

DERBYSHIRE COUNTY COUNCIL

CABINET MEETING

22 January 2013

Report of the Strategic Director – Environmental Services

**DEVOLVING LOCAL MAJOR TRANSPORT SCHEMES
(HIGHWAYS AND TRANSPORT)**

(1) **Purpose of the Report** To advise Cabinet of the latest position on the devolution of decision-making and funding for local major transport schemes, and to seek approval to County Council representation on new 'local transport boards'.

(2) **Information and Analysis** At its meeting of 3 April 2012, Cabinet considered a report dealing with Government proposals to improve local influence over the delivery of major transport capital projects, and agreed a response to consultation over this. The central proposal was the creation of 'local transport bodies' (consortia of highways and transport authorities) to administer grant funding for major schemes. The Government was keen to see these bodies reflecting Local Enterprise Partnership (LEP) geographies, and the County Council's response to this was to express a preference for the creation of a local transport body covering the Derby and Derbyshire, Nottingham and Nottinghamshire (D2N2) LEP area. A complication for both Derbyshire and Nottinghamshire, though, is the inclusion of parts of each County in the Sheffield City Region, for which a separate local transport body will be created. This has been the subject of considerable discussion since the closure of the consultation exercise, and the Department for Transport (DfT) has now determined that it will allocate funding for the overlap area to the Sheffield City Region or (D2N2) LEP (Decision yet to be made).

The required activity between now and commencement of the operation of the devolved funding stream from April 2015 to March 2019 is:

- February 2013: each local transport body agrees an 'assurance framework', setting out its governance and its approach to scheme selection, and submits this to DfT.
- July 2013: each local transport body agrees its programme of schemes matched to available budgets, and submits this to DfT.

- July 2013 to March 2015: business cases compliant with DfT guidance are developed for selected schemes (alongside any required processes for planning consent and land assembly). For schemes to be delivered later in the 2015-19 period, these processes could be on-going beyond March 2015.

The assurance framework referred to above will need to have two main areas of coverage; the administrative arrangements (for example, codes of conduct, allowances and meeting frequency) and the process to be followed in selecting schemes. The latter area will need to deal with deliverability, fit with strategic objectives and the predicted effectiveness of the scheme. There will be some quite difficult issues for the governing boards to resolve, not least that of financial accountability and risk management.

The Government's decision on the allocation of funding means that, in order for the County Council to take full advantage of available funding, it will need to work through two local transport bodies, each with its own assurance framework. These are covered separately below:

The D2N2 Local Transport Body (D2N2 LTB)

The D2N2 Infrastructure Group, comprising the directors of transport for the four constituent authorities, recommends that the LTB is governed by a board comprising:

- Two representatives (elected Members) from each of the four highway and transport authorities.
- A representative of the D2N2 LEP
- A representative of the Sheffield City Region LEP (required to comply with Government guidance, because of the overlapping areas of interest).
- Two representatives (elected Members) to cover the constituency of D2N2 area district and borough councils.
- Observers from other organisations including the Department for Transport, Highways Agency and Network Rail.

It is recommended that the County Council's representatives on the board should be the Leader of the Council and the Cabinet Member - Highways and Transport. An early meeting of the board will be required in order to approve the assurance framework to be submitted to Government before the end of February. Once it has done so, and guided by the content of this framework, individual authorities will need to submit a small number of potential schemes for consideration. It is intended that recommendations on Derbyshire schemes will be presented to Cabinet at its meeting of 5 March 2013.

The Sheffield City Region Infrastructure Board

There is already an Infrastructure Board in place to administer the Sheffield City Region Infrastructure Fund (SCRIF), which is not necessarily restricted to the devolved major scheme funding. Derbyshire and Nottinghamshire County Councils and the D2N2 LEP are now invited to join this Board. It is a significant complication that the Board has already taken decisions on criteria for scheme selection and has assembled a list of candidate schemes. The new members will need to exercise their rights to review this and, if required, request changes or the right to submit their own candidate schemes. Given that the Infrastructure Fund is not restricted to highways and transport investment it is recommended that the Leader of the Council would be best placed to represent the County Council on this Board.

Cabinet Members will wish to note that the 'Made in Sheffield' City Deal recently agreed between the Government and South Yorkshire organisations, which includes the setting up of SCRIF, also proposes the creation of a Combined Authority which would take on powers and responsibilities from both the South Yorkshire Integrated Transport Authority (which it would replace) and from Sheffield City Council and the Metropolitan Borough Councils (which would remain as highway authorities but not retaining all of their current areas of responsibility). This Combined Authority is seen as working collaboratively with Derbyshire and Nottinghamshire County Councils but it is a stated aspiration within the City Deal that its coverage could, at a later stage, be expanded to cover the relevant parts of each County. Under existing legislation this could only be done with the consent of the County Councils, but it is likely that Cabinet will need to consider, in due course, reports dealing with specific proposals in order to agree a County Council response.

(3) **Financial Considerations** None associated directly with this report.

(4) **Property Considerations** There are no property considerations associated with this report.

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health and transport considerations.

(5) **Key Decision** No.

(6) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(7) **Background Papers** Guidance and background information on major transport scheme funding can be provided by the Environmental Services Department. Officer contact details – Jim Seymour, extension 38557.

(8) **OFFICER'S RECOMMENDATIONS** That Cabinet:

- 8.1 Appoints the Leader of the Council and the Cabinet Member - Highways and Transport as the County Council's representatives on the Board of the Derby, Derbyshire, Nottingham and Nottinghamshire Local Transport Body.
- 8.2 Appoints the Leader of the Council as the County Council's representative on the Sheffield City Region Infrastructure Board.

Ian Stephenson
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