

## PLYMOUTH CITY COUNCIL

**Subject:** Local Transport Bodies and Major Scheme Funding  
**Committee:** Cabinet  
**Date:** 13 November 2012  
**Cabinet Member:** Councillor Coker  
**CMT Member:** Anthony Payne (Director for Place)  
**Author:** Juli Wileman, Major Schemes Project Manager  
**Contact:** Tel: 01752 307703  
Email: juli.wileman@plymouth.gov.uk  
**Ref:**  
**Key Decision:** No  
**Part:** I

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### **Purpose of the report:**

To update Cabinet Members on the devolution of Transport Major Scheme Funding to new Local Transport Bodies and to nominate Plymouth City Council's representative on the Heart of the South-West Local Transport Body.

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### **Corporate Plan 2012 – 2015:**

Significant growth is proposed on both the Northern and Eastern Corridors over the next fifteen years and improvements to the transport infrastructure along these corridors will be required to enable these developments to come forward. These improvements will help create the conditions for investment in quality homes, jobs and infrastructure and they will benefit all road users, including bus passengers, cyclists and pedestrians. They will improve public transport reliability and increase the range of travel options available to all. Potential funding sources to enable the delivery of these improvements include the Transport Major Scheme Funding, which is being devolved to the Heart-of the South-West Local Transport Body.

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### **Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land**

Implications on the Medium Term Financial Plan will not be known until the Heart of the South-West Local Transport Board has agreed its shortlist of Major Transport Schemes, including those being promoted by Plymouth.

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### **Other Implications: e.g. Child Poverty, Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:**

None

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**Recommendations & Reasons for recommended action:**

Members note the update on the devolution of Major Scheme Transport Funding to new Local Transport Bodies and nominate the Portfolio Member for Transport to be Plymouth City Council's member on the Heart of the South-West Local Transport Body.

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**Alternative options considered and reasons for recommended action:**

None

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**Background papers:**

DfT consultation paper "Devolving Local Major Transport Schemes", January 2012

<http://assets.dft.gov.uk/consultations/dft-2012-04/main-document1.pdf>

DfT "Devolving Local Major Transport Schemes: Next Steps", September 2012

<http://assets.dft.gov.uk/consultations/dft-2012-04/next-steps.pdf>

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**Sign off:**

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Originating SMT Member: Clive Perkin, Assistant Director for Transport and Infrastructure											
Have you consulted the Cabinet Member(s) named on the report? Yes											

## **1.0 Background**

- 1.1 Local major transport schemes have traditionally been approved and funded individually by Central Government under a centralised bidding process. In 2005/6 a Regional Funding Allocation (RFA) process was introduced for schemes over £5 million, which took the initial scheme prioritisation away from Whitehall and giving that responsibility to the then Regional Transport Board, but business cases for those individual schemes were still scrutinised by the Department for Transport (DfT) prior to the Secretary of State giving final approval to release the funding.
- 1.2 Through this RFA process Plymouth City Council had been allocated £77.2 million, between 2014/15 and 2018/19, for the Eastern Corridor High Quality Public Transport Scheme and £72 million for the Northern Corridor High Quality Public Transport Scheme, between 2018/19 and 2025/26. However following the creation of the Coalition Government in 2010 this RFA funding was withdrawn.
- 1.3 As part of its localism agenda, the Coalition Government is now proposing to give local communities and businesses real control for decisions affecting local transport in their areas. In January 2012 Government consulted on proposals for a new system which would devolve capital funding for local major transport schemes to democratically accountable Local Transport Bodies (LTB). These LTBs would have responsibility for making decisions on which schemes would be allocated devolved funding and ensuring that there are effective delivery and accountability arrangements in place.
- 1.4 In August 2012 DfT asked Local Transport Authorities (LTAs) and Local Enterprise Partnerships (LEPs) to consider the most appropriate make up for these LTBs. Plymouth City Council's preference was for a LTB based on a joint Cornwall and Heart of the South-West (HotSW) LEP geography, as this best reflects our transport network and travel to work area. However agreement with the other LTAs could not be reached on this arrangement, so instead Plymouth City Council has entered into a LTB based on the HotSW LEP geography, together with Devon County Council, Somerset County Council and Torbay Borough Council. This arrangement was confirmed to DfT in a letter at the end of September 2012, which was signed by all four LTAs and the HotSW LEP. DfT intends to confirm with each LTB that they are in agreement with their proposals, but confirmation has not yet been received.
- 1.5 In September 2012, DfT provided guidance on the next steps towards devolving local major transport schemes and this report provides the details of what these are.

## **2. Assurance Framework for the HotSW Local Transport Body**

- 2.1 In return for greater devolution, central government needs assurances that each LTB has in place effective governance, financial management and accountability to enable the achievement of value for money. They are proposing to provide guidance on their assurance framework requirements in mid-October 2012 and they will require the HotSW LTB to provide detail on its governance arrangements and assurance framework by the end of December 2012. In preparation for this, Terms of Reference have been drafted by officers from the four HotSW LTAs, with input from the HotSW LEP, for the establishment of the HotSW LTB Board. The assurance framework requirements are also currently being considered and developed by officers of the four LTAs and the HotSW LEP.
- 2.2 These Terms of Reference propose that one member from each LTA, together with one from the LEP, will be the only members with voting rights. The Highways Agency and Network Rail will be invited to be Board members but they will not have voting rights. Advice has been

sought from DfT as to the balance between private and public sector representation and they have advised that LTAs should form the majority of LTB voting members, with the LEP taking as active a role as possible.

- 2.3 The proposed Terms of Reference for the Board is to be reviewed by a “Shadow Board” of prospective LTB voting members prior to formal establishment. It is proposed that a LTB Technical Officer Group is also established, providing guidance and advice to the Board. It is proposed that the “Shadow Board” members meet in early November.
- 2.4 It is proposed that the Portfolio Member for Transport is nominated to be Plymouth City Council’s member on the HotSW LTB.

### **3. Major Scheme Funding and Prioritisation**

- 3.1 DfT proposes to provide LTBs with their indicative funding allocations by mid October, but these won’t be confirmed until announcements on the next Comprehensive Spending Review are made towards the end of 2014. These funding allocations will be for the period 2015/16 to 2018/19 and will be based upon a 2017 forecast population based formula. It is anticipated that the HotSW LTB will receive approximately £40 million over the four year period.
- 3.2 DfT has asked LTBs to provide them with their agreed list of prioritised schemes by April 2013, which will then become the list of approved schemes to receive Major Scheme funding. A further report will be presented to Cabinet outlining the prioritisation process and detailing the schemes that Plymouth City Council wishes to be considered for Major Scheme funding between 2015/16 and 2018/2019.