

Agenda

Meeting Title:	South East Midlands Local Transport Board
Date:	Thursday, 25 July 2013
Time:	10.00 a.m.
Location:	Committee Room 1, High Street North, Dunstable, LU6 1LF

1. **Apologies for Absence**

Apologies for absence and notification of substitute members

2. **Minutes**

To approve as a correct record, the Minutes of the meeting of the South East Midlands Local Transport Board held on 21 June 2013. **Please note that Appendix A to the minutes has not been reproduced with the Agenda, but will form part of the minutes signed by the Chairman. A copy of the full set of minutes can be found at**

<http://www.centralbedfordshire.gov.uk/modgov/ieListDocuments.aspx?CId=837&MId=4511&Ver=4>.

3. **Members' Interests**

To receive from Members any declarations of interest.

4. **Chairman's Announcements and Communications**

To receive any announcements from the Chairman and any matters of communication.

5. **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

Item	Subject	Page Nos.
6.	Update on Local Framework To receive an update on the Local Framework.	9 - 22
7.	Update on Prioritisation of Transport Schemes To update the Board on the final list of prioritised schemes to be funded in part through the South East Midlands Local Transport Board funding allocation.	23 - 34

To: Members of the South East Midlands Local Transport Board

Members (Voting):

Bedford Borough Council

Mayor D Hodgson	Mayor of Bedford
Sub: Cllr C Royden	Deputy Mayor and Portfolio Holder for Environment and Transport

Central Bedfordshire Council

Cllr N Young	Executive Member for Sustainable Communities – Strategic Planning and Economic Development
Sub: Cllr A Brown	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: Vacancy	

Observers (non-Voting):

Bedford Borough Council

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

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CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **SOUTH EAST MIDLANDS LOCAL TRANSPORT BOARD (SEMLTB)** held in Committee Room 1, Watling House, High Street North, Dunstable on Friday, 21 June 2013

PRESENT

Members (Voting):

Bedford Borough Council

Cllr C Royden

Deputy Mayor and Portfolio Holder for Environment and Transport

Central Bedfordshire Council

Cllr N Young

Executive Member for Sustainable Communities – Strategic Planning and Economic Development

Luton Borough Council

Cllr D Taylor

Executive Member for Environment

Milton Keynes Borough Council

Cllr A Geary

Leader of the Council

Observers (non-Voting):

Bedford Borough Council

Glenn Barcham

Assistant Director Highways and Direct Works

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

South East Midlands Local Enterprise Partnership (SEMLEP)

Hilary Chipping

Lead Officer for SEMLEP

Highways Agency

Alan Kirkdale

Asset Development Manager

Apologies:

Dr A Limb

SEMLEP

Others in Attendance:

Cllr A Brown

Central Bedfordshire Council

Sandra Hobbs

Committee Services Officer – Central Bedfordshire Council

Martin Revill

JMP Consultants Ltd

Chris Sibthorpe

JMP Consultants Ltd

Amy Sykes

JMP Consultants Ltd

LTB/13/11 **Minutes**

RESOLVED

that the minutes of the meeting held on 23 April 2013 be confirmed as a correct record and signed by the Chairman.

LTB/13/12 **Members' Interests**

None were declared.

LTB/13/13 **Chairman's Announcements and Communications**

No announcement was made.

LTB/13/14 **Public Participation**

No requests were received.

LTB/13/15 **Local Framework**

The Board considered a report that provided an update on the Department for Transport's (DfT) amended approach to signing off the Local Framework.

The DfT was undertaking a significant amount of work in providing guidance that would inform the process for Local Transport Boards (LTBs) assessing and approving the Business Case for major transport projects. The Board noted that DfT's response to Part 1 (Governance) of the Local Framework had not been received.

The DfT was proposing that approval of Part 3 of the Local Framework would not be issued until each LTB had been given a chance to consider the guidance. It was anticipated that guidance from the DfT would be available in the autumn.

RESOLVED

that the Department for Transport's amended approach to signing off the Local Framework be noted.

LTB/13/16 Prioritisation of Transport Schemes

The Board considered a report that provided an update on the prioritisation process as set out in Part 2 of the Local Framework. The key elements of the prioritisation process were:

- each Local Authority should prepare a list of eligible transport schemes; and
- the prioritised shortlist would be generated by a spreadsheet methodology that took into account the Local Transport Board objectives, together with the scheme cost, deliverability to programme, Value for Money and the environmental/social distribution impacts.

The Board noted the appointment of JMP Consultants Limited to undertake this work, together with their initial review of the spreadsheet and the long list of schemes to be prioritised.

The Board also noted that JMP were presenting an initial assessment of the prioritisation of the long list of schemes, which had been amended following discussions with officers.

RESOLVED

- 1. that the appointment of JMP to undertake the prioritisation process be noted;**
- 2. that the methodology of the prioritisation process as set out in Appendix A to the report be approved; and**
- 3. that the list of strategic transport schemes to be funded in part through the South East Midlands Local Transport Board funding application be approved.**

LTB/13/17 Presentation by JMP

The Board received a presentation from JMP Consultants Ltd on the Local Major Scheme Devolution in the South East Midlands Local Transport Board (LTB) area. JMP's role would be to review the prioritisation process and framework, and provide supporting evidence for an audit trail of the prioritisation process. It was noted the selection criteria must consider value for money, deliverability, environmental and social/distributional impact.

JMP had been working closely with officers and had reviewed the appropriateness, quality and consistency of evidence submitted by scheme sponsors for the prioritisation process. The Consultants reported on the early sift of the long list of schemes, the initial assessment and "scoring" of a short list of schemes and provided an illustrative development of potential programme options. A copy of JMP's presentation is attached at Appendix A.

The Board discussed the short list of schemes and whether they were deliverable and were value for money. Members discussed the need to adopt a more strategic approach to agreeing the LTB programme of schemes, and particularly noted that the Woodside Link, Bedford Western Bypass and the A421 dualling and associated roundabouts satisfied this approach. It was agreed that further evidence supporting the A421 scheme was needed.

The Board considered that some more local schemes should also be included in the LTB programme. They therefore considered that the inclusion of the A421 dualling within Option C presented by JMP was the most appropriate LTB programme.

The Board requested that before the next meeting on 25 July the short list of schemes be mapped out and circulated to the Board.

RESOLVED

that JMP Consultants Ltd and officers assess the following schemes before the next meeting:

- **Woodside Link**
- **Bedford Western Bypass**
- **London Luton Airport surface access**
- **A421 dualling and associated roundabouts**

with the addition of one or more schemes being included from the following:

- **Milton Keynes Park and Ride**
- **Northern entrance to Luton Airport Parkway**
- **Central Milton Keynes Public Transport Interchange**
- **Bletchley Public Transport Interchange**

LTB/13/18 Date of Next Meeting

Thursday 25 July 2013 at 10.00 a.m. in Committee Room 1, Watling House, Dunstable.

(Note: The meeting commenced at 10.05 a.m. and concluded at 11.03 a.m.)

South East Midlands
Local Transport Board

Contains Confidential or Exempt Information No

Title of Report Update on Local Framework

Meeting Date: 25 July 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 amendments to:**
 - i) **the purpose, governance structure and operating principles (Part 1) of the Local Framework, taking account of the comments received from the Department for Transport (DfT), and agree to the preparation of a formal Memorandum of Understanding based on these;**
 - ii) **the prioritisation section (Part 2) of the Local Framework to ensure consistency with the prioritisation process adopted by JMP; and**
 - iii) **the programme management and investment decision section (Part 3) of the Local Framework, taking account of the comments received from the DfT, but noting that this section is unlikely to be signed off until the further DfT guidance on key elements of this process is complete.**

Executive Summary

- | | |
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| 1. | Following a consultation on devolving major scheme funding during the early part of 2012, the coalition government has now decided that from 1 April 2015 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 |
|-----------|--|

	<p>Guidance on the establishment of LTBs on 23 November 2012. 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 was included at Appendix A to the report to the Board meeting on 23 April 2013. Part 1 of 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>
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Background	
2.	<p>The background section of the report to the Board meeting on 23 April set out the background to the DfT approach to devolving funding on major transport projects to LTBs, which can be summarised as follows;</p> <ul style="list-style-type: none"> • January 2012 - DfT issues consultation paper • April 2012 - the four Councils and SEMLEP respond to consultation • August 2012- DfT request LEPs/Councils agree their preferred solution • November 2012- DfT publish final guidance setting out timetable • February 2013- the four Councils submit Local Framework to DfT <p>As noted in the update report to the last Board meeting, the DfT are now planning to approve each part of the Local Framework separately.</p>
3.	<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>
4.	<p>Developing the Local Framework</p> <p>On 28 June the DfT wrote to the LTB (see Appendix A) approving the governance section (Part 1) of the Local Framework, subject to this section being amended to include a number of changes set out in an e-mail from the officer working group in response to a number of issues raised by the DfT. The issues raised by the DfT (in italics), together with a commentary including any necessary changes to the Local Framework (in bold) are set out below.</p>

Paragraph 13 of our guidance for Local Transport Bodies sets out a minimum requirement that LTBs 'must maintain, or enable access to, publicly available registers of member interests' Can you please confirm that this will be made publicly available?

Paragraph 13 of our Local Framework sets out that the personal interests of voting Members will be covered by the Register of Interests of their respective Unitary Authorities or SEMLEP. It is proposed to add the following sentence to the end of this Paragraph:

“ These Registers of Interest are publicly available from the individual Member authorities, including on their websites.”.

Can you confirm who will act as the Accountable Body for the LTB?

At the first shadow meeting of the South East Midlands Local Transport Board on 23 April, the Board agreed to Luton Borough Council being the Accountable Body for five years starting in 2013/14.

The guidance also requires the responsibilities at Paragraph 16 to be clearly allocated by the Accountable Body, in particular the expectation that legal responsibility will lie with these bodies. Can you please confirm this will be the case with the LTB and the Accountable Body?

The bullet points in paragraph 15 of our Local Framework incorporate all except one of those in paragraph 16 of the DfT Guidance as roles of the Accountable Body. The only exception to this is whereas the fourth bullet point in paragraph 16 of the DfT Guidance indicates a function of the Accountable Body should be “maintaining the official record of LTB proceedings and holding all LTB documents”, this is covered in paragraph 20 of our Local Framework, which states that “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”.

The DfT guidance includes a requirement for a commitment to hold LTB meetings at all key decision points. Can you please confirm the LTB will hold meetings to cover the areas set out at Paragraph 28?

Our response to the DfT was that, in accordance with paragraph 22 of our Local Framework, it is envisaged that the meeting determining funding priorities for the following year **will take place in December / January** and the meeting to monitor delivery and review Governance **will be held in May / June**. It is also suggested that the last sentence in paragraph 22 is deleted and replaced with:

“Individual scheme decisions can be made at either of these meetings or, if necessary, at additional meetings as required.”

The DfT guidance includes a requirement (paragraph 32) that LTBs 'must ensure FOI & EIR requests are dealt with in accordance with the relevant legislation. Can you confirm that the Accountable Body will hold all LTB papers and carry out its legal responsibilities as a public body in the receipt of information rights requests?

This requirement is covered in the penultimate bullet point in paragraph 24 of our Local Framework which states that the Local Transport Board will “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”.

5. In relation to Part 2 of the guidance, following the provision of further information about the prioritisation process to the DfT on 3 July (as evidenced by the reports to and draft minutes of the last Board together with the JMP presentation), they confirmed by e-mail on the 12 July that the prioritisation process is acceptable to them. This will enable this meeting of the Board to take a formal decision on, and publish its definitive prioritised list.

To ensure that the Local Framework is consistent with the prioritisation process agreed by the Board at their first two meetings, the following changes are proposed to our Local Framework:

- i) Include weighting of each of 7 objectives in paragraph 27
Reason: to include the objective weightings agreed by the Board on 23 April.
- ii) Delete “and weighting to be applied to each” at end of paragraph 28
Reason: to ensure consistency with JMP’s methodology agreed by the Board on 21 June, which does not weight criteria of cost, risk, and Value for Money.

6. In relation to Part 3 of the Local Framework, the table appended to the DfT letter (see Appendix A) sets out further amendments that may be required. Some of these issues will require further consideration; in particular those requiring further details of the scope of the work on scheme assessment to be undertaken by the LTB and its supporting Officer Working Group as opposed to the independent consultants undertaking the technical audit of the Programme Entry Business Case for each scheme. Indeed the balance of work undertaken by these parties cannot be accurately defined until the DfT has provided further guidance on Business Case scrutiny and Value for Money assessment which, as indicated in the update report to the previous Board meeting, will probably not be available until this Autumn.

	<p>Notwithstanding this, in order to address some of the points made by the DfT about Part 3, the following amendments (in bold) are proposed:</p> <p>i) Add the following sentence to the end of paragraph 46 of the Local Framework, in order to address the issue raised by the DfT about publishing Evaluation Plans. “The officer working group will assess the Evaluation Plan in accordance with DfT guidance, and place the final Evaluation Plan on the SEMLEP website.”</p> <p>ii) Add the following sentence to the end of paragraph 34 of the Local Framework in order to ensure that legal responsibility of full appraisal rests with the Promoter. “The responsibility of ensuring the Business Case and other supporting documents meets the requirements of the DfTs Transport Appraisal Guidance rests solely with the Promoter.”</p> <p>iii) Add the following words at the start of the last sentence in paragraph 32 of the Local Framework in order to address the issue raised by the DfT about senior officer sign-off of the Value for Money assessment: “The Value for Money assessment and...”</p>
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Issues	
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 and the seven LTB objectives.
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.	<p>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.</p>
Public Sector Equality Duty (PSED)	
13.	<p>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.</p>
	Are there any risks issues relating Public Sector Equality Duty?
	<i>No</i>

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

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

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Chris Pagdin
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By email

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Web Site: www.dft.gov.uk

28 June 2013

SOUTH EAST MIDLANDS LTB ASSURANCE FRAMEWORK

We are about to embark on an unprecedented transfer of funding and decision making on major capital transport schemes. This represents a historic opportunity for real local decision making.

An important step in the Department's plans is the setting up of assurance frameworks for Local Transport Bodies (LTBs). These frameworks are an important link in the chain of accountability back to Parliament and enable the Department to have confidence in the ability of LTBs to make sound decisions that will deliver value for money.

As you will know, the funding for local major transport schemes was confirmed this week as one of the funding streams that will be included in the new Single Local Growth Fund from 2015.

Details of precisely how that fund will work, and how the work of Local Transport Bodies will be integrated within it, will be set out in guidance on Local Growth Deals but our overriding aim will be to make any transition as seamless and sensible as possible.

In the meantime, however, we want to make sure that the momentum of delivery is maintained and that the devolution of major transport schemes funding proceeds as planned.

This, therefore, is the Department's formal response to your draft assurance framework submitted at the end of February. It has been agreed by Norman Baker, the local transport Minister

We intend to write again next week to confirm your funding allocation post 2015 and the details of the immediate next steps including publication of your prioritised lists in July.

If for any reason you think you will have difficulty in meeting the July deadline please contact the Department urgently, so that we may consider whether more time can be allowed. I should stress that we expect such cases to be very much the exception.

Part 1 – Membership, governance and working arrangements

I am pleased to confirm that you now satisfy all the requirements on the governance arrangements and structures for LTBs as set out in Part 1 of our guidance document.

The Department has therefore signed off Part 1 of your framework as set out in your draft dated February 2013, on the understanding that it incorporates the amendments set out in your emails of 8th May.

Part 2- Scheme prioritisation

We appreciate you have already undertaken considerable work in developing your initial scheme programme. As we stressed in our guidance, prioritisation should be evidence based, robust and based on clear objectives.

We are content with the material we have seen so far but we will need to see some more information on the initial data collection stage and the scoring methodology before we are in a position to consider approval of this part of your framework. **You should not take formal decisions on, or publish your definitive prioritised list until this part of your framework has been approved**, and we will endeavour to do that as soon as possible. Given the tightness of time, I have asked colleagues here to contact you next week to see how we can work together to achieve this outcome quickly.

The prioritisation of schemes is a very important step. We have looked carefully at all LTBs' proposals for how this is to be done as we want to make sure that your decisions are grounded in rigour and sound evidence and that you are taking a fresh look at the urgent priorities of today and the future. We are sure that you will seize the opportunity to inject some innovative new thinking into this process, for example to look at corridor based solutions across modes, including low carbon and non-road solutions. We very much encourage cross boundary working with neighbouring LTBs and would like to reaffirm the expectation, set out in our previous guidance, that you will exercise caution when considering schemes that were previously rejected on value for money grounds.

Part 3 – Scheme Assessment and Investment Decisions

We recognise that our requirements for scheme assessment and decision making, particularly on value for money, are complex and it is important that we help you to get these right. We are not yet in a position to approve Part 3 of your framework but will liaise further with you over the coming weeks and months.

As a start, we have attached our assessment of your framework against our value for money requirements to enable you to identify what further information you should include in your framework (note we have also provided some advisory comments attached at Annex B that it would be helpful for you to consider). In some cases, e.g. if there are only 1 or 2 areas that need to be addressed, then we would hope that these could be resolved through correspondence in the next month or so. For

assurance frameworks where a significant number of areas are identified that require amendment, e.g. 4 or more, we would encourage you to discuss these with us before embarking on further work, although we would be happy to discuss the details of the assessment in any event. We would hope to resolve all outstanding issues by the autumn and we will work with you to achieve this aim. We will continue to do what we can to help LTBs get up to speed on business case scrutiny and value for money and we are already running workshops and will provide further guidance in this area in due course.

Finalising the frameworks for publication

For the parts of your assurance framework that we have signed-off, you need to provide the Department with a version of what is intended to be published as the final signed-off version, incorporating the changes that you have already confirmed you will make, and including any additional material supplied, which should be embedded within, or attached to, your published assurance framework.

We recognise of course that many LTBs have already published their frameworks in draft but you should make clear on your websites which parts are the final signed-off versions and which are not.

The Department's approval of any part of your framework is, of course, conditional upon the approved draft being formally agreed by all LTB member organisations. If that has not already been done can you please arrange for that to happen and advise the Department accordingly. If that process raises any substantive issues that might delay sign off please let us know immediately.

All subsequent changes to your framework will need to be submitted to the Department for approval.

Publication of scheme lists in July 2013

As you know, we asked for LTBs to finalise and publish their prioritised scheme lists by the end of July. Although we have not prescribed the format in which you should publish your information it would help the Department if you could submit to us the details of your prioritised schemes using the attached spreadsheet.

The submission of this information to the Department is for information only, to assist with financial profiling and understanding the use to which the funding will be put. I would stress that once Part 2 of your framework has been signed off you do not need to seek Departmental approval for the publication of your prioritised scheme list, nor for the selection of schemes within it.

Local engagement and transparency

I am sure you would agree with the importance of local engagement and transparency in the activities of LTBs at all stages. We recognise that we set a tight timetable for the prioritisation work and that that has not allowed time for a formal consultation stage. We would therefore ask you, once you have published your prioritised lists, to ensure there is a process to allow proper public comment on the

prioritisation process and outcome. **The Department's sign off of your part 2 is conditional upon such a process being undertaken.**

More widely, we trust that you will conduct your business with the full transparency that you have committed to in your assurance framework, and will make adequate provision for public involvement and engagement, including opening your meetings to the public and holding them in reasonably accessible locations.

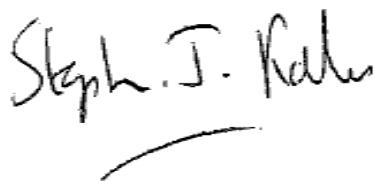
I should also take this opportunity once again to emphasise the importance of evaluation. It is in all our interests to ensure that high quality evaluation is carried out in order to provide the evidence base for further spending rounds.

Finally, I would be grateful if you would also confirm, if you have not already done so, your LTBs website address and public contact points.

If you have any queries with the content of this letter please contact Lee Sambrook on 0207 944 6136

I would like to thank you for your patience with the process but I know you will appreciate it is important that we have robust arrangements to ensure high quality and effective decision making arrangements are in place for all LTBs across the country.

Yours sincerely

A handwritten signature in black ink that reads "Steph. J. Fidler". The signature is written in a cursive style and is positioned above a horizontal line.

Stephen Fidler
Head of Local Transport Funding, Growth & Delivery Division

Assurance Framework: South East Midlands

Req no	Para ref	Requirement	Rating	Comments	Issue to be addressed
16c	69	LTB assessment of scheme appraisals	G	<p>The AF states an intention to procure independent consultants for scrutiny (using HA framework), and there will be separation of the team leading on scrutiny and promotion of the scheme (see para 36).</p> <p>The scope of the assessment isn't clear.</p> <p>The method of dealing with recommendation from independent scrutiny not clear.</p>	<p>Helpful for the AF to be clear about the scope of the scrutiny.</p> <p>Helpful for the AF to be clear about what mechanisms will be in place for dealing with recommendations from the assessment process.</p>
16d	69	QA of business cases	G	<p>Not clear how this is done (apart from use of framework to procure)</p>	<p>Helpful for the AF to include a clear statement covering:</p> <p>Governance arrangements for commissioning, monitoring and signing off scrutiny.</p> <p>Process for checking / seeking second opinion on conclusions / recommendations from scrutiny.</p>
17b	70	sign off by named officer responsible	R	<p>Stated in AF that sign off will be responsibility of LTB (para 18.5) – but no further details.</p>	<p>The AF should indicate the role of the officer responsible for signing off the statement.</p> <p>Officer should be of appropriate seniority.</p> <p>Need to set out process for dealing with any potential conflicts of interest.</p> <p>Helpful to explain how the sign-off process will operate and be recorded.</p>
18b	75	Circumstances when lower vfm allowed	G	<p>The circumstances for lower VfM are discussed in the AF (para 38) – although no detail of any further checks and balances.</p>	<p>Helpful for the AF to include details of what checks will be undertaken (and by whom) to ensure that the criteria for funding lower VfM schemes have been met and the evidence on which this is based is robust and relevant. It should also be clear how the</p>

					<p>LTB will deal with any inconsistency between this evidence and the economic case including how they will consider robustness when determining the weight attached to different pieces of evidence.</p> <p>May also wish to consider some enhanced process of review for such schemes.</p>
19b	77	Ensuring that evaluation is published and reviewed	G	It is stated that results will be published – not clear if this is the case for Evaluation Plans as well as Evaluation Reports.	Helpful for the AF to commit to publication of Evaluation Plans (as well as reports).

Note: All Assurance Frameworks should ensure that core Value for Money assessments align with DfT procedures. Detailed guidance on Value for Money assessments will be released in the Summer/Autumn to fully clarify the process

Rating:

G – Advisory

R – Needs to be addressed through issue of revised Assurance Framework

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South East Midlands
Local Transport Board

**Contains Confidential
or Exempt Information** No

Title of Report Update on Prioritisation of Transport Schemes

Meeting Date: 25 July 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 final list of strategic transport schemes to be funded in part through the South East Midlands LTB funding allocation; and**
- 2. authorise the Chair of the Board to submit the list to the Department for Transport.**

Executive Summary

- | | |
|-----------|---|
| 1. | <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 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 the Board agreeing its priorities by July 2013.</p> <p>This report updates the Board on the final list of prioritised schemes to be funded in part through the South East Midlands Local Transport Board funding allocation. The outcome of this work will be presented at the meeting by JMP.</p> |
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Background	
2.	<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"> • each Local Authority shall prepare a list of eligible transport schemes; and • 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.
3.	<p>At their meeting on 21 June, the Board resolved that the:</p> <ol style="list-style-type: none"> 1. appointment of JMP to undertake the prioritisation process be noted; 2. methodology of the prioritisation process as set out in Appendix A to the report be approved; and 3. list of strategic transport schemes to be funded in part through the South East Midlands LTB funding allocation be approved. <p>At the last Board meeting, JMP Consultancy Limited also reported on the early sift of the long list of schemes, the initial assessment and “scoring” of a short list of schemes and provided an illustrative development of potential programme options. With regard to the prioritised list of schemes the Board resolved that:</p> <p>JMP Consultants Ltd and officers assess the following schemes before the next meeting:</p> <ul style="list-style-type: none"> • Woodside Link • Bedford Western Bypass • London Luton Airport surface access • A421 dualling and associated roundabouts <p>with the addition of one or more schemes being included from the following:</p> <ul style="list-style-type: none"> • Milton Keynes Park and Ride • Northern entrance to Luton Airport Parkway • Central Milton Keynes Public Transport Interchange • Bletchley Public Transport Interchange <p>The Board also requested that a plan showing the location of the shortlisted schemes be provided, together with a table summarising the details of those schemes.</p>

4.	<p>Finalising the shortlist of schemes</p> <p>In the presentation to the Board on 21 June, JMP provided details of the sifting process undertaken to prepare a shortlist of schemes, together with a summary of how those individual schemes scored against the seven LTB objectives. JMP proposed three different options as to how the overall South East Midlands LTB funding allocation (£22.1m) could be shared amongst this shortlist of schemes. As required by the DfT guidance, these options also account for a range of funding from a third less (£14.7m) to a third more (£29.5m).</p> <p>Further information has been collated about those shortlisted schemes, including proposed phasing of the funding for each scheme over the period of the devolved funding. This information is presented in Appendix A to this report and will form the basis of the South East Midlands LTB submission to the DfT.</p>
5.	<p>Confirmation of LTB funding</p> <p>The DfT wrote to all LTBs on 16 July (see letter attached at Appendix B) confirming an allocation of £14.7m for the South East Midlands LTB. This is a third less than the indicative allocation announced in January 2013, which represents the lower end of the scale for the three options evaluated. Other recent correspondence from the DfT about a Single Local Growth Fund managed by the LEPs has indicated that some elements of this funding could be subject of competitive bidding, and the Board should consider bidding for using such funding to deliver its full prioritised programme. Further information will be provided at the meeting.</p>

Issues	
Strategy Implications	
6.	The transport schemes to be included in the prioritised list reflect the policy/strategy background priorities of the promoting local authority and the South East Midlands LTB objectives.
Governance & Delivery	
7.	The day to day work on the prioritisation process has been managed by the officer Working Group. JMP will present the final shortlisted schemes and the proposed phasing of funding to the July Board meeting in order to deliver the prioritised list to the DfT by the end of July 2013.
Management Responsibility	
8.	The procurement of JMP and payment of their invoices will be managed by Luton Borough Council, as the Accountable Body.

Financial Implications	
9.	The cost of the JMP work to undertake the prioritisation process will be covered by the £5,000 contribution from each of the four authorities, which was agreed at the Board meeting on 23 April.
Legal Implications	
10.	The LTB will operate within the assurance framework agreed at the LTB meeting on 23 April, subject to any further amendments required by the DfT. Further details of these amendments are included in the previous report to this meeting of the Board.
Environmental and Health Impacts	
11.	<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>
Public Sector Equality Duty (PSED)	
12.	<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, including a Social Distribution Impact, is undertaken for individual schemes.</p>
13.	Are there any risks issues relating Public Sector Equality Duty
	<i>No</i>

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 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

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

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Appendix B

Stephen Fidler
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33 Horseferry Road
London
SW1P 4DR

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16th July 2013

Local Transport Body contacts

Dear colleague,

LOCAL TRANSPORT BODY FUNDING ALLOCATIONS

Further to my letter of 28th June I am writing to confirm your funding allocation, in relation to local transport major projects, from within the single Local Growth Fund and to update you on a number of associated issues.

Allocation

The funding that the Government is allocating today is only one element of over £12bn being made available to Local Enterprise Partnership (LEP) areas between 2015/16 and 2020/21 through the Local Growth Fund. This includes nearly £5bn of major schemes funding. LEP areas that make a good case for further investment through their strategic economic plans have the opportunity to receive significant additional funding from the competitive elements of the Local Growth Fund enabling far greater levels of local transport investment than had been anticipated prior to the Spending Round. Decisions on that will be made following Growth Deal negotiations with the Government.

Allocations to be provided from within the Single Local Growth Fund are at Annex A and reflect decisions taken by Ministers in DfT and the Treasury.

In order to maximise the competitive funding available to LEPs for transport and other projects and programmes within the Local Growth Fund, most Local Transport Bodies (LTBs) receive confirmed allocations for 4 years at a level one third below the indicative numbers provided in January 2013. This is within the range of scenarios that the Department asked you to consider at that stage.

Those LTBs/LEPs where the principle of 10-year funding has been agreed through city deals receive confirmed allocations for 6 years at the annual level indicated in January 2013. They also retain their indicative funding allocation for a further 4 years beyond the confirmed funding levels. This recognises that these LTBs are expected to be further ahead than others in strengthening their local decision making arrangements and the previous consideration of transport needs alongside other priorities in city deal discussions.

Working with LEPs

High level guidance to LEPs on Growth Deals will be made available shortly.

If LEPs are to be effective in securing additional resources for transport projects through their Growth Deal negotiations they will need to work effectively with LTBs. Our expectation is that, as LTBs' plans should have been developed in close collaboration with LEPs, the LEP Strategic Economic Plans should include schemes identified in these prioritised lists or, by exception, set out clearly why the LEP has taken a different view from the LTB.

Unless you have already done so, we would encourage you to meet urgently with your LEP colleagues to agree how you will work together on the development of their Strategic Economic Plan. We, along with BIS and DCLG colleagues, see real potential for LTBs to work jointly with LEPs on the transport elements of these plans and will consider the extent to which you have worked together effectively as part of the Growth Deal negotiations with Government. In doing so, we would expect you to highlight the importance of effective and speedy delivery and robust value for money evidence.

I should also confirm that we will expect Strategic Economic Plans to reflect wider transport needs beyond major projects and set out the overall priorities for the LEP area. This could include smaller scale transport projects that unlock job opportunities (such as pinch point, local sustainable transport or integrated transport projects) or maintenance of parts of the road network which, if not addressed, could become barriers to growth. LEPs may wish to indicate in their plans what level of spend they would wish to commit to schemes of this nature and give an indication of where/how it would be used and the benefits to be achieved. The plan needs to consider the resources available in the round including the Local Growth Fund – which includes £200m of Integrated Transport Block funding per year and £100m of capital Local Sustainable Transport Funding – and local authority, or EU resources where appropriate. We would encourage the LTB and its local authority members to share expertise across the breadth of transport with your LEP and to find practical ways of working together on a day to day basis.

Publication of scheme lists

As I said in my earlier letter, we have not prescribed the format in which you should publish your scheme lists later this month. The total should match your confirmed and indicative allocations set out in Annex A for the period from 2015/16 to 2018/19. It is at your discretion as to whether or not you wish at the same time to publicly identify additional schemes that you would consider to be the next best priorities, that may feature in your Growth Deals, although you should ensure it is clearly understood that they have no confirmed funding as yet. Seeking views on a longer list of prioritised schemes, as part of gathering the public comments, could help strengthen the case for the inclusion of those schemes that receive strong support within Strategic Economic Plans.

Profile of funding

The spreadsheet we have asked you to send us when you publish your scheme lists includes a proposed profile of spending. We will use this information, from across LTBs, to agree a provisional overall funding profile with the Treasury for the total share of the Local Growth Fund that has been confirmed to LTBs/LEPs today. Specific funding profiles for each LTB/LEP will be provided in the autumn, on the basis of: your final prioritised lists following public consideration; the overall profile for this share of the Local Growth Fund we will have agreed with the Treasury; and any views from LEPs. We would therefore encourage you to engage with your LEP over the summer to ensure that they are comfortable with the profile you have provided to us.

Next steps

Over the summer and early autumn we will work with both LTBs and LEPs to address the further detailed issues related to the transition to funding via the Local Growth Fund. On many of these we are already forming an initial view within Whitehall, but we are keen to ensure that the arrangements put in place work in practice – and we need your input to achieve this.

For example, the allocated funding will now formally be provided to the LEP, not the LTB. This raises both accountability and boundary issues. Our current intention is that where the boundaries of LEPs and LTBs do not align, funding will be awarded to the LEP on the same geographical basis as used for the indicative allocations, rather than attempting to make any adjustment to reflect the geographical differences. We will discuss this further with the affected LTBs and LEPs.

Similarly, funding for existing DfT-approved Local Authority Major schemes will also flow nominally through the Local Growth Fund and we will need to ensure that any delay to these projects does not impact on the total funding available to LEPs on a competitive basis. We will confirm the detailed mechanisms for how this will work at a later date but the key principle is that this element of the funding is dependent on the schemes going ahead as planned.

We aim to have resolved these detailed issues and provide further guidance as appropriate.

If you have any queries with the content of this letter, or if there are particular issues that you consider it is important that we address in the guidance to LEP officers, please contact your usual engagement contact (see list at Annex B). I would also be very happy to discuss this letter with you or a colleague.

I am copying this letter, for information, to the Chairs of LEPs and to Local Authority Transport Directors.

Yours faithfully,



Stephen Fidler

ANNEX A

CONFIRMED ALLOCATIONS FOR LOCAL TRANSPORT BODIES

Local Transport Body	Confirmed funding from 2015/16 to 2020/21 inclusive (£m)	Indicative funding from 2021/22 to 2024/25 inclusive (£m)
WEST OF ENGLAND	44.9	36.4
WEST YORKSHIRE + YORK	100.9	81.8
SHEFFIELD CITY REGION	62.7	50.9
GREATER MANCHESTER	110.0	89.2

Local Transport Body	Confirmed funding from 2015/16 to 2018/19 inclusive (£m)
BLACK COUNTRY	18.4
BUCKINGHAMSHIRE THAMES VALLEY	8.3
CHESHIRE AND WARRINGTON	14.5
COAST TO CAPITAL	24.2
CORNWALL & THE ISLES OF SCILLY	8.9
COVENTRY & WARWICKSHIRE	14.3
CUMBRIA	7.9
DERBY, DERBYSHIRE, NOTTINGHAM & NOTTINGHAMSHIRE	31.2
DORSET	12.2
ENTERPRISE M3	24.3
GLOUCESTERSHIRE	9.8
GREATER BIRMINGHAM AND SOLIHULL	23.9
GREATER CAMBRIDGE GREATER PETERBOROUGH	14.1
GREATER LINCOLNSHIRE	11.9
HEART OF THE SOUTH WEST	27.1
HERTFORDSHIRE	18.5
HUMBER	14.8
LEICESTER AND LEICESTERSHIRE	16.1
LIVERPOOL CITY REGION	23.7
THE MARCHES	10.7
NEW ANGLIA	26.0
NORTH EASTERN	31.1
NORTH YORKSHIRE	9.6
NORTHAMPTONSHIRE	11.6

OXFORDSHIRE	10.6
SOLENT	19.2
SOUTH EAST	65.9
SOUTH EAST MIDLANDS	14.7
STOKE-ON-TRENT AND STAFFORDSHIRE	16.3
SWINDON & WILTSHIRE	11.3
TEES VALLEY	10.6
THAMES VALLEY BERKSHIRE	14.5
WORCESTERSHIRE	7.7

Note: The allocation for Lancashire will be confirmed upon the agreement of the Preston City Deal.

ANNEX B

DfT Local engagement contacts:

AREA	NAME	TEL:
North West, North East and Yorks & Humber	Margaret Jackson	0113 283 6677
South East and East	Lee Sambrook	0207 944 6136
West Midlands, East Midlands and South West	Liz Charlton	0121 678 8726