

Devolving decision making: A consultation on regional funding allocations

December 2004



HM TREASURY

Department for
Transport



OFFICE OF THE
DEPUTY PRIME MINISTER

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Department for
Transport



HM TREASURY

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EXECUTIVE SUMMARY

The Government is committed to a devolved approach to public service delivery so that public services are responsive to varying needs and circumstances across the country. The Devolving Decision Making Review, published alongside Budget 2004, set out the case in particular for strengthening the capacity of regional institutions to meet their specific economic and social challenges. On this basis, the 2004 Spending Review announced a number of new measures, including a commitment to better integrate decision making on regional transport, housing and economic development, based on a framework of indicative long term regional funding allocations. This consultation therefore sets out proposals to improve decision making by establishing clearer assumptions on funding for regional transport, housing and economic development. These proposals contain two major innovations. Firstly, the Government would establish regional transport funding allocations for the first time. Secondly, the Government would suggest planning assumptions for the regional distribution of allocations in future Spending Reviews.

Although Spending Reviews remain the Government's process for making funding decisions, these clearer funding assumptions would give regions a far stronger base on which to plan, and inform resource decisions. On the basis of the funding allocations and longer term planning assumptions, each region would be expected to align its regional strategies for transport, housing and economic development, and to produce a shared set of priorities. In return, the Government would give regions and their stakeholders the opportunity of increasing influence through the Spending Review over expenditure in the English regions on transport, housing and economic development. The Government believes that these measures would provide the basis for better decisions, particularly by allowing the wider regional impact and the relationships between decisions in related policy areas to be taken into account.

The Government would welcome views on the following questions:

- 1 In addition to the funding allocations and longer term planning assumptions what else would the regions need to improve their ability to prepare and implement more integrated strategies for transport, housing and economic development?**
- 2 Given that the Spending Review will remain the guarantee of funding, how might regions take account of the possibility of actual funding varying from the planning assumptions?**
- 3 What changes would need to be made for each region to align its strategies and agree shared priorities consistent with the funding allocations and planning assumptions?**
- 4 What are your views on what should be included in the guidance to regions on providing their advice for the next Spending Review?**
- 5 What form of feedback from and interaction with Departments, if any, would regions find useful in developing capacity and assessing the impact of their advice?**
- 6 To what extent do you think regions should be able to advise on re-profiling and switching between the three policy areas?**
- 7 Which principles do you think are the most important in developing a formula to determine regional distribution of transport funding allocations?**

The proposals in this consultation do not apply directly to London because of its different institutional arrangements. However, the Government would ensure that London was treated in a similar way where it has similar arrangements, particularly in benefiting from the longer term planning assumptions for housing and economic development.

IMPROVING DECISION MAKING

1.1 The 2004 Spending Review announced that

“It is increasingly clear that regional choices on transport, housing, planning and economic development cannot be taken in isolation. The Government is examining new ways to integrate RDAs’ Regional Economic Strategies with regional transport and spatial development strategies, within a framework of indicative long term funding guidelines for each region...It will consult on these proposals later in the year with a view to publishing indicative regional budgets alongside Budget 2005.”
(2004 Spending Review: New Public Spending Plans 2005-2008, Cm 6237, July 2004)

1.2 This chapter sets out the basic structure of the proposals on which the Government is consulting, and at the end has a summary of key next steps and definitions. Chapter 2 provides details of what the Government proposes to include in transport, housing and economic development funding allocations. Annex A explains the consultation process.

DEVOLVING DECISION MAKING

1.3 The Government believes that, within a common national framework, public services should be responsive to the varying circumstances around the country. Unless there are clear and significant economies of scale or scope, regional market failures should be addressed at the regional level. The 2004 Spending Review (SR2004) announced a number of new measures to devolve greater discretion and flexibility to local and regional institutions. The regional institutions also have devolved responsibility for preparing regional strategies for transport, housing, planning and economic development.

1.4 Decisions on regeneration, transport, land use, housing supply and economic development often entail investment for a number of years, and decisions in one policy area will have implications for the others. Having clearer planning assumptions on future funding should allow effort to be better focused, and allow more realistic and deliverable strategies to be developed.

1.5 Decisions in the planning system on land use overlap with decisions on transport, housing and economic development. As a result, there is a strong case for better integration of decisions on planning with decisions in the other policy areas, and Government would welcome alignment of the regional planning strategy with the other regional strategies to achieve this improved integration. However, planning decisions on land use are not primarily spending decisions, and the Government is not proposing to establish a regional planning allocation, so the proposals in this consultation document to establish regional funding allocations and longer term planning assumption do not apply to planning.

1.6 The Government's proposals for achieving better decision making in relation to regional transport, housing and economic development have the following elements:

- **Realistic funding assumptions.** Government providing funding allocations and planning assumptions for investment on transport, housing and economic development over the short and longer term;
- **Coordinated regional strategies and priorities.** Regions ensuring greater alignment of strategies and prioritising transport, housing and economic development proposals; and
- **Enhanced regional input.** Government providing a clear process for regions offering advice based on realistic funding assumptions and coordinated priorities, in order to improve Spending Review decisions.

REALISTIC FUNDING ASSUMPTIONS

1.7 For the first time, the Government is proposing to publish regional **transport funding allocations** to set alongside the regional economic development and regional housing funding allocations which already exist for the SR2004 period (2005/6 – 2007/8).

1.8 The Government recognises that planning in these three areas could benefit from a planning horizon beyond the current three year Spending Review cycle. Therefore, in addition to publishing the new short term transport funding allocation, the Government proposes to set out new guidance on **long term planning assumptions** for regional economic development and housing, alongside those relating to regional transport.

1.9 These longer term planning assumptions would extend beyond the current Spending Review period, and would provide a rule for projecting forward the prevailing distribution of resources. They would be indicative only, and subject to future Spending Review decisions. However, the planning assumptions would provide a realistic context for strategic planning for the next Spending Review period, and would be intended to enable regions to provide more informed advice to that process.

1.10 Together, this would provide regions with:

- Funding allocations at a regional level covering transport, housing and economic development over the period 2005/6 to 2007/8
- Longer term planning assumptions at a regional level covering transport, housing and economic development beyond 2007/8

1 In addition to the funding allocations and longer term planning assumptions what else would the regions need to improve their ability to prepare and implement more integrated strategies for transport, housing and economic development?

2 Given that the Spending Review will remain the guarantee of funding, how might regions take account of the possibility of actual funding varying from the planning assumptions?

COORDINATING REGIONAL STRATEGIES AND PRIORITIES

1.11 The evidence from the regions suggests that, while there are good examples of joint working towards a shared regional vision, in some regions the proposals in the respective strategies are not explicitly aligned. In addition, many regions have experienced problems in setting realistic priorities that are affordable and deliverable.

1.12 The Government wants to encourage further alignment between the regional transport, housing and economic development strategies. This work will need to be based on realistic expectations, including about the regional distribution of spending to be allocated in future Spending Reviews, and should be focussed on producing a shared set of priorities for action agreed with the relevant stakeholders.

1.13 The Government does not intend to prescribe institutional arrangements for how regions should coordinate and prepare advice on regional priorities. As part of this consultation, the Government would welcome regional views on what mechanisms and processes need to be put in place, in particular how regions:

- intend to achieve an agreed assessment of the strategic priorities;
- propose to achieve greater coordination and consistency between their regional strategies;
- propose to develop a shared understanding of evidence and trends in relation to economic and social factors such as demographics, migration, the business environment, and land use changes; and
- plan to involve regional and local stakeholders and delivery agents and gain the widest possible consensus for their advice.

Consultation within the region

1.14 The Regional Development Agencies (RDAs) and regional chambers will continue to play a key role in achieving greater consistency between their respective strategies and priorities. But it is not a role that they can carry out in isolation. Advice to Government needs to be set in the context of all the regional strategies, and would need to take account of the views of a wide range of stakeholders and delivery agents, such as local authorities, and the Passenger Transport Authorities, and national delivery agencies such as the Highways Agency, Strategic Rail Authority and the Housing Corporation.

3 What changes would need to be made for each region to align its strategies and agree shared priorities consistent with the funding allocations and planning assumptions?

ENHANCED REGIONAL INPUT

1.15 The Government is also proposing to invite regions to provide **advice** in advance of the next Spending Review based on their shared priorities for regional transport, housing and economic development. This would be in addition to existing processes for regional consultation.

1.16 The regions would also be asked – in accordance with good practice – to conduct a **sensitivity analysis**, by setting out how plans could be adapted to a range of funding scenarios. This would enable regions to provide more soundly based advice to the Spending Review, and allow Spending Review decisions to better reflect regional priorities.

Guidance on advice **1.17** The Government intends to issue guidance to help regions provide this advice. The Government would consider including in the guidance that, among other criteria, regions would be expected to show that their advice:

- had been the subject of consultation within the region and took account of the views of regional and local stakeholders and delivery agents;
- was consistent with the relevant regional strategies;
- respected the overall funding assumptions, and recognised other fiscal constraints, including the split between capital and current spending and responsibility for any contingent liabilities;
- took account where appropriate of wider national policy objectives;
- could be implemented in a manner consistent with the Government's commitment to provide three-year certainty of revenue and capital funding to local authorities; and
- was underpinned by a strong evidence base, which set out the value for money case for proposals and their contribution to policy outcomes.

1.18 The Government would welcome views from the regions on what they consider the guidance should cover.

1.19 To help regions build the capacity to provide increasingly effective advice as this process develops, the Government would work in partnership with the regions and provide feedback, with the aim of improving the quality and effectiveness of the dialogue between Government and regional stakeholders.

4 What are your views on what should be included in the guidance to regions on preparing their advice for the next Spending Review?

5 What form of feedback from and interaction with Departments, if any, would regions find useful in developing capacity and assessing the impact of their advice?

Switching between policy areas

1.20 The Government recognises that regions may also want to prioritise between policy areas in future years, as well as within them, subject to the planning assumptions across the three areas. That could be because, in that region at that stage, the region would prefer to see a different distribution of funding to reflect the region's shared priorities. In some cases a region may want to re-profile spending - by proposing changes to funding in the three policy areas that off-set each other over a period of years - for example if there were a large transport scheme in an early period, and then a large housing scheme in a later period. However, it might be sensible for regions to build capacity to provide advice within each policy area before considering switching between them.

1.21 Under the proposals in this document, as part of their Spending Review input, regions would be able to recommend switching expenditure on the basis of a demonstrable alignment of regional strategies for transport, housing and economic development. However, any decisions on switching funding between policy areas would be made as part of the Spending Review process within the national context, and would continue to be subject to clear democratic accountability exercised by the relevant Secretaries of State.

6 To what extent do you think regions should be able to advise on re-profiling and switching between the three policy areas?

SUMMARY OF KEY STEPS

1.22 Subject to the outcome of the consultation, the Government would publish:

- **Funding allocations** for the period 2005/6 to 2007/8. These would cover, at a regional level, transport, housing and economic development spending as set out in Chapter 2. In line with current practice, the economic development and housing funding allocations would be fixed, but for transport the new regional allocations would be indicative only and so may be subject to change.
- **Longer term planning assumptions.** These would provide a rule for projecting forward the prevailing distribution of resources beyond 2007/8. As with the funding allocations, these would cover, at a regional level, transport, housing and economic development spending as set out in Chapter 2. The planning assumptions would be subject to revision in the next Spending Review.
- **Guidance** to help regions provide advice to Government.

1.23 The regions would be invited to produce:

- **Advice** in advance of the next Spending Review. The purpose of the funding allocations and longer term planning assumptions would be to enable regions to produce a stronger input on:
 - Prioritisation within each of the three funding allocations
 - Switches between the funding allocations, where that advice reflected a regional consensus
- **Sensitivity analyses.** Regional advice should be consistent with the funding allocations and planning assumptions, but regions would also be expected to set out how plans could be adapted to a range of higher and lower funding scenarios.

1.24 The Government would work in partnership with the regions and provide feedback, with the aim of improving the quality and effectiveness of the dialogue between Government and regional stakeholders.

2

PROPOSED FUNDING STREAMS

2.1 This chapter sets out specific details of what the Government proposes to include in the regional transport, housing and economic development funding allocations.

TRANSPORT

2.2 The White Paper *Future of Transport*¹ sets out a clear direction for improving transport to deliver sustainable improvements in economic performance, social inclusion and a better quality of life. The strategy in the White Paper is built around three key themes: sustained investment; improvements in transport management; and planning ahead for the long term. The White Paper announced increased spending for transport over the next three years, rising from £10.4 billion this year to more than £12.8 billion by 2007/8. It also set out how this level of spending will continue to grow by 2.25% in real terms to 2015.

2.3 Transport is generally delivered at the national level through delivery agencies – currently the Strategic Rail Authority and Highways Agency – or through local authorities working in partnership with public transport operators. Other than in London, the transport role at the regional level is essentially a strategic role seeking to influence national policies and priorities and steering the development of Local Transport Plans.

Components of regional funding allocations

2.4 For transport, the Government's intention is that the regional funding allocations would initially bring together capital funding projected for major schemes (generally costing over £5m each) under the Local Transport Plan (LTP) system and for major Highways Agency schemes other than those on routes of the greatest strategic national and international importance, and rail expenditure, as details become available – both on franchises and on infrastructure, where it can be associated with one or more specific regions.

2.5 The intention is that decisions on routes of national and international strategic significance should continue to be taken nationally. Similarly small scale local transport and local road maintenance are expected to be genuinely local in their impacts and thus properly subject to decisions by local authorities. By contrast, major schemes are more likely to have wider impacts of a kind which should properly be considered in the context of regional and sub-regional strategies.

2.6 The Highways Agency has identified the routes that are of strategic national and international importance, based on traffic flows and freight movement on the strategic road network. A map illustrating these is available as part of this consultation at: www.hm-treasury.gov.uk/pre_budget_report/prebud_pbr04/assoc_docs/prebud_pbr04_adregional.cfm. The definitions reflect the extent to which a route connects a major English city with another of similar importance or with one of England's busiest airports or seaports, the presence of a route on the trans-European road network, and the importance of links with Scotland and Wales.

¹ Department for Transport, July 2004, CM6234

2.7 Improvements to “national” routes bring regional as well as national benefits and plans for them will be of particular interest to regional stakeholders, including those outside the region in which the investment would occur. We propose to provide regional stakeholders with information on the Highways Agency's existing programme and plans for routes of strategic national importance on the network, as well as information on existing plans for major local transport schemes, to help them in preparation of strategies and to inform the advice they offer.

2.8 The White Paper *The Future of Rail*² set out the Government's approach for involving regions more in decisions about the provision of rail services in their area. An important part of this strategy will be working towards a position where expenditure plans for rail can be better reflected in regional transport strategies. It is the Government's aim to provide clarity on the comparative costs and benefits of transport services in a region and seek assistance from regions in making integrated decisions across the different modes of transport.

2.9 As with roads, it is not always straightforward to associate rail lines and services with particular regions. Furthermore, due to the current cost pressures on rail, the Government is not planning a major capital programme of rail enhancements – of a kind comparable to local authority and Highways Agency major scheme expenditure – in the near future. The immediate scope for regions to prioritise investment across transport modes will therefore be limited initially.

2.10 Nevertheless, DfT is already working to identify how rail expenditure can be attributed across regions and it is the Government's intention to include rail expenditure, as details become available – both on franchises and on infrastructure, where it can be associated with one or more specific regions – in the regional funding allocations. The first step in that process will be the devolving of greater responsibility for rail to the Scottish Executive, National Assembly for Wales, Passenger Transport Executives and Transport for London.

2.11 Regional stakeholders will also continue to engage with the programme of Regional Planning Assessments initiated by the Strategic Rail Authority. This will help regional stakeholders better understand the potential of rail in their region and how this can be brought into their strategic thinking, as well as the developing of priorities for the long term.

Regional distribution formula

2.12 DfT plans to set the regional transport funding allocations for individual regions on the basis of a formula. Some transport distributions at local authority level are already determined by formula. Capital funding for road maintenance is allocated on the basis of a formula relating to road length, type and condition. DfT is also planning to use a formula to determine 5-year funding guidelines to local authorities for small-scale local transport schemes. This will be based on the main elements of the shared transport priorities agreed with the Local Government Association - road safety, local public transport patronage, congestion and accessibility - which this funding supports.

² Department for Transport, July 2004, CM6233

2.13 There are a number of different considerations in devising an acceptable formula, and the Government would welcome views as part of the consultation. The Government would expect any formula to incorporate elements applicable to all regions, to reflect as far as possible measures of need appropriate to the transport funding allocations, and to capture demographic changes. Initially the funding allocations would need to take account of current spending commitments on major regional transport schemes that may extend up to 2010.

2.14 The Government considers that the following general principles should guide the development of the formula relating to regional transport budgets:

- **Robustness.** The formula should only incorporate measures of need where there is robust data available at the regional level.
- **Equal treatment.** The formula elements should be applicable across all regions and not require adjustments to be made for individual regions.
- **Recognising current commitments.** Regional allocations in the period up to 2010 as implied by the formula might require adjustment to take account of regional spending on transport already planned.

2.15 Based on these principles, a formula based on population in each region could be used as the starting point to determine regional shares. This has advantages in its simplicity and the robustness of the data, and can also be built on to incorporate projected changes in population by extrapolating past trends. Such a formula would therefore be sensitive to changes in the relative pressure on existing transport networks as regional populations change, which would in turn be reflected in different regional shares over time.

2.16 The formula could also usefully include other measures of need, for example the level of congestion in each region (average delay per vehicle km) and road safety, and the size of the regional economy (i.e. output per head) as compared to the average across regions. The formula should be designed to ensure that the regional funding allocations address regional transport needs and the Government's objective of reducing regional disparities.

7 Which principles do you think are the most important in developing a formula to determine distributions of transport funding allocations?

London 2.17 Through Transport for London (TfL) the Mayor has direct responsibility for London Underground, buses, taxis, the strategic road network, light rail and river services, and an agreed five year guideline budget. Boroughs remain responsible for local roads. Rail services are currently outside the Mayor's direct control but the Government would prefer that greater responsibility for commuter rail was delegated to the Mayor. Given that the London institutions, not central government, already determine the share of this budget spent on different elements of transport infrastructure, the proposals to produce new regional transport funding allocations and longer term planning assumptions, and to give regions a greater say over transport investment, are not applicable to London.

HOUSING

2.18 The Government's Sustainable Communities Plan³ launched a long term action programme to deliver sustainable thriving communities, supported by a range of spending programmes across several Government Departments. The ODPM programmes amount to a total of £38 billion over the five years to 2007/08.

2.19 The central objective of the Communities Plan action programme is to ensure that everyone has the opportunity of a decent home. This involves major activity, which is reflected in ODPM's Public Service Agreement targets to tackle imbalances between supply and demand in areas experiencing shortages of housing and also where there is excess or obsolete housing, and to bring all poor condition social housing up to a decent standard and to reduce the proportion of vulnerable households in the private sector living in non decent housing.

Components of regional funding allocations

2.20 The Government is proposing to include Regional Housing Pot (RHP) Funds in the regional funding allocations. The RHPs, which were set up for 2004/05 allocations and amount to around £2.5 billion (£1.5bn outside London) bring together a number of previously separate funding streams. They cover funding provided to local authorities mainly for work to improve the condition of existing housing, and funding going to housing associations primarily for provision of additional affordable housing.

2.21 The allocations of funds within regions, to individual local authorities and for affordable housing schemes delivered through housing associations, are decided by ODPM Ministers informed by advice from Regional Housing Boards, reflecting strategic priorities identified in the Regional Housing Strategy (RHS). ODPM gives Housing Boards guidance on the detail required and the specific issues, including national priorities and targets, that they need to take into account in developing their recommendations. With the exception of the level of funding for key worker housing, all recommendations were accepted for 2004/05 and 2005/06. The Government is currently consulting on giving responsibility for producing the RHS to regional chambers and, in London, to the Mayor.

2.22 The Government is also proposing to include Market Renewal Pathfinder funding, which supports long term strategic action to tackle low demand and housing abandonment, in the housing funding allocation. Pathfinder funding is not currently regionalised but the regional pattern of future funding is emerging from the agreed strategies for each pathfinder.

2.23 The Government is not proposing to include other housing funding streams such as Arms Length Management Organisation funding, Growth Area funds, or the Major Repairs Allowance, which are largely to support very local or national policy priorities, and are largely allocated on a formulaic basis to authorities or in response to national bidding processes.

³www.odpm.gov.uk/stellent/groups/odpm_control/documents/contentservertemplate/odpm_index.hcst?n=3657&l=1

Regional allocation formula

2.24 The split of mainstream housing funding between regions has, for many years, been based largely on needs-based formulae, which include measures reflecting the need for additional affordable housing (such as overcrowding, homelessness) and others reflecting the need for investment to improve the condition of existing housing. The formulae include an element of targeting, based on the Indices of Deprivation, to increase the share of resources going to areas with high levels of multiple deprivation. They also take account of cost variations between regions. The ODPM will shortly be consulting on the approach to determining the regional split for 2006/07 and 2007/08. The longer term planning assumptions for housing funding would reflect the prevailing allocation, but regions should be aware that these assumptions are indicative only, as the funding formula has been reviewed following previous spending reviews.

London 2.25 The London RHB provides advice to Government in the same way as happens for other regions. Therefore the Government intends to treat London similarly to other regions with regard to its housing role.

REGIONAL ECONOMIC DEVELOPMENT

2.26 The Government has set itself an ambitious target to:

Make sustainable improvements in the economic performance of all English regions by 2008, and over the long term reduce the persistent gap in growth rates between the regions, demonstrating progress by 2006⁴.

2.27 The Government's macroeconomic policy framework has delivered stability for firms and individuals to plan, save and invest. This has been built on by microeconomic reforms focused on the five drivers of productivity (skills, investment, innovation, enterprise and competition), and active labour market policies. Together these measures are tackling market failures in the product, capital and labour markets at a national, regional and local level, to help support regional economic performance and address regional disparities.

Components of regional funding allocations

2.28 In addition, the Government's regional policy is based on devolving power and resources to strong regional institutions, which can then build on each region's indigenous strengths. As well as devolving power to Scotland, Wales and Northern Ireland, the Government established the Regional Development Agencies (RDAs), to act as business-led strategic drivers of economic growth in the English regions. They are responsible for drawing up the Regional Economic Strategy (RES), in consultation with other stakeholders. Therefore, to enable regions to align their strategies, the Government is proposing to include the RDA budget as part of the funding allocations and long term funding assumptions.

⁴ Shared by HM Treasury, Department of Trade and Industry, and the Office of the Deputy Prime Minister

2.29 RDAs are funded through a cross-departmental 'Single Pot', providing them significant flexibilities for managing their own resources to meet their regions' priorities. This funding is tied to a new strategic 'tasking framework' for 2005-08, linking RDA outputs in their Corporate Plans more closely to key regional and national priorities. The new framework, which will help both RDAs and Departments work on regional priorities in a way that serves national interests more effectively, will be published shortly, with RDAs' Corporate Plans being finalised early next year.

Regional allocation formula

2.30 The allocation for the RDAs' Single Budget in 2004-2005 is £1.8bn. This was allocated to the RDAs using a funding formula which takes into account various measures of need and opportunity. The key determinants are measures of unemployment, deprivation, skills deficit and differences in Gross Domestic Product. Following the 2004 Spending Review, the RDAs budget will grow in line with inflation. The RDAs will also receive an additional £190m in 2005-6 to reflect newly devolved responsibilities for business support, research and development grant and rural programmes, which will be allocated between the regions in a way that reflects the existing patterns of spend.

2.31 The longer term planning assumptions for RDA funding would reflect the prevailing allocation, but regions should be aware that these assumptions are indicative only, as the funding formula has been reviewed following previous Spending Reviews.

London 2.32 The London Development Agency was established in 2000 to perform a similar role to the other RDAs, and the RDA funding formula applies to London in the same way as the other regions. Therefore the Government intends to treat the LDA similarly to other regions.

A

CONSULTATION PROCESS

A.1 The proposals do not apply to Scotland, Wales and Northern Ireland, where the devolved administrations determine their own priorities within the framework of the Statement of Funding Policy. Different institutional and funding arrangements apply in London, where the Greater London Authority already has devolved responsibility for most transport functions and the London Development Agency, and subject, to current consultation on the Regional Housing Strategy (see paragraph 2.20), for coordinating the four strategies. Therefore the proposals in this consultation do not apply fully to London. However, to the extent that the institutional arrangements in London are similar to the other English regions, the Government would ensure that London was treated in a similar way, particularly in benefiting from the longer term planning assumptions for housing and economic development.

Next steps

A.2 This consultation is being carried out under the code of practice adopted by the Government, which is available at www.cabinetoffice.gov.uk/regulation/consultation/code.asp. The consultation paper is available at www.hm-treasury.gov.uk/pre_budget_report/prebud_pbr04.

A.3 The proposals in this paper build on existing regional strategies, and would not impose any additional burdens on business, charities or the voluntary sector. For this reason a Regulatory Impact Assessment has not been undertaken.

A.4 Comments on the proposals in this paper, which need to reach us by Thursday 10 March 2005, should be sent, preferably by e-mail, to:

Elizabeth Godden
Department for Transport
3/16
Great Minster House
76 Marsham Street
LONDON SW1P 4DR
elizabeth.godden@dft.gsi.gov.uk

A.5 Please indicate if you do not want your comments to be made public.

A.6 The Government's intention is to announce, subject to the outcome of this consultation, regional funding allocations for the period 2005/06 to 2007/08, and guidance on long term funding assumptions, for regional transport, housing and economic development, with a view to inviting initial advice on these areas from the regions in advance of the next Spending Review.