

# WIRRAL COUNCIL

CABINET - 18<sup>TH</sup> FEBRUARY 2013

COUNCIL - 5<sup>TH</sup> MARCH 2013

<b>SUBJECT:</b>	<b>THE DEVOLUTION OF MAJOR TRANSPORT SCHEMES FUNDING AND THE DEPARTMENT FOR TRANSPORT ASSURANCE FRAMEWORK</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>INTERIM DIRECTOR OF TECHNICAL SERVICES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR HARRY SMITH STREETSCENE AND TRANSPORT SERVICES</b>
<b>KEY DECISION</b>	<b>NO</b>

## 1.0 EXECUTIVE SUMMARY

- 1.1 In the next spending review the Department for Transport (DfT) are proposing to devolve funding for major transport schemes to local areas. This necessitates the establishment of a Local Transport Body (LTB) to oversee the process, guided by an Assurance Framework, which is to be agreed with the DfT in respect of the governance and management arrangements of the LTB.
- 1.2 The purpose of this report is to ask Members to consider and endorse the draft Assurance Framework. This is required in order for the LTB to be formally constituted and to establish its powers. Merseytravel has consulted the Council and other City Region partners on the Assurance Framework and Elected Member nominations onto the LTB.
- 1.3 The report also requests Cabinet delegate authority to the Chief Executive to oversee minor, editorial changes to the draft Assurance Framework (based on issues arising from the approvals processes within partner organisations) and approve its submission to the Department for Transport by the end of February.
- 1.4 The report also asks Members to authorise the Interim Director of Technical Services, in conjunction with the Acting Director of Law/Head of Legal Services to sign up to a legally binding agreement with Merseytravel as the accountable body for the LTB, in order to formalise Wirral's role as a member of the LTB.
- 1.5 The Liverpool City Region (LCR) Cabinet has agreed, in principle, that the LTB will be composed of members of the Liverpool City Region (LCR) Cabinet (i.e. Leaders and the Mayor of Liverpool), the Chair of the Integrated Transport Authority (ITA), and the Chair of the LCR Local Enterprise Partnership (LEP). This report therefore asks Members to consider the nomination of Wirral's representative, and deputy, for appointment to the Local Transport Body.

1.6 The report also asks Members to endorse the approach with the scheme prioritisation methodology.

## **2.0 BACKGROUND**

2.1. In the next spending review period, the DfT are proposing to devolve funding for major transport schemes to local areas. This will necessitate the establishment of a new body called a LTB to oversee the process, guided by an assurance framework that must be agreed with the DfT in respect of the governance and management arrangements of the LTB.

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

2.3. The deadlines set by the DfT, in the lead up to the next spending review period are as follows;

- February 2013: the LTB must submit their assurance frameworks to the DfT;
- July 2013: the LTB must submit their prioritised list of major schemes to the DfT;
- Post July 2013: short listed schemes to be developed and brought forward by promoters for approval by the LTB; and
- April 2015 onwards: schemes to be delivered using the devolved funds.

2.4. Merseytravel has consulted Wirral Council to seek political approval to the Assurance Framework and to formally nominate an Elected Member onto the LTB.

## **3.0 PROGRESS TO DATE**

3.1. To date it has been agreed by the LCR Cabinet, the Integrated Transport Authority (ITA) and the LCR LEP that the LTB will cover the established LCR geography.

3.2. Across City Region partners, it has also been agreed in principle that the LTB will be composed of the following:-

- Members of the Liverpool City Region Cabinet (i.e. Leaders and the Mayor of Liverpool);
- The Chair of the Integrated Transport Authority; and
- The Chair of the LCR LEP.

3.3. It is expected that the Local Authority Leaders and the Mayor will be supported in the process by transport/regeneration portfolio holders from each of the local authorities, who will advise on relevant issues, processes and recommendations.

3.4. It is also proposed that the LTB will be chaired by the Chair of the Integrated Transport Authority, and Merseytravel will act as the accountable body. Senior officers from the districts and Merseytravel will advise the LTB via a body called the Transport Advisory

Group (TAG). This group has already started to work on a transparent methodology against which to score candidate schemes ahead of the July deadline.

- 3.5. In addition a wider stakeholder group will be established to provide input into the prioritisation process from wider partners such as bus operators, local interest groups and bodies such as the Highways Agency and Network Rail.

#### **4.0. APPOINTMENT OF MEMBERS**

- 4.1. Procedurally, and in order to constitute the LTB, the issues discussed in Section 3 above need to be formalised. As such there is a need for relevant members from each of the constituent authorities to be formally appointed onto the Local Transport Body, as this is a new, external body with decision making powers over strategic funding issues.
- 4.2. As part of wider discussions across the City Region, it has been proposed that the membership of the LTB will be Members of the City Region Cabinet (i.e. Leaders and Mayor of Liverpool), the Chair of the ITA and the Chair of the LCR LEP. It is proposed that Leaders of each authority will be supported by the relevant Portfolio Holders.
- 4.3. As such Members may wish to consider the nomination of the Leader of the Council as Wirral's representative and the Portfolio Holder for Streetscene and Transport Services as deputy.

#### **5.0 DRAFT ASSURANCE FRAMEWORK**

- 5.1. Detailed guidance on the content of the Assurance Framework was received from the Department for Transport in late November 2012. The draft Assurance Framework for the LCR follows this structure and is set out within Appendix 1 to this report for endorsement by Members.
- 5.2. The significant issues set out within the draft Assurance Framework include:-
  - (a) details of the proposed composition of the LTB, together with its support, administrative and accountable body arrangements;
  - (b) the proposal that the LTB will operate as a partnership with each of its members appointed formally by each of its constituent members, rather than in a more complex arrangement e.g. as a company limited by guarantee;
  - (c) the proposal that £3 million would be an appropriate major scheme threshold for the LCR so that major schemes are strategic in scale and over and above schemes funded through mainstream integrated transport block monies;
  - (d) the proposal that a minimum local contribution of 10% should be required from scheme promoters and that the LTB's funding contributions to a project should be capped contributions; and
  - (e) proposals to address the transparency, technical and audit requirements stipulated by the DfT, such as the proposals to make all meetings of the LTB fully public, and the need to arrange external audits of the process of the LTB for managing and appraising major schemes.
- 5.3. The draft Assurance Framework is being reported across all main city region networks and constituent local authorities/organisations, in order to secure agreement from partners that will make up the LTB.

- 5.4. Members are asked to endorse the document and delegate authority to the Chief Executive to oversee minor, editorial changes to the draft Assurance Framework (based on issues arising from the approvals processes within partner organisations) and approve its submission to the Department for Transport by the end of February.

## **6.0. THE SCHEME PRIORITISATION METHODOLOGY**

- 6.1. To support the process of prioritising candidate schemes ahead of the July 2013 deadline it was recognised from the outset, and in line with DfT advice, that a clear, transparent and robust methodology should be developed in order to do this.
- 6.2. LCR Officers from the TAG have developed a draft methodology for the prioritisation of schemes, so as to provide a means of capturing information on, and scoring candidate schemes.
- 6.3. This methodology would involve a 'gateway' stage for candidate schemes (in line with DfT guidance), followed by a transparent scoring system for schemes that pass the gateway test. It is proposed that there would be a 50% weighting to economic growth considerations, 25% weighting for the financial case and a 25% health and wellbeing weighting.
- 6.4. External support is being sought by Merseytravel to assist with this process to ensure impartiality and ensure there are no conflicts of interest. The scoring system will also enable the LTB to make objective decisions in a consistent way.
- 6.5. Whilst this methodology does not need to be formally submitted to the DfT as part of the Assurance Framework, it does need to be referenced within it. Officers are currently working with City Region partners through the TAG to further refine this draft methodology. The diagram in Appendix 4 attached to this report details the prioritisation methodology.

## **7.0. RELEVANT RISKS**

- 7.1. Failure to submit the Assurance Framework by the end of February may lead to the DfT considering that the City Region are not in a suitable position to be responsible for the devolved major scheme funds.
- 7.2. Failure to nominate a representative to the LTB may lead to the LTB not being able to be formally constituted which will lead to delays in the Local Transport Body being able to carry out the responsibilities required of it by the DfT.

## **8.0. OTHER OPTIONS CONSIDERED**

- 8.1. There are no other options to consider as the DfT have issued guidance to authorities regarding their proposals to devolve funding and as such authorities must meet the minimum requirements set out in the guidance.

## **9.0. CONSULTATION**

- 9.1. There is no requirement to consult at this stage but within the development and appraisal process for major schemes there is a need to engage.

## **10.0. IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

10.1. There are no implications for voluntary, community and faith groups.

## **11.0. RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

11.1. The DfT published indicative funding allocations for each LTB on the 23 January 2013. The Liverpool City Region's LTB has been allocated £35.5 million with a contingency of +/-33% for the 4 year period between 2015 and 2019.

11.2. A Senior Officer from Traffic and Transportation will represent Wirral Council on the Transport Advisory Group. This group will support and provide advice to the LTB.

## **12.0. LEGAL IMPLICATIONS**

12.1. The LTB will be a formally constituted body with Merseytravel acting as the accountable body. The body will therefore be managed in accordance with established local authority practices and procedures. All meetings of the LTB will be held in public and all agendas, papers and minutes will be in the public domain.

12.2. It is proposed that a legal agreement based on the principles set out with the Assurance Framework will be developed between the accountable body and each of the constituent authorities.

## **13.0. EQUALITIES IMPLICATIONS**

13.1. There are no direct equalities implications at this stage. There may be implications associated with schemes that come forward as part of the process but at this stage these are unknown. Separate equality impact assessments will be undertaken by scheme promoters and will be reported at a later date. The draft methodology does include criteria relating to social and distributional impacts of proposed schemes, which will address a number of equality considerations, particularly socio-economic issues.

## **14.0 CARBON REDUCTION IMPLICATIONS**

14.1. There are no carbon reduction implications at this time, but Health and Well being considerations, including carbon and environmental factors, form 25% of the weighting for the schemes within the draft methodology. This will provide a means of assessing the merits of the schemes based on their environmental implications. Full business cases will also be required which will need to satisfy EU regulations and DfT guidance to the assessment of environmental implications.

## **15.0. PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

15.1. There are no planning or community safety implications at this time, but links with regeneration and development proposals are explored as part of the scoring within the draft methodology.

## **16.0 RECOMMENDATION/S**

16.1. Cabinet is requested to:

(1) Note the progress to date in the development of the LTB;

(2) Endorse the nomination of the Leader of the Council as Wirral's representative on the LTB;

- (3) Endorse the nomination of the Cabinet Member for Streetscene & Transport Services as a deputy for Wirral's representative on the LTB;
- (4) Endorse the draft Assurance Framework and its associated principles, as set out in Appendix 1 of this report, ahead of its submission to the DfT;
- (5) Delegate authority to the Chief Executive to oversee minor, editorial changes to the draft Assurance Framework (based on issues arising from the approvals processes within partner organisations) and approve its submission to the Department for Transport by the end of February;
- (6) Endorse the approach with regard to the scheme prioritisation methodology;
- (7) Authorise the Interim Director of Technical Services, in conjunction with the Acting Director of Law/Head of Legal Services to sign up to a legally binding agreement with Merseytravel as the accountable body for the LTB;
- (8) Refer the nominations for Wirral's representative and deputy representative on the LTB to Council for ratification; and
- (9) Receive follow-up information on the above issues, at appropriate intervals.

## **15.0 REASON/S FOR RECOMMENDATION/S**

- 15.1. To ensure that Wirral Council, as a member of the Liverpool City Region, complies with the requirements of the DfT with regard to the devolution of funds for major transport projects.

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## **APPENDICES**

*Appendix 1 - Draft Liverpool City Region Assurance Framework*  
*Appendix 2 – Draft Terms of Reference for the Liverpool City Region Local Transport Body*  
*Appendix 3 - The structure of the Local Transport Body and its support arrangements*  
*Appendix 4 - Schematic of prioritisation methodology*

## **REFERENCE MATERIAL**

DfT Guidance for Local Transport Bodies (November 2012)

[www.gov.uk/government/publications/guidance-for-local-transport-bodies](http://www.gov.uk/government/publications/guidance-for-local-transport-bodies)

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
None	

## Equality Impact Assessment Toolkit (from May 2012)

### Section 1: Your details

**EIA lead Officer:** Julie Barnes  
**Email address:** juliebarnes@wirral.gov.uk  
**Head of Section:** **Mike Peet**  
**Chief Officer:** **Chris McCarthy**  
**Department:** Technical Services  
**Date:** 28<sup>th</sup> January 2013

### Section 2: What Council proposal is being assessed?

The Devolution of Major Transport Schemes Funding and the Department for Transport Assurance Framework

**Section 2b:** Will this EIA be submitted to a Cabinet or Overview & Scrutiny Committee?

**Yes** If 'yes' please state which meeting and what date

**Cabinet - 18<sup>th</sup> February 2013**

Please add hyperlink to where your EIA is/will be published on the Council's website <http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/technical-services-0>



.....

**Section 3: Does the proposal have the potential to affect.....** (please tick relevant boxes)

- Services**
- The workforce**
- Communities**
- Other** (please state eg: Partners, Private Sector, Voluntary & Community Sector)

If you have ticked one or more of above, please go to section 4.

- None** (please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

**Section 4: Does the proposal have the potential to maintain or enhance the way the Council .....** (please tick relevant boxes)

- Eliminates unlawful discrimination, harassment and victimisation
- Advances equality of opportunity
- Fosters good relations between groups of people

If you have ticked one or more of above, please go to section 5.

- No** (please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

**Section 5:**

**Could the proposal have a positive or negative impact on any of the protected groups (race, gender, disability, gender reassignment, age, pregnancy and maternity, religion and belief, sexual orientation, marriage and civil partnership)?**

**You may also want to consider socio-economic status of individuals.**

**Please list in the table below and include actions required to mitigate any potential negative impact.**

<b>Which group(s) of people could be affected</b>	<b>Potential positive or negative impact</b>	<b>Action required to mitigate any potential negative impact</b>	<b>Lead person</b>	<b>Timescale</b>	<b>Resource implications</b>

**Section 5a:**        **Where and how will the above actions be monitored?**

**Section 5b:**        **If you think there is no negative impact, what is your reasoning behind this?**

**Section 6:** **What research / data / information have you used in support of this process?**

**Section 7:**        **Are you intending to carry out any consultation with regard to this Council proposal?**

**Yes / No** – (please delete as appropriate)

**If ‘yes’ please continue to section 8.**

**If ‘no’ please state your reason(s) why:**

(please stop here and email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for publishing)

## **Section 8: How will consultation take place and by when?**

Before you complete your consultation, please email your preliminary EIA to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) via your Chief Officer in order for the Council to ensure it is meeting it's legal requirements. The EIA will be published with a note saying we are awaiting outcomes from a consultation exercise.

Once you have completed your consultation, please review your actions in section 5. Then email this form to your Chief Officer who needs to email it to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) for re-publishing.

## **Section 9: Have you remembered to:**

- a) **Add appropriate departmental hyperlink to where your EIA is/will be published** (section 2b)
- b) **Include any potential positive impacts as well as negative impacts?** (section 5)
- c) **Send this EIA to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) via your Chief Officer?**
- d) **Review section 5 once consultation has taken place and sent your completed EIA to [equalitywatch@wirral.gov.uk](mailto:equalitywatch@wirral.gov.uk) via your Chief Officer for re-publishing?**