

## BERKSHIRE LOCAL TRANSPORT BODY (BLTB)

**REPORT TO:** BLTB **DATE:** 14 November 2013

**CONTACT OFFICER:** Ruth Bagley, Chief Executive Slough Borough Council, lead  
Chief Executive to the BLTB

### PART I

#### **LTB FUNDING UPDATE AND RELATIONSHIP TO GROWTH DEAL**

##### ***Purpose of Report***

1. To provide information for members of the BLTB about the funds currently available, and the relationship of the LTB to the Strategic Economic Plan, Growth Deals and Local Growth Fund.

##### ***Recommendation***

2. The BLTB are requested to note the report.

##### ***Other Implications***

##### **Financial**

3. The DfT has confirmed the allocation of Local Majors Capital Funding for Berkshire LTB as £14.5m over four years, commencing April 2015. This confirmation needs to be understood in the context of other Government announcements in relation to the preparation of Strategic Economic Plans, Growth Deals and the allocation of the Local Growth Fund.
4. The DfT have confirmed that the financial allocation of £14.5m to TVB LEP as part of the emerging Growth Deal is guaranteed, and that this element of the settlement will be exempt from the competition for Local Growth Fund allocations.
5. They have further confirmed that while the financial allocation is confirmed, there is local discretion available to the LEP to rescind the LTB prioritisation in favour of other priorities identified for the Strategic Economic Plan.
6. In Thames Valley Berkshire, there is no intention of using this discretion. The LEP has confirmed its support for the work of the LTB, and for the conclusions of the prioritisation process conducted earlier in 2013. Further, the LEP intends to promote not only the 8 schemes with programme entry status within the Strategic Economic Plan, but a range of other proposals, including transport schemes previously considered by the LTB.
7. Slough Borough Council is proposed to be the Accountable Body responsible for BLTB and has thus agreed to take on the responsibilities including legal advice, appropriate use of funds through Section 151 Officer, adherence to the Assurance Framework, maintaining official records of BLTB proceedings and overall responsibility for decisions taken in the case of legal challenge. Slough Borough Council will incur additional costs for some of these activities. Whilst the Council is able to accommodate some of the

costs in kind, where there are significant cash costs, notably if there are costs to commission project bid evaluations, these costs will be shared.

### Risk Management

<b><i>Risk</i></b>	<b><i>Mitigating action</i></b>	<b><i>Opportunities</i></b>
<u>Legal</u> BLTB decisions or schemes challenged	Accountable Authority ensures decisions adhere to Assurance Framework, and maintains records	Ensure good value for money and transparent decision making
<u>Financial</u> If Assurance Framework not approved by DfT, funding will not be released, and no funding available for major schemes	Submit Assurance Framework to DfT within deadline for comments, amendment and/or approval. Accountable body ensures adherence to Assurance Framework	Major scheme funding pooled across Berkshire to support transport schemes which deliver regional benefits
<u>Timetable for delivery</u> The funds are not available until April 2015 at the earliest, and then payments are spread over four financial years	Scheme Promoters continue to develop strong business and transport cases. LTB appoint independent assessors	Release of devolved funds to BLTB and allocation to a number of prioritised schemes
<u>Timetable for delivery</u> Projects are not brought forward and completed in the delivery window	Scheme promoters progress development delivery to timetable and provide progress reports to the BLTB. BLTB monitors, challenges and, if necessary re-prioritises schemes	Opportunity via access to greater funds for more schemes to progress if prioritised schemes pursued to time.
<u>Project Capacity</u> Meetings not constituted according the Framework, evaluation not thorough, legal challenge	Slough BC will provide professional and secretariat support to ensure meetings correctly run, records kept, and ensure due diligence throughout scheme evaluation and prioritisation BST(O)F continues to monitor the programme of activity	Schemes with greatest benefit according to the principles set out in the Assurance Framework will be funded and delivered in a transparent process

### Human Rights Act and Other Legal Implications

8. The Assurance Framework will be submitted to the DfT for approval. Slough Borough Council will provide legal support for the BLTB.

## ***Supporting Information***

9. Thames Valley Berkshire LEP received [Government Guidance on Growth Deals](#) in summer 2013, and has been working on its Strategic Economic Plan ever since.
10. Following a procurement process, consultants SQW, together with their colleagues at Cambridge Econometrics and Hewdon Consulting were appointed to manage the process. There has been extensive discussion with the LEP Executive and Forum during the autumn.
11. The timetable is to publish a consultation draft of the SEP in December 2013, which will be the subject of further discussion with both stakeholders and government until a final version is published in March 2014. The Growth Deal, including capital allocations from the Local Growth Fund will be announced in July 2014.

## ***Progress to date***

12. The emerging Strategic Economic Plan will embrace the work of the BLTB, and will reflect the priorities established in the summer, as well as extending the proposed infrastructure investment programme beyond transport.
13. The SEP will not deviate far from the following pressing needs:
  - Improve surface access to London Heathrow
  - Improve the North-South links between the motorway junctions of the M40, M4 and M3
  - Invest in enabling infrastructure that supports Strategic Development Locations
  - Increase the capacity of the transport network in existing urban areas
  - Include schemes with a strong Sustainable Transport element
14. These objectives have been identified and confirmed by the Berkshire Economic Strategy Board, the Berkshire Local Investment Plan, and by individual local authorities in The BLTB area.

## ***Conclusion***

15. The emergence of new Government programme to support economic growth, and the merger of the LTB programme into the activities of the LEPs can only benefit us here in the Thames Valley.
16. We have very close working between the BLTB and the LEP, and while we may have to make some changes to meet the requirements of the new programme, it will not change the thrust of our transport policies.

## ***Appendix Attached***

**A** – Funding Confirmation Letter from DfT

## ***Background Papers***

<https://www.gov.uk/government/publications/growth-deals-initial-guidance-for-local-enterprise-partnerships>

**Local Transport Body contacts**

Direct Line: 020 7944 6541  
Email: Stephen.Fidler@dft.gsi.gov.uk

Web Site: [www.dft.gov.uk](http://www.dft.gov.uk)

16<sup>th</sup> July 2013

Dear Colleague,

**LOCAL TRANSPORT BODY FUNDING ALLOCATIONS**

Further to my letter of 28<sup>th</sup> June I am writing to confirm your funding allocation, in relation to local transport major projects, from within the single Local Growth Fund and to update you on a number of associated issues.

**Allocation**

The funding that the Government is allocating today is only one element of over £12bn being made available to Local Enterprise Partnership (LEP) areas between 2015/16 and 2020/21 through the Local Growth Fund. This includes nearly £5bn of major schemes funding. LEP areas that make a good case for further investment through their strategic economic plans have the opportunity to receive significant additional funding from the competitive elements of the Local Growth Fund enabling far greater levels of local transport investment than had been anticipated prior to the Spending Round. Decisions on that will be made following Growth Deal negotiations with the Government.

Allocations to be provided from within the Single Local Growth Fund are at Annex A and reflect decisions taken by Ministers in DfT and the Treasury.

In order to maximise the competitive funding available to LEPs for transport and other projects and programmes within the Local Growth Fund, most Local Transport Bodies (LTBs) receive confirmed allocations for 4 years at a level one third below the indicative numbers provided in January 2013. This is within the range of scenarios that the Department asked you to consider at that stage.

Those LTBs/LEPs where the principle of 10-year funding has been agreed through city deals receive confirmed allocations for 6 years at the annual level indicated in January 2013. They also retain their indicative funding allocation for a further 4 years beyond the confirmed funding levels. This recognises that these LTBs are expected to be further ahead than others in strengthening their local decision making arrangements and the previous consideration of transport needs alongside other priorities in city deal discussions.

## **Working with LEPs**

High level guidance to LEPs on Growth Deals will be made available shortly.

If LEPs are to be effective in securing additional resources for transport projects through their Growth Deal negotiations they will need to work effectively with LTBs. Our expectation is that, as LTBs' plans should have been developed in close collaboration with LEPs, the LEP Strategic Economic Plans should include schemes identified in these prioritised lists or, by exception, set out clearly why the LEP has taken a different view from the LTB.

Unless you have already done so, we would encourage you to meet urgently with your LEP colleagues to agree how you will work together on the development of their Strategic Economic Plan. We, along with BIS and DCLG colleagues, see real potential for LTBs to work jointly with LEPs on the transport elements of these plans and will consider the extent to which you have worked together effectively as part of the Growth Deal negotiations with Government. In doing so, we would expect you to highlight the importance of effective and speedy delivery and robust value for money evidence.

I should also confirm that we will expect Strategic Economic Plans to reflect wider transport needs beyond major projects and set out the overall priorities for the LEP area. This could include smaller scale transport projects that unlock job opportunities (such as pinch point, local sustainable transport or integrated transport projects) or maintenance of parts of the road network which, if not addressed, could become barriers to growth. LEPs may wish to indicate in their plans what level of spend they would wish to commit to schemes of this nature and give an indication of where/how it would be used and the benefits to be achieved. The plan needs to consider the resources available in the round including the Local Growth Fund – which includes £200m of Integrated Transport Block funding per year and £100m of capital Local Sustainable Transport Funding – and local authority, or EU resources where appropriate. We would encourage the LTB and its local authority members to share expertise across the breadth of transport with your LEP and to find practical ways of working together on a day to day basis.

## **Publication of scheme lists**

As I said in my earlier letter, we have not prescribed the format in which you should publish your scheme lists later this month. The total should match your confirmed and indicative allocations set out in Annex A for the period from 2015/16 to 2018/19. It is at your discretion as to whether or not you wish at the same time to publicly identify additional schemes that you would consider to be the next best priorities, that may feature in your Growth Deals, although you should ensure it is clearly understood that they have no confirmed funding as yet. Seeking views on a longer list of prioritised schemes, as part of gathering the public comments, could help strengthen the case for the inclusion of those schemes that receive strong support within Strategic Economic Plans.

## **Profile of funding**

The spreadsheet we have asked you to send us when you publish your scheme lists includes a proposed profile of spending. We will use this information, from across LTBs, to agree a provisional overall funding profile with the Treasury for the total share of the Local Growth Fund that has been confirmed to LTBs/LEPs today. Specific funding profiles for each LTB/LEP will be provided in the autumn, on the basis of: your final prioritised lists following public consideration; the overall profile for this share of the Local Growth Fund we will have agreed with the Treasury; and any views from LEPs. We would therefore encourage you to engage with your LEP over the summer to ensure that they are comfortable with the profile you have provided to us.

## **Next steps**

Over the summer and early autumn we will work with both LTBs and LEPs to address the further detailed issues related to the transition to funding via the Local Growth Fund. On many of these we are already forming an initial view within Whitehall, but we are keen to ensure that the arrangements put in place work in practice – and we need your input to achieve this.

For example, the allocated funding will now formally be provided to the LEP, not the LTB. This raises both accountability and boundary issues. Our current intention is that where the boundaries of LEPs and LTBs do not align, funding will be awarded to the LEP on the same geographical basis as used for the indicative allocations, rather than attempting to make any adjustment to reflect the geographical differences. We will discuss this further with the affected LTBs and LEPs.

Similarly, funding for existing DfT-approved Local Authority Major schemes will also flow nominally through the Local Growth Fund and we will need to ensure that any delay to these projects does not impact on the total funding available to LEPs on a competitive basis. We will confirm the detailed mechanisms for how this will work at a later date but the key principle is that this element of the funding is dependent on the schemes going ahead as planned.

We aim to have resolved these detailed issues and provide further guidance as appropriate.

If you have any queries with the content of this letter, or if there are particular issues that you consider it is important that we address in the guidance to LEP officers, please contact your usual engagement contact (see list at Annex B). I would also be very happy to discuss this letter with you or a colleague.

I am copying this letter, for information, to the Chairs of LEPs and to Local Authority Transport Directors.

Yours faithfully,

Stephen Fidler

## **ANNEX A**

### **CONFIRMED ALLOCATIONS FOR LOCAL TRANSPORT BODIES**

Local Transport Body	Confirmed funding from 2015/16 to 2020/21 inclusive (£m)	Indicative funding from 2021/22 to 2024/25 inclusive (£m)
WEST OF ENGLAND	44.9	36.4
WEST YORKSHIRE + YORK	100.9	81.8
SHEFFIELD CITY REGION	62.7	50.9
GREATER MANCHESTER	110.0	89.2

Local Transport Body	Confirmed funding from 2015/16 to 2018/19 inclusive (£m)
BLACK COUNTRY	18.4
BUCKINGHAMSHIRE THAMES VALLEY	8.3
CESHIRE AND WARRINGTON	14.5
COAST TO CAPITAL	24.2
CORNWALL & THE ISLES OF SCILLY	8.9
COVENTRY & WARWICKSHIRE	14.3
CUMBRIA	7.9
DERBY, DERBYSHIRE, NOTTINGHAM & NOTTINGHAMSHIRE	31.2
DORSET	12.2
ENTERPRISE M3	24.3
GLOUCESTERSHIRE	9.8
GREATER BIRMINGHAM AND SOLIHULL	23.9
GREATER CAMBRIDGE GREATER PETERBOROUGH	14.1
GREATER LINCOLNSHIRE	11.9
HEART OF THE SOUTH WEST	27.1
HERTFORDSHIRE	18.5
HUMBER	14.8
LEICESTER AND LEICESTERSHIRE	16.1
LIVERPOOL CITY REGION	23.7
THE MARCHES	10.7
NEW ANGLIA	26.0
NORTH EASTERN	31.1
NORTH YORKSHIRE	9.6
NORTHAMPTONSHIRE	11.6
OXFORDSHIRE	10.6
SOLENT	19.2
SOUTH EAST	65.9
SOUTH EAST MIDLANDS	14.7
STOKE-ON-TRENT AND STAFFORDSHIRE	16.3
SWINDON & WILTSHIRE	11.3
TEES VALLEY	10.6
THAMES VALLEY BERKSHIRE	14.5
WORCESTERSHIRE	7.7

Note: The allocation for Lancashire will be confirmed upon the agreement of the Preston City Deal.

## ANNEX B

### DfT Local engagement contacts:

<b>AREA</b>	<b>NAME</b>	<b>TEL:</b>
North West, North East and Yorks & Humber	Margaret Jackson	0113 283 6677
South East and East	Lee Sambrook	0207 944 6136
West Midlands, East Midlands and South West	Liz Charlton	0121 678 8726