

Cabinet

13 March 2013

**North East Local Transport Body
Assurance Framework**



Report of Corporate Management Team

**Ian Thompson, Corporate Director Regeneration and Economic
Development**

Councillor Neil Foster, Portfolio Holder for Economic Regeneration

Purpose of the Report

1. To inform Cabinet of a delegated decision, made under urgency provisions to agree the Assurance Framework under which the North East Local Transport Body (NELTB) will operate in line with DfT requirements for the management of devolved local major transport scheme funding.

Background

2. In September 2012 the Department for Transport (DfT) set out its intentions for the devolution of funding for local major transport schemes from 2015.
3. The DfT proposed that the primary decision making bodies on the use of the devolved funding will be Local Transport Bodies (LTBs), voluntary partnerships of local transport authorities, local enterprise partnerships and potentially other stakeholders.

Local Transport Body

4. In June 2012 the seven Local Authority Leaders and Elected Mayor agreed in principle to act as the Local Transport Body in the NELEP area. In addition, it has been agreed that the ITA for Tyne and Wear will also be represented on the North East Local Transport Body (NELTB), along with a representative of the NELEP as an observer.
5. The NELTB will be an unincorporated association (informal partnership), with each authority represented by their leader/elected mayor (or their appointed deputy). The Chair of the NELTB will be appointed in accordance with the wider governance of the Seven North East Authority groups and will follow the same structure of annual rotation of the Chair.
6. The NELTB have been given an indicative funding level of £46.7m for the four year period commencing 2015/16. The NELTB will be responsible for prioritising transport investments, approving individual scheme business cases, and ensuring effective delivery of the programme.

7. Work on developing the programme of prioritised schemes has commenced and will need to be signed off by the NELTB for submission to DfT by July 2013.

NELTB Assurance Framework

8. The DfT will no longer have a role in the selection and approval of individual schemes. However, it does require that the devolved system provides appropriate safeguards for the use of public funds. The existing arrangements in place governing Local Authorities' financial management are not considered adequate for these purposes because it is the LTB and not the local authority that is the effective decision making body. The DfT therefore require that all LTBs put in place an assurance framework, setting out their governance and working arrangements.
9. The Assurance Framework (appendix 2) has been prepared by the Senior Officers Transport Advisory Group with advice from legal officers and has been considered by the LA7 Economic Directors, Chief Executives and the Leaders and Elected Mayor group.
10. The Assurance Framework sets out how the NELTB will operate to meet the required DfT standards of governance, financial management, accountability, meeting value for money and environmental considerations.
11. Newcastle City Council will act as the "Accountable Body" for the NELTB on an interim basis (subject to the outcomes of a wider governance review in the North East LTB area) and will be responsible for the legal and financial management of major scheme grant funding; including holding devolved major scheme funding, making payments to delivery bodies, and ensuring that funds are only used in accordance with the criteria set for their use.
12. The Accountable Body will develop a back to back agreement between the NELTB members in order to ensure these responsibilities are discharged. In addition a service level agreement will be specified to ensure that the NELTB receives an adequate level of support from the Accountable Body.
13. The Assurance Framework needed to be agreed off by all of the named authorities in advance of the submission deadline of the end of February. Due to the timescales involved, it was necessary to consider the approval of the Assurance Framework as a Chief Officer delegated decision, in consultation with the relevant Portfolio Holder.

Recommendations

14. Cabinet are asked to endorse the delegated decision taken on 25 February by the Corporate Director Regeneration and Economic Development to agree to the NELTB Assurance Framework.

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Appendix 1: Implications

Finance –

This report relates to the management of devolved local major transport capital funding. The indicative allocation for the NELTB area is £46.7m over 4 years from 2015/16 onwards.

Staffing –

Not applicable

Risk –

No significant risks identified.

Equality and Diversity / Public Sector Equality Duty –

No implications.

Accommodation –

Not applicable

Crime and Disorder –

Not applicable

Human Rights –

Not applicable

Consultation –

Delegated decision taken in consultation with Portfolio holder for Regeneration and Economic Development

Procurement –

Not applicable

Disability Issues –

Not applicable

Legal Implications –

Legal Services will be involved in back to back agreements between the partners of the NELTB