

Local Transport Body contacts

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16th July 2013

Dear colleague,

LOCAL TRANSPORT BODY FUNDING ALLOCATIONS

Further to my letter of 28th June I am writing to confirm your funding allocation, in relation to local transport major projects, from within the single Local Growth Fund and to update you on a number of associated issues.

Allocation

The funding that the Government is allocating today is only one element of over £12bn being made available to Local Enterprise Partnership (LEP) areas between 2015/16 and 2020/21 through the Local Growth Fund. This includes nearly £5bn of major schemes funding. LEP areas that make a good case for further investment through their strategic economic plans have the opportunity to receive significant additional funding from the competitive elements of the Local Growth Fund enabling far greater levels of local transport investment than had been anticipated prior to the Spending Round. Decisions on that will be made following Growth Deal negotiations with the Government.

Allocations to be provided from within the Single Local Growth Fund are at Annex A and reflect decisions taken by Ministers in DfT and the Treasury.

In order to maximise the competitive funding available to LEPs for transport and other projects and programmes within the Local Growth Fund, most Local Transport Bodies (LTBs) receive confirmed allocations for 4 years at a level one third below the indicative numbers provided in January 2013. This is within the range of scenarios that the Department asked you to consider at that stage.

Those LTBs/LEPs where the principle of 10-year funding has been agreed through city deals receive confirmed allocations for 6 years at the annual level indicated in January 2013. They also retain their indicative funding allocation for a further 4 years beyond the confirmed funding levels. This recognises that these LTBs are expected to be further ahead than others in strengthening their local decision making arrangements and the previous consideration of transport needs alongside other priorities in city deal discussions.

Working with LEPs

High level guidance to LEPs on Growth Deals will be made available shortly.

If LEPs are to be effective in securing additional resources for transport projects through their Growth Deal negotiations they will need to work effectively with LTBs. Our expectation is that, as LTBs' plans should have been developed in close collaboration with LEPs, the LEP Strategic Economic Plans should include schemes identified in these prioritised lists or, by exception, set out clearly why the LEP has taken a different view from the LTB.

Unless you have already done so, we would encourage you to meet urgently with your LEP colleagues to agree how you will work together on the development of their Strategic Economic Plan. We, along with BIS and DCLG colleagues, see real potential for LTBs to work jointly with LEPs on the transport elements of these plans and will consider the extent to which you have worked together effectively as part of the Growth Deal negotiations with Government. In doing so, we would expect you to highlight the importance of effective and speedy delivery and robust value for money evidence.

I should also confirm that we will expect Strategic Economic Plans to reflect wider transport needs beyond major projects and set out the overall priorities for the LEP area. This could include smaller scale transport projects that unlock job opportunities (such as pinch point, local sustainable transport or integrated transport projects) or maintenance of parts of the road network which, if not addressed, could become barriers to growth. LEPs may wish to indicate in their plans what level of spend they would wish to commit to schemes of this nature and give an indication of where/how it would be used and the benefits to be achieved. The plan needs to consider the resources available in the round including the Local Growth Fund – which includes £200m of Integrated Transport Block funding per year and £100m of capital Local Sustainable Transport Funding – and local authority, or EU resources where appropriate. We would encourage the LTB and its local authority members to share expertise across the breadth of transport with your LEP and to find practical ways of working together on a day to day basis.

Publication of scheme lists

As I said in my earlier letter, we have not prescribed the format in which you should publish your scheme lists later this month. The total should match your confirmed and indicative allocations set out in Annex A for the period from 2015/16 to 2018/19. It is at your discretion as to whether or not you wish at the same time to publicly identify additional schemes that you would consider to be the next best priorities, that may feature in your Growth Deals, although you should ensure it is clearly understood that they have no confirmed funding as yet. Seeking views on a longer list of prioritised schemes, as part of gathering the public comments, could help strengthen the case for the inclusion of those schemes that receive strong support within Strategic Economic Plans.

Profile of funding

The spreadsheet we have asked you to send us when you publish your scheme lists includes a proposed profile of spending. We will use this information, from across LTBs, to agree a provisional overall funding profile with the Treasury for the total share of the Local Growth Fund that has been confirmed to LTBs/LEPs today. Specific funding profiles for each LTB/LEP will be provided in the autumn, on the basis of: your final prioritised lists following public consideration; the overall profile for this share of the Local Growth Fund we will have agreed with the Treasury; and any views from LEPs. We would therefore encourage you to engage with your LEP over the summer to ensure that they are comfortable with the profile you have provided to us.

Next steps

Over the summer and early autumn we will work with both LTBs and LEPs to address the further detailed issues related to the transition to funding via the Local Growth Fund. On many of these we are already forming an initial view within Whitehall, but we are keen to ensure that the arrangements put in place work in practice – and we need your input to achieve this.

For example, the allocated funding will now formally be provided to the LEP, not the LTB. This raises both accountability and boundary issues. Our current intention is that where the boundaries of LEPs and LTBs do not align, funding will be awarded to the LEP on the same geographical basis as used for the indicative allocations, rather than attempting to make any adjustment to reflect the geographical differences. We will discuss this further with the affected LTBs and LEPs.

Similarly, funding for existing DfT-approved Local Authority Major schemes will also flow nominally through the Local Growth Fund and we will need to ensure that any delay to these projects does not impact on the total funding available to LEPs on a competitive basis. We will confirm the detailed mechanisms for how this will work at a later date but the key principle is that this element of the funding is dependent on the schemes going ahead as planned.

We aim to have resolved these detailed issues and provide further guidance as appropriate.

If you have any queries with the content of this letter, or if there are particular issues that you consider it is important that we address in the guidance to LEP officers, please contact your usual engagement contact (see list at Annex B). I would also be very happy to discuss this letter with you or a colleague.

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

Yours faithfully,

A solid black rectangular box redacting the signature of Stephen Fidler.

Stephen Fidler

ANNEX A

CONFIRMED ALLOCATIONS FOR LOCAL TRANSPORT BODIES

Local Transport Body	Confirmed funding from 2015/16 to 2020/21 inclusive (£m)	Indicative funding from 2021/22 to 2024/25 inclusive (£m)
WEST OF ENGLAND	44.9	36.4
WEST YORKSHIRE + YORK	100.9	81.8
SHEFFIELD CITY REGION	62.7	50.9
GREATER MANCHESTER	110.0	89.2

Local Transport Body	Confirmed funding from 2015/16 to 2018/19 inclusive (£m)
BLACK COUNTRY	18.4
BUCKINGHAMSHIRE THAMES VALLEY	8.3
CHESHIRE AND WARRINGTON	14.5
COAST TO CAPITAL	24.2
CORNWALL & THE ISLES OF SCILLY	8.9
COVENTRY & WARWICKSHIRE	14.3
CUMBRIA	7.9
DERBY, DERBYSHIRE, NOTTINGHAM & NOTTINGHAMSHIRE	31.2
DORSET	12.2
ENTERPRISE M3	24.3
GLOUCESTERSHIRE	9.8
GREATER BIRMINGHAM AND SOLIHULL	23.9
GREATER CAMBRIDGE GREATER PETERBOROUGH	14.1
GREATER LINCOLNSHIRE	11.9
HEART OF THE SOUTH WEST	27.1
HERTFORDSHIRE	18.5
HUMBER	14.8
LEICESTER AND LEICESTERSHIRE	16.1
LIVERPOOL CITY REGION	23.7
THE MARCHES	10.7
NEW ANGLIA	26.0
NORTH EASTERN	31.1
NORTH YORKSHIRE	9.6
NORTHAMPTONSHIRE	11.6

OXFORDSHIRE	10.6
SOLENT	19.2
SOUTH EAST	65.9
SOUTH EAST MIDLANDS	14.7
STOKE-ON-TRENT AND STAFFORDSHIRE	16.3
SWINDON & WILTSHIRE	11.3
TEES VALLEY	10.6
THAMES VALLEY BERKSHIRE	14.5
WORCESTERSHIRE	7.7

Note: The allocation for Lancashire will be confirmed upon the agreement of the Preston City Deal.

ANNEX B

DfT Local engagement contacts:

AREA	NAME	TEL:
North West, North East and Yorks & Humber	Margaret Jackson	0113 283 6677
South East and East	Lee Sambrook	0207 944 6136
West Midlands, East Midlands and South West	Liz Charlton	0121 678 8726