
Report to: Cabinet
Council

Date of Meeting: 28th February 2013
28th February 2013

Subject: Liverpool City Region Local Transport Body and Appraisal of Local Major Transport Schemes

Report of: Director of Built Environment

Wards Affected: All

Is this a Key Decision? Yes

Is it included in the Forward Plan?
Yes

Exempt/Confidential No

Purpose/Summary

The Department for Transport (DfT) proposes to devolve funding for local major transport schemes to local areas in the next spending review period. This will necessitate the establishment of a new body called a Local Transport Body (LTB) to oversee the process, guided by an Assurance Framework that must be agreed with the DfT in respect of its governance and management arrangements.

The purpose of this report is to provide information about the way this will be implemented in the Liverpool City Region, to approve Sefton's representation on the Local Transport Body and to advise Members of the proposed Assurance Framework and Scheme Prioritisation Methodology.

Recommendation(s)

It is recommended that Cabinet:

- (a) request the Council to nominate the Leader of the Council onto the new Local Transport Body (LTB), together with an alternate member, Cabinet Member Transportation, to represent the Authority on the LTB as required;
- (b) approve the draft Assurance Framework and its associated principles, as set out within the Appendix of this report, for its submission to the Department for Transport;
- (c) receive follow-up information on the above issues, at appropriate intervals; and
- (d) request the Director of Built Environment to commence preparation of a list of potential local major transport schemes in Sefton to be considered for submission to the LTB and to be agreed through the Council's Strategic Capital Investment Board.
- (e) to note that preliminary discussions have been held with the Head of Legal & Democratic Services at MITA to explore whether a more wide ranging partnership agreement as set out in paragraph 5 is required. The Head of Corporate Legal Services will prepare the agreement, should that prove

necessary, in consultation with the Cabinet Member for Performance and Corporate Services.

It is recommended that the Council:

- (a) nominate the Leader of the Council onto the new Local Transport Body (LTB), together with an alternate member, Cabinet Member Transportation, to represent the Authority on the LTB as required.

How does the decision contribute to the Council’s Corporate Objectives?

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Jobs and Prosperity	✓		
3	Environmental Sustainability	✓		
4	Health and Well-Being		✓	
5	Children and Young People		✓	
6	Creating Safe Communities		✓	
7	Creating Inclusive Communities		✓	
8	Improving the Quality of Council Services and Strengthening Local Democracy	✓		

Reasons for the Recommendation:

The proposed arrangements for the Liverpool City Region LTB have been discussed and agreed by the LCR partners, but the appointments to the LTB and the assurance framework and prioritisation methodology need to be formally approved by each of the LCR partners.

What will it cost and how will it be financed?

(A) Revenue Costs

There are no revenue implications of these recommendations.

(B) Capital Costs

There are no capital implications of these recommendations.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal

Appointments to external decision making bodies are required to be made by Council. Once the initial appointment has been made, appointment to the LCR Local Transport Body will be confirmed on an annual basis together with the other appointments to external bodies.

Other legal implications are contained within the content of the report.

Human Resources

None

Equality

- | | | |
|----|--|-------------------------------------|
| 1. | No Equality Implication | <input checked="" type="checkbox"/> |
| 2. | Equality Implications identified and mitigated | <input type="checkbox"/> |
| 3. | Equality Implication identified and risk remains | <input type="checkbox"/> |

Impact on Service Delivery:

There is no expected impact on service delivery.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD 2116/13) notes there are no direct revenue implications of these recommendations.

Head of Corporate Legal Services (LD1432/13) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

No other options are available. The proposed arrangements for the Liverpool City Region LTB have been discussed and agreed by the LCR partners. If the Council decided not to make the appointment to the LTB, it would mean that Sefton Council would not be represented in the City Region decision making process for local major transport schemes.

Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting

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Background Papers:

None

1. Introduction/Background

1.1 The Department for Transport (DfT) proposes to devolve funding for local major transport schemes to local areas in the next spending review period.

1.2 This will necessitate the establishment of a new body called a Local Transport Body (LTB) to oversee the process, guided by an Assurance Framework that must be agreed with the DfT in respect of its governance and management arrangements.

1.3 The DfT published formal guidance on this process at the end of November and this is available at:-

www.gov.uk/government/publications/guidance-for-local-transport-bodies.

1.4 The LTB will ultimately assume the role previously undertaken by the DfT in relation to funding decisions that affect local major transport schemes. Whilst DfT is devolving funding decisions to LTBs, it still requires established DfT processes and methodologies to be followed. It is also anticipated that the LTB will have an increasing role in strategic transport matters in the City Region going forward.

1.5 The principal deadlines set by DfT, in the lead-up to the next spending review period are as follows:-

- **February 2013:** local transport bodies must submit their assurance frameworks to DfT
- **July 2013:** local transport bodies must submit their prioritised list of major schemes to DfT
- **Post July 2013:** shortlisted schemes to be developed and brought forward by promoters, for approval by the Local Transport Body
- **April 2015 onwards:** schemes are delivered using the devolved funds.

1.6 This report largely focuses on the immediate next steps, in terms of establishing the LTB and the Assurance Framework that needs to be submitted to the Department for Transport (DfT) by the end of February 2013.

1.7 This report has four specific aims, to:-

- a) appoint the Leader of the Council onto the new Local Transport Body (LTB), which will manage the devolved funding process within the Liverpool City Region (LCR).
- b) appoint Cabinet Member Transportation as an Alternate to the Leader of the Council on the new Local Transport Body (LTB)
- c) note and approve the Assurance Framework, set out within the Appendix , that must be submitted to DfT by the end of February 2013. This provides the basis of the agreement between the DfT and the Liverpool City Region (LCR) in terms of the arrangements and processes that will govern the use of the devolved major schemes funds; and

- d) request the Director of Built Environment to commence preparation of a list of potential local major transport schemes in Sefton to be considered for submission to the LTB for inclusion on the prioritised list of major schemes. These schemes would be agreed through the Council's Strategic Capital Investment Board.

2. **Context**

- 2.1 The Liverpool City Region Cabinet and other key partners in the LCR have agreed "in principle" that:-
 - (a) the LTB would cover the established Liverpool City Region geography (i.e. Merseyside and Halton);
 - (b) the Chair of the Merseyside Integrated Transport Authority (ITA) (Merseytravel) will chair the LTB;
 - (c) the ITA will act as the LTB's accountable body and will be responsible for holding the devolved funds from the DfT on behalf of the LCR; and
 - (d) a Transport Advisory Group (TAG), which will comprise senior transport or regeneration officers from across the city region, including Halton, will be the LTB's principal technical advisors, recognising the established and detailed DfT processes that govern the use of the devolved funds.
 - (e) that the preferred mode of operation will be that of a partnership between the constituent local authorities, the LEP and ITA as opposed to joint board or a company limited guarantee
 - (f) that there is no need for decisions made by LTB to be ratified by each constituent authority.
- 2.2 These matters now need to be formally agreed by each of the LCR authorities, and the ITA.
- 2.3 The DfT published indicative funding allocations for each LTB on the 23 January. The Liverpool City Region's LTB has been allocated £35.5 million (+/- 33% contingency) for the 4 year period between 2015 and 2019.
- 2.4 Since discussions with LCR took place, the ITA has confirmed that as accountable body the ITA reserves the right to decline to carry out an LTB decision considered to be unlawful or appears to pose unacceptable risks and will refer any matters back to the LTB as appropriate.
- 2.5 Notably the guidance from the DfT does not make clear upon which statutory basis the partnership arrangement is being established. Previously such a partnership arrangement including local authorities and other organisations would be convened by authorities appointing joint committees or joint boards under the auspices of the Local Government Act 1972. Alternatively primary legislation would have been passed to set up the LTB similarly to the legislation that established the Transport Authorities in the first place. It would therefore seem

that the Council is being encouraged by the DFT to rely on the general competency power as set out in the Localism Act 2011.

3. **Appointment of Members**

3.1 In order to constitute the LTB, Sefton will need to agree the Assurance Framework (see Appendix). In particular, this includes the need to appoint a representative onto the LTB, being a new external body with a specific remit. In accordance with the Assurance Framework agreed by the City Region partners it is proposed to appoint the Leader of the Council onto the LTB.

3.2 In addition, approval is sought for the appointment of Cabinet Member Transportation as an alternate member from the Authority to represent Sefton on the LTB. All other members of the LTB will be asked to appoint an alternate member as well.

4. **The draft Assurance Framework**

4.1 Detailed guidance on the content of the Assurance Framework was received from the Department for Transport in late November 2012, and which is available at:-

<https://www.gov.uk/government/publications/guidance-for-local-transport-bodies>

4.2 The draft Assurance Framework for the LTB follows this structure, and is set out within the Appendix to this report for noting and approval by members.

4.3 The significant issues set out within the draft Assurance Framework include:-

(a) details of the proposed composition and voting arrangements of the LTB, as per the table below, and to include the appointment of a Vice Chair;

Member	Status	Role on LTB	Number of votes
Chair of Merseyside Integrated Transport Authority *	Elected member	Chair + Voting member	1 + casting vote in the event of a tie of votes
Leader of Halton BC *	Elected member	Voting member	1
Leader of Knowsley MBC *	Elected member	Voting member	1
Mayor of Liverpool *	Elected Mayor	Voting member	1
Leader of St Helens MBC *	Elected member	Voting member	1
Leader of Sefton MBC *	Elected member	Voting member	1
Leader of Wirral MBC *	Elected member	Voting member	1
Chair of Liverpool Local Enterprise Partnership *	Private sector representative	Voting member	1

* or named alternate

(b) details of the LTB's support, administrative and accountable body arrangements

(d) the proposal that £3 million would be an appropriate major scheme minimum threshold for the LCR, so that major schemes are strategic in scale and over-and-above schemes funded through mainstream integrated transport block monies;

- (e) the proposal that a minimum local contribution of 10% should be required from scheme promoters and that the LTB's funding contributions should be capped contributions;
- (f) proposals to address the transparency, technical and audit requirements stipulated by the Department for Transport, such as the proposals to make all background papers and meetings of the LTB public, and the need to arrange external audits of the LTB's affairs; and
- (g) the transparent methodology and scoring system that will be used to support the prioritisation of schemes.

4.4 In parallel, the Assurance Framework is being reported across all main city region networks and constituent local authorities/organisations, to secure agreement and nominations from partners that will make up the LTB.

5. **Legal Agreement**

5.1 Preliminary discussions have been held with the Head of Legal & Democratic Services for MITA to consider whether a further more wide ranging legal agreement is needed for the establishment of the partnership. Such an agreement could include indemnity arrangements, exit plan, confidentiality, publicity, obligations and responsibilities of partners that do not relate to decision making as set out in the assurance framework, failure in co-operation and other standard clauses for partnership arrangements etc.

5.2. Further consideration of this will be given by the various Heads of Legal for the constituent authorities and the accountable body and MITA. Should there be consensus that a partnership agreement is necessary the Head of Corporate Legal Services will prepare the agreement in consultation with the Cabinet Member for Performance and Corporate Services.

6. **Conclusions**

6.1 This report updates members on the processes associated with the DfT's devolution of funding for local major transport schemes in the next Spending Review period.

6.2 The report seeks the formal appointment of the Leader of the Council onto the LTB, together with an alternate member.

6.3 In addition, it seeks Members' approval of the draft Assurance Framework that needs to be submitted to DfT by the end of February.