

## Agenda

<b>Meeting Title:</b>	Shadow South East Midlands Local Transport Board
<b>Date:</b>	Tuesday, 23 April 2013
<b>Time:</b>	10.00 a.m.
<b>Location:</b>	Committee Room 1, Watling House, High Street North, Dunstable

1. **APOLOGIES FOR ABSENCE**

Apologies for absence and notification of substitute members.

2. **ELECTION OF CHAIRMAN 2013/14**

To elect the Chairman of the Council for the Municipal Year 2013/14.

3. **ELECTION OF VICE-CHAIRMAN 2013/14**

To elect the Vice-Chairman of the Council for the Municipal Year 2013/14.

4. **ACCOUNTABLE BODY**

To approve nominations for the Accountable Body for a 5 year term.

5. **MEMBERS' INTERESTS**

To receive from Members any declarations of interest.

6. **CHAIRMAN'S ANNOUNCEMENTS**

To receive communications and announcements from the Chairman.

7. **PUBLIC PARTICIPATION**

Members of the public or other organisations will be allowed to present their case on specific Agenda items. A total of 15 minutes for these presentations will be allowed at the start of each Local Transport Board meeting.

## Reports

<b>Item</b>	<b>Subject</b>	<b>Page Nos.</b>
8.	<b>Background Information</b>  To receive a report on the background and rationale to the Local Transport Body for the South East Midlands area.	5 - 10
9.	<b>Local Framework</b>  To approve the Local Framework submitted to the Department for Transport.	11 - 26
10.	<b>Prioritisation of Transport Schemes</b>  This report specifically deals with the prioritisation process as set out in Part 2 of the Local Framework, the requirements for which are set out in Part 2 of the DfT Guidance.	27 - 34
11.	<b>Date of Next Meeting</b>  To approve the following dates:  1) 21 June 2013 – 10.00 a.m. 2) 25 July 2013 – 10.00 a.m. 3) December 2013/January 2014 to follow	

To: Members of the South East Midlands Local Transport Board

### **Members (Voting):**

#### **Bedford Borough Council**

Mayor D Hodgson

Sub: Cllr C Royden

Mayor of Bedford

Deputy Mayor and Portfolio Holder for Environment and Transport

#### **Central Bedfordshire Council**

Cllr N Young

Sub: Cllr A Brown

Executive Member for Sustainable Communities – Strategic Planning and Economic Development  
Deputy Executive Member for Sustainable Communities – Strategic Planning and Economic Development

**Luton Borough Council**

Cllr D Taylor                      Executive Member for Environment  
Sub: Cllr S Timoney              Executive Member for Regeneration

**Milton Keynes Borough Council**

Cllr A Geary                        Leader of the Council  
Sub: Vacancy

**South East Midlands Local Enterprise Partnership (SEMLEP)**

Dr A Limb OBE DL                Chair of SEMLEP  
Sub: Cllr R Davis                 SEMLEP Board Lead for Transport

**Observers (non-Voting):****Bedford Borough Council**

Glenn Barcham                    Assistant Director Highways and Direct Works  
Melanie MacLeod                Team Leader Transport Policy

**Central Bedfordshire Council**

Paul Cook                         Head of Transport Strategy  
Jim Tombe                         LTP Team Leader

**Luton Borough Council**

Keith Dove                        Transport Strategy and Regulation Manager

**Milton Keynes Borough Council**

Brian Matthews                 Head of Transport  
David Lawson                    Transport Policy & Programme Manager

**South East Midlands Local Enterprise Partnership (SEMLEP)**

Hilary Chipping                 Lead Officer for SEMLEP

**Local Enterprise Partnership (LEP)**

Joanna Morris                    Hertfordshire  
Helen Miller                     Director of Economic Development,  
Northamptonshire  
Andrew Poulton                 Greater Cambridge and Greater Peterborough  
Buckinghamshire Thames Valley

**Highways Agency**

David Gingell                    Divisional Director  
Alan Kirkdale                    Asset Development Manager

**please ask for**                    Sandra Hobbs  
**direct line**                        0300 300 5257  
**date published**                 15 April 2013

This page is intentionally left blank

South East Midlands  
Local Transport Board

**Contains Confidential  
or Exempt Information** No

**Title of Report** LOCAL TRANSPORT BODY – Background Information

**Meeting Date:** 23 April 2013

**Responsible Officer(s)** Glenn Barcham, Bedford Borough Council, Paul Cook, Central Bedfordshire Council, Keith Dove, Luton Borough Council, Brian Matthews, Milton Keynes Council, Hilary Chipping, SEMLEP.

**Presented by:** Brian Matthews, Milton Keynes Council

---

**The Board is  
asked to:**

- 1. note this report as setting out the background and rationale to the Local Transport Body for the South East Midlands area; and**
- 2. note the Government's response to the report produced by Lord Heseltine 'No Stone Unturned' in which there are proposals to set the Local Transport Body within the context of a wider funding framework which supports local growth and wealth generation by 2015. In particular this move highlights the need for Local Transport Bodies to progress in adopting their assurance frameworks and developing their priorities by the prescribed timeline.**

---

**Executive Summary**

- |           |  |
|-----------|--|
| <b>1.</b> | Government has a role to support major investment in strategic highways & transport schemes which are delivered by Local Highway Authorities. This tends to be via funding from the Department for Transport major scheme fund. The allocation was previously based on assessment of detailed business cases individual highway authorities submitted. Success in this bidding process depended upon the scheme addressing local, regional and national objectives to a greater extent than other schemes within the region/national context. To qualify for funding via this process a scheme had to have a minimum capital value of £5m. |
|-----------|--|

	<p>Following a consultation on devolving major scheme funding during the early part of 2012, the coalition government has now introduced the concept of a Local Transport Body (LTB) to allocate funding to local transport priorities.</p> <p>This LTB comprises the four highway authorities within the South East Midlands Local Enterprise Partnership (SEMLEP) area (Bedford Borough, Central Bedfordshire, Luton and Milton Keynes).</p> <p>Guidance on the establishment of LTBs was issued on 23 November 2012. The guidance seeks the creation of the LTB in early 2013 with its assurance framework adopted and for the board to agree its priorities by July 2013. Funding of schemes by the LTBs will commence from 1 April 2015.</p> <p>An officer working group has been established with representatives from the four unitary authorities and SEMLEP, together with the Highways Agency. This group has developed the governance/assurance frameworks and prioritisation process so that the advised timescales can be met.</p> <p>In March 2013, Government published its response to the Lord Heseltine report (No Stone Unturned). This reviewed how in particular decentralisation can benefit growth and wealth generation. Whilst there is likely to be some restructuring of how regions (based on LEP boundaries) support economic growth, the report highlighted the need to continue with the development of LTB.</p>
--	---

<p><b>Background</b></p>	
<p>2.</p>	<p>Government has previously supported major investment in strategic highways and transport schemes via funding allocated by the Department for Transport major scheme fund. The allocation was based on assessment of detailed business cases individual highway authorities submitted against local, national and regional transport objectives. Success in this bidding process depended upon the scheme addressing regional and national criteria to a greater extent than other schemes. To qualify for funding from this process a scheme had to be valued at least £5m.</p> <p>Following a consultation process, the Government has introduced new governance arrangements for the allocation of major scheme funding. This involves the creation of Local Transport Bodies. The specific guidance for the creation of the LTB is that they relate to Local Highway Authority boundaries and where possible mirror LEP boundaries.</p> <p>SEMLEP is one of a small number of LEPs where the Local Highway Authority boundaries do not match that of the whole LEP area. The highway responsibilities within SEMLEP are with Bedford Borough, Central Bedfordshire, Luton Borough and Milton Keynes. As a consequence this LTB consists of the four authorities named above.</p>

	<p>Each local authority will be represented on the LTB by the appropriate elected Member determined by each individual authority.</p> <p>One requirement of the LTB is to support the transport and wider economic objectives of the LEP. To address this, the South East Midlands LTB includes a representative from the LEP.</p> <p>Funding to support delivery of transport schemes has now been published. The amount allocated has been calculated based on population. This means the indicative allocation for the South East Midlands LTB is £22.1m for the 4 year period covering the financial years 2015/16 to 2018/19.</p> <p>The timetable set to establish LTBs is such that there is an expectation that the governance arrangements are agreed and in place by the end of April 2013. In addition the LTB needs to identify and agree its priority schemes by July 2013.</p> <p>To achieve this officers from the four authorities have met on a regular basis to establish the governance arrangements, and prepare technical work to support the identification and prioritisation of appropriate transport schemes.</p>
<p><b>3.</b></p>	<p><b>Lord Heseltine’s report – No Stone Unturned</b></p> <p>In October 2012 Lord Heseltine published a detailed report which reviewed all parts of Government policy affecting economic growth. In total the report included 89 recommendations which challenged the way the nation delivers growth and wealth creation.</p> <p>In March this year the Government published its response to the report and its recommendations. In summary the response highlighted that, the government confirms that it is <i>‘accepting in full or part 81 out of the 89 recommendations to dramatically advance the process of decentralisation, unleash the potential of local economies strengthen partnerships with industry and foster economic growth.’</i></p> <p>In terms of the impact on the role of the LTB the report emphasises the importance to continue with the agreement of the assurance frameworks and have schemes prioritised by July 2013.</p> <p>However, the government response highlights that the development and context of funding Local Transport Major will be looked at alongside other funding streams including the Single Local Growth Fund, EU structural funds and City Deals. Officers are currently engaging with government officials to better understand the implications of the response and will report back to the LTB with further detail should it be necessary at a future meeting.</p>

<b>Issues</b>	
Strategy Implications	
4.	Transport schemes submitted for consideration by the LTB will be drawn from 'long lists' submitted by each individual authority. The expectation will be that these schemes are presented on the basis that they support agreed policy objectives.
Governance & Delivery	
5.	The servicing of the LTB i.e. administrative support is expected to be minimal with the costs being met from existing resources within each authority.  Any funding allocated via the process will be managed in accordance with the individual authority's standing orders and processes.
Management Responsibility	
6.	None applicable to this report.
Financial Implications	
7.	The servicing of the LTB i.e. administrative support is expected to be minimal with the costs being met from existing resources allocated from within each authority.  Any funding allocated via the process will be managed in accordance with the assurance framework and the individual authority's standing orders and processes.
Legal Implications	
8.	The LTB will operate within the assurance framework agreed set to be agreed at the LTBs first meeting.  Transport scheme brought forward through this process will be developed with due consideration to relevant legislation including how it impacts on disability issues and environmental impact.



Environmental and Health Impacts	
9.	The prioritisation process per se does not have any environmental impacts although, as part of that process, the pro-forma for individual transport schemes will consider impacts at a strategic level. However individual transport schemes brought forward through the LTB process will be developed with due consideration to relevant legislation including how it impacts on the environment.
Public Sector Equality Duty (PSED)	
10.	Each individual authority will undertake its responsibility in terms of ensuring an appropriate equality impact assessment is undertaken for individual schemes. The prioritisation process will consider impacts at a strategic level.
	Are there any risks issues relating Public Sector Equality Duty Yes/No
	No

### Risk Analysis

Briefly analyse the major risks associated with the proposal and explain how these risks will be managed. This information may be presented in the following table.

Identified Risk	Likelihood	Impact	Actions to Manage Risk
LTB acts outside its remit	Low	High	Development of robust assurance framework
Loss of support from 1 or more LTB member authorities.	Low	High	Timely information provided. Regular officer meeting to identify and respond to any tensions
<b>Background Documents</b>	<b>Location (including url where possible)</b>		
- Local Frameworks for funding major transport schemes: guidance for local transport bodies (Nov 2012)	<a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15176/guidance-local-transport-bodies.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15176/guidance-local-transport-bodies.pdf</a>		

<ul style="list-style-type: none"><li>- No Stone Unturned (Lord Heseltine review (October 2012</li><li>- Government response to the Heseltine review (March 2013)</li></ul>	<p><a href="http://www.bis.gov.uk/assets/biscore/corporate/docs/n/12-1213-no-stone-untuned-in-pursuit-of-growth">http://www.bis.gov.uk/assets/biscore/corporate/docs/n/12-1213-no-stone-untuned-in-pursuit-of-growth</a></p> <p><a href="http://www.hm-treasury.gov.uk/ukecon_heseltinereview_index.htm">http://www.hm-treasury.gov.uk/ukecon_heseltinereview_index.htm</a></p>
---	---

South East Midlands  
Local Transport Board

**Contains Confidential  
or Exempt Information** No

**Title of Report** LOCAL TRANSPORT BODY – Local Framework

**Meeting Date:** 23 April 2013

**Responsible Officer(s)** Glenn Barcham, Bedford Borough Council, Paul Cook, Central Bedfordshire Council, Keith Dove, Luton Borough Council, Brian Matthews, Milton Keynes Council, Hilary Chipping, SEMLEP.

**Presented by:** Keith Dove, Transportation Strategy & Regulation Manager, Luton Borough Council

---

**The Board is  
asked to:**

- 1. approve the Local Framework submitted to the Department for Transport; and**
  - 2. note the initial comments received from the Department for Transport and the response to these.**
- 

**Executive Summary**

- |           |   |
|-----------|---|
| <b>1.</b> | <p>Following a consultation on devolving major scheme funding during the early part of 2012, the coalition government has now decided that from 2014/15 Government investment in major highways and transport schemes delivered by Local Highway Authorities will be funded through Local Transport Bodies (LTBs). The Department for Transport (DfT) issued Guidance on the establishment of LTBs on 23 November 2012.</p> <p>As set out in that Guidance, the primary role of the LTB will be to decide which transport investments should be prioritised, to review and approve business cases for each prioritised scheme, and to ensure effective delivery of the programme.</p> <p>The draft Local Framework submitted to the DfT on 28 February is included at Appendix A, which sets out in further detail how the LTB will meet these requirements. The Local Framework, once finalised, will be used to develop a Memorandum of Understanding (MOU) constituting the setting up of the South East Midlands LTB for approval by Members.</p> |
|-----------|---|

<b>Background</b>	
<b>2.</b>	<p>In January 2012 the Department for Transport (DfT) consulted Local Economic Partnerships (LEPs) and Local Highway Authorities about setting up Local Transport Bodies (LTBs)/Consortia, based on the LEP geography, to manage funding and implementation of major transport projects from 1 April 2015. The four Councils and the South East Midlands LEP responded individually to this consultation in March 2012.</p> <p>In August 2012, the DfT issued a report on the outcome of the consultation, together with a request that LEPs/Local Highway Authorities agree their preferred solution for LTBs by 28 September. Following discussion on this matter both by the LEP and senior officers between August and mid September, a way forward was agreed by the South East Midlands LEP and the Chief Executives of the three Bedfordshire Unitary Councils and Milton Keynes Council to form a LTB based on their areas. A letter was sent to the DfT on 26 September confirming these arrangements, subject to a formal agreement based on Government guidance about setting up LTBs.</p> <p>On 23 November the DfT published their final guidance on local frameworks for funding major transport schemes. The local framework consists of three elements; Part 1 sets out details of the governance arrangements, Part 2 sets out the process for prioritising local schemes, and Part 3 sets out the process for approving and monitoring funding for those schemes. The DfT has recently confirmed a South East Midlands LTB allocation of £22.1m for the period 2015/16 - 2018/19.</p>
<b>3.</b>	<p>The only option that meets the requirements of the DfT is for the four Councils to work together to deliver the implementation of major transport schemes in their area. If any of the four Councils do not formally agree to become part of the South East Midlands Local Transport Board, then they will not be entitled to a share of the DfT funding after 1 April 2015.</p>
<b>4.</b>	<p><b>Developing the Local Framework</b></p> <p>A draft of the Local Framework was developed by strategic transport officers of the four Unitary Authorities and the LEP (referred to collectively as the South East Midlands LTB). Early drafts were shared with the DfT's local engagement team in mid December and early February in order to obtain their views about the acceptability of the proposed governance arrangements of the LTB, in accordance with DfT guidance. The final draft of the Local Framework submitted to the DfT on 28 February, which takes account of the DfT's informal response to these earlier drafts, is included at Appendix A.</p>

<p><b>5.</b></p>	<p><b>Approval of the draft Local Framework by the four Councils</b></p> <p>Each of the four Local Highway Authorities took a slightly different approach to approval of the final draft Local Framework submitted to the DfT. Central Bedfordshire only consulted their Executive Member about the draft submitted to the DfT; the other three Councils took a report to their Executive as follows:</p> <ul style="list-style-type: none"> <li>i) Milton Keynes took a report to their Executive in December, which did not include a draft of the Local Framework.</li> <li>ii) Luton took a report to their Executive on 4 February, which included an early draft of the framework as an Appendix, but with a resolution for the Head of Service to agree further changes in consultation with the Portfolio Holders. This consultation on the final draft took place on 27 February.</li> <li>iii) Following initial consultation with Portfolio Holders, Bedford Borough Council prepared a report for the Mayor that included the final draft framework submitted to the DfT. His decision published on 2 April included delegation to the Assistant Director of Highways and Direct Works (Glenn Barcham), in consultation with the Mayor, to approve the governance arrangements and any subsequent changes to it.</li> </ul>
<p><b>6.</b></p>	<p><b>Initial feedback from the DfT</b></p> <p>On 17 March the DfT sought clarification on two issues within the draft Local Framework submitted to them; one about the Accountable Body and legal responsibility and the other requesting further details about the prioritisation process.</p> <p>With regard to the Accountable Body and legal responsibility the DfT asked who will take responsibility for decisions of the LTB, as opposed to 'maintain the decisions of the LTB'. Our response was that, as set out in Paragraph 11 of Appendix A, we consider that the LTB is responsible for making any decisions but the Accountable Body is responsible for implementing and administering those decisions.</p> <p>In relation to the scheme prioritisation, the DfT requested more detail on how we will collect data and evidence and ensure its rigour (e.g. by prescribing common data formats and/or data quality checks) and how we will interpret the data (e.g. a scoring and/or weighting system) in a way that will produce summary assessments in a suitable form to be used as the basis for decision making. Our response provided further details of the prioritisation process, referring to work undertaken to date, as set out in the prioritisation report.</p>

<b>Issues</b>	
Strategy Implications	
7.	The transport schemes to be included in the prioritised list are expected to reflect the policy/strategy background priorities of the promoting local authority.
Governance & Delivery	
8.	<p>The day to day work of the Board will be managed by the officer Working Group. Formal LTB administration arrangements will be undertaken by the Council chairing the meetings.</p> <p>Any scheme funding allocated via the process will be managed in accordance with the individual authority's standing orders and processes, but also meet the requirements set out in Part 3 of the Local Framework.</p>
Management Responsibility	
9.	Not applicable to this report.
Financial Implications	
10.	<p>Any Government funding allocated to the LTB's transport schemes will be managed by the Accountable Body.</p> <p>The officer working group and other officer costs of servicing the LTB is expected to be met from existing resources within each authority.</p>
Legal Implications	
11.	<p>The LTB will operate within the Local Framework at Appendix A agreed set to be agreed at the LTBs first meeting.</p> <p>Transport schemes brought forward through the LTB process will be developed with due consideration to relevant legislation including how it impacts on equalities and the environment.</p>
Environmental and Health Impacts	
12.	The Governance process set out in the Local Framework does not per se have any environmental impacts, although any individual transport schemes brought forward as part of the LTB process will be developed with due consideration to relevant legislation including how it impacts on the environment.

Public Sector Equality Duty (PSED)	
13.	The Governance process set out in the Local Framework does not per se have any equalities impacts, although any individual transport schemes brought forward as part of the LTB process will be developed with due consideration to relevant legislation including how it impacts on equalities. Each individual authority will undertake its responsibility in terms of ensuring an appropriate equality impact assessment is undertaken for individual schemes.
	Are there any risks issues relating Public Sector Equality Duty ?
	No

<b>Risk Analysis</b>
Briefly analyse the major risks associated with the proposal and explain how these risks will be managed. This information may be presented in the following table.

Identified Risk	Likelihood	Impact	Actions to Manage Risk
LTB acts outside its remit	Low	High	Development of robust assurance framework
Loss of support from 1 or more LTB member authorities.	Low	High	Timely information provided. Regular officer meeting to identify and respond to any tensions

Background Documents	Location (including url where possible)
- Local Frameworks for funding major transport schemes: guidance for local transport bodies (Nov 2012)	<a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15176/guidance-local-transport-bodies.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15176/guidance-local-transport-bodies.pdf</a>

This page is intentionally left blank



**SOUTH EAST MIDLANDS**

**LOCAL TRANSPORT BOARD**

**ASSURANCE FRAMEWORK**

**PART ONE: PURPOSE, STRUCTURE AND OPERATING PRINCIPLES**

**Name**

1. The name of the Local Transport Body shall be the South East Midlands Local Transport Board.

**Geography**

2. The area covering the four Unitary Authorities of Bedford Borough, Central Bedfordshire, Luton and Milton Keynes.

**Status**

3. The South East Midlands Local Transport Board will be an informal partnership in accordance with a Memorandum of Understanding.

**Membership**

4. One voting member (or a named substitute) who is an Elected representative from each of the Local Authorities. It is expected that member will be the Transport or Regeneration Portfolio Holder although this will be down to each Local Authority to decide.
5. The Chair of the South East Midlands Local Enterprise Partnership (SEMLEP), or a named substitute of the SEMLEP Board, shall also be a voting member.
6. The Quorum of the Local Transport Board will be four voting members.
7. Representation on the Local Transport Board will be reviewed annually, or additionally as required, to reflect:
  - any changes in Elected representatives of the Local Authorities, or
  - where the Board consider technical advice on specific projects may be required, to co-opt advisers or other key stakeholders, for example Statutory Bodies.
8. The Chair and Vice-Chair of the Local Transport Board will be appointed at its first meeting from the Elected representatives.
9. The following shall be able to attend Local Transport Board meetings as Observers with an automatic “right to speak” but no voting rights:
  - senior managers of each Authority whose remit includes the development and implementation of transport strategy and major transport projects,
  - an appointed adviser to SEMLEP on transport matters
  - a representative of each neighbouring LEP
  - the Highways Agency
10. Members of the public or other organisations not referred to above will be allowed to present their case on specific Agenda items. A total of 15 minutes for these presentations will be allowed at the start of each Local Transport Board meeting. The length of individual presentations, or total time allowed for these will be at the discretion of the Chair or Vice Chair. Other Stakeholders or organisations may

also be invited by the Local Transport Board to present their case on specific Agenda items.

### **Strategic Objectives and Purpose**

11. The Local Transport Board will make decisions on scheme prioritisation and funding to the Accountable Body. In this regard the Local Transport Board and the Accountable Body shall be responsible for the following roles in relation to devolved Local Authority major scheme funding:

- ensuring Value for Money is achieved.
- Identifying a prioritised list of investments within the available budget.
- Making decisions on individual scheme approval, investment decision making and release of funding, including scrutiny of individual scheme business cases.
- Monitoring progress of scheme delivery and spend.
- Actively managing the devolved budget and programme to respond to changed circumstances, including programme slippage, scheme alteration, or cost increases.

12. In addition to the above, the Local Transport Board shall act as a forum for the expression of views on other transport matters including, but not limited to

- bilateral discussions with Network Rail,
- responding to wider consultations on strategic transport proposals and changes to transport policy, and
- Funding decisions from national transport agencies.

### **Conflicts of Interest**

13. Members shall act in the interests of the Local Transport Board as a whole and not the narrow sectoral or geographical interests of their constituent organisations. Declarations of Interest will be a standing item on the Agenda of every Local Transport Board meeting. The personal interests of Elected representatives appointed as voting members of the Local Transport Board shall be covered by the Code of Conduct and the Register of Interests of their Local Authority. The personal interests of the SEMLEP member shall be covered by their contract, including the Nolan seven principles of public life and the SEMLEP Register of Interests.

14. If any of the voting members has a personal interest in the outcome of a proposed scheme being decided on by the Local Transport Board, or their organisation has such an interest, then that representative shall leave the meeting for the duration that scheme is being considered.

### **Gifts and Hospitality**

14. The Policy of each constituent organisation on the acceptance and declaration of gifts and hospitality shall apply to voting members of the Local Transport Board.

### **The Role of the Accountable Body**

15. The Accountable Body will be appointed for a term of five years. The Accountable Body will be responsible for administering the decisions of the Local Transport Board in approving funding for schemes, and specifically to:

- hold the devolved major scheme funding and make payments in accordance with the decisions of the Local Transport Board.
- account for the devolved funds in such a way that they are separately identifiable from their own funds , and provide financial statements to the Local Transport Board as required.
- ensure that the decisions and activities of the Local Transport Board conform with any legal requirements, for example with regard to equalities, environmental and procurement issues.
- ensure (through their Section 151 Officer) that the funds are used appropriately
- ensure that the Local Transport Board assurance framework as approved by DfT is being adhered to.
- maintain the decisions of the Local Transport Board in approving schemes (for example if subjected to legal challenge)
- sign off the audited Value for Money assessment as true and accurate
- be the initial point for statutory information requests through either the Freedom of Information Act 2005 or the Environmental Impact Regulations 2004.<sup>1</sup>
- prepare a funding letter to be signed by the Local Transport Board and the individual scheme promoters, setting out respective responsibilities including reporting and audit requirements.

### **Local audit and scrutiny**

16. The Accountable Body will also be responsible for commissioning an annual independent audit of the Accountable Body and decisions of the Local Transport Board, with the first audit being completed by December 2014. Each audit report shall be shared with the Department for Transport. The annual audit will provide a high level review, comment and opinion on:

- Corporate governance, in particular details of the roles, responsibilities and resources;
- strengths and weaknesses of the Board in approving the distribution of funding;
- Financial management and governance;
- The control environment and the degree of control and monitoring shown by senior management (such as regularity of board meetings, review and challenge of budgets); and
- An overview of financial and management reporting procedures.

### **Support and Administration Arrangements**

17. The chairing Authority will host the Local Transport Board meetings. The host authority will circulate Agendas and reports before the meetings and prepare minutes of meetings.

18. The technical work of the Local Transport Board will be serviced by a Working Group comprising

- a senior officer of each Local Authority whose remit includes the development and implementation of transport strategy and major transport projects,
- a SEMLEP transport adviser
- a senior representative from the Highways Agency

---

<sup>1</sup> The Information Commissioner has ultimate responsibility for determining this

19. An officer from the chairing Local Authority whose remit includes the development and implementation of transport strategy and major transport projects will circulate Agendas and reports before the Working Group meetings and prepare minutes of those meetings.

20. The official record of Local Transport Board proceedings /decisions and all Local Transport Board documents shall be held on the public area of the South East Midlands LEP website.

21. Independent scrutiny of the Business Case for individual schemes will be undertaken by a consultant appointed from the Highway's Agency framework. To ensure independence, the appointed consultant will not have undertaken any work on that scheme. Any Business Cases for programme entry of shortlisted schemes must be submitted for independent review at least 4 months before the Local Transport Board meeting at which it is to be considered.

### **Working Arrangements and Meeting Frequency**

22. Meetings of the Local Transport Board will generally take place at least every six months, one to determine the funding priorities for the following year and one to monitor progress in scheme delivery and review governance arrangements. Additional meetings will be held as required in order to approve the initial decision on the overall scheme programme and when making investment decisions on individual schemes.

23. The Working Group will generally meet every three months; meetings of the Working Group shall be held at least 6 weeks before the Local Transport Board meetings.

### **Transparency and Local Engagement**

24. The Local Transport Board will:

- publish papers for and minutes of its meetings, including those of the officer Working Group
- for each scheme they are funding, publish a Business Case and evaluation report (or a link to them on each Local Authority's own website), funding decision letters with funding levels and conditions indicated, and quarterly programme updates on delivery and spend against budget.
- set out the process to provide public and stakeholders with meaningful input before decisions are made.
- adhere to the Local Government Transparency Code.
- ensure that FOI and EIR requests are dealt with in accordance with the relevant legislation, either through the Accountable Body or the constituent Authorities as appropriate.
- publish a clear statement of the approach it will follow when making major investment decisions.

## **PART 2: PRIORITISATION**

### **Prioritisation process**

25. Each Local Authority shall prepare a list of eligible transport schemes that should reflect the priorities of their local policy/strategy background to enable a shortlist of schemes to be determined through the prioritisation process. The types of transport schemes to be considered could include highway, public transport (bus or rail), asset management or public realm improvements, together with packages of these.

26. It is likely that schemes included in the long list will be at different stages of development. Two key considerations in the prioritisation process will therefore be:

- Assessment against Local Transport Board objectives
- The anticipated implementation programme and ability to deliver

27. Based on a review of the Local Transport Plans of the constituent Local Authorities and other relevant previous policy, the objectives against which each scheme in the long list shall be assessed, together with the weighting (in parentheses) to be applied to each, will be to:

- 1) Provide a reliable and efficient transport system that supports the sustainable growth in homes and jobs
- 2) Support economic growth and regeneration
- 3) Contribute to a reduction in CO<sub>2</sub> and other transport emissions
- 4) Improve accessibility of the whole community to existing and new services, amenities and facilities (including education and training)
- 5) Contribute to better safety and security of travel
- 6) Promote sustainable travel choices that are beneficial to health
- 7) Contribute to a better quality of life by improving the natural & built environment

28. The prioritised shortlist of projects will be generated by a spreadsheet methodology that takes into account the above objectives, together with the following factors and weighting to be applied to each:

- Project Cost, including eligible preparation costs and Quantified Risk Assessment, together with any operating costs
- Risk associated with programme deliverability
- Third party contributions and Value for Money
- Assessment of environmental impacts
- Identification of social distribution impacts

29. The prioritisation process will be undertaken by an independent transport consultant to be appointed at the first meeting of the Local Transport Board. The consultants will develop the spreadsheet and verify data supplied by scheme promoters. The methodology of the prioritisation process will be published in advance of any decision making about the prioritised shortlist or any constituent projects.

### **Scheme eligibility**

30. The minimum capital scheme cost as a threshold for Local Transport Board consideration shall be £2.5m, although there shall be no minimum contribution. The scheme Promoter will provide a minimum local contribution based on eligible costs of 10%.

### **PART 3: PROGRAMME MANAGEMENT AND INVESTMENT DECISIONS**

#### **Scheme Assessment and approval**

31. Once a prioritised shortlist of schemes has been identified, the process for further scheme consideration and approvals for individual schemes within that shortlist would be to :

- confirm the Business Case, leading to a Funding in Principle decision by the Local Transport Board
- confirm funding availability once Statutory Procedures are complete and the Business Case is confirmed/updated
- confirm scheme costs once the scheme procurement process is completed, the Business Case updated to reflect Tender prices, and the promoter is willing to proceed
- monitor out-turn costs and adherence to delivery programme at all of these stages up to scheme completion

32. The approval of individual schemes (including Value for Money assessment) at each of the above stages will be signed off by the Chair of the Local Transport Board. Funding letters for those schemes approved by the Local Transport Board will be signed off by the Section 151 officer of the Accountable Body.

#### **The Transport Business Case**

33. The Local Transport Board should ensure that all scheme proposals submitted by Local Authorities (or other scheme Promoters) seeking a funding contribution follow the key principles of the Transport Business Case guidance available on the Department for Transport website.<sup>2</sup> This ensures that the information and assessment of a scheme is set out according to the five cases of the:

- Strategic case, including the scheme objectives & outcomes
- Economic case, including the Benefit:Cost Ratio & Social Distribution Impact
- Commercial case, including project management and procurement
- Financial case, including the scheme costs & inflation assumptions made
- Management case, including confirmation of Statutory Powers, & Stakeholder engagement, together with the approach to managing risk

34. The scheme Promoter shall submit to the Local Transport Board a copy of the Business Case appropriate to the relevant stage of the funding process (see paragraph 31 above), which will be summarised in the forms at Appendix A, and cross referenced to supporting documents.

35. The Business Case submitted for Programme Entry shall include full details of any modelling work undertaken (including any work on Wider Economic Benefits), which will be summarised and cross-referenced in the checklist at Appendix B. Central case assessments must be based on forecasts with the latest version of the Department's National Trip End Model. Alternative planning assumptions can be undertaken as sensitivity tests and the results of these considered by the Board in coming to a decision about whether to approve a scheme.

36. The Local Transport Board will commission an independent audit of the technical content (including any transport/forecasting modelling) of the Business Case prepared by the scheme promoter for Programme Entry. This will include

---

<sup>2</sup> <http://www.dft.gov.uk/publications/transport-business-case>

fitness for purpose of the appraisal given the nature of the scheme and conformity with WebTAG. The consultant appointed to undertake this work will be drawn from the Highways Agency's Framework, and the scheme promoter shall meet the costs of this audit. Where there are significant changes to a scheme once the Statutory Procedures are complete (Conditional Approval) or once procurement has been completed (Full Approval), then the Local Transport Body may request further independent audits to be undertaken at these stages.

### **Value for Money**

37. The independent audit of the Business Case will include a Value for Money assessment conforming with WebTAG guidance, with costs prepared on an agreed basis to include eligible preparation costs, land and compensation costs (excluding costs of Part1 Claims) and a Quantified Risk Assessment, together with any operating costs. All assumptions regarding the costs, including contingency and inflation should be clearly stated.

38. The Local Transport Board will only approve schemes with a high Benefit Cost Ratio of 2:1 or greater, unless they consider exceptional circumstances apply. Such exceptional circumstances may apply to schemes that have a high economic growth/regeneration benefit, a high environmental benefit or entirely consist of sustainable transport measures.

### **External views on business cases**

39. For any scheme requiring Programme Entry, the scheme Promoter shall submit to the Local Transport Board a copy of the Stakeholder Engagement Strategy together with a report on the outcome of the Stakeholder consultation which demonstrates how those comments are reflected in the scheme.

40. At the Conditional or Full Approval stage the scheme Promoter shall demonstrate within the Business Case how any changes to the scope resulting from conditions attached to the Statutory Powers granted or any recommendations of the Planning Inspectorate and the Secretary of State are reflected in the scheme.

41. The Local Transport Board, in reaching a decision on whether to grant funding approval for a scheme, will take account of all comments received, including those from the local community. In order to seek the views of the wider community, when bids are submitted for funding approval the scheme Promoter shall place their Business Case on their own website and the SEMLEP website.

### **Release of funding, cost control and approval conditions**

42. The formal agreement between the Local Transport Board and the scheme Promoter will be in the form a funding approval letter that sets out the amount and timing of the funding, together with any specific conditions of the next stage of the process. These will include, but not be limited to, confirmation of scheme costs and programme, together with any further details required for the next stage of the approval process as set out in the Transport Business Case guidance (see paragraph 33).

43. The scheme Promoter will submit quarterly progress reports to the Working Group, which will in turn be presented to the following Local Transport Board meeting. Once the Full Approval Business Case is approved, the scheme Promoter



will submit quarterly claims in arrears for eligible costs to the Accountable Body using the integrated progress report/claims form at Appendix C.

44. Within 4 weeks of the Local Transport Board approving the Full Approval Business Case for a scheme, the Accountable Body will send the scheme Promoter an Award of Grant letter; Award of Grant letters for any subsequent year will be sent out in March. The Award of Grant Letter will set out the Terms and Conditions of the funding approval, including the total funding contribution and the timing of that funding, the requirement to carry out a full evaluation of the scheme (see paragraphs 46-47 below), and any other conditions the Local Transport Board may reasonably wish to impose.

### **Programme and Risk Management**

45. The scheme Promoter shall inform the Local Transport Board within four weeks if there is any danger of key milestones not being met which will impact on the implementation programme or the funding allocation for that or future years. The Local Transport Board will require the scheme Promoter to produce a more detailed progress report, possibly at more than quarterly intervals, until such time the Local Transport Board is assured that the project management/governance is under control. Should the scheme Promoter fail to deliver effectively, the Local Transport Board can determine any sanctions available to it and how to state those in written agreements with the scheme Promoters.

### **Monitoring and evaluation**

46. The scheme Promoter will include in its final Business Case an Evaluation Plan to monitor both the construction of the scheme and the impact of its implementation, in line with Department for Transport guidance on the evaluation of local major schemes.

47. The Local Transport Board will commission an independent review of the results of evaluation and monitoring undertaken by the scheme Promoter. The Local Transport Board will approve reports on the evaluation and monitoring of the scheme at its meetings in order to share best practice amongst the Authorities, and these reports will also be placed on the scheme Promoters website and the SEMLEP website.

This page is intentionally left blank

South East Midlands  
Local Transport Board

**Contains Confidential  
or Exempt Information** No

**Title of Report** LOCAL TRANSPORT BODY – Prioritisation of  
Transport Schemes

**Meeting Date:** 23 April 2013

**Responsible Officer(s)** Glenn Barcham, Bedford Borough Council, Paul Cook,  
Central Bedfordshire Council, Keith Dove, Luton Borough  
Council, Brian Matthews, Milton Keynes Council, Hilary  
Chipping, SEMLEP.

**Presented by:** Keith Dove Transportation Strategy & Regulation  
Manager, Luton Borough Council

---

**The Board is  
asked to:**

1. **approve a list of strategic transport schemes for inclusion as part of the prioritisation process;**
2. **agree the weightings associated with the objectives and other factors against which each scheme in the long list shall be assessed;**
3. **approve the scope of the consultants brief to undertake the prioritisation process;**
4. **authorise the officer Working Group to invite a shortlist of consultants to Tender for the prioritisation work and, in consultation with the Members, to agree the preferred consultant to undertake this study; and**
5. **endorse the allocation by each Local Authority of £5000 to undertake this prioritisation work.**

---

**Executive Summary**

- |           |  |
|-----------|--|
| <b>1.</b> | Following a consultation on devolving major scheme funding during the early part of 2012, the coalition government has now decided that from 2014/15 Government investment in major highways and transport schemes delivered by Local Highway Authorities will be funded through Local Transport Bodies (LTBs). The Department for Transport (DfT) issued Guidance on the establishment of LTBs on 23 November 2012. |
|-----------|--|

	<p>As set out in the DfT guidance, the primary role of the LTB will be to decide which transport investments should be prioritised, to review and approve business cases for each prioritised scheme, and to ensure effective delivery of the programme. The Guidance seeks the creation of the LTB in early 2013 with its assurance framework adopted and for the Board to agree its priorities by July 2013.</p>
<p><b>Background</b></p>	
<p><b>2.</b></p>	<p>This report specifically deals with the prioritisation process as set out in Part 2 of the Local Framework, the requirements for which are set out in Part 2 of the DfT Guidance. The key elements of the prioritisation process are that:</p> <ul style="list-style-type: none"> <li>• each Local Authority shall prepare a list of eligible transport schemes; and</li> <li>• the prioritised shortlist will be generated by a spreadsheet methodology that takes into account the LTB objectives, together with the scheme cost, deliverability to programme. Value for Money, and the environmental/social distribution impacts.</li> </ul>
<p><b>3.</b></p>	<p>The only option that meets the requirements of the DfT is for the four Councils to work together to deliver the implementation of major transport schemes in their area. If any of the four Councils do not formally agree to become part of the South East Midlands Local Transport Board, then they will not be entitled to a share of the DfT funding after 1 April 2015.</p>
<p><b>4.</b></p>	<p><b>Identifying a long list of eligible transport schemes</b></p> <p>These could include highway, public transport (bus or rail), asset management or public realm improvements, together with packages of these. Main criterion is that they should have a minimum capital cost of £2.5m. It is likely that schemes included in the long list will be at different stages of development.</p> <p>As part of a wider infrastructure study currently being undertaken by SEMLEP, a list of strategic infrastructure requirements to support the growth of the area has been identified, which includes major transport schemes in the LTB area. A list of those schemes that could be funded by a contribution from the LTB is included at Appendix A to this report.</p> <p>However the Board should note that the individual Local Highway Authorities may wish to add further schemes to the final long list to be prepared for the LTB prioritisation process.</p>

<p><b>5.</b></p>	<p><b>Objectives against which to assess these schemes</b></p> <p>Based on a review of the Local Transport Plans of the constituent Local Authorities and other relevant previous policy, the objectives against which each scheme in the long list shall be assessed, together with the weighting (in parentheses) to be applied to each, will be to:</p> <ul style="list-style-type: none"> <li>• Provide a reliable and efficient transport system that supports the sustainable growth in homes and jobs (3)</li> <li>• Support economic growth and regeneration (3)</li> <li>• Contribute to a reduction in CO2 and other transport emissions (2)</li> <li>• Improve accessibility of the whole community to existing and new services, amenities and facilities including education and training (2)</li> <li>• Contribute to better safety and security of travel (2)</li> <li>• Promote sustainable travel choices that are beneficial to health (2)</li> <li>• Contribute to a better quality of life by improving the natural and built environment (1)</li> </ul> <p>In addition to demonstrating how each scheme meets the above objectives, following factors should also be taken into account:</p> <ul style="list-style-type: none"> <li>• Project Cost, including eligible preparation costs and Quantified Risk Assessment, together with any operating costs (2)</li> <li>• Risk associated with programme deliverability (3)</li> <li>• Third party contributions and Value for Money (3)</li> <li>• Assessment of environmental impacts (1)</li> <li>• Identification of social distribution impacts (1)</li> </ul>
<p><b>6.</b></p>	<p>A Working Group comprising officers from the four Councils and SEMLEP has carried out some initial work in assessing and amending a spreadsheet originally developed by Milton Keynes Council that could be used to prioritise the long list of transport schemes. However in order to assess these, as set out in the Local Framework there is a need for this work to be undertaken by an independent consultant. A shortlist of suitable consultants has been identified by the Working Group, and these will be invited to tender for this work.</p>

	<p>In particular the consultants will be asked to :</p> <ul style="list-style-type: none"> <li>• review the spreadsheet and related scoring mechanism</li> <li>• review the SEMLEP infrastructure study proforma</li> <li>• collate data supplied by scheme promoters and verify/ moderate the data inputs for LTB transport schemes before entering this information into the agreed prioritisation spreadsheet</li> <li>• report on the outcome of this work, including a progress report to be considered by an LTB meeting in June and a final draft report to be considered at the July LTB meeting.</li> </ul> <p>Four officers from the Working Group will assess the bids. Their recommendation on the preferred contractor to undertake this work, supported by a table summarising the scores for each of the consultants who submitted Tenders, will be submitted to the Board Members in May..</p>
<b>Issues</b>	
Strategy Implications	
7.	The transport schemes to be included in the prioritised list are expected to reflect the policy/strategy background priorities of the promoting local authority.
Governance & Delivery	
8.	The day to day work on the prioritisation process will be managed by the officer Working Group. However a progress report will be made to the June shadow LTB meeting, and a final report on the prioritisation process will be presented to the July Board meeting in order to deliver the prioritised list to the DfT by the end of July 2013.
Management Responsibility	
9.	Not applicable for this report
Financial Implications	
10.	<p>It is anticipated that the cost of appointing a consultant to undertake the prioritisation process will be around £15,000. Any funding allocated to the process will be managed by the Accountable Body.</p> <p>The officer working group and other officer costs of servicing the LTB is expected to be met from existing resources within each authority.</p>

<b>Legal Implications</b>	
11.	The LTB will operate within the assurance framework to be agreed at the LTBs first meeting, subject to any further amendments required by the DfT.
<b>Environmental and Health Impacts</b>	
12.	<p>The prioritisation process per se does not have any environmental impacts although, as part of that process, the pro-forma for individual transport schemes will consider impacts at a strategic level. However individual transport schemes brought forward through the LTB process will be developed with due consideration to relevant legislation including how it impacts on the environment.</p> <p>Each individual authority will undertake its responsibility in terms of ensuring an appropriate environmental impact assessment is undertaken for individual schemes.</p>
<b>Public Sector Equality Duty (PSED)</b>	
13.	<p>The prioritisation process per se does not have any equalities impacts, although, as part of that process, the pro-forma for individual transport schemes will consider impacts at a strategic level. However individual transport schemes brought forward through this process will be developed with due consideration to relevant legislation including how it impacts on equalities issues.</p> <p>Each individual authority will undertake its responsibility in terms of ensuring an appropriate equality impact assessment is undertaken for individual schemes.</p>
	Are there any risks issues relating Public Sector Equality Duty      No
	<i>No</i>

<b>Risk Analysis</b>
Briefly analyse the major risks associated with the proposal and explain how these risks will be managed. This information may be presented in the following table.

<b>Identified Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Actions to Manage Risk</b>
LTB acts outside its remit	Low	High	Development of robust prioritisation process as part of the assurance framework

Loss of support from 1 or more LTB member authorities	Low	High	Timely information provided. Regular officer meeting to identify and respond to any tensions

<b>Background Documents</b>	<b>Location (including url where possible)</b>
Local Frameworks for funding major transport schemes: guidance for Local Transport Bodies (Nov 2012)	<a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15176/guidance-local-transport-bodies.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15176/guidance-local-transport-bodies.pdf</a>



## Appendix A

### List of strategic infrastructure projects for South East Midlands LTB

Authority	List of Projects
LTB wide schemes	<ol style="list-style-type: none"> <li>1. East West Rail western section</li> <li>2. East West Rail (central section)</li> <li>3. Bedford - Milton Keynes Waterway including adjacent cycle route</li> </ol>
Bedford Borough Council	<ol style="list-style-type: none"> <li>1. Bedford western bypass phase 2</li> <li>2. Batts Ford bridge</li> <li>3. Wixams railway station and associated car park</li> <li>4. Signalisation of A6/A421 junction</li> <li>5. A428 improvements from A1 to Caxton Gibbet east of St Neots</li> <li>6. Bedford Town Centre West regeneration project – redevelopment of bus station buildings/retail units</li> <li>7. A421 Bedford Business park Corridor acceleration (access to facilitate new site development)</li> <li>8. Colworth Science Park (new access to facilitate expansion)</li> </ol>
Central Bedfordshire Council	<ol style="list-style-type: none"> <li>1. Dunstable Town Centre Masterplan Schemes</li> <li>2. Commercial Redevelopment of Flitwick Town Centre</li> <li>3. A5 - M1 Link - Spur to Thorn Turn</li> <li>4. Woodside Link</li> <li>5. Luton north bypass - M1 to Sundon Park Road (over railway)</li> <li>6. Luton north bypass - Sundon Park Road to A6</li> <li>7. East of Leighton Link Road</li> <li>8. Biggleswade South A1 Junction Improvements</li> </ol>

Luton Borough Council	<ol style="list-style-type: none"> <li>1. London Luton Airport surface access</li> <li>2. Luton Town Centre Scheme</li> <li>3. M1 Junction 10a grade separation</li> <li>4. Extension of East Luton Corridor to serve Century Park</li> <li>5. Luton station improvements</li> <li>6. New station North of Luton</li> <li>7. Extension of East Luton Corridor from Century Park to A505</li> </ol>
Milton Keynes	<ol style="list-style-type: none"> <li>1. A421 Dual Carriageway Works and Associated Roundabouts</li> <li>2. Broughton Brook Bridge</li> <li>3. MK Grid Road Extensions</li> </ol>