

Norman Baker MP
Parliamentary Under-Secretary of State for Transport
Great Minster House
76 Marsham Street
London
SW1P 4DR

24 November 2010

Dear Norman,

Sustainable Transport Fund

Further to my letter to Philip Hammond on 3rd November, I am keen to discuss with you the potential for streamlining the process for accessing the Sustainable Transport Fund to maximise the transport benefits locally and avoid unnecessary administrative burdens for both government and councils.

I still feel strongly that in the new more flexible funding era we should do more to make accessing this funding easier for councils. We have pursued preliminary discussions with your officials, in particular to put forward the possibility of moving away from an open bidding process – towards a closed bidding process.

Specifically, it would be relatively easy for DfT to introduce an indicative allocation of funding for each area or sub-region. Although your officials raised a number of concerns about this proposition, I believe these concerns can be allayed:

- There is enough funding to support this approach: you can indicate that you will accept individual and partnership groupings which would allow larger bids to come forwards, as well as small ones – and there would be enough funding to do this (particularly if you ‘top slice’ e.g. 20% of the fund to support larger bids);
- Avoids time and money wasted in bidding processes (for both the bidder and the assessor) in particular where applications do not win funding. Although I appreciate efforts have been made to make the process simple, it will inevitably waste time and money if bids are not ultimately funded;
- Better quality bids – Applications are proven to be better quality with this type of process because they can be supported or indeed negotiated / changed if not deemed ready (support need not be expensive, councils can mentor one another or be supported through guidance);
- Government retains control over quality because you can ask LTAs to adjust their bid if you are not happy with it (perhaps with peer support);
- A good and fair spread of funding across the country – can be readily achieved with this approach.

I hope that the approach I have outlined above will be considered and reflected in the application guidance that your officials have offered to share with us. I remain keen to work with you to make this process as efficient and effective as possible.

I should also point out that I believe councils will be comfortable with the focus on tackling congestion and supporting economic development, and the local flexibility envisaged for how to achieve these goals is very much welcomed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Box', written in a cursive style.

Councillor Peter Box
Chair LG Group Economy and Transport Programme Board



Department for
Transport

From the Parliamentary
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Councillor Peter Box
Chair LG Group - Economy and
Transport Programme Board
Local Government Group
Local Government House
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SW1P 3HZ

7 December 2010

Dear Peter,

Thank you for your letter of 24 November about the application process for the Local Sustainable Transport Fund.

We are establishing the Fund to enable the delivery by local transport authorities of sustainable transport solutions that support the achievement of two key objectives – supporting economic growth and reducing carbon. We also want to ensure best value from the investment we are making available through the Fund. That is why we are designing the application process so that the Fund focuses on those authorities offering the highest returns – in terms of, for example, improved access to jobs, lower carbon, and reduced congestion at best value for money for the taxpayer.

I want the Fund to support as many authorities as possible in building locally strong economies and addressing the urgent challenge of climate change. A process that allocated funding on the basis of economic geography alone would not ensure delivery of both these objectives or secure best use of the available resources.

We are clear that the application process needs to be as simple and straightforward as possible drawing to a large extent on existing work being carried out for Local Transport Plans, and so minimise the workload on authorities. We are also clear that solutions must be devised locally and that it is not for Government to seek to influence decisions taken locally. A process in which the Department can intervene or require changes to bids would be out of step with our wish to maximise the discretion available to authorities on how they use the funding.

I very much welcome your desire to work with us as we move towards finalising the guidance on the operation of the Fund, including the application process. My officials will be contact with yours to discuss the proposed terms of the guidance.

Yours sincerely

A handwritten signature in black ink, appearing to read "Norman". The signature is fluid and cursive, with a long horizontal stroke at the end.

NORMAN BAKER