

Appendix A

Selected extracts from the Department for Transport

Consultation Paper:

Devolving local major transport schemes

31st January 2012

Introduction

The Government has produced this paper to take forward discussion about a new system for prioritising and funding local major schemes after the end of the current Spending Review period.

It brings together into one paper a discussion on the structure, sizing, configuration, governance and accountability arrangements for a new system beyond 2014-15.

Initial informal consultation with a range of local authorities and Local Enterprise Partnerships in England (outside of London) has helped shape the paper and identify those issues which are important, and which are subject to a range of different views.

However, this paper only sets out what the Government is minded to do, and welcomes views from local authorities, Local Enterprise Partnerships and representative groups.

Background

The current system for prioritising major schemes is a competitive process, which was put in place in October 2010 to deliver an affordable programme of schemes left over from the previous Government's Regional Funding Allocation.

The Government has the opportunity of designing a new system for the next Spending Review period. As local major transport schemes can take on average four years to move from business case to the start of construction, it is vital that the Government considers this change now, in order that schemes be ready for delivery after 2015.

The Government's objectives

This paper details the principles, proposed processes and issues in designing a system which meets the Government's objectives. In particular, the three key objectives to:

- ensure the best outcomes are achieved for the economy whilst balancing the need for developing sustainably and reducing carbon emissions;
- hand real power to local communities, making decisions more responsive to local economic conditions and more locally accountable; and
- be fit for purpose in practical delivery terms.

Consultation questions

The Government would like to hear from local authorities, Local Enterprise Partnerships and representative groups.

The Government welcomes all comments in the areas covered by the consultation paper, but would particularly welcome views on the following issues:

Specific questions

Part 1: Forming Local Transport Bodies – this section sets out the context, rationale and objectives for forming local transport bodies. It also considers the options for distributing funding, facilitating strategic investment and the role of Local Enterprise Partnerships in decision-making.

1. Do you have any comments on the proposed role and membership, preferred scale and geographical scope in forming local transport bodies and consortia, in particular the options to facilitate strategic investment decisions and the types of schemes to be funded?
2. Do you have any views on the membership of Local Enterprise Partnerships in local transport bodies, in particular whether they should have the final say in decision-making? Or on any other issues raised in relation to Local Enterprise Partnerships, and potential resourcing impacts?

Part 2: Assurances. This section explains the reasoning for providing assurances on governance, financial propriety and accountability for decisions. It also considers the options for the frameworks to support decision-making, meeting minimum quality standards on appraisal, and delivering value for money. It includes an illustrative implementation timetable.

3. Do you have any thoughts or comments on assurance, in particular on whether there are any alternative ways of providing assurance other than putting in place some central criteria for local transport bodies to meet?
4. Do you have any comments in relation to how local transport bodies should demonstrate that they are accountable to central Government for tax-payers' money and to local communities and citizens?
5. Do you have any comments on the options for appraising and evaluating schemes, in particular in order to meet and test value for money?
6. Do you have any comments on the proposed implementation timetable, and any practical issues raised?

General questions

7. Do you have any general comments on proposals to devolve decisions and funding, and on any residual role for the Department?
8. Do you have any other comments on any of the other areas covered in the consultation?

Consultation Responses

Please send responses, using the attached consultation response template on the Department's website, via email to:

Mr Karl Murphy
Department for Transport
Great Minster House
33 Horseferry Road
London
SW1P 4DR
Phone: 0207 944 0079

Email: karl.murphy@dft.gsi.gov.uk

Please contact Karl Murphy if you would like alternative formats (Braille, audio CD, etc) of this paper.

When responding, please state whether you are an individual or representing the views of an organisation. If responding on behalf of an organisation, please clarify who the organisation represents, and where applicable, how the views of members were assembled.

Closing Date

The consultation runs from 31st January until 2nd April (8 weeks). This is shorter than the usual 12 weeks because of the need to put in place a system which enables construction to begin from 2015. Please ensure that your response reaches us by 5pm on 2nd April.

Consultation Criteria

The consultation is being conducted in line with the Government's Code of Practice on Consultation. The criteria are listed at Annex A. A full version of the Code of Practice on Consultation is available on the Better Regulation Executive web-site at: <http://www.bis.gov.uk/files/file47158.pdf>

If you consider that this consultation does not comply with the criteria or have comments about process please contact:

Consultation Co-Coordinator
Department for Transport
33 Horseferry Road
Zone 1/14
Great Minster House
London SW1P 4DR
Email: consultation@dft.gsi.gov.uk

Next Steps

Following receipt of responses, the Government will produce a summary report alongside setting out next steps.

Devolving local major transport schemes

At a glance

Creating local transport bodies

For a long time important decisions about local transport have been taken and monitored by central government. This is seen as a bureaucratic and inefficient system which has often hampered local enterprise and delivery. It is the Government's view that many important transport issues are local in nature and are best understood and solved by local people.

Therefore, as part of its localism agenda, the Government is proposing to give local communities and businesses real control for decisions affecting the local transport of their areas. It proposes devising a new system which devolves capital funding for local major transport schemes to democratically accountable local transport bodies.

This will mean giving local areas freedoms and flexibilities they have never had before. This will include allocating budgets by formula rather than bidding to DfT, and removing the former role of the Department in appraising individual scheme business cases – a role which many local areas perceive as costly, time-consuming and autocratic.

Role and membership

The Government proposes that local transport bodies would be responsible for establishing a programme of local major scheme priorities for delivery beyond 2015. They would oversee the delivery of individual schemes, but would not be the vehicle for their delivery, which would remain with individual local authorities or other relevant delivery agencies.

The Government wishes to see local transport authorities and Local Enterprise Partnerships take influential roles in the decision-making arrangements of local transport bodies, but the detailed membership would be for the local area to propose and agree.

Providing assurances

In return for greater devolution, central government will need assurances on effective governance, financial management, accountability and the achievement of value for money – matters which local authorities and businesses do every day.

Devising an individual approach

Whilst the offer of devolution will be available to all, different local areas will have different challenges and ambitions. The Government will take an individual approach with each local transport body.

The role of central government will be as light touch and flexible as possible, working with individual bodies to put in place a system which works for both parties, and which delivers a system which is fit for purpose and practical in delivery terms.

Key points from Part 1: Forming local transport bodies

- Role of local transport body is to agree, manage and oversee delivery of a prioritised programme of local major schemes for delivery post 2015.
- Local authorities and Local Enterprise Partnerships to decide on membership of the local transport body. It is left to local areas to agree what this is.
- Local transport authorities important because of their responsibilities, expertise and leadership role on transport matters.
- Local Enterprise Partnership geography represents an obvious starting point for allocating funding, rather than individual transport authorities.
- The vast majority of local major schemes cost between £5m and £30m. There are only a handful of big schemes.
- Government does not provide any additional financial support towards administration, but views are welcome.
- But, a new system should facilitate the delivery of big schemes. There are options on how best to do this, but the Government proposes a system whereby it is left to local areas to develop transport consortia which cross Local Enterprise Partnership boundaries, if this is what they want.
- Local transport bodies can decide to prioritise any capital transport intervention, if this is what is agreed locally.
- There would no longer be a £5m threshold defining a local major scheme.
- There are options for which funding formula is used but it should be simple and transparent. The Government propose a per capita formula.
- Securing local and third party sources of funding will be important. Funding should be used innovatively to deliver schemes.

Key points from Part 2: Assurances

- The devolution offer is for no central approval of schemes or appraisal of individual business cases – this will be for the local transport body to arrange.
- Local transport bodies need to meet a central assurance framework.
- The central assurance framework proposes to include governance, accountability for decisions, financial propriety and regularity and meeting and testing value for money.
- Local transport bodies will need to put in place processes and frameworks to deal with risks to delivery, such as cost overruns.
- Individual schemes should meet a minimum Value for Money threshold.
- Local transport bodies sign-up to post-delivery evaluation of schemes, the outcomes of which could influence future funding allocations.
- Local transport bodies appraise schemes in line with the Transport Business Case and WebTAG.
- Local transport bodies should begin to form now.
- The Government plans to issue a range of indicative Local Enterprise Partnership allocations by August 2012.
- By end 2012, local transport bodies will have submitted proposals to meet the central assurance framework.
- Local transport bodies to decide and agree their prioritised programme of schemes for the next Spending Review by April 2013.
- The Government is prepared to take an individual approach with each local transport body – responding flexibly to their opportunities and needs, and creating a system which is transparent, responsive to local economic needs and fit for purpose.

End of extracts.