

HERTFORDSHIRE LOCAL TRANSPORT BODY

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LTB ASSURANCE FRAMEWORK – PROPOSED UPDATES

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1. Purpose of report

1.1 The purpose of this report is to secure agreement on the proposed future role of the Local Transport Body within the wider Growth Deal Governance arrangements and present the proposed updates to the LTB Assurance Framework to the LTB Board for endorsement.

2. Background

2.1 In 2012, the Department of Transport (DfT) announced its intention to devolve funding for local major transport schemes to Local Transport Bodies. The primary role of Local Transport Bodies was to decide which investments should be prioritised, to review and approve individual business cases for those investments, and to ensure effective delivery of the programme. A Hertfordshire LTB was set up to satisfy this requirement in Hertfordshire.

2.2 The situation has now evolved further. The Government has announced 'Growth Deals' for Local Enterprise Partnerships – essentially a funding allocation for local areas in return for delivery of infrastructure that supports housing and jobs.

2.3 The government has given local areas the freedom to determine how Local Transport Bodies are involved in the new arrangements. In Hertfordshire, the LTB is now well established and has robust governance in the form of a DfT-approved Assurance Framework. The existence of the robust LTB Assurance Framework was a key factor in recent award of £170m Growth Deal funding to Hertfordshire specifically for transport projects.

2.4 It is therefore proposed that the Hertfordshire LTB will continue to provide assurance and governance for overseeing the allocation of funds to major transport schemes through the Growth Deal, in addition to a new role in providing the LEP with advice and recommendations on all transport issues, particularly on the transport components of the existing and future Strategic Economic Plan. The updated LTB Assurance Framework will also set out the 'Gateway Process' for all SEP transport projects to follow, including those of a value below the Major Scheme threshold.

2.5 This paper sets out the required updates to the existing Assurance Framework to enable the LTB to operate within the wider Growth Deal governance arrangements. Once the LTB has endorsed this paper, the contents will be presented to the LEP Board and HCC Cabinet (as the accountable body for the LEP Growth Deal), later this year as part of a suite of papers covering the wider Growth Deal governance arrangements.

2.6 It should be noted that the LEP is still awaiting formal guidance from the Government on the content of the wider Assurance Framework required for the wider SEP Growth Deal, however it is considered appropriate to progress with the revisions to the LTB Assurance Framework.

3. Recommendation

3.1 It is recommended that the LTB:

- a) endorses the proposed updates to the LTB Assurance Framework, as set out in section 4 and Appendix 1, and ;
- b) recommends the proposals are considered by the LEP Board and HCC Cabinet for inclusions within the wider Growth Deal governance arrangements that are due to be agreed later this financial year.

4. Proposed Updates to the LTB

4.1 It was proposed within the Strategic Economic Plan submission to the Government in March 2014 that the LTB will become part of the wider Growth Deal Governance arrangements. The proposed revised role of the LTB going forward will be twofold, namely the continued provision of assurance and governance to oversee local major transport scheme prioritisation and delivery, and a new role to provide strategic advice to the LEP on future transport strategy to support the Strategic Economic Plan delivery, including for the new packages of 'non-major' schemes funded through the Growth Deal.

4.2 Within this updated LTB role, the key elements will be as follows:

A. Continued governance of major transport schemes

- The LTB would make formal recommendations to the LEP Board (and HCC as Accountable Body) regarding the prioritisation and funding of Local Major Transport Schemes in Hertfordshire (currently defined in the Assurance Framework as projects over a £4.3m threshold) and ensure the portfolio of LTB major schemes adheres to the LTB Assurance Framework.
- The LTB would continue to provide the DfT and local partners with a recognisable transport-focused partnership in Hertfordshire that provides an overview of the DfT-sponsored elements of the Growth Deal in accordance with DfT requirements for local major schemes.

B. Provision of strategic advice to the LEP on future SEP transport strategy

- The LTB would assume a new role of advising the LEP on prioritisation and delivery of all other transport projects that are included within the Growth Deal, as well as advising on the transport content of future revisions to the Strategic Economic Plan and associated bids for funding.
- The LTB Assurance Framework would be updated to apply the robust principles to the other (non-major) transport schemes within the Growth

Deal, and promoters would be required to demonstrate compliance with the Assurance Framework requirements, so that this can be reported to the LEP and the Accountable Body.

- The LTB would also act as an advisory body to the Local Enterprise Partnership with regard to all other strategic transport matters in Hertfordshire.

4.3 With regard to the existing transport projects in the Growth Deal, the LTB's role is set out in Table 1.

Table 1: Clarification on LTB remit regarding existing Growth Deal transport projects

Project categories and LTB Role	Projects
<p><u>1. Local Major Schemes:</u></p> <ul style="list-style-type: none"> • LTB will be responsible for funding governance on behalf of the LEP, and report directly to the LEP Programme Board • All schemes to follow full LTB Assurance Framework 	<ul style="list-style-type: none"> • A120 Bypass (Little Hadham) • A602 Improvements (Stevenage to/from Ware) • All other emerging local major transport schemes (currently > £4.3), including projects on the LTB contingency list not yet funded
<p><u>2. Packages of smaller-scale schemes</u></p> <ul style="list-style-type: none"> • LTB will have an advisory role to LEP for these projects • Scheme promoters must follow the LTB Assurance Framework Gateway Process and report progress on a proportionate basis. • Scheme promoters are responsible for providing evidence of compliance with the LTB gateway process, either directly to the LEP Programme Management Board or to the LTB (as agreed for each project) that governance is in place and that LTB AF Gateway requirements have been met. 	<ul style="list-style-type: none"> • A1 Transport Package (a package of individual local Integrated Transport Schemes and resilience / maintenance projects) • A10/M11 Transport Package (local Integrated Transport schemes and resilience / maintenance projects but not the A120 and A602 major schemes) • M1/M25 Transport Package (local Integrated Transport schemes and resilience / maintenance projects) • Any future packages comprising schemes below £4.3m
<p><u>3. Schemes already subject to existing processes</u></p> <ul style="list-style-type: none"> • Projects within the SEP that are a continuation of existing processes 	<ul style="list-style-type: none"> • Croxley Rail Link - whilst this is a 'major scheme' the project is being overseen by DfT as part of their 'tail-schemes' approval arrangements from the previous national major scheme programme funding regime. The LTB will be updated with progress on this scheme.

4.4 In order to facilitate this transition of the LTB in the LEP's Growth Deal governance structure, the following broad areas within the LTB Assurance Framework will be updated, subject to endorsement by the Local Transport Body, the LEP and the Accountable Body:

- The LTB will continue to be the body which provides a governance mechanism for major transport scheme expenditure within the Growth Deal.

- The LTB will continue to provide the DfT-required governance and assurance mechanism for scrutiny of major scheme progress by scheme promoters.
 - As endorsed at the April 2014 LTB meeting, the transport project Gateway process will be inserted into the Assurance Framework to provide a clear set of criteria that transport projects have to achieve to secure Growth Deal funding.
 - The LTB will also now act as an advisory body for the LEP Growth Deal going forward. There are many ‘non-major’ transport schemes in the Growth Deal, in the form of packages of smaller-scale projects within the SEP’s three growth areas. The LTB Assurance Framework will set out the governance gateways required for these projects.
 - The existing LTB Assurance Framework included a requirement for the LTB to consult on the technical aspects of the initial business case. This has subsequently been deemed to duplicate existing processes and runs the risk of confusing the public. All consultation on scheme development is now the responsibility of the scheme promoter, to be undertaken through the statutory processes.
- 4.5 Appendix 1 provides the proposed revisions to the LTB Assurance Framework, and has been set out as track changes to identify where the specific updates are proposed.

5 Next Steps

- 5.1 The key changes to the LTB Assurance Framework set out here will form part of the wider documentation that will be reviewed and agreed by the LEP Board and the accountable body (HCC cabinet) later this year to underpin the governance requirements of the Hertfordshire ‘Growth Deal’.