

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET RECOMMENDATIONS**

**PROFORMA**

Cabinet Meeting .....4th October 2012

1. Title of Item/Report

Major Transport Scheme Funding Devolution

2. Record of the Decision

Cabinet considered a report relating to the funding of Major Transport Schemes.

It was explained that the Government had produced a consultation paper to take forward discussion about a new system for prioritising and funding local major transport schemes after the end of the current Spending Review period.

It brought together, into one paper, a discussion on the structure, sizing, configuration, governance and accountability arrangements for a new system beyond 2014-15. The consultation was with local authorities, Local Enterprise Partnerships and representative groups.

The Government's proposals centred on devolving capital funding for local major transport schemes to democratically accountable local transport bodies. The role of the body was to agree, manage and oversee delivery of a prioritised programme of local major schemes for delivery post 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.

As a starting point, it was suggested that the membership of these bodies was based on the Local Enterprise Partnerships (LEPs) with further membership to be decided locally, although the involvement of the Local Authorities would be vital due to their responsibilities, expertise and leadership role on transport matters.

The devolution would mean that DfT would no longer have a formal role in the approval of schemes or appraisal of individual business cases. However, Local transport bodies would need to meet a central assurance framework which it was proposed to include governance, accountability for decisions, financial propriety and regularity and meeting and testing value for money.

Local transport bodies would 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 and Local transport bodies would sign-up to post-delivery evaluation of schemes, the outcomes of which could influence future funding allocations.

Tees Valley Unlimited (TVU) had provided a response to this consultation on behalf of the five Tees Valley Authorities. TVU already had a good record in making strategic, cross-local authority boundary decisions on key priorities for the area through, for example, bids to the Regional Growth Funds (Rounds 1 and 2) and the Growing Places Fund. In addition to this, the Tees Valley also had good recent experience in jointly delivering major transport schemes.

TVU had a well developed governance structure which included the transport agenda and therefore it was considered to be the most appropriate body to which local major transport scheme funding should be devolved and propose that the LEP and the local transport body were essentially one of the same thing. The mechanisms and governance structures were already in place to allow this to work effectively.

TVU and the five Authorities were confident that it could provide the Government with the necessary assurances on accountability and propriety with regards to managing such devolved funding. Indeed there were some good recent and appropriate examples of how jointly awarded funding from Government had proactively managed to ensure delivery of schemes and projects to the specified budgets and timescales.

The Tees Valley Bus Network Improvements (TVBNI) project was perhaps the best example of this and was being managed through a dedicated project board which was overseen and directed by the Transport and Infrastructure sub-board. The project board had put in place a number of agreed mechanisms and procedures to prioritise schemes and to manage issues such as project/programme delays, cost overruns or underspends and all major risks associated with project delivery.

The DfT had asked for each area to confirm its Local Transport Body (LTB) geography by 28 September. In the consultation response, TVU identified this as being the existing LEP geography in the case of the Tees Valley. The DfT had also suggested that it would require confirmation of governance arrangements by the end of the year and a provisional list of prioritised schemes by March. Members would be kept informed of progress.

RESOLVED that the content of the report, the responses made to the consultation and the next steps be noted

3. Reasons for the Decision

To advise members on a Department for Transport consultation on the future of the funding of major transport schemes.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

Not applicable.

7. Date and Time by which Call In must be executed

Midnight on Friday 12 October 2012

Proper Officer  
09 October 2012