

REPORT OF THE  
Cabinet  
PART I

**320. LOCAL TRANSPORT BODIES**

1. In April 2012 a Department for Transport consultation paper entitled “*Devolving local major transport schemes*” proposed a new system for prioritising and funding local major transport schemes to take effect from March 2015 (the next spending review period) and was followed up with a ‘next steps’ document in September 2012. Central to the proposals is the formation of democratically accountable Local Transport Bodies (LTBs). The starting point for the new LTBs is the Local Enterprise Partnership (LEP) geography and the Guidance makes it clear that local transport authorities and LEPs must take influential roles in decision making, although the membership is for local areas to decide.

2. Major scheme funding is for capital only and allocations should not be used for scheme development costs, which will have to be funded by the promoting body. The DfT has confirmed that funding will be calculated on a per capita basis of the LTB area, using the latest projection of mid-year population in 2017 (given that the funding period will cover 2015-19). Although the precise level of funding to be devolved to LTBs is not yet known, based on an expected £1.1 billion budget for the 2015-19 funding period an Enterprise M3 LTB might expect to receive up to £36 million or £9 million per year, whilst a Solent LTB could expect up to £29 million, or £7.25 million per year.

3. It is very important that the County Council is fully involved in this process and, as the local highway authority, it must have a central role in Local Transport Bodies. Given the County Council’s expertise in developing and delivering transport schemes, its membership is essential to ensure alignment with other local transport investment. The County Council therefore responded to the consultation document, by welcoming the proposed establishment of LTBs and Local Transport Consortia (LTC) and the opportunity that they will afford for local areas to make decisions on major transport scheme expenditure. The County Council, Solent LEP and Enterprise M3 LEP have each confirmed that they would favour LTBs being established on existing LEP geographies. There will also be opportunities to collaborate with other LTBs and work together to promote key strategic transport schemes that will be of mutual benefit.

4. The Government Guidance states that:

- LTBs should have defined and non-overlapping boundaries, so that each LTB has its own geographical area over which it has responsibility for major schemes;
- the boundary of LTBs should be coterminous with LTA and LEP boundaries, where practical; and
- where there is local agreement an option exists to create an LTB that covers more than one LEP area.

5. There are four districts in Hampshire (New Forest, Test Valley, Winchester, and East Hampshire) whose areas are split between the Solent LEP and

the Enterprise M3 LEP. Furthermore the Waterside area of the New Forest District is within both LEPs. It is considered that the residents and businesses of the Waterside interact more with the Solent LEP area than the Enterprise M3 LEP area, so transport solutions would most appropriately be developed and funded by the Solent Local Transport Body. This therefore formed the basis of the County Council's response which also asked that consideration be given to amending the LEP boundaries to reflect this and provide greater clarity.

6. The DfT also required that in areas where there is a LEP geographic overlap, the LTB geography should be agreed by all relevant parties affected by a particular boundary proposal (i.e. the LEP, local transport authority and district councils). The County Council has therefore held discussions with New Forest District Council as well as the other districts that are split between the Solent and Enterprise M3 LEP areas. The outcome of these discussions is that each split district has indicated that they are content to remain split for LTB purposes in accordance with the current geography of the Enterprise M3 and Solent LEPs. New Forest District Council has also indicated that it would like to see the boundary of the Enterprise M3 LEP re-drawn such that the Waterside area of it's district is in the Solent LEP only.

7. In respect of membership and governance, LTBs will have a single function, to prioritise and allocate devolved major scheme funding. All other local transport funding and responsibilities will be retained by the Local Transport Authorities (LTAs). LTBs are not expected to be full-time, staffed organisations, but rather boards that meet when required, supported by LTA technical expertise. LTBs should be "democratically accountable" and that "as a minimum, elected members should form the majority of voting members on the Local Transport Body, or, alternatively, other measures should be put in place to ensure that elected representatives cannot be out-voted by non-elected parties". It is proposed that both the LEP and the local highway authority members should be given voting rights. Other than LTAs and LEPs there is no requirement for other groups to be represented. However, consideration could be given to involving district authorities and/or transport infrastructure providers on a non-voting basis.

8. The DfT expects some LTBs to evolve from existing arrangements, where there is already joint working on transport in place. It is therefore recommended that the LTBs should use a similar governance structure to that used by Transport for South Hampshire (TfSH) . It should be noted that the governance models will need to be agreed with all potential members of the new bodies.

9. In the case of the Solent Local Transport Body it is suggested that this could be best achieved by reconstituting the existing Transport for South Hampshire (TfSH) Joint Committee to enable it to function as an LTB as well. This Joint Committee, which meets quarterly in public, is the body that makes the decisions for TfSH. Membership includes the Executive Members for Environment and Transport for Hampshire County Council, Portsmouth City Council and Southampton City Council together with officers from the three councils. The Isle of Wight Council has confirmed its intention to join the Joint Committee, and this is currently in the process of being ratified by the existing TfSH members. Whilst the Solent LEP attends Joint Committee meetings, a reconstituted Joint Committee acting as an LTB would also need to provide voting rights for the Solent LEP.

10. In terms of the LTB that will cover the Enterprise M3 area, there is no similar existing joint committee structure so the Cabinet recommended that a Joint Committee be established for Hampshire County Council, Surrey County Council and the Enterprise M3 LEP. This new committee could be supported by the Transport Action Group of the LEP, whose membership includes both the highway authorities, who also provide technical support and professional advice to the Group.

11. The DfT has indicated that LTBs will need to submit their own assurance frameworks, setting out how they will meet the minimum governance requirement, by December 2012. LTBs are also likely to be centrally monitored to ensure compliance with their assurance frameworks. The guidance also states that a local authority should act as the accountable body and should be responsible for holding all the formal records of the LTB.

12. The Government has made provision for a Local Transport Consortia (LTC), covering several LEP areas which would have the potential to be able to fund schemes of a size that could not realistically be funded from a single LEP's annual allocation. However, it is considered that a scheme by scheme voluntary collaboration between LTBs is more likely to deliver agreement on scheme funding for larger strategic projects than a formal merger of LTB areas. For this reason an LTC (which would carry out the functions of an LTB across more than one LEP area) is not the preferred model of all potential members and therefore is not a model that could be delivered. The benefits of scheme by scheme collaboration and pooling of funding could still be achieved by putting in place a Memorandum(s) of Understanding between the surrounding Local Transport Bodies, in support of cross border joint working to improve transport links.

The full Cabinet report can be found at [www.hants.gov.uk/councilmeetings.htm](http://www.hants.gov.uk/councilmeetings.htm) by typing in the relevant reference number:

- Local Transport Bodies (search item reference 4280)

## **RECOMMENDATION**

That the County Council:

- (a) Approve the proposed changes to the Transport for South Hampshire Joint Committee Agreement to allow it to function as a Local Transport Body for the Solent LEP area.
- (b) Approve the establishment of a Joint Committee with Surrey County Council and the Enterprise M3 LEP for the purpose of carrying out the duties of a Local Transport Body for the Enterprise M3 LEP area.
- (c) Delegate authority to the Director of Economy, Transport and Environment, in consultation with the Executive Member for Environment and Transport and the Head of Legal Services, to finalise the Joint Committee Agreements, detailed governance and operational arrangements and look to develop

appropriate Memorandum(s) of Understanding, within the framework set out in the report.

- (d) Agree to appoint the Executive Member for Environment and Transport to represent Hampshire County Council on the new Joint Committees of the Local Transport Bodies.