

Consultation Paper:

# Devolving local major transport schemes

31 January 2012



*(Courtesy of Nottingham City Council)*

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## 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.



*(Courtesy of Cheshire East Council)*

## 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:** 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:** 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](mailto:consultation@dft.gsi.gov.uk)

### Impact Assessment

The Impact Assessment can be found at Annex B. We welcome responses to the consultation on the analysis of costs and benefits, giving supporting evidence wherever possible.

### Freedom of Information

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004.

If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

In view of this it would be helpful if you could explain why you regard the information as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot assure that confidentiality will be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data in accordance with the Data Protection Act (DPA) and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

### 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

1. 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.
2. 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.
3. 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

4. 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.

5. 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

6. 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

7. 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.
8. 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.



## Part 1: Forming local transport bodies

### The context

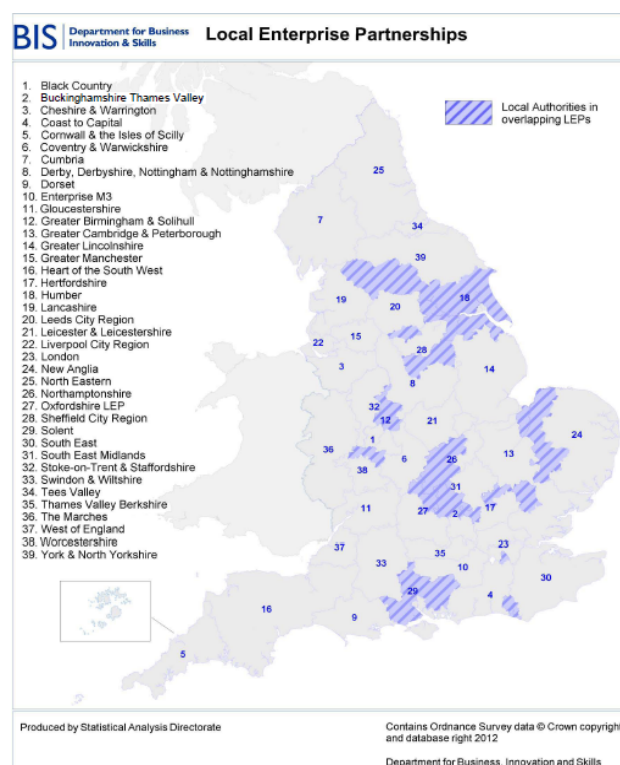
1.1 There are 39 **Local Enterprise Partnerships**, tasked with determining local economic priorities and undertaking activities to drive growth and create local jobs.

1.2 This Local Enterprise Partnership geography represents an obvious starting point for understanding the scale at which funding could be allocated.

1.3 Transport is a key enabler of growth. In the past funding for local major transport schemes has been granted to local authorities to improve connectivity, ease local congestion and improve or update existing infrastructure.

1.4 Generally schemes have cost over £5m, and been delivered within single local authority boundaries, despite having many benefits for neighbouring areas. Local major schemes include building new local roads or public transport schemes, putting in place urban traffic control systems and new local rail stations.

1.5 In December, the Government announced the final schemes to be funded out to the end of the current Spending Review period.<sup>1</sup> This consultation paper is about what happens for future schemes, for the period beyond 2015.



(Source: <http://www.bis.gov.uk/policies/economic-development/leps>)

1.6 The Growing Places Fund has been established to kick-start immediate growth by bringing forward the infrastructure needed to unlock stalled commercial and housing developments.

1.7 The Prospectus<sup>2</sup> sets out the details of the Fund, together with the indicative formula allocation to Local Enterprise Partnerships. This allocation is based on employed average earnings combined with population in order to fund those areas of the economy with the greatest potential for immediate growth.

1.8 The principles underpinning the Growing Places Fund – devolved

<sup>1</sup><http://www.dft.gov.uk/news/statements/greening-20111214>

<sup>2</sup><http://www.communities.gov.uk/publications/regeneration/growingplacesfund>

decision-making in return for assurance on governance – have informed these proposals.

1.9 However, the process, assurances and formula should not be seen as setting a direction for local major transport funding. The scale and scope of local major funding is different to Growing Places, and greater assurances are now proposed for local major scheme devolution, proportionate to the risks involved.

1.10 The Government is also focusing effort to drive growth in the eight largest cities and the relevant Local Enterprise Partnerships, in particular, empowering local civic and business leaders to create jobs and growth.

1.11 The Government is aiming to make deals with cities over the coming months, which will give local authorities freedoms to set their own policies where they make a strong case for greater devolution. These deals will also be extended to other cities. The proposals in this paper contribute to this agenda of empowerment.

1.12 Some conurbations have already put in place robust governance structures to make more joined-up decisions, for example the creation of the Combined Greater Manchester Authorities led to pooling of resources and developing shared approaches to joint transport problems (see the Greater Manchester Transport Fund case study).

1.13 If we are to achieve greater devolution of decisions and funding for local major schemes, then we cannot expect one single model to work, we must accommodate and encourage different approaches.

### Case Study Example: The Greater Manchester Transport Fund

In 2009, the Association of Greater Manchester Authorities developed a £1.5bn Greater Manchester Transport Fund sourced from: Regional Funding Allocations to local projects; a top-slice from the ten Greater Manchester councils' Integrated Transport Block; a contribution from the Greater Manchester Integrated Transport Authority Levy; income from third parties; and, fare box revenues.

The fund is designed to cover the costs of a number of schemes, to improve public transport and road accessibility. A programme of work was set out to prioritise transport investment proposals in Greater Manchester based on its impact on employment and Gross Value Added, and subject to improving social and environmental outcomes. Deliverability and state of readiness were also taken into account.

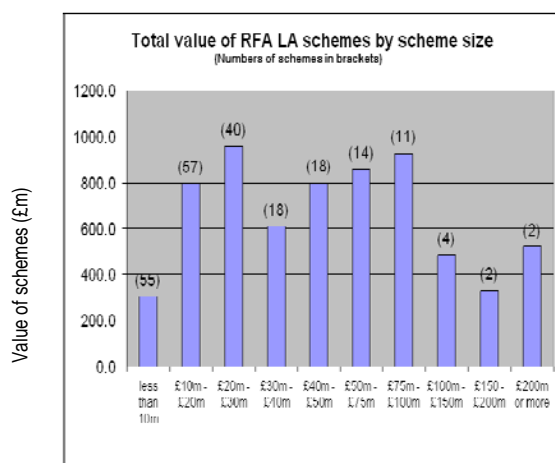
1.14 The average cost to central government of a local major scheme under the previous Government's Regional Funding Allocation was around £30m, but there were wide variations in the size of individual schemes, as the graph below shows. The graph includes all the schemes prioritised in the second round of the Regional Funding Allocation.

1.15 Individual schemes ranged from less than £10m, such as the £5m A631 West Bawtry Road Improvement, to over £200m, such as the Manchester Metrolink extensions.

1.16 It is clear from the graph, however, that the vast majority of



Schemes, by number, are in the region of £5m and £30m, with only around 10% of schemes costing over £75m. This suggests that there will only ever be a handful of big schemes, and not all local areas will have them. But, a new system should be able to cater for such schemes.



DfT contribution to schemes (£m)

### Role and objectives of local transport bodies or local transport consortia

1.17 The Government will not prescribe which local transport bodies form – they must be self-directed, bottom-up creations.

1.18 We think that the starting point for allocating funding and developing governance should be the Local Enterprise Partnership geography. Though it will be possible for groupings of local transport bodies, what we refer to as local transport consortia, to be formed covering more than one Local Enterprise Partnership area.

1.19 The primary role of local transport bodies would be to agree, manage and oversee the delivery of a programme of transport schemes for beyond 2015 up to, as a minimum,

2018-19, on behalf of their Local Enterprise Partnership area.

1.20 This would involve agreeing a programme of schemes within an indicative range of devolved funding by scoping, prioritising and then agreeing this programme.

1.21 The body would prioritise schemes on a clear basis agreed locally, which would need to be well-evidenced, robust and transparent. The programme would clearly demonstrate a fit with strategic growth, promoting sustainable development, reducing carbon emissions, and consistency with relevant Local Transport Plan(s).

1.22 Transparency would be central to the body, and to encourage this, there would be a central requirement to publish the programme of schemes for investment, together with the basis for prioritisation and the business cases for individual schemes.

1.23 Another primary role would be to oversee and monitor the delivery of schemes and evaluate the achievement of outcomes, including value for money and environmental objectives.

1.24 But, the body would not be responsible for delivery, which it would delegate to an individual delivery body such as a local authority or other relevant delivery agent such as Network Rail or the Highways Agency, as is the case now.

1.25 In return for devolution, the body would need to assure the Government on governance and financial management arrangements,

accountability for decisions and achieving Value for Money, in the light of the risks consistent with the sums of capital involved.

1.26 The Government would expect to put in place legally binding agreements setting out the terms of devolution, depending on what was agreed with the local transport body.

1.27 The relationship between the centre and the local transport body alongside the assurances needed, are discussed fully in Part 2.

### **Membership of local transport bodies and local transport consortia**

1.28 There is clearly a need for a new system to enable local transport bodies to make decisions that best support local growth, by developing a programme of schemes, as well as supporting strategic investment decisions, being driven at a scale which is above single Local Enterprise Partnership areas.

1.29 It is essential that bodies make decisions which genuinely represent what is right for local areas, and therefore they must be democratically accountable to the local electorate.

1.30 The membership of local transport bodies is open to all local authorities in England (outside of London).

1.31 We propose, however, that local transport authority participation in transport bodies is essential, but that all authorities within Local Enterprise Partnership areas consider membership and the fit with the responsibilities of local transport authorities which represent them.

1.32 Where relevant, this should include members of Integrated Transport Authorities (comprised of members who must be Councillors elected to constituent district councils).

1.33 Participation of Councillors in local transport bodies will assist transparency to local decision-making. However, there are other ways that local areas can strengthen transparency, for example by publishing the minutes of meetings or holding open events for local communities. This would ensure that local communities are able to input into decision making, and that proper account is taken of their views.

1.34 We also propose that local transport bodies carefully consider the membership of the Local Enterprise Partnerships in decision-making, and therefore, in membership.

1.35 We propose that it would be for the local transport body and Local Enterprise Partnership to decide on the Enterprise Partnership's membership, either full or associate (there is a full discussion of the potential roles of the Local Enterprise Partnership below).

1.36 Representation from non-transport authorities but within a Local Enterprise Partnership area should also be agreed locally, and the extent of their membership decided, either full or associate.

1.37 Representation from other partners such as the Highways Agency or Network Rail (as associate members) may also be desirable.

## Putting Local Enterprise Partnerships at the heart of local growth

1.38 Many local partners have asked what roles and responsibilities the Government expects Local Enterprise Partnerships to take on in local transport bodies.

1.39 Local Enterprise Partnership arrangements vary quite considerably, some are bodies without any legal personality while others are companies limited by guarantee. Some Partnerships have indicated a preference towards playing an advisory role, whereas others have indicated a wish to play a more central role.

1.40 The Government proposes that there are three models for involving Local Enterprise Partnerships in local transport decision-making. Each model differs in the extent of responsibilities the Local Enterprise Partnership assumes and therefore their final accountability for decisions, as follows:

- **Option 1** - The Local Enterprise Partnership provides advice to the local transport body on what transport investment would best align with growth priorities. This option would give Local Enterprise Partnerships a clear means of influencing decisions but the local transport body could choose to ignore its advice – it would be non-binding and the Local Enterprise Partnership would have no formal decision-making role;
- **Option 2** - The Local Enterprise Partnership is a full member in a local transport body. It would have a say in the decision-making

arrangements on an equal footing with other members. It would have joint accountability for decisions, which are made as part of the body – formal accountability for decisions would rest with the body as a whole; and,

- **Option 3** – where legally and financially possible, the Local Enterprise Partnership takes the lead role in the decision-making of local transport body or acts as the transport body itself. It would have the final say in decisions and it would take final responsibility for these decisions.

1.41 The Government believes that the extent of the role of the Local Enterprise Partnership in decision-making should be left to local discretion. However, whichever option is pursued, the Government believes that Local Enterprise Partnerships should have a central and influential role because of: a) their ability to help with prioritisation and make the tough trade-offs between individual schemes; b) their say in investment financing and its use, for example through business rate relief, capital allowances, prudential borrowing, the Enterprise Zone and Tax Increment Financing; and c) their focus on economic growth.

1.42 Local authorities, and in particular local transport authorities, remain crucial given their expertise and experience in delivering local major transport schemes and their democratic accountability.

1.43 Where a Local Enterprise Partnership is involved in joint

decision-making, there are a number of issues that it, the local transport body or consortium in which it is involved and the Government would need to consider, including:

- the need to balance the importance of transport alongside other local growth priorities, such as job creation, housing deficit, skills, trade and investment in coming to a view on their resourcing and capacity to undertake transport decision-making;
- the mechanisms for the resolution of actual or potential conflicts of interest. This will depend on the nature of an individual's or a Partnership's involvement, for example, ensuring conflicts of interests can be declared and excluded from decision-making;
- where Local Enterprise Partnerships wish to take on budgetary responsibilities, they will need to consider and discuss with partners and Government whether they have the legal vires and democratic accountability that would make this possible; and
- where transport consortia cover more than one Local Enterprise Partnership, we propose each Partnership has equal influence within the consortia, although local partners may agree to take on different roles.

1.44 This is not intended to be an exclusive list of the issues, but an illustrative sample, which will need to be carefully and individually considered, depending on local circumstances.

1.45 Of particular interest to local authorities and Local Enterprise Partnerships has been what additional administrative support will be provided by Government where, for example, agreement is reached that a Local Enterprise Partnership takes a central or final role in decision-making, and

local authorities find they need to increase their analytical expertise and capability.

1.46 The analysis undertaken on the proposals (summarised in the Impact Assessment) indicates that new consortia arrangements could significantly reduce the costs to local authorities of preparing business cases and responding to Department for Transport queries. These savings – forecast at between £3.5m and £8.6m per annum – will be available for local authorities to strengthen and support their analytical expertise and capability. Furthermore, these savings could potentially be made available to Local Enterprise Partnerships to support decision-making, although this will be a decision for local transport bodies.

1.47 Given that the analysis indicates a more devolved system could deliver significant net savings in administration costs to local authorities, the Government is minded not to provide additional financial support towards administration. However, it will consider the case for providing other forms of central support where there is a clear rationale, for example providing specialist advice that cannot be obtained locally or commercially. The Government welcomes views on the issues raised in relation to Local Enterprise Partnerships, the resourcing assessment, and whether there are areas that the Department would be best placed to continue to support.

## Eligible transport interventions

1.48 To enable local transport bodies to develop a programme of schemes, the Government proposes that the local transport body decides which schemes are regarded as the highest priorities.

1.49 One consequence of this is that there would no longer be a £5m threshold defining a major scheme, meaning that a scheme of any size or on any network could potentially be prioritised and funded, where this is seen as a local priority.

1.50 One of the major concerns of local partners so far has been how locally important improvements to the Highways Agency network can now be taken forward. The Government proposes that where a body has the funding to bring forward an improvement which has not been prioritised nationally on the trunk network, then this should be possible, so long as it does not conflict with the requirements of the Highways Agency's strategic and safety role and agreement can be reached with the Agency on delivery arrangements.

1.51 It should be noted, however, that local major funding is not intended to be the primary means of funding Highways Agency schemes, which will continue to be through the national trunk road budget.

## Facilitating strategic investment decisions

1.52 Over 50% of the total funding for the Regional Funding Allocation was for schemes costing more than £40m, and around 10% of the funding was expected to be for schemes costing over £75m.

1.53 This suggests that there are likely to be a limited number of big schemes which some bodies or consortia might wish to bring forward because they offer the greatest potential to unlock barriers to long-term growth.

1.54 If allocations are to be distributed to individual Local Enterprise Partnership areas, then local transport bodies will need to work with their neighbours and further afield to deliver the bigger schemes. They will also need to maximise local and third party contributions.

1.55 However, some local authorities and Local Enterprise Partnerships have raised concern that big schemes will not be delivered because there is limited incentive, centrally, externally or more locally, to promote strategic investment. In turn, the funding will end up being used within single Local Enterprise Partnership boundaries, and potentially disaggregated further below Local Enterprise Partnership scale.



1.56 Importantly, some local areas have also said that pre-determining local transport consortia, by joining up Local Enterprise Partnership areas through funding arrangements or by using incentives, is likely to create arbitrary or unusual partnerships.

1.57 The Government has some options, therefore, to help promote strategic investment, and on which it welcomes views.

- **Option 1** - Local transport bodies decide themselves to allocate funding for big schemes. This could be supported by a) a central encouragement to do so, or b) a requirement to do so, potentially in the form of a top-slice as a percentage of local major allocation. This could be complemented by local transport bodies having the opportunity to identify one or two big schemes to be funded from the 'new' locally created strategic pot. To encourage an entirely bottom-up approach, an over-arching committee or body which is locally agreed, would need to decide which of the big schemes get funding. No further funding from the centre would be available as the centre would have already been allocated to individual Local Enterprise Partnership areas.

This option, with a central requirement to allocate local funds towards big schemes, would ensure that each Local Enterprise Partnership area has the same opportunity to recommend a big scheme, and guarantees that there is a process for enabling schemes that promote strategic investment. However, not all local transport bodies will have a big scheme and some may perceive that they have lost out

if a ring-fence of their allocation was necessary for schemes they have no interest in.

- **Option 2** – there is a central competition run by the Department for big schemes, and for which the Department retains a top-slice of the total budget. An independent advisory committee could make recommendations to Government on what big schemes should be successful.

This would keep open the option of funding big schemes, but would retain a bureaucratic central bidding process while limiting the extent which local transport bodies genuinely prioritise.

- **Option 3** – there is no separate distinction for big schemes, and no central encouragement or requirement to help promote their delivery. Individual Local Enterprise Partnership areas would get a budget to prioritise whatever schemes were agreed locally. However, the Government would stand ready and willing to help facilitate effective partnership working, where there is a request or concern raised by a local authority or Local Enterprise Partnership.

There is a risk with this that some local areas will decide not to deliver a local major scheme, but instead will bring forward very local, small-scale infrastructure. This infrastructure, however, might never have been possible under the previous system and may also be good value for money.

1.58 The Government's preference would be for **option 3**, in order to keep any new system transparent, easily

understandable and deliverable.

1.59 This will create a system which gives local transport bodies the flexibility they need to change partnerships over time as appropriate and use resources as efficiently as possible. In particular, Local Enterprise Partnerships can play a strong role in encouraging strategic transport investment decisions, which best deliver growth. It also places the onus for progressing schemes firmly with local transport bodies.

1.60 Option 3 would also avoid creating new overarching bodies, in addition to new local transport bodies, which could lack legitimacy. Option 2 is the least preferred option because it does not fit well with localism and reduces the amount available for individual Local Enterprise Partnership area allocations (the percentage to be top-sliced might be up to 35% of the majors budget). However, the Government welcomes views on the options, and the stated preference.

1.61 It is also worth noting that the Government plans to consult on the options for **rail decentralisation**. A body set up to take greater responsibility for local rail services is likely to need to be larger than a local transport body, which covers an individual Local Enterprise Partnership area, if it is to be effective and efficient in managing the delivery of a local rail network.

### Funding for the next Spending Review period

1.62 Many local partners have asked how and to whom the funding will be distributed.

1.63 The DfT will spend around £1.5bn on major local transport schemes over this spending review period (a further enhancement of £170m was made as part of the Autumn Statement).

1.64 The level of funding available for the period post April 2015 will be decided in due course. In the meantime, we are seeking views on funding, its distribution and any formula that should be used to decide allocations.

1.65 The Government proposes that Local Enterprise Partnership geography is the starting point for allocating funding, rather than individual transport authorities. This is for several reasons:

- Local Enterprise Partnerships represent functional economic areas;
- they are fewer in number, minimising the risk that funding is spread too thinly;
- they are able to play a strategic role; and,
- it will enable all authorities within the Local Enterprise Partnership areas to be represented in transport decision-making, if locally desirable.

1.66 However, this may create some practical issues to work through at local level. The Government proposes that local areas decide what arrangements will work best, but the Government stands ready and willing to assist.

- It may mean that some transport authorities choose to sit on more than one local transport body

because they cover two different Local Enterprise Partnership areas, each with their own local transport bodies.

- In exceptional cases, it may mean that there are some authorities that are not transport authorities in themselves, and the transport authority that represents them is not part of the local transport body formed for their Local Enterprise Partnership area.

1.67 In terms of a formula for distributing the money, the Government proposes that the basic premise should be to keep it as simple and equitable as possible. The options include:

- **Option 1** - Population (i.e. per capita) allocation, as per the former Regional Funding Allocation;
- **Option 2** - Economic contribution in terms of employed earnings which excludes capital output, or another measure; and,
- **Option 3** - A measure of transport need. This could use the integrated transport block or a subset of it, for example the elements on public transport (50%) and congestion (50%).

It is possible to combine elements of the above and consider social and economic deprivation as well as projected population growth. There is, however, value in keeping the formula both simple, certain and understandable.

1.68 Whilst all of the options have pros and cons and will be favoured by local transport bodies depending on

their allocation, the Government's preference is to support **option 1**.

1.69 It is consistent with the previous method of allocating local major scheme funding, is simple and transparent, and creates the most even distribution. But, the Government welcomes views.

1.70 The mechanics of the funding could work differently for individual transport bodies, and will depend on what is individually agreed.

1.71 The Government expects to be in a position to give a range of an indicative devolved budget per Local Enterprise Partnership area by August 2012, as a minimum for the next Spending Review period.

1.72 The broad principles of former and existing local major scheme funding are as follows:

- existing public finance arrangements encourage a system where the Government is assured that funding will be spent;
- funding is spent on the delivery of capital transport projects;
- demonstrating that capital funding is spent on high value local major schemes has influenced the overall capital settlement for the Department for Transport;
- it is generally paid once delivery is achieved, rather than before, which is in line with good public accounting; and,

- the former Regional Funding Allocation created some longer-term certainty than over Spending Review periods, which helped some regions plan for sustainable growth.

1.73 A number of local authorities and Local Enterprise Partnerships have raised the issue of having funding certainty in order to plan a genuine programme of long-term investment, together with the ability to borrow against a certain Government grant. The Government welcomes further views on this.

1.74 In terms of mechanics, it will be for the local transport body to propose who receives the funding, for example it could choose one local transport authority, a number of authorities as part of a local transport body or the Local Enterprise Partnership itself.

1.75 The Government believes that handing funding to a Local Enterprise Partnership would add to the complexity of financial accountability arrangements and would need assurances similar to those provided by current local authority mechanisms.

1.76 If a lead local authority was nominated, it would be incumbent upon the members of the local transport body to put in place necessary arrangements to ensure that the funding was utilised in line with the agreed direction and programme of the local transport body or consortium.

### Local sources of funding

1.77 The Government believes that there is a need to secure private and third party sources of funding for local major schemes. It is fostering an

environment which rewards those that are willing to drive sustainable development and economic growth locally, for example through financial incentives as part of the 'Local Government Resource Review'<sup>3</sup>, and Local Government Finance Bill.

1.78 This includes the retention of business rates locally and the introduction of Tax Increment Financing powers, which enables councils to borrow against future increases in business rates for infrastructure.

1.79 Local partners should think creatively about local funding sources and where possible negotiate and pool resources, for example European funding, developer and other local contributions.

1.80 The majority of the approved Development Pool schemes will have third party funding contributions - in some cases nearly 40% of the total cost. There are also emerging infrastructure improvements such as the expansion of 3MG, a major rail linked logistics park at Ditton, with high levels of private sector contributions.

1.81 This all points towards public-private partnerships delivering schemes with high economic potential, and securing good levels of local and third party contributions.

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<sup>3</sup><http://www.communities.gov.uk/localgovernment/localgovernmentfinance/lgresourcereview/>

1.82 However, in offering the greatest flexibility, local transport bodies will be best placed to know how to maximise local and third party contributions.

1.83 The Government, therefore, proposes that it is left to the local transport body as to whether or not to introduce minimum requirements in terms of match-funding, or putting in place a benchmark local or third party contribution, which individual scheme promoters should be required to meet.

1.84 However, views are welcome, and whether Government can do more to incentivise the efficient use of public funding and help local authorities and Local Enterprise Partnerships secure local and third party contributions.

#### Case Study Example: A43 Corby Link Road

In November 2011 the Department confirmed funding support for the A43 Corby Link Road scheme. Of the overall project cost of £35m a total of 25% is being provided by six different developers.

Their contributions recognise the role of the scheme in providing access to commercial and residential development sites and improving linkage to and from the strategic road network.

#### Case Study Example: Leeds Rail Growth Package

In November 2011 the Department confirmed funding support for the Leeds Rail Growth Package, comprising new stations at Apperley Bridge and Kirkstall Forge between Leeds and Bradford.

Developer funding of £5.5m has been secured for the scheme as the new station at Kirkstall forge will facilitate a new office and residential development enabling over 100 new dwellings and around 2400 jobs.



*(Courtesy of the Highways Agency)*



## Key points from this section:

- 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.

## Section 2: Assurances, including on Value for Money and timetable to implement the new system

### The challenge

2.1 With greater freedoms and flexibilities over the decisions and funding of local major transport schemes must follow proper local accountability for these decisions.

2.2 As the Government progresses with decentralisation, there will be some tension between seeking to encourage genuinely devolved decision-making and the wish of the electorate to hold Ministers accountable for all but the most local spending decisions.

2.3 Local transport bodies will need to put in place measures that demonstrate accountability and provide assurances on proper financial management and propriety: that deal with risks, such as cost overruns; and, that deliver value for money.

2.4 Schemes may encounter delays or cost overruns, sometimes not due to the fault of the delivery body, for example natural events such as severe weather. The local transport body and delivery body will need to ensure there are mechanisms for flexibly arranging a portfolio of schemes over time. As is the case under the existing system, the Government would expect the promoter or delivery body to take ultimate responsibility for the risks of constructing the scheme to time and within budget. Local transport bodies will need to ensure there are processes and checks in place for the delivery body to accept these risks.

2.5 And part of this will involve the local transport body codifying an

arrangement between the delivery body and themselves, setting out their respective responsibilities, delivery timetables, funding envelopes and contingency plans – matters that the Department currently puts in place directly with promoters.

2.6 The local transport body would need to codify the above arrangements with the Department.

2.7 This is not about passing the buck of responsibility from the centre, but enabling decision-making to be genuinely local whilst ensuring continued accountability for public funds to the national taxpayer.

### Minimising the role of central government

2.8 Devolution means removing the role of central government in approving schemes and in appraising individual business cases.

2.9 Instead, the role of central Government will be to ensure that local transport bodies are ready, and able, to maximise value for money and ensure that arrangements are in place for local transport bodies to be held accountable by the communities and businesses they serve, as well as to Parliament for tax-payers' money.

## Accountability to Parliament

2.10 The Permanent Secretary of the Department for Communities and Local Government has reviewed how Accounting Officer responsibilities for managing public money (in particular value for money) might be carried out for budgets which are fully devolved to local authorities and other local bodies. Parliament expects the Government to provide it, through the Public Accounts Committee (PAC), with assurance that the money voted to departments has been used for the purposes for which it was authorised, has been spent within the rules on propriety and that value for money has been achieved. The Government has chosen to make Accounting Officers personally responsible for providing these assurances.

2.11 The Permanent Secretary of the Department for Transport is the Accounting Officer, and is therefore responsible for accounting for local major schemes funding, and is responsible for the proper use of these funds to Parliament, through the PAC.

2.12 Ministers also have responsibilities to Parliament and the public, and the policy frameworks which they adopt set the parameters within which Accounting Officers operate.

2.13 Emerging thinking, as set out in 'Accountability to Parliament: Adapting to Decentralisation',<sup>4</sup> is that the Accounting Officer should be responsible for ensuring that there is a robust accountability system in place covering the resources that they distribute, but they should not be seen as directly responsible for, or managing the actions of, individual local institutions.

2.14 The Accounting Officer therefore needs to ensure that there is an

effective system in place to ensure that funding which is devolved is used appropriately, and overall, secures value for money. In particular, using performance data and local information, for example in the case of local major schemes, pre and post-delivery evaluation, and schemes being subject to external scrutiny.

## Accountability to Local Communities and Citizens

2.15 Local transport bodies will need to put in place measures which enable independent and public scrutiny of decisions and spend, as well as ensuring that local communities' and citizens' views are properly represented, and considered when making decisions.

2.16 Local authorities are required to undertake an annual external audit, but the Government believes that local transport bodies should also consider an independent audit panel to ensure the audit of financial statements, regularity, propriety and value for money.

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<sup>4</sup><http://www.communities.gov.uk/publications/localgovernment/accountabilitydecentralisation>

2.17 Local bodies already have many powers to promote and apply local scrutiny. The local government Transparency Code already applies to all local authorities, including local councils, joint committees, economic prosperity boards, combined authorities, the Greater London Assembly/Transport for London and Integrated Transport Authorities. The Government expects local transport bodies to adhere to this code.

2.18 The Secretary of State for Communities also retains a power under section 10 of the Local Government Act to intervene and direct authorities to take action.

### Developing a central assurance framework

2.19 The scale of local major transport funding is more substantial than the Growing Places Fund, and the Government expects funded schemes, on average, to be bigger.

2.20 Greater assurances will be needed than under the Growing Places Fund, in particular on the delivery of value for money, governance, financial management and accountability for decisions, in the light of the risks involved.

2.21 The Government proposes that the three principles underlying an assurance framework are:

- fit for purpose - for the purposes of decentralising local major scheme funding;
- evidence-based – based on evidence provided by local transport bodies against key criteria; and,
- light touch - to minimise the burdens on local transport bodies and Local Enterprise Partnerships.

2.22 The level of assurances would have to reflect the budget, the prioritised programme of a local transport body and the proven track record and readiness of individual members such as local authorities.

2.23 The Government proposes that the four key elements of a framework are:

- i. governance arrangements are robust, proportionate and transparent;
- ii. that there is adequate control and stewardship of funds, including management of spend profile;
- iii. that decision-making is fair and transparent, and based on robust evidence, most particularly in developing a programme of priorities;
- iv. that local transport bodies meet, test and deliver Value for Money of individual schemes, use fit for purpose modelling frameworks, meet minimum quality appraisal standards and achieve environmental objectives.

2.24 Below is set out, for illustrative purposes, the kinds of assurances that the Government believes will be needed on the four elements of a central assurance framework. However, this is subject to the outcomes of the consultation, and the Government is interested in views on the extent of assurances which will be needed, proportionate to the risks involved.

## Governance Arrangements

- vision and aims of local transport body or consortium, with clear outcomes
- published prioritised programme of transport schemes for delivery
- evidence that programme is integrated with economic development, environmental and social aims, and builds on individual Local Transport Plans
- roles of the different parts of the governance framework, including the governing body, for example an overseeing Executive Board, the chair, and/or any other executive
- description of the governance structure (Board, subcommittees, including audit and risk functions) for overall decision-making and for individual scheme delivery
- the range of skills, knowledge and experience in the local transport body or consortium, a governing body and/or a delivery body
- how the local transport body or consortium and any Board discharges its responsibilities (for example performance, strategic, capability on appraisal and project management, delivery and risk)
- arrangements for declaring any potential conflicts of interest and how these will be managed in the decision making process
- outline of the system for the evaluation of performance against the desired outcomes

- processes in place to manage delivery of individual schemes and risks to delivery
- ongoing monitoring and scrutiny arrangements, and pre and post delivery evaluation, with particular regard to securing value for money

## Adequate control and stewardship of funds

- explanation of the financial procedures that are in place
- description of the quality assurance arrangements that are in place to ensure local transport body decisions are adhered to
- outline of the financial accountability at all levels, in particular arrangements between the lead accountable body and the local transport consortium or other partners
- description of the audit trail that will be maintained to support accountability and ensure that key events and decisions relating to transactions are properly recorded and authorised
- declaration that financial arrangements are transparent, open to external scrutiny and central monitoring
- outline of how spend profiles will be monitored and managed
- publishing spending data online and in an open format
- outline of how cost overruns and revenue shortfalls and other financial risks will be managed for individual schemes and across the programme



## Transparent and accountable decision-making

2.25 Some local partners have told us that under the previous Government's Regional Funding Allocation, they did not have an equitable say in the decisions being made, and that they do not want a new system to marginalise them further. This means it is essential for the local transport body to agree an equitable and transparent approach to decision-making. As part of this, Government would expect adherence to the local government Transparency Code in its decision making, openness of meetings, publication of minutes, and other matters.

2.26 It is clearly desirable to have relevant transport skills and knowledge in order to inform decision-making.

2.27 There will also need to be a clear accountability system for delivering individual schemes. For example, if an individual scheme fails, the accountable person or body should also expect to be held to account locally and by Ministers and the Accounting Officer.

2.28 Local transport bodies will need to provide assurances that decision making is representative, **transparent**, and based on robust evidence, as the illustrative list of criteria below suggests:

- accountability and responsibility for decisions, with identification of ownership and safeguards to ensure that decisions command the support of the partners and affected partners, whilst avoiding lowest common denominator decision-making
- how collective responsibility for fulfilling the bodies' purpose will deliver desired outcomes

- evidence and strategic frameworks being used to underpin decision making, including an assessment of the quality of the evidence, together with compliance with UK and EU legislation and its objectives
- publication of individual scheme appraisals and business cases, including clear value for money assessments
- risk register and clear mitigation of key risks
- challenge, appraisal, assessment and performance management functions that the body will incorporate, and how these will be used to inform decisions to deliver future delivery plans and interventions
- how the body will engage with statutory consultees, the local community it represents and how users, affected parties and the public will be able to input into decision making
- how decision-making arrangements will support sustainable development and reduce carbon emissions
- how tenders and contracts will be issued

## Meeting, testing and delivering Value for Money

2.29 Ensuring value for money for transport schemes is especially important because of their long-term nature and cost to the tax-payer. Small changes in scope can have significant impacts to overall benefits, and the risks to delivering schemes as they progress, such as scheme delays and cost overruns, can impact on the overall end value to the tax-payer.

2.30 These risks are greater for local major schemes than for smaller-scale schemes likely to be funded from the Growing Places Fund. There is not, however, an easy solution because it may ultimately up to the body to measure value for money, and the problem lies in how it is measured, for example:

- the benefit-cost ratio is an important indication of value for money but should not be seen in isolation; and,
- value-for-money decisions may involve judgement in the context of similar interventions and their effects, and the ability to deal effectively with mitigating measures.

2.31 The Government believes there are two ways of strengthening the delivery of value for money, and ensuring that enforcement action is taken where value has not been achieved, on which comments are welcome

### **Setting a Value for Money threshold which local transport bodies would need to put in place for individual schemes to meet.**

This would guarantee that schemes achieve value for money. There would be a monitoring function to ensure that thresholds were being achieved.

This could either be undertaken centrally, independently or by peer review exercises. The Growing Places Fund has used examples suggesting that transport schemes should meet a minimum Benefit Cost Ratio of 2:0, although the Green Book minimum for the purposes of the Regional Growth Fund is 1:0. The DfT current threshold for a medium BCR is 1:5

Local transport body is required to undertake pre and post-delivery evaluation of schemes using agreed and measurable criteria, and for this to be dealt with transparently.

This would promote an evidence based evaluation of scheme progress and outcomes against proposed benefits. Evaluation could take place throughout scheme delivery as well as once schemes were built and operating normally.

Baseline data would be needed with which to generate the success of a scheme's progress and outcomes. Evaluation on current schemes may help inform this process. There is also the expectation that such evaluation would involve a high level of transparency: publishing progress updates, success criteria and evaluation outcomes.

Evaluation outcomes could then influence future budgets, in order to incentivise performance. For example, a body which has not maximised the planned scheme benefits against those proposed or delivered may receive less funding at the next round of allocation

2.32 In order to support the above approach, there could also be a role for evaluation on an ad-hoc or regular basis in order to monitor or audit spend and the appraisal which is being undertaken locally.

2.33 This would be particularly linked to ensuring there is proper and effective transparency and accountability to local communities and citizens, as well as ensuring that there is a system for dealing with under-performance and failure, and actions can be taken as early as possible to ensure that schemes do not fail.

2.34 This would probably need to be undertaken centrally, by Government and others.

### Fit for purpose assessment frameworks

2.35 In return for removing Government's role in appraising schemes, local transport bodies will need to apply a transparent and consistent framework in order to prioritise and appraise schemes.

2.36 In the early stages of developing schemes, local transport bodies and promoters may wish to use the Early Assessment and Sifting Tool (EAST) – which quickly summarises and presents evidence on the scheme options they have developed in a clear and consistent format. By presenting relevant, high level, information, local transport bodies and promoters can take an early view on how options perform and compare.

2.37 There are also two options for considering the extent of central assurance that might be needed about which strategic assessment framework(s) to use.

- **Option 1** - local frameworks to be based on the Department's Transport Business Case guidance, which sets out the current framework for investing in all transport schemes funded by the Department. The Transport Business Case enables considerable flexibility and judgement to be applied by local decision-making frameworks to come forward. This would ensure that there is a consistent quality standard across England which is in line with an established framework and HM Treasury Guidance.
- **Option 2** – local transport bodies develop their own frameworks which best fit local circumstances and priorities. However, these frameworks will need to be sufficiently robust and comprehensive to provide the same assurances on aspects included in the Transport Business Case.

2.38 The Government's preference is option 1 because the Transport Business Case<sup>5</sup> will ensure that there is a consistent quality standard achieved across England. However, in adopting a flexible approach, it might be that different approaches are put in place with different transport bodies, depending on individual schemes within a programme, and the need to deliver schemes within a profile.

<sup>5</sup> <http://www.dft.gov.uk/publications/transport-business-case/>

## Meeting minimum quality standards on appraisal

2.39 WebTAG<sup>6</sup> represents a clear and well evidenced appraisal methodology. The Government believes there are three options for providing assurances on the appraisal of individual schemes, and welcomes views.

- **Option 1** – the local transport body is required to appraise schemes in line with the Green Book.

The Green Book presents the techniques and issues to be considered in appraisal, including social and environmental impacts. Local transport bodies might use the Department's WebTAG guidance as a source-book to make transport schemes Green Book compliant but WebTAG compliance would not be a requirement.

This allows the greatest flexibility for local transport bodies to develop their own appraisal frameworks. It would need to demonstrate how users, affected parties and the public would be able to input into decision making, and proper account is taken of these views.

If this option were pursued, the Government may have to narrow the scope of

WebTAG for local major schemes, which has the following status: "The guidance should be seen as a requirement for all projects or studies that require government approval. For projects/studies that do not require government approval TAG should serve as a best practice guide."

- **Option 2** – the local transport body is required to appraise schemes using WebTAG. This reduces the amount of flexibility offered to bring forward locally important methodologies, and ensures that the impact of schemes on transport objectives are considered, together with using common values and a well-evidenced standard methodology.

This would help benchmark schemes across England and enable them to be compared, which may help any central auditing. For example, the Transport Business Case was updated to ensure that the investment committees have comparable information between schemes.

This option does not preclude local transport bodies using other forms of analysis (not part of WebTAG) to inform the assessment and prioritisation of schemes, for example

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<sup>6</sup> <http://www.dft.gov.uk/webtag/>

impact on GVA or local employment.

- **Option 3** – local transport body to appraise only some schemes in line with WebTAG.

For example, those which are deemed important and contentious, or, are over a certain threshold, such as £20m. There would be criteria identifying why a scheme is considered important and contentious.

This would mean taking a graduated approach to appraisal, reducing the local burden on appraising individual schemes, but ensuring that schemes considered to be impactful undergo a consistent, standard and independent level of appraisal.

2.41 The Government's preference is to support **option 2** because it will provide the maximum freedom for local transport bodies to appraise all of their own schemes and follows a well-evidenced and robust system for appraising local major transport schemes, which will ensure a fit for purpose evidence base for decision-making. WebTAG is in any case an aid to decision-making.

## Delivering sustainable development and making decisions in line with the Climate Change Act

2.42 There is clearly a need for local decisions to support sustainable development, build climate resilience and reduce carbon emissions, in line with the Government's national plan of action on climate change (see the Carbon Plan<sup>7</sup>).

2.43 The Transport Business Case methodology ensures that environmental impacts of schemes are taken into account.

2.44 Individual schemes would still be subject to planning approval, which would require, amongst other things, Environmental Impact Assessment and other statutory processes, including full and proper consultation with statutory consultees.

2.45 Local transport bodies could also decide to go further than these requirements, based on what is right for their areas. They might consider a range of policy measures to demonstrate leadership to their local citizens and communities.

2.46 Some local transport bodies might consider working within a carbon envelope for the overall local major schemes programme. This could feed into the decision-making process and result in clear mitigating actions to offset any environmental damage, which Norfolk developed as part of their second Local Transport Plan (see Case Study example).

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<sup>7</sup>[http://www.decc.gov.uk/en/content/cms/tackling/carbon\\_plan/carbon\\_plan.aspx](http://www.decc.gov.uk/en/content/cms/tackling/carbon_plan/carbon_plan.aspx)



2.47 Other bodies might decide to give greater weight to environmental or carbon objectives in modelling frameworks or scheme appraisal. This might impact on the outcomes of decisions taken on those transport schemes which are approved, how they are constructed and what materials are used in their construction.

2.48 For example, the Cambridgeshire guided bus-way has some buses powered by biofuel, and over 1.8 million tyres, which must be recycled by law, have been used in its construction to fill and help drain the space between the busway tracks.

#### **Case Study Example - Carbon offsetting in Norfolk**

Norfolk County Council took the decision when preparing its Local Transport Plan 2 that the strategy should “deliver carbon neutral transport schemes by mitigating or sequestering projected increases in CO<sub>2</sub> emissions for transport improvements that result in additional traffic being induced onto the network”.

The Local Transport Plan team developed offsetting schemes with the Council’s Environmental team, supporting local woodland projects in the local area and working in partnership with the Forestry Commission and community woodland management structures.

Two new woodlands were planted during the LTP2 period as a result of this programme. In total 16,000 new trees were planted. Based on a carbon absorption rate of 4.1tCO<sub>2</sub> over the lifetime of each tree, this equates to a total of 49,200tCO<sub>2</sub> removed.

2.49 The Government will expect assurances on how local frameworks and appraisal satisfy the need to develop sustainably, reduce carbon emissions and safeguard the

environment, in line with legislative requirements, such as duties of decision-making bodies to have regard to National Parks, Areas of Outstanding Natural Beauty and the Norfolk and Suffolk Broads.

### Proposed implementation timetable

2.50 Subject to the responses to this consultation paper, opposite is an illustrative implementation timetable. It sets out the key activities for local transport bodies to complete, and on which the Government welcomes comments.

2.51 It is expected that the Local Enterprise Partnership area receives a range of an indicative allocation in August 2012. The local transport body or consortium submits proposals on governance, financial management and delivering value for money by the end of 2012.

2.52 Following this, the Government expects local transport bodies to have agreed their prioritised programme of schemes by April 2013. Local transport bodies then have two years to finalise business cases so that schemes can be ready for construction from 2015 onwards.

<i>Indicative date</i>	<i>Proposed activities</i>
<b>2<sup>nd</sup> April 2012</b>	Deadline for responses to consultation
<b>August 2012</b>	Department for Transport publishes range of indicative allocations per individual Local Enterprise Partnership area
<b>December 2012</b>	Local transport bodies to submit proposals for sign-off of governance, financial management, accountability, and meeting and testing value for money
<b>April 2013</b>	Local transport bodies to have agreed their programme of priorities for delivery after 2015

## Key points from this section:

- 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.