

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.