



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY 26TH SEPTEMBER 2012, AT 4.00 P.M.

THE COUNCIL HOUSE, BURCOT LANE, BROMSGROVE

SUPPLEMENTARY DOCUMENTATION

The attached papers were tabled at the meeting and are an additional item to be added to] the Agenda previously distributed relating to the above mentioned meeting.

6a Local Transport Bodies (Pages 1 - 8)

K. DICKS
Chief Executive

The Council House
Burcot Lane
BROMSGROVE
Worcestershire
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26th September 2012

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LOCAL TRANSPORT BODIES

To consider a response to a request from the Department for Transport (DfT) for local partners to confirm their Local Transport Body boundaries.

Relevant Portfolio Holder	Cllr Kit Taylor
Portfolio Holder Consulted	Yes
Relevant Head of Service	Ruth Bamford, Head of Planning and Regeneration
Wards Affected	All Wards
Ward Councillor Consulted	N/A
Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 In early 2012, the DfT launched a consultation on 'Devolving Local Major Transport Schemes' which proposed a new system for prioritising and funding local transport schemes costing over £5m. Local major transport schemes have traditionally been approved and funded by Government under a centralised bidding process. In the future, funding will be allocated locally according to population, allowing priorities to be decided by newly established Local Transport Bodies (LTBs) which will be made up of Local Transport Authorities (LTAs), Local Enterprise Partnerships (LEPs) and others with a key interest.
- 1.2 Decisions on the use of the devolved funding will be expected to demonstrate to local stakeholders and central Government that the schemes will provide good value for money.
- 1.3 In August, the DfT published the results of the consultation along with a request for local partners to confirm their LTB boundaries by 28th September 2012. At the same time, the DfT issued guidance to address the issue of District Councils, such as Bromsgrove, which are in more than one LEP. This guidance casts doubt on whether the Council can be in more than one LTB.

2. RECOMMENDATIONS

- 2.1 **That Cabinet responds to the Department for Transport stating that, despite the guidance and for the reasons contained in the report, Bromsgrove District Council should be allowed to sit within two Local Transport Bodies (LTBs) with their respective geography based upon the existing LEP boundaries and with funding to be divided equally between the two LTBs.**
- 2.2 **That following receipt of the response to the Council's view from the Department for Transport, authority be delegated to the Executive Director Planning & Regeneration, Regulatory and**

Housing Services in consultation with the Leader of the Council and Portfolio Holder, to make the final arrangements relating to the Local Transport Body.

3. KEY ISSUES

Financial Implications

- 3.1 There are no direct Financial Implications arising from the report. However, the eventual outcome will affect funding for major highway and rail investment in the District which will impact on the District's economic growth priorities. In addition, the Secretary of State has indicated that failure to agree arrangements for LTBs could result in a reduction in funding allocation if there is no local agreement by 28 September 2012.

Legal Implications

- 3.2 The legal implications of the choices available are unclear at the time of writing this report. The assumption in the Secretary of State's communications is that LTAs and LEPs will agree the arrangements for each LTB and that in the absence of any agreement it is open to the Secretary of State to impose a structure on the LTB or to withhold the devolution of the powers where there is no agreement.

Service/Operational Implications

- 3.3 The Government's consultation on 'Devolving Local Major Transport Schemes' aims to offer a significant opportunity to empower new LTBs to make local decisions and deliver transport priorities which meet local growth agendas. It is the Government's intention that local authorities, communities and businesses take control of decisions on local transport through the formation of democratically accountable Local Transport Bodies.
- 3.4 On 2nd August, the DfT wrote to Councils and LEPs setting out the findings of the consultation and interim next steps on the devolution of powers for local major transport scheme funding. The letter from the DfT's Director of Local Transport, sets down the Department's initial requirements, including guidance on establishing Local Transport Body geography. (attached as Appendix 1).
- 3.5 Government expects local stakeholders to define the geography across which they want an LTB to function in order that the process of allocating funds and devolving powers can move forward swiftly through the winter. Government has indicated that local transport bodies will have to decide and agree their prioritised programme of

investment by April 2013. One of the key guidelines to emerge from the DfT appears to be a declaration that no LTB boundaries shall overlap, even where LEP boundaries do so.

- 3.6 It will be important for LTBs to start to identify and agree a clear, evidence-based set of transport investment priorities ready to deliver over the next spending period (2015-19). These transport infrastructure priorities must represent good value in delivering sustainable economic growth for local communities.
- 3.7 The following guidance was issued by the DfT in respect of LTB boundaries:
- a) LTBs should have defined and non-overlapping boundaries so that each LTB has its own unique geographical area over which it has responsibility for major schemes, to avoid ambiguity.
 - b) It is cleaner if the LTB boundary is coterminous with LTA and LEP boundaries (consistent with non-overlapping LTB boundaries), though the DfT accept that this may not be possible in a minority of cases.
 - c) Where this reflects meaningful transport geography, the DfT would encourage LEPs and LTAs to resolve overlapping boundaries by forming a single larger LTB by agreement that covers the area of more than one LEP. However, where this cannot be agreed:
 - i) In a case of overlapping LEP areas where the whole LTA is a member of more than one LEP, the LTA should be able to choose which LTB boundaries it will sit within.
 - ii) In a case where a District Council within an LTA area is in more than one LEP, the District Council and the LTA should come to a mutual agreement as to where the LTB boundary should be drawn.
- 3.8 As Bromsgrove lies within both the WLEP and the GBSLEP, it is evident that it falls to be considered under paragraph 3.7 iii above and should therefore try and agree the LTB boundary with the Local Transport Authority.
- 3.9 The existing Local Transport Authority (Worcestershire County Council) has statutory powers and may have a power of veto over the establishment of an LTB which does not follow existing LTA boundaries. It is understood that the legal position is being tested by Birmingham on behalf of the GBSLEP but is not yet known. It is also

thought that WCC is unlikely to support a LTB unless it is based upon the WLEP boundary.

LTB Boundary Options

- 3.10 Having regard to the guidance issued by the DfT, the following LTB geographical boundary options have been development by the GBSLEP:
- a) LTB boundary to mirror that of the current GBSLEP, including all Metropolitan and District Council areas.
 - b) LTB boundary to include the Birmingham and Solihull Metropolitan areas, along with the full County Council areas of both Worcestershire and Staffordshire.
 - c) LTB boundary to include the Birmingham and Solihull Metropolitan Council areas only, with LEP District Councils included within appropriate County Council LTB boundaries.
 - d) LTB boundary to include the Birmingham and Solihull Metropolitan Council areas only, with LEP District Councils included within appropriate County Council LTB boundaries, with appropriate governance arrangements created to allow LEP Districts to fully contribute and influence the Birmingham and Solihull LTB.
- 3.11 Transport is vitally important to local economies and new infrastructure can provide the missing links that are often crucial in getting economies moving and creating opportunities for new investment and employment. Achieving economic prosperity, tackling growth issues and aiding regeneration are key Council priorities. The LEPs are well placed to understand how transport investment can be used to boost economic recovery and growth. Given that a significant percentage of the District's travel to work movements are either into the conurbation or towards south Worcestershire, then being part of a transport investment block covering both these areas, and in line with the present LEP membership, appears sensible. It should be noted that The Third Worcestershire Local Transport Plan outlines the context for major transport schemes and that the Bromsgrove High Street and proposed new Bromsgrove Train Station are prioritised projects.
- 3.12 It is therefore considered that Bromsgrove District Council should express a preference to sit within 2 LTBs, each having its geography to reflect that of the WLEP and the GBSLEP respectively. This would be consistent with the present BDC LEP membership and any funding could be divided equally between the two LTBs. It is likely that

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Redditch Borough Council and Wyre Forest District Council will also express a preference for this approach.

- 3.13 However, it should be noted that the Council's final position will be influenced by a number of current unknowns:
- a) the legal position on the ability of County LTAs to veto districts choosing to join another LTB;
 - b) the willingness of Government to change the DfT rules for LTBs and, if so, the length of the process involved;
 - c) the final view of the Council's LEP partners

Any updates on the situation will be given verbally at the Cabinet meeting.

- 3.14 The Council will be required to make a decision on its preferred LTB boundary by 28th September 2012.

Customer / Equalities and Diversity Implications

- 3.15 There are no identified Equality and Diversity implications from this report which deals with a response to a Government consultation.

4. RISK MANAGEMENT

Securing investment in transport infrastructure is important to the Council's economic growth priorities. The Government is proposing to establish new Local Transport Bodies (LTB) to make decisions about spending local major transport funds and is asking the Council, Local Transport Authorities, and Local Enterprise Partnerships to express their preference for which LTB geography they want to be part of.

The risk to be managed is that the Council may end up in a LTB structure other than its expressed preference.

5. APPENDICES

Appendix 1 - Letter from John Dowie, DfT's Director of Local Transport dated 2nd August, 2012

6. BACKGROUND PAPERS

Devolving Local Major Transport Schemes, Dept. for Transport, January 2012.

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7. KEY

GBSLEP Greater Birmingham & Solihull Local Enterprise Partnership
WLEP Worcestershire Local Enterprise Partnership
LTB Local Transport Body
LTA Local Transport Authority

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APPENDIX 1

Letter from John Dowie, Director of Local Transport Directorate (DfT) to Chief Executives of Local Transport Authorities and chairs of Local Enterprise Partnerships

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.

JOHN DOWIE
Director, Local Transport Directorate

July 2012

Local Transport Body geography

Based on the majority view of respondents that the existing geography of LEPs is the correct starting point for the definition of LTB areas, this set of suggested principles is intended to guide local partners towards establishing definitive LTB boundaries in cases where the geography is complicated, particularly overlapping LEPs.

LTBs should have defined and non-overlapping boundaries, so that each LTB has its own unique geographical area over which it has responsibility for major schemes, to avoid ambiguity.

It is cleaner if the LTB boundary is coterminous with Local Transport Authority (LTA) and LEP boundaries (consistent with non-overlapping LTB boundaries), though we accept this may not be possible in a minority of cases.

Where this reflects a meaningful transport geography, we would encourage LEPs and LTAs to resolve overlapping boundaries by forming a single larger LTB by agreement that covers the area of more than one LEP. However, where this cannot be agreed:

- (i) in a case of overlapping LEP areas where the whole LTA is a member of more than one LEP, the LTA should be able to choose which LTB boundaries it will sit within.
- (ii) in a case where a district council within an LTA area is in more than one LEP, the district council and the LTA should come to a mutual agreement as to where the LTB boundary should be drawn.

If there is still no local agreement by 28th September then DfT will reserve the right to determine the LTB boundary itself or to reduce the funding allocation available to any area that takes longer than this to establish its geography.