

**Local Transport Body contacts
(cc LEP Chairs and LA transport directors)**

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Dear colleague,

LOCAL TRANSPORT BODY AND ASSURANCE FRAMEWORKS

I wrote to you in July to confirm your funding allocation, in relation to local transport major projects, from within the single Local Growth Fund. I am writing to you now to provide you with further clarification on the proposed next steps for the transition to funding to the Local Growth Fund to ensure that momentum in scheme delivery is maintained as far as possible.

You will recall that the July guidance issued to LEPs included confirmation that their plans would as a minimum “...*need to include any scheme to which the Local Transport Body has already committed funds following a scheme specific approval decision.*”

LTBs have now published the list of schemes that they intend to take forward within the portion of the fund that Government has committed to LEPs on a formula basis. However, as transport schemes have long lead-in times, Government does not want to lose momentum on the delivery of good schemes. LTBs can therefore commit funding to these schemes in advance of Growth Deals being agreed. The following paragraphs explain in more detail how this should happen.

As LEPs have been fully involved in decisions on LTB prioritised scheme lists, Government expects that they will be adopted in Strategic Economic Plans in all but exceptional cases. Where this is not the case, Government expects a robust justification and clear explanation of the effect on deliverability of the Strategic Economic Plan as a whole. If a discussion between the LEP and LTB highlights that other schemes in LTB published lists or in ‘reserve’ lists are key priorities for the LEP, it would be appropriate for them to be included in the Strategic Economic Plan as proposals for the competitive element of Local Growth Fund.

LTBs can consider individual business cases for any of the schemes that already feature in their published lists, firmly committing some of the post-2015 LEP funding to them, provided that:-

- (a) The LTB does so within the terms of their assurance framework that has been signed off by DfT. We have already signed off Parts 1 and 2 of most assurance frameworks and are signing off only those elements of Part 3 that relate to value for money in scheme assessments. The remaining elements of Part 3 are now redundant in that they relate to the ongoing operation of the LTB in matters that will now be the responsibility by the LEP. **The attached sheet indicates the status of your LTBs assurance framework and whether any further steps need to be taken before it is fully signed off.**
- (b) The total amount of such commitments does not exceed the confirmed formula allocation issued by DfT in July 2013 and **is consistent with the indicative funding profile on the attached sheet.** This is based on the scheme programme you submitted in July (and any amendment notified to us). If this is no longer suitable then please let us know as soon as possible. Once Growth Deals are agreed this profile will be superseded by the combined profile of the formula and competitive elements.

Once approved in this way, schemes will assume the same status as ‘tail’ schemes already approved centrally by DfT and will become a pre-commitment of LEP funding.

For the avoidance of confusion all of the above only applies to schemes that have already appeared on the LTBs published prioritised lists. Additional schemes can be introduced only by LEPs through the Growth Deals process.

The LTB’s authority to make such funding commitments will continue until the agreement of the LEP’s Growth Deal, after which LEPs will assume full responsibility.

The LTB and the LEP may, by agreement, come to a different arrangement and timetable for transition and handover of powers to commit funding.

It is your responsibility to ensure that the Section 151 Officers of the LTB accountable body and the LEP accountable body (if different) are content with your approval process, although as you will be acting in accordance with your agreed LTB assurance framework we would not envisage that being an issue.

To enable LTBs to fulfil the requirements of the assurance framework in relation to value for money, we have recently published the document ‘Value for Money Assessment: Advice Note for Local Decision Makers’¹. We had previously indicated that this would be published, and in the context of LTB assurance frameworks, while it has no mandatory force on its own, it should be seen as the DfT’s definitive advice on this subject. This is also a resource that LEPs can use in the value for money assessment of transport schemes, and we would also like to point you to other recently published resources, the Economic Insights Toolkit and the Social Impacts Toolkit² which are relatively light touch and interactive, aiming to assist in understanding the effects of transport interventions. All these documents can be accessed through the links below.

¹ <https://www.gov.uk/government/publications/value-for-money-advice-for-local-transport-decision-makers>

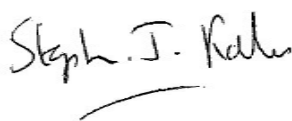
² <https://www.gov.uk/government/publications/economic-insights-and-social-impacts-toolkits/economic-insights-and-social-impacts-toolkits>

The Government does not have a view on the future role, or indeed the continued existence, of LTBs within the new arrangements once the transition is complete. That is entirely a matter for local decision. The assurance frameworks under which Local Transport Bodies currently operate may be a useful example for LEPs to consider when developing their own arrangements.

If you have any queries with the content of this letter, please contact your usual DfT regional engagement contact.

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

Yours faithfully,



Stephen Fidler

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Assurance Framework Sign off	
Part 1	Signed off
Part 2	Signed off
Part 3 (value for money)	Signed off

Indicative Funding Profile for confirmed formula element of Local Growth Fund					
2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
7.2	12.0	0.0	0.0		