

# North Tyneside Council Report to Cabinet Date: 11 February 2013

**ITEM 6(h)**  
Title: Assurance  
Framework for Local  
Transport Body

**Portfolio(s):** Transport and the  
Environment

**Cabinet Member(s):** Cllr E Hodson

**Report from Directorate:** Chief Executive's Office

**Report Author:** Graham Haywood, Chief Executive (Tel: 643 2001)

**Wards affected:** All

## **PART 1**

### **1.1 Purpose**

The purpose of this report is to invite Cabinet to agree the Assurance Framework for the Local Transport Body (the body which is to review and approve local transport major schemes) in line with Department for Transport guidance, published in November 2012, which requires an Assurance Framework to be submitted by the end of February 2013.

### **1.2 Recommendation**

It is recommended that Cabinet:

- i. agree that North Tyneside Council will become a member of the North East Local Transport Body ("NELTB");
- ii. agree that Newcastle City Council will be the accountable body for the NELTB;
- iii. agree that the Elected Mayor take up the representative position of the Authority as a full member of the Local Transport Body, and request that the Elected Mayor appoint a deputy representative for such purpose;
- iv. approve, in principle, the Assurance Framework for the Local Transport Body (draft at Appendix 1) and delegate authority to the Head of Business and Economic Development (and, on a temporary basis pending the postholder to the said post joining the Authority, to the Head of Legal, Governance and Commercial Services), in consultation with the Strategic Director of Finance and Resources, the Head of Legal, Governance and Commercial Services and the Cabinet Member for Transport and the Environment, to finalise the Assurance Framework and to agree for the Assurance Framework to be submitted to the Department for Transport on behalf of the Local Transport Body; and

- v. delegate authority to the Head of Legal, Governance and Commercial Services, in consultation with the Head of Business and Economic Development (and, on a temporary basis pending the postholder to the said post joining the Authority, the Head of Legal, Governance and Commercial Services), the Strategic Director of Finance and Resources and the Cabinet Member for Transport and the Environment, to conclude all documentation and enter into all legal agreements with the other members of the NELTB to cover all requirements, including a 'back to back' legal agreement with Newcastle City Council as Accountable Body for the Local Transport Body.

### **1.3 Forward plan**

This item is listed on the Forward Plan for the period 16 January to 30 April 2013.

### **1.4 Council plan, policy framework**

The proposals in this report are not directly related to any of the priorities set out in the Council Strategic Plan 2012-2015.

### **1.5 Information**

The Department for Transport (DfT) has announced its firm intention to devolve funding for local major transport schemes to Local Transport Bodies from 2015. Local Transport Bodies will be voluntary partnerships between local authorities, Local Enterprise Partnerships (LEPs) and potentially other organisations.

Under the devolved framework, DfT will no longer have a role in the selection and approval of individual schemes: the Local Transport Body is to decide which investments should be prioritised; review and approve individual business cases for those investments; and ensure effective delivery of the programme. However, DfT seeks to confirm that the necessary arrangements are in place to ensure value for money and sound decision making.

For example, Local Transport Bodies may involve partners other than local authorities and will, in many cases, make decisions about the distribution of resources between local authorities. DfT has therefore required all Local Transport Bodies to put in place an Assurance Framework, setting out their governance and working arrangements, which would have to be approved by DfT before any devolved funding could be transferred. The deadline for Assurance Framework documents to be submitted to DfT is the end of February 2013.

With the agreement of Leaders and Elected Mayors, it was proposed and accepted by DfT that a single Local Transport Body should cover the same area as the North Eastern LEP, i.e. include the Tyne and Wear authorities and Northumberland and Durham County Councils. It was agreed between these partners that Newcastle City Council should initially act as Accountable Body for the Local Transport Body.

This report seeks the necessary authorisations associated with North Tyneside Council formally joining the NELTB as a full member, agreeing and finalising the draft Assurance Framework, and concluding and entering into all relevant legal documents associated with these steps. A report in similar form is being considered by the Executives of all seven local authority members of the NELTB in February, to enable submission of the finalised Assurance Framework to the DfT by the end of February.

At the date of publication of this report, the draft Assurance Framework is not yet available, but it is anticipated to be received shortly and will be provided as an Addendum to this report in advance of the Cabinet meeting.

## **1.6 Decision options**

Cabinet may:

1. Approve the recommendations in section 1.2.
2. Not approve the recommendations in section 1.2.

Option 1 is the recommended option.

## **1.7 Reasons for recommended option**

Option 1 is recommended as the Assurance Framework to be provided has been prepared in line with the Department for Transport guidance, which requires all prospective Local Transport Bodies to submit their Assurance Framework documents by the end of February 2013.

## **1.8 Appendices**

Appendix 1: North East Local Transport Body - Draft Assurance Framework (to be provided as an Addendum to the report in advance of the Cabinet meeting)

## **1.9 Contact officers**

Colin MacDonald, Senior Client Manager, 0191 643 6620  
Andrew Flynn, Client Manager Highways New Development, 0191 643 6083  
John Cram, Project Engineer Transportation, 0191 643 6122  
Alison Campbell, Financial Business Manager, 0191 643 7038

## **1.10 Background information**

'Guidance for Local Transport Bodies' (published by Department for Transport on 23 November 2012), available online at:

<https://www.gov.uk/government/publications/guidance-for-local-transport-bodies>

'Devolving Local Major Transport Schemes – next steps' (Department for Transport response to public consultation carried out from 31 January-2 April 2012), available online at:

<https://www.gov.uk/government/consultations/devolving-local-major-transport-schemes-consultation>

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

Once agreed by all partner organisations, the Assurance Framework will be available in electronic format. There are no financial implications associated with producing copies of the document.

Newcastle City Council, as the Accountable Body, will provide financial statements to the Local Transport Body and will ensure that funds are only used in accordance with the criteria set for their use; and that major scheme funding is separately identifiable from the Accountable Body's own funds. The S.151 officer of the Accountable Body will ensure that funds are accounted for appropriately in the final accounts of this body, in line with proper accounting practices. Funding arrangements for the administration of the Local Transport Body, and indemnities related to the appropriate use of funding, will form part of the 'back to back' legal agreement to be developed as detailed in 2.2.

## **2.2 Legal**

The Local Transport Body is to be an informal partnership made up of voting members (the seven local authorities: Durham County Council, Gateshead Council, Newcastle City Council, North Tyneside Council, Northumberland County Council, South Tyneside Council and Sunderland City Council) and subject to the provisions of DfT guidance the possibility of membership is also to be open to Tyne and Wear Integrated Transport Authority (ITA) and the North Eastern Local Enterprise Partnership (LEP); membership is to be open to review on an annual basis.

The contractual arrangements associated with membership of the NELTB will include the development of a 'back to back' legal agreement, which will cover the Service Level Agreements (contracts) with the Accountable Body (Newcastle City Council), including budgetary arrangements for the administration of the Local Transport Body, and will also cover indemnities between authorities related to the appropriate use of funding in accordance with the applicable grant conditions from government. The report seeks the appropriate authorisations to conclude and enter into such arrangements.

## **2.3 Consultation/community engagement**

The Department for Transport guidance follows a national consultation 'Devolution of local major transport schemes', which ran from 31 January - 2 April 2012. When major transport schemes are brought forward they will involve an engagement strategy that will include both public and Member engagement.

## **2.4 Human rights**

There are no human rights implications directly arising from this report.

## **2.5 Equalities and diversity**

There are no equalities and diversity implications directly arising from this report.

## **2.6 Risk management**

Department for Transport guidance makes clear that there would be a risk to the delivery of full funding if the deadline of submitting an Assurance Framework by the end of February 2013 were not met, as the Department could consider delaying the devolution of funding for local transport major schemes in such a case.

## **2.7 Crime and disorder**

There are no crime and disorder implications directly arising from this report.

## 2.8 Environment and sustainability

The environmental impacts of individual transport major schemes will be assessed as part of scheme development and prioritisation.

### PART 3 - SIGN OFF

- Chief Executive
- Strategic Director(s)
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Strategic Manager,  
Policy and Partnerships