBs. In late November 2012, DfT published Guidance for the establishment of LTBs, which set out the minimum requirement of an Assurance Framework. Each LTB area must submit assurance framework to DfT by the end of February 2013.
4. The geography of a LTB for the Solent LEP area has already been agreed in a joint letter submitted in September 2012 to DfT, signed by the Chief Executive of the four Local Transport Authorities (LTAs) and the Chairman of the Solent LEP. This identified that the local preference is for the LTB boundary to be coterminous with that of TfSH and the Solent LEP. This report proposes an LTB Joint Agreement that provide for an LTB for the Solent LEP area.
5. On the 5 February 2013, the TfSH Joint Committee approved in principle the LTB Joint Agreement, such that it can provide the Assurance Framework for an LTB for the Solent LEP Area. Delegated authority was also given to the Monitoring Officer to revise the agreement for Joint Committee sign off, so that it can be approved by all TfSH members authorities and LTB members.
6. This report seeks the necessary approval for the LTB Joint Agreement from Southampton City Council as a TfSH member and proposed LTB member.

### **The Role of a Local Transport Body**

7. LTBs will have a single remit, that being to prioritise local major transport scheme investment and award funding to those prioritised schemes from the devolved local major transport schemes pot. Existing statutory duties and responsibilities of LTAs along with local transport funding streams are unaffected, meaning that the role of an LTB is a very specific one. LTAs remain the only bodies that can deliver (or allow delivery of) schemes on their network and have responsibility for producing local transport plans and transport strategy for their area. It is also worth noting that the role of an LTB would be distinct (although intrinsically linked) to the wider remit of TfSH.
8. The local major transport scheme budget will be capital only, with funding calculated on a per capita basis of the LTB area, using the latest projection of mid-year population in 2017 (given that the funding period will cover 2015-19). The total funding likely to be available (at the national level) in the devolved local major transport schemes pot is £1.1 billion for the four-year period 2015-19. For planning purposes, DfT has indicated that an LTB covering the Solent LEP area will receive an allocation of £29 million over the 2015-19 period. However, DfT has advised areas to plan for alternative scenarios of one-third above and one-third below this figure (£38 million and £19 million respectively).
9. All LTBs will need to meet certain minimum standards of governance, financial management, accountability and meeting and testing value for money. This should be set out in an Assurance Framework.

### **Establishing an LTB for the Solent LEP Area**

10. In comparison to other areas, DfT view the Solent LEP area as being in a strong position to discharge the duties expected of an LTB. The area benefits from a history of and existing architecture (in Transport for South Hampshire) for successful strategic partnership working across the four LTAs.
11. DfT has stated that they will need to have confidence in the transport expertise of those proposing an LTB in order to sign-off proposals and that the LTB should build on existing transport partnership structures. DfT has demonstrated confidence in local arrangements for transport partnership working (TfSH) through the award of over £22 million to TfSH in the past year.
12. TfSH has an existing and established pool of transport expertise and is recognised and understood by key stakeholders such as DfT, Highways Agency, Network Rail and Public Transport operators, with which it has strong relationships. A Joint Committee structure exists with regular and well-attended public meetings, with documents published on its website – exactly the arrangements DfT is expecting.
13. Utilising TfSH staff resources would result in no additional funding required for an LTB secretariat and therefore, this model represents the most efficient and least bureaucratic option for establishing an LTB.
14. The existing architecture, experience and expertise of TfSH (and that TfSH can readily and freely call upon) provides a significant opportunity and strength of the Solent area that should be utilised when establishing an LTB. Whilst the LTB has its own agreement, LTB meetings will take place alongside TfSH business, reflecting the close links in business and membership between the two bodies.
15. The Joint Agreement enables the LTB Board to discharge the functions of a Local Transport Body for the Solent Local Enterprise Partnership Area. The Solent Local Enterprise Partnership will be a full member of the LTB alongside the 4 local transport authorities. The Joint Agreement also provides conformity with DfT's Assurance Framework. There is also an expectation that other interested bodies would be able to attend meetings and feed into the process – albeit without a vote – just as they do at current TfSH Joint Committee meetings.
16. An LTA must be the accountable body of an LTB. The accountable body for TfSH is Hampshire County Council and it is proposed that this does not change for the purposes of the LTB.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

#### **Capital**

17. The establishment of a LTB for the Solent LEP Area will enable Southampton City Council to bid for devolved major schemes transport capital funding. It is anticipated that the City Council would need to provide capital match funding towards any schemes. This will require appropriate approval on a scheme by scheme basis in accordance with the City Council's Financial Procedure Rules and Decision Making process.

#### **Revenue**

18. The establishment of a LTB for the Solent LEP Area will not create any additional revenue implications for the City Council, as its administration will be met from existing Environment & Transport revenue budgets for TfSH purposes.

### **Property/Other**

19. None.

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

20. Local Government Acts 1972 and 2000, and Localism Act 2011.

### **Other Legal Implications:**

21. The arrangements proposed will need to be approved by DfT in accordance with their assurance framework. Central Government will no longer have a role in the selection and approval of individual schemes. As a result, it will need to ensure that the devolved system provides appropriate safeguards for the use of public funds and is able to deliver value for money for the overall level of Government funding. Government therefore needs a way to ensure that LTBs are fit for purpose and have the necessary arrangements in place to ensure value for money and sound decision making. The existing arrangements in place governing Local Authorities' financial management are not adequate for these purposes because it is the LTB and not the local authority that is the effective decision making body. LTBs may involve partners *other* than local authorities and will, in many cases, make decisions about distribution of resources *between* local authorities. More specific arrangements are therefore required that are tailored to the requirements of the programme and appropriate to the size and nature of the schemes that are likely to be funded. Government has therefore decided that all LTBs would need to put in place an assurance framework, setting out their governance and working arrangements, and that those frameworks will need to be submitted to, and approved by, DfT before any devolved funding will be transferred.

## **POLICY FRAMEWORK IMPLICATIONS**

22. The establishment of an LTB is consistent with the Local Transport Plan (LTP) 3 and the Joint South Hampshire Strategy, included in the LTP.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	ALL
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**SUPPORTING DOCUMENTATION**

**Appendices**

1.	LTB Joint Agreement
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**Documents In Members' Rooms**

1.	None
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**Equality Impact Assessment**

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
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**Other Background Documents**

**Equality Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None	
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