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Dear Rodney

2002/03 LOCAL TRANSPORT CAPITAL EXPENDITURE SETTLEMENT

Introduction

The Government's vision for transport is for a modern, high-quality network that meets people's needs and offers more choice to individuals, families, communities and businesses. Delivering better transport means tackling problems caused by decades of underinvestment. It requires a long-term approach and funding to promote long-term solutions.

Local Transport is a key element of the Government's 10 Year Plan for transport, and the 5-year LTP settlement announced last December will help authorities to plan and deliver an integrated local transport system for their areas.

The 10 Year Plan contains targets and outputs which are expected to be delivered at the local level over the period to 2010. Briefly, these relate to:

- better public transport including increased bus and light rail patronage
- better integration including integrated information and ticketing
- better accessibility including improvements in the physical accessibility of public transport and the pedestrian environment; and better access to bus services in rural areas
- reducing the environmental impact of traffic with improved air quality and reduced emissions and noise
- reducing congestion in large urban areas
- safer roads with challenging reduction targets for road accident deaths and injuries
- properly maintained roads to halt the deterioration in condition by 2004 and eliminate the backlog by 2010/11
- encouraging cycling, walking and Home Zones including trebling the number of cycling trips



- improving the local road network, including around 200 major local roads schemes of which up to 70 could be bypasses

It is still early in the 10 Year Plan period, and the LTP process is still relatively new. There is some evidence of progress against targets during 2000/01. Recent results from the travel surveys conducted on behalf of DTLR include a 27% rise in light rail patronage in the last year. Road casualty statistics show a 13% reduction in the number of people killed or seriously injured, and a 24% reduction in the number of children killed or seriously injured, compared to the 1994-98 average. There is also evidence that the percentage of rural households in England living within about a 10 minute walk of an hourly or better bus service is increasing.

Authorities have shown in their first Annual Progress Reports that they have begun to implement the policies and schemes that will deliver real improvements on the ground, and they are working towards achieving the ambitious outcomes and targets set in their LTPs and the 10 Year Plan.

In addition to setting out your 2002/03 allocations, this letter also contains feedback on your authority's Annual Progress Report (APR).

Overview of Annual Progress Reports

APRs provide a mechanism for authorities to report on how their LTPs are being implemented and what progress has been made in working towards the objectives, outputs and targets of their local transport plans (LTPs). APRs enable authorities to report their achievements in delivering their LTP to residents, stakeholders and interest groups and to Government.

The first APRs cover the year 2000/01 – the year in which authorities' 'provisional' LTPs were being implemented, so to some extent this round of APRs has been a 'dry run'. Overall authorities have made a good attempt to comply with the APR Guidance. Many APRs contained examples of achievements in 2000/01. As we are still in the early stages of the LTP process, there was understandably relatively little evidence of the outcomes of policies. DTLR has however been pleased to see examples of improvements against local targets (e.g. on road safety, disabled facilities at crossings, patronage on public transport).

In next summer's APRs, Ministers expect to see more evidence of progress in delivering transport improvements. The 2002 APRs will report on the first year for which substantial additional funding was available through the 10 Year Plan. Ministers will want to see evidence that this funding is being used effectively to provide the transport schemes that will improve the quality of life for local people, as well as a more efficient transport network for business. It will be essential for authorities to focus on delivery over the coming year. We will be looking for authorities to provide more examples of achievements and how changes are occurring as a result of implementing the LTPs. We shall also be looking to authorities to consider whether their targets need to be sharpened up, as well as further use of indicators to gauge progress and enhanced monitoring of performance.



APR Guidance

Revised guidance will be prepared in the New Year to assist authorities prepare their second and subsequent annual progress reports. Building on the guidance prepared for the first APRs, and incorporating the lessons that we have learnt from the operation of first APRs, it is envisaged that this will include further good practice on the preparation of an APR. It will also include advice on monitoring progress against performance indicators and targets and data collection arrangements.

Good practice and learning lessons

It is crucial that authorities share good practice and disseminate information to avoid “re-inventing the wheel” when planning and implementing their strategies. The Government is aware that a lot of good practice already takes place and is keen that authorities make the most of this. The Government aims to facilitate the spread of good practice through its Centres of Excellence initiative. We are providing funding to Centre of Excellence authorities to help them with their dissemination programmes and in the New Year will be producing a brochure which sets out what each Centre of Excellence plans to do; the aim is that this publication will be a valuable source of information for authorities. DTLR will also be hosting a conference in the spring, jointly with the Centre for Transport Studies at Robert Gordon University, in order to assist the dissemination process. The Government is also aware that there are other initiatives in existence focusing on good practice, and many valuable working-level contacts. We were pleased to see some reports in authorities’ APRs about good practice, and would urge authorities to take every opportunity to share good practice and learn from others’ experiences.

2002/03 Settlement

This letter contains the results of 2002/03 local transport capital settlement, both over the whole of England (outside London) and for Leicester City Council in detail. In making these allocations, the DTLR’s starting point has been the 2002/03 firm allocations for maintenance and the 2002/03 indicative allocations for smaller schemes announced in the November and December 2000 decision letters, plus the commitments arising from major schemes accepted in previous settlements.

The indicative allocations for the remaining 3 years of the LTP period, announced as part of last year’s settlement, still stand. Because of the need to consider allocations as part of the overall settlement process in each of the remaining years of the plan period, we cannot guarantee that additional resources for supplementary bids accepted this year will be provided in future years. The availability of such funding will depend on the total level of uncommitted resource available for local transport at that time. However, we have noted those cases where supplementary bids sought funding over a number of years.



Development of maintenance formulae for 2003/04-2005/06

DTLR is undertaking more work to refine the formulae for the distribution of capital funding for road and bridge maintenance. The refined formulae will take into account the availability of new condition data for non-principal roads as well as making any necessary adjustments to the existing formulae for principal roads and bridges.

Local authorities will have the opportunity to express their views on the development of possible methodologies through the Roads Liaison Group (RLG) and the three Boards reporting to it for Roads, Bridges and Street Lighting. It is intended that the new formulae will come into use in time for the 2003/04 Settlement, to be announced in December 2002.

NATIONAL PICTURE

The total funding available for 2002/03 is £1.58bn – comprising the £1.52 billion announced for 2002/03 as part of last year's settlement, £42m of receipts taken into account (RTIAs) and a small sum carried forward from 2001/02.

Single Capital Pot

The allocations for major schemes will continue to be in the form of a mixture of 1-year SCAs and grant (Transport Supplementary Grant and Section 56 grant). These allocations remain outside the Single Capital Pot (SCP).

The allocations to be made to PTAs for the integrated transport block are also outside the SCP because PTAs are single-service authorities. These allocations will be made as 2-year SCAs.

All other authorities will receive their funding for the maintenance and integrated transport block as part of the SCP. This is awarded as a single ACG to each authority for 2002/03 covering the services included within the SCP. Authorities will have discretion to spend this funding according to their own plans and priorities. Subject to this, we expect authorities to continue to spend sufficient funds on transport to enable them to work towards, and ultimately meet, the objectives and targets contained within their LTPs.

In line with the broad principles on which the Government consulted earlier this year, transport's contribution to the Single Capital Pot for 2002/03 is £1.1bn or 46% of the total SCP.

A total of 95% of the transport contribution to the SCP has been allocated on the basis of the firm maintenance allocations already announced for 2002/03, plus the indicative allocations for integrated transport already announced, plus an amount reflecting an assessment of authorities' APRs including decisions on any supplementary bids.



The remaining 5% of transport funding has been included within the amount being allocated as the 'discretionary' element of the SCP. These allocations reflect an assessment of the quality of authorities' capital strategies, asset management plans (AMPs), and their performance in the 4 service areas (transport, housing, education and social services). The details of this process are set out in the letters of 22 March 2001 and 9 August 2001 from Pam Williams to local authority Chief Executives; these are also reproduced on the DTLR website (<http://www.local.detr.gov.uk/finance/capital/singpot.htm>). An announcement on the overall Single Capital Pot, including the discretionary element, is being made in parallel with the LTP announcement.

Transport has been a major contributor to the total funding in the SCP, including the discretionary element to which LTP funds have provided £52 million. The assessment of LTPs and APRs has been a factor in determining the size of the discretionary element for each authority. However, as the discretionary award is calculated by taking account of several elements including the AMP and Capital Strategy, it is not possible separately to identify the 'transport' element of the discretionary award for individual authorities. Whilst all authorities have clear discretion to use the 5% element as they consider appropriate in line with their overall aims and objectives, we would expect authorities will wish to make use of some of these resources to assist in delivering their LTPs.

Annex 4 sets out some additional advice on the operation of the Single Capital Pot in respect of joint LTPs.

Major schemes

We are earmarking a total of £330m for major schemes in 2002/03, of which £314m is for schemes accepted in previous settlements and the remainder will be for new major schemes once they achieve fully accepted status. Seventy-five new major schemes were submitted for approval this year, 42 of which were for schemes classified as 'work in progress' last year. As last year, all schemes have been assessed using the New Approach to Appraisal (NATA). In the same way as in 2000, we have categorised each new major scheme as accept, provisionally accept, work in progress or reject. In total, DTLR is accepting or provisionally accepting 23 new major schemes in this settlement.

A number of authorities made bids for schemes which do not yet have completed appraisals. DTLR and Government Office officials would be pleased to work with authorities who have bid for schemes for which design and appraisal work is still in progress, in order to help them bring forward the schemes again for consideration next year. Authorities should however understand that there will be fewer uncommitted funds as we move towards the middle and later stages of the 5-year LTP period.

Maintenance and integrated transport block

The total of the firm allocations already made for maintenance for 2002/03 was £545m. Nationally, we are amending this total figure slightly to provide an extra £10m for maintenance, primarily to accommodate the effects of amended or corrected data feeding into the maintenance formulae.



The indicative allocations for the integrated transport or 'smaller schemes' block in 2002/03 totalled £504m.

In addition to the indicative allocations, £70m is being provided for the integrated transport block in response to supplementary bids made by authorities as part of their Annual Progress Reports (APRs), and as additional allocations taking into account authorities' original LTP bids for 2002/03 and progress reported in the APRs. This is **in addition to** the £52m which will be distributed as part of the discretionary element of the Single Capital Pot and may also be used for smaller schemes and maintenance.

Major scheme preparatory costs

Some authorities have expressed concerns about funding preparation costs (broadly speaking, the costs incurred prior to full acceptance of a scheme) for local transport major schemes. As a general principle, authorities must take the initial risk of developing schemes in order to demonstrate a genuine commitment to the scheme, to avoid speculative or unrealistic schemes being brought forward and to ensure that priority is given to schemes which have the greatest potential benefits for the area. The former DETR did however respond to concerns about preparatory costs by including text in the December 2000 decision which opened up the possibility of making payments in respect of costs already incurred, once full acceptance had been reached.

DTLR Ministers have decided that they are content to continue for the present with the policy foreshadowed in the December 2000 decision letters. Ministers are however concerned not to distort local priorities. The policy will therefore be kept under close review, particularly with regard to the effects the policy has on authorities' smaller schemes programmes.

Guidance will be circulated very shortly which builds on the general principles set out in the December 2000 decision letter text, to assist local authorities who consider they may have a case for additional funding which takes into account expenditure already incurred on preparatory costs. The guidance will set out the information authorities need to include when making a bid to DTLR, and clarify the kinds of costs which may be taken into account. The guidance will cover the use of PFI and set out what kinds of additional costs may be considered for PFI schemes.

Major schemes and PFI

Ministers expect local authorities to continue to examine whether individual schemes would be suitable for PFI procurement. For all major schemes, authorities are required to complete the checklist at Annex G of the Guidance on Full Local Transport Plans. Based on this information, the Department has identified a number of schemes which appear to be suitable for PFI procurement. In these cases, we expect each of the local authorities to evaluate whether the scheme would demonstrate better value for money as a PFI deal. Conventional funding would not be available as an alternative source of funding for schemes that demonstrate better value for money through PFI.



Transport Direct

The Government announced in *Transport 2010* an ambitious vision for travel information. Called Transport Direct, the programme's aim is to provide the traveller with all the information they need before and during a journey anywhere in the UK and with the ability to buy the associated tickets. In both the 10 Year Plan and later statements on the programme, we have said that we want to take Transport Direct forward in partnership with the private and other parts of the public sector. While many elements of the programme are being taken forward at national level (e.g. rail information), local authorities' involvement is crucial to making Transport Direct work.

In particular, local authorities have responsibility for provision of information on bus services – with more real-time information systems being a Transport Direct target for 2003. However, the Transport Direct programme was announced just a few days before the first Local Transport Plans were submitted in 2000. It was not until this year, therefore, that we could compare local authorities' plans with the Transport Direct vision. We have looked at the local transport plans and the annual progress reports to gauge the degree of progress. Based on that assessment, Ministers have concluded that in 2002/3 more work needs to be done in this area. Exceptionally, £20m has been set aside specifically for this. The aim is to secure expansion or acceleration of existing plans, which can be implemented during 2002/03, rather than asking authorities to devise new schemes from scratch. Funds will be allocated on the basis of bids from authorities that will be invited shortly. More detailed guidance will be available at that point.

REGIONAL SUMMARY

You may be interested to have some information about the settlement for the region as a whole, and this is at Annex 1.

DETAILS FOR YOUR AUTHORITY

A breakdown of the nature of the financial allocations is set out in Annex 2 to this letter.

Overview of Annual Progress Report

We are pleased to see the continuing partnership with Leicestershire County Council in producing the joint Central Leicestershire Local Transport Plan.

Detailed comments on the Department's assessment of the Annual Progress Report (APR) are set out at Annex 3. It is accepted that the monitoring of the LTP process is still in the fairly early stages of development so I hope you will find our comments constructive.

More generally, your APR has a solid focus on delivery and the format of the report is about right by both covering achievements to date and progress towards your objectives. It addresses the shortcomings of the Local Transport Plan that were identified in last year's decision letter and



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provides evidence of improvement. The comparison of the Councils' key achievements against the challenges set by the Government's Ten Year Plan for Transport is particularly informative.

Although the APR includes good examples of what has been achieved by the Councils to date we would have liked to have seen more about addressing the areas where targets have not been met. In addition, although most baselines have been finalised a number for Best Value Performance Indicators remain to be set and we would encourage the Councils to do this as quickly as possible. As far as consultation is concerned, the Annual Performance Report concentrates on arrangements for feeding in views at Plan level and could be broadened usefully by providing reassurance that the wider community will be fully consulted on specific schemes that materialise from the Local Transport Plan.

Overall allocation

We have made an allowance of £13.490m for the implementation of the Central Leicestershire Local Transport Plan for 2002/03.

Block Allocation

Block allocations for local transport are now given as ACG and are included within the Single Capital Pot. After considering your Annual Progress Report we have made a block allocation allowance for 2002/03 of £13.490m. Your share of the allocation is £10.930m of which £6.614m is for integrated transport and £4.316m for maintenance. You have discretion on how to use the block allocation on integrated transport measures and maintenance schemes within the plan area.

Supplementary Bid and Additional Resources

After considering the case for your supplementary bid we recognise the proposals for the development of the Leicester City Centre Low Emission Zone and are pleased to provide £0.200m for 2002/03 in support of that bid. This amount represents the elements of the bid, which from the information provided, we believe are eligible for LTP capital resources and is already included in the total figure shown above.

Furthermore, in light of the available additional funding, we are pleased to award an additional £0.450m towards your integrated transport block for 2002/03. This additional funding is again already included in the total figure shown above and, like the rest of your integrated transport block and maintenance funding, will be allocated as part of your transport ACG in the Single Capital Pot. You will therefore be able to spend this additional funding in accordance with your local priorities, although we would expect such spending to be in line with the objectives and strategies contained in your LTP.



Single Capital Pot – Transport’s contribution to the ‘discretionary’ service performance element

As explained earlier, you are also receiving a 'discretionary element' as part of the Single Capital Pot, based on an assessment of the quality of your Capital Strategy, Asset Management Plan, and performance in four service areas: transport, housing, education and social services. Details of the assessments for your authority for each service, as well as your Asset Management Plan and Capital Strategy are included in a parallel letter being sent to you today.

For transport, your performance assessment was considered to be “average” in comparison with all authorities producing LTPs. This was based on an assessment of your authority’s LTP against the 27 criteria contained at Annex D of the *Guidance on Full Local Transport Plans*, and evidence of improvement to the LTP contained in your APR. Feedback on the quality of your LTP was contained in your December 2000 decision letter, and feedback on your APR is contained in this letter.

For Leicester City Council the total discretionary element is £0.815m. The total amount distributed through the discretionary element includes a substantial portion top sliced from LTP resources. Your authority may use the discretionary element according to your own local priorities, including of course on transport measures.

Existing Major Schemes

We are making no allocation for the **A46/A47 Link Road** scheme as we stated in the 1998/99 decision letter that sufficient Departmental resources had been provided to enable the scheme to be completed.

As you know, the **Rearsby Bypass** scheme was provisionally accepted last year subject to the completion of the relevant statutory procedures. Subject to the scheme remaining unchanged in any significant way following completion of the statutory processes, we would be prepared to provide a total contribution of £5.860m towards the cost of the scheme. We shall need to be kept informed of progress towards completion of the statutory processes through the monitoring arrangements for major schemes. Ministers reserve the right to reconsider their decision on this scheme if the outcome of the statutory process, or any other circumstances, cause any significant changes in scheme design which would affect its appraisal case or our agreed contribution.

New Major Schemes

We very much recognise the importance attached to transport improvements in the Leicester City area. However, the available appraisal material is not sufficient to allow us to form a view on whether the **Leicester West Transport Scheme** passes the tests that have been established to determine eligibility for Government funding. We would be pleased to continue to work with the City and County Councils to resolve any outstanding issues and to assist you with completion of a full scheme appraisal we are already arranging a meeting with your officers early in the new year.



We would want to look again at the scheme once this work has been completed. In order for Ministers to consider the scheme for funding next December we would expect a full appraisal to be submitted in July 2002 along with your LTP Annual Progress Report.

ANY QUESTIONS

If you need any further clarification please do not hesitate to contact Dale Oscroft on 0115 971 2638.

Yours sincerely

MIKE JACKSON



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THE REGIONAL PICTURE

This settlement builds on last year's successful result for local authorities in the East Midlands.

We continue to be satisfied with the commitment that most authorities have given to taking on board the advice about the content of the full plans. It is particularly pleasing to see the continued co-operation in the production of joint plans for the main conurbations which enhances the region's reputation for partnership working to address local transport issues. However it is fair to say that there continues to be a variation in the quality of the plans and we would encourage all authorities to aspire to the best.

Whilst recognising that it is still early in the delivery process, the APRs do give some indication that investment is beginning to have an impact. Examples include improvements to public transport provision being developed as part of Bus Quality Partnerships and a reduction in the killed and seriously injured casualty figures for many authority areas. We would expect that next year's reports should be able to give a stronger indication of the specific benefits that are being delivered to local communities.

The overall standard of plans in the East Midlands has been recognised with a total 2002/03 allocation for transport measures of £118.8 million. Taking account of the supplementary bids which were received and an assessment of need across all authorities in the region in relation to previously unmet LTP bids, additional block resources, totalling £7.6 million, have been allocated. This sum is included in the total allocation above.

The allocation for bridge and carriageway maintenance is as was indicated last year; £61 million. A total of £53million is being made available from the block allocation for integrated transport measures.

The following major schemes are being taken forward:

Markham Employment Growth Zone, Derbyshire	- Provisionally Accepted
Oakham Bypass, Rutland	- Provisionally Accepted
Ilkeston-Awsorth Link, Derbyshire	- Provisionally Accepted
A612 Gedling I/T scheme, Nottinghamshire	- Provisionally Accepted

In addition a number of other major schemes will continue to be worked up sufficiently to enable decisions to be made.

Summarised below are the allocations for each plan in the East Midlands for 2002/2003:

Plan	Bridge & c/w Maintenance £m	Majors – New & committed £m	Block allocation Integrated Transport £m	TOTAL £m
Derbyshire	11.711		6.276	17.987
Leicestershire	6.788	0.685	2.836	10.309
Lincolnshire	10.890		6.195	17.085
Northants	5.463		6.182	11.645
N Nottinghamshire	11.323		3.861	15.184
Derby	1.549	3.000	3.801	8.350
Cen Leicestershire	4.316		9.174	13.490
Rutland	0.783		0.547	1.330
Gr Nottingham*	8.604	0.790	14.078	23.472
TOTAL	61.427	4.475	52.950	118.852

* This includes £1m for the NET project



Annex 2

LOCAL TRANSPORT PLAN ALLOCATIONS BY AUTHORITY FOR THE EAST MIDLANDS 2002/03

Authority	Block Allocation £m	Major Scheme	Type	SCA £m	TSG £m	Total
Derbyshire	18.367					18.367
Leicestershire	12.184	Ashby Bypass Stage 2	Road		0.685	12.869
Lincolnshire	17.085	A1073 Spalding to Eye Improvement	Road			17.085
Northamptonshire	11.645					11.645
Nottinghamshire	24.248	A6002/A6007 Coventry Lane Improvement and A617 Mansfield Ashfield Regeneration Route	Road	0.395	0.395	25.038
Derby	4.970	Derby City Centre Integrated Transport Project	PT	3.000		7.970
Leicester	10.930					10.930
Rutland	1.330					1.330
Nottingham	13.618					13.618
TOTAL	114.377			3.395	1.080	118.852



ASSESSMENT OF CENTRAL LEICESTERSHIRE LTP ANNUAL PROGRESS REPORT

Targets

On the whole, the Annual Progress Report sets out progress effectively. It includes a correctly completed Annex A table and although some baselines have still to be established, most have been finalised. However, a number of baselines for Best Value Performance Indicators remain to be set and we would encourage the Councils to do this as quickly as possible, even if it means adopting provisional targets for the purpose of the Local Transport Plan. As targets are met and reviewed, we would also encourage the Councils to adopt more outcome based ones. A narrative description of progress is provided across the themes of the Local Transport Plan and includes many good examples as evidence of what has been achieved. However, it is not always clear whether the achievements are results of the 2000/01 allocation and there is insufficient evidence of addressing issues where targets have not been met. Despite this, the Annual Performance Report has a solid focus on delivery.

A Technical Paper submitted as an annex to the Annual Performance Report provides a good explanation of the approach to the data collection underpinning the monitoring arrangements put in place for the Local Transport Plan.

Finance

Actual and predicted expenditure for integrated transport and maintenance works over the Local Transport Plan period is set out in the Annual Progress Report. However, the clarity of information on the finance forms could have been improved.

Consultation

We are pleased to see that the APR is to be widely distributed free of charge to encourage feedback. The Annual Progress Report itself contains a short but effective section on consultation setting out how the local people, businesses, transport providers, transport users and other interest groups are being involved in the implementation of the Local Transport Plan. The emphasis is on feeding in views at plan level and could be broadened usefully by providing reassurance that the wider community will be fully consulted on specific schemes that materialise from the Local Transport Plan.

Good practice

We are keen that authorities should develop best practice in preparing and implementing their LTPs so it was something of a disappointment that the APR did not contain much evidence of this. We would urge the Councils to become more involved in sharing good practice



Evidence of improvement

Last year's decision letter identified a number of areas where the Councils needed to clarify and improve the Local Transport Plan in certain respects. These are satisfactorily addressed in Section E of the Annual Performance Report. We would urge you to strive towards continual improvement within the LTP and to keep the progress towards your aims, objectives and targets under constant review.

Wider policy issues

The Annual Progress Report provides information about the linkages between the Local Transport Plan and recent developments in Government policy. Although it covers most of the requirements of the guidance on Annual Progress Reports, the explanation of the interaction between the development of the Local Transport Plan and the Urban And Rural White Paper could have been usefully expanded.



JOINT LOCAL TRANSPORT PLANS AND THE SINGLE CAPITAL POT

1. Authorities have asked for guidance about the operation of the Single Capital Pot in relation to joint LTPs. This note seeks to answer the common questions.
2. Local authorities in joint plan areas are now well placed to decide upon the split of credit approvals between the plan partners in advance of the local government finance settlements. For this settlement, the Government had already announced firm allocations for maintenance for 2002/03 for each individual district (in Metropolitan areas) or local highway authority (for other joint plans). The Government had also already announced indicative allocations for the integrated transport block for 2002/03 to 2005/06, and for maintenance for 2003/04 to 2005/06.
3. We were grateful that Leicester City Council and Leicestershire County Council responded to the request to inform DTLR in advance of the cut-off date for the local government settlement of the best possible estimate of the preferred division of integrated transport block capital funding between the authorities contributing to the LTP.
4. Nothing below affects major schemes, which are outside the scope of the SCP and will continue to be funded by supplementary credit approvals and grant.

Transfers of credit approvals following the SCP announcement and the local government finance settlement

5. DTLR has allocated funding for the block according to the percentage split for integrated transport already notified by the joint plan authorities, and reflecting the maintenance allocations already announced for 2002/03. Funding for all transport authorities other than PTAs will be provided in the form of an ACG within the Single Capital Pot and so will feed into an authority's Basic Credit Approval (BCA). The revenue support for each authority in the local government finance settlement will include provision in respect of the SCP allocations, and so has incorporated the division between plan partners already provided to DTLR.
6. Authorities may subsequently transfer BCA from one authority to another by mutual agreement under S56 powers if they so wish. However any such transfers will not affect revenue support in future years since the Local Government and Housing Act 1989 makes no provision for Ministers to amend a BCA once it has been issued. If authorities wish to make changes to levels of revenue support to accompany a BCA transfer they may transfer revenue support by mutual agreement. Alternatively, authorities may request changes to the division of capital funding (and therefore its associated revenue support) between the LTP partners in a subsequent SCP settlement, to take account of transfers which have actually taken place during the previous year.



Funding for PTAs

7. PTAs are single purpose authorities and are therefore outside the scope of the Single Capital Pot. For the immediate future, therefore, PTAs will continue to receive their share of the funding for the integrated transport block element of the LTP in the form of 2-year SCAs. The revenue support for these will continue to go to the Metropolitan Districts in the same way as now, i.e. in calculating SSAs for the Metropolitan Districts any SCAs issued to PTAs will be allocated to the relevant districts pro-rata to population.
8. If transfers are made from the PTA to the Metropolitan districts after the cut-off date for the local government finance settlement (for this year, 12 December 2001) these will be in the form of re-issued 2-year SCAs. Future revenue support for the district and the PTA will be based on the new SCA amounts.

If transfers are made from Metropolitan districts to the PTA after the announcement of the SCP then these will have to be in the form of BCA transfers under S56 powers. Future support will not be affected – it will continue to be based on the original SCP allocations, as set out in paragraph 6.

