

HERTFORDSHIRE LOCAL TRANSPORT BODY

14th January 2016

LOCAL TRANSPORT BODY ROLE

Author: Richard Boutal (Highways, Major Projects)

LTB Chair: Derrick Ashley (HCC Executive Member for Environment, Planning & Transport)

1 Purpose of report

1.1 The purpose of this note is to:

- Clarify the role of the LTB as the Transport Advisory Body to the Hertfordshire Local Enterprise Partnership (Herts LEP)
- Confirm the process for LTB decisions and recommendations to the LEP regarding transport projects in the context of the HCC Gateway Approval process.

1.2 The LTB is requested to note the report and reconfirm their endorsement of the LTB's role and the processes set out in the LTB Assurance Framework

2 Summary

2.1 Given recent changes in Board members of the LTB, together with continuation of the role of Local Enterprise Partnerships (LEPs) in the decision making for investment of devolved funding from Central Government to local areas, it is considered useful to reconfirm the role that the LTB has within the identification and allocation of funding to transport projects.

2.2 The Local Transport Body (LTB) was formally established in July 2013 at the request of DfT to decide which major transport scheme investments in Hertfordshire should be prioritised for the 2015-2021 period; to review and approve individual business cases for those investments; and to ensure effective delivery of that programme.

2.3 The Herts LEP Strategic Economic Plan (SEP) submission to Government (March 2014) defined a wider role for the LTB within the Growth Deal Governance arrangements in Hertfordshire. This is set out in detail in section 3 below. In simple terms, the LEP holds the devolved funding for investment into the SEP (the Growth Deal funding) and the LTB provides strategic advice and recommendations to the LEP as to which transport projects should be prioritised to receive Growth Deal funding.

2.4 The formal detail of how the LTB will operate is set out in the LTB Assurance Framework. Version 3 (October 2014) of that Framework includes the Transport Project Gateway process which provides a clear set of criteria that transport

projects in Hertfordshire have to achieve to secure Growth Deal funding. For reference, the Gateways are set out in Annex 1.

- 2.5 As the 2015-2021 LGF programme progresses, and the next round of funding (LGF3) is developed (as reported to the October 2015 LTB), both current and emerging transport projects will need to progress through the defined Gateway Stages.
- 2.6 As projects reach each Gateway, evidence will be brought to the LTB to enable a decision to be made as to if the projects can be recommended to the LEP for progression to the next stage.
- 2.7 In addition, the LTB acts as an advisory body to the Local Enterprise Partnership with regard to all other strategic transport matters in Hertfordshire. In particular, Highways England (HE) and Network Rail (NR) have standing invitations to the LTB Meetings and their attendance provides an important and valuable forum to ensure that the LTB is fully informed and aware of strategic road and rail projects impacting on Hertfordshire, and is thus able to advise the LEP of any implications of those projects.
- 2.8 The opportunity also exists for HE and NR to seek endorsement and support for schemes arising from their studies from the LTB, or to potentially request Growth Deal investment / contributions into projects from the LEP via LTB recommendation.
- 2.9 The Herts LEP is currently undertaking a review of its own Assurance Framework including looking at its internal governance and Board structures and responsibilities. This will take into account the revised role of the LTB as set out here.

3. Background – Detail on Role of LTB & Gateway Criteria

- 3.1 In October 2014 the LTB Assurance Framework was updated following the Herts LEP Strategic Economic Plan (SEP) submission to Government (March 2014) which included the LTB as part of the wider Growth Deal Governance arrangements in Hertfordshire.
- 3.2 The revised role of the LTB was to
 - i) Provide continued provision of assurance and governance to oversee local major transport scheme prioritisation and delivery and
 - ii) Undertake a new role to provide strategic advice to the LEP on future transport strategy to support the SEP delivery, including for the new packages of 'non-major' schemes funded through the Local Growth Fund.
- 3.3 The LTB meeting in October 2014 considered the wider role as defined and endorsed updates to the LTB Assurance Framework to take account of the revised LTB role and to incorporate the Gateway process within the Framework. As reported at that meeting, the key elements of the LTB role are, in detail –
 - i). Continued governance of major transport schemes

- The LTB makes 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 ensures the portfolio of LTB major schemes adheres to the LTB Assurance Framework.
- The LTB provides 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.

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

- The LTB will advise 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 was updated to apply the robust principles to the other (non-major) transport schemes within the Growth Deal, and promoters are required to demonstrate compliance with the Assurance Framework requirements, so that this can be reported to the LEP and the Accountable Body.
- The LTB acts as an advisory body to the Local Enterprise Partnership with regard to all other strategic transport matters in Hertfordshire.

3.4 The Transport Projects Gateways regime was adopted within the LTB Assurance Framework in October 2014 and forms Appendix 7 of the Framework document. The specified criteria for each gateway to be ‘passed’ are reproduced in Annex 1 to this report for information.

4. Ongoing Work for LTB & Future meetings

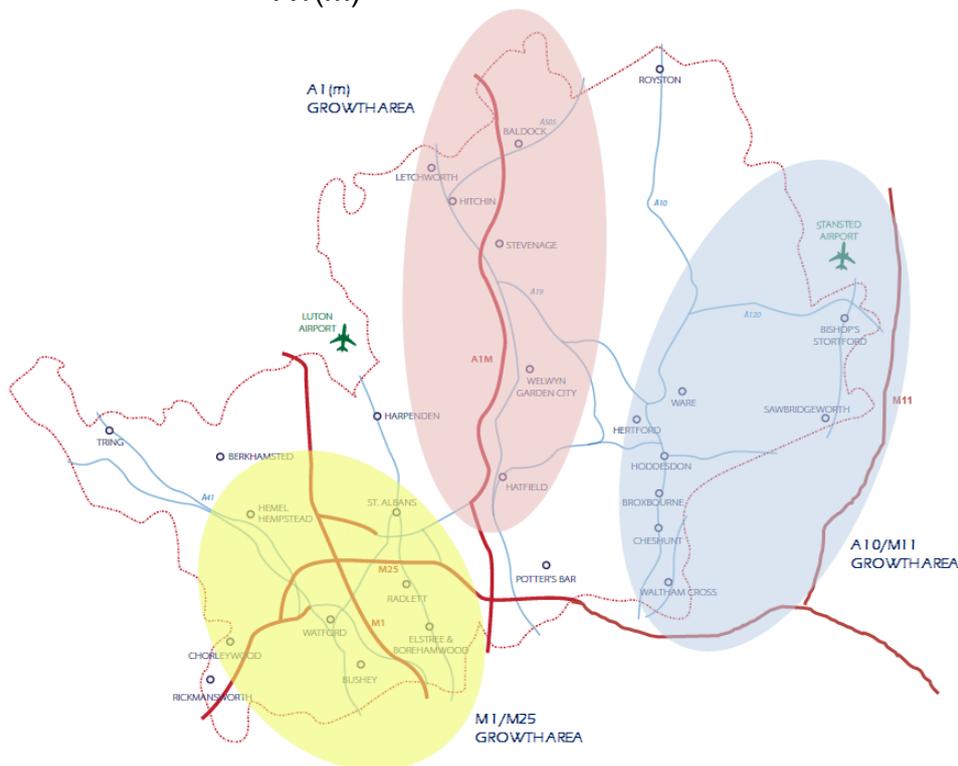
4.1 At present the A120 Hadham Bypass and A602 Improvements are the major schemes progressing through the Gateway process. These projects were bought to the LTB in April 2014 for Gateway 3 assessment / approval and are currently in Stage 4 (design). The current programme for those projects in relation to the Gateway stage approvals to be sought from the LTB is set out in the table below.

PROJECT	Stage 1 Initiation	GATEWAY 1	Stage 2 Option Testing	GATEWAY 2	Stage 3 Preferred Option Business case	GATEWAY 3	Stage 4 Design	GATEWAY 4	Stage 5 Procurement	GATEWAY 5	Stage 6 Delivery	GATEWAY 6	Stage 7 Operation	COMMENTS
A120 Bypass (Little Hadham)							◆	Jan 2017		July 2017		June 2019		DfT "retained scheme" – DfT approval for Gateways 4 and 5 is necessary to release funding for this project to the LEP. Reports will still be bought to the LTB for info.
A602 Improvements (Stevenage to/from Ware) –Section A&C							◆	Aug 2016		Nov 2016		Dec 2017		
A602 Improvements (Stevenage to/from Ware) –Section B							◆	Nov 2016		Mar 2017		Mar 2019		

4.2 As schemes and projects emerge from both the Local Growth Round 3 process (and future bidding rounds) and are taken forward by scheme promoters (generally HCC as transport authority, but other parties could bring forward

transport projects that support the SEP and are seeking Local Growth funding) they may be subject to the Gateway process for assessment.

- 4.3 It is anticipated that a 'forward plan' of schemes and projects against the Gateway stages will be populated and potentially brought to the LTB for regular update reviews and to allow the LTB some forward visibility of the emerging schemes and the anticipated speed of their delivery.
- 4.4 Currently, LTB meetings are scheduled quarterly. It is noted that this fixed, quarterly meeting regime may not coincide with Government bidding opportunities or other funding opportunities that emerge with short 'windows of opportunity'. It may therefore be necessary for additional LTB meetings to be called at relatively short notice to enable the Board to consider particular projects for prioritising or recommendation to the LEP for funding consideration in these circumstances.
- 4.5 It is proposed that to better align LTB review and consideration of current and future projects that future LTB meetings included a review based on each of the three LEP SEP Growth area Corridors at successive meetings – these being
- A10/M11
 - M1/M25
 - A1(M)



Annex 1 – Transport Projects Gateway Regime

1 The Gateway Regime

- 1.1 The Gateway Regime introduces a series of formal project Stages and Gateways to ensure effective programme management and governance for transport projects, which will satisfy the needs of HCC in its various roles and of the LEP supported by the LTB.
- 1.2 The gateway regime forms part of the current LTB assurance framework.
- 1.3 The gateway concept is an established and reliable project governance aide that effectively ‘takes stock’ and consolidates a project at key milestones.
- 1.4 In order for a project to progress from one stage in its life cycle to another it will be required to have demonstrated that it meets key set criteria and gained approval from all the appropriate bodies to pass through the gateway.
- 1.5 The promoting body will be required to provide evidence that it has met the criteria required to pass through each gateway.
- 1.6 The evidence will be checked independently by the LTB’s Transport Advisors before confirming to the LTB and thence the LEP and HCC that the criteria have been met.
- 1.7 The gateway regime is scalable and appropriate for all project sizes. The evidence required will be common, but the depth of work that has resulted in generating that evidence will depend on the size and complexity of the project.
- 1.8 Table 1 below sets out the Stages and Gateways

Table 1: Project Stages & Gateways	
Stages	Gateways
Stage 1: Initiation	
	Gateway 1: Inception
Stage 2: Option Testing	
	Gateway 2: Feasibility
Stage 3: Preferred Option Business Case	
	Gateway 3: Programme Entry
Stage 4: Design	
	Gateway 4: Conditional Approval
Stage 5: Procurement	
	Gateway 5: Final Approval
Stage 6: Delivery	
	Gateway 6: Completion
Stage 7: Maintain & Operate	

1.9 Each project will be required to have a Governance Framework. This may change through the life cycle of the project, which means that it is important for there to be clarity of what the governance could look like throughout the lifecycle of the project.

1.10 The framework will need to identify:

- The organisations that will be involved in the project and whether they are a promoter, partner, stakeholder or consultee.
- Their role
- The funding that each of them will be providing, as appropriate
- The risks that they will be responsible for bearing

1.11 The stages and the requirements of the Gateways are described in more detail below

Gateway 1: Inception

Potential projects are identified during the Project Initiation stage. The project promoter will be required to provide evidence that the following criteria have been met within its request to pass through Gateway 1:

- Need Established
- Objectives Identified
- Policy Context In Place
- Options for Testing Identified
- Option Testing Methodology Identified
- Governance Framework Completed Quantitatively for Stage 2 and indicatively for later stages where possible.
- Indicative Programme to Gateways 2,3,4,5 & 6 identified
- Budgets, Funding and Cashflow in place for Stage 2.
- Consultation and Communication Strategy for Stage 2 agreed

Gateway 2: Feasibility

The options identified during Stage 1 are tested during Stage 2, with the aim of identifying the preferred option.

The project promoter will be required to provide evidence that the following criteria have been met within its request to pass through Gateway 2:

- Options Tested
- Preferred Option Selected and Agreed
- Consultation and Communication Strategy for Stage 3 Identified

- Scope and Scale of Business Case Appraisal Identified and Agreed
- Governance Framework Completed Quantitatively for Stage3, Qualitatively for Stage 4 and Indicatively Stages 5,6 & 7
- Budget, Funding & Cash Flow Requirements for Stage 3 in place
- Indicative Budget, Funding & Cash Flow Requirements for Stages 4,5,6 & 7 Identified
- Updated Programme to Gateways 3 to 6

Gateway 3: Programme Entry

The business case for the project is built and reviewed during Stage 3 together with the creation of key project building blocks.

The project promoter will be required to provide evidence that the following criteria have been met within its request to pass through Gateway 3:

- Business Case approved following independent review.
- Updated Budget, Funding and Cashflow Requirements Identified for Stage 4
- Indicative Budget, Funding and Cashflow Requirements Identified for Stages 5, 6 & 7
- Approvals to Seek Statutory Powers Secured
- All Legal Agreements Identified
- Consultation and Communication Strategy for Stage 4 Identified
- Post Completion Monitoring Regime Identified
- Governance Framework Completed Quantitatively for Stage 4 and Qualitatively for Stages 5, 6 &7

Gateway 4: Conditional Approval

Stage 4 involves the completion of detailed design and the attainment of all necessary approvals prior to starting the procurement process.

The project promoter will be required to provide evidence that the following criteria have been met within its request to pass through Gateway 4:

- Statutory Powers Achieved
- Asset Register in Place
- Project Risk Register and Quantified Risk Register in Place
- Updated Budget, Funding and Cashflow Requirements Identified for Stage 5, 6 & 7
- Health & Safety Duties Identified
- Governance Framework Completed Quantitatively for Stages 5, 6 & 7

Gateway 5: Full Approval

Stage 5 involves the procurement of the scheme, typically through a tender process.

The project promoter will be required to provide evidence that the following criteria have been met within its request to pass through Gateway 5:

- Tenders Returned and Evaluated
- Risk Register and QRA updated
- Funding Approvals Secured
- Legal Agreements in Place
- Governance Frameworks Completed Quantitatively for Stages 6 & 7
- Contract Management Governance Identified
- Communications Strategy for Stage 6 identified

Gateway 6: Completion

Stage 6 involves the completion of the scheme and the transfer into operation and maintenance

The project promoter will be required to provide evidence that the following criteria have been met within its request to pass through Gateway 6:

- Assets Adopted, Transferred and Accepted into Maintenance, as appropriate
- Contract Maintenance Period Completed
- Final Accounts Settled
- LEP & LTB Funding Responsibilities Discharged
- Monitoring Regime in Place