

## **BERKSHIRE LOCAL TRANSPORT BOARD**

**REPORT TO:** Board                      **DATE:** 14 March 2013

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Chief Executive to the Board

### **PART I**

## **ADOPTION OF FOUNDING DOCUMENT & REPORT ON FEEDBACK FROM THE DfT**

### **Purpose of Report**

1. From 2015, funding for major transport schemes will be devolved to Local Transport Bodies (LTBs). The Department for Transport (DfT) sets out within the comprehensive guidance accompanying this process that LTBs will be voluntary partnerships between Local Authorities, Local Enterprise Partnerships and other optional organisations. To comply with this guidance the Thames Valley has proposed an LTB which is coterminous with the boundaries of Thames Valley Berkshire Local Enterprise Partnership, which in turn is coterminous with the six Berkshire unitary authorities. It is proposed that the structure and membership of the LTB will use Berkshire Strategic Transport Forum's model as its foundation.
2. This report briefly sets out how BLTB has satisfied the DfT requirements for the Assurance Framework, progress in securing ratification of the Membership of the Board and reports back on the generic feedback so far provided by the DfT.

### **Recommendation**

3. The Board is requested to:
  - Adopt the Berkshire Local Transport Body's Assurance Framework; and to
  - Note the feedback from the DfT

### **Other Implications**

#### **Financial**

4. Department for Transport funding for major schemes will be entirely allocated through Local Transport Bodies. Therefore without the establishment of an LTB with an approved Assurance Framework, funding will not be released and the composite local authorities will no longer have access to funding for major transport schemes. Similarly, if an authority chooses not to be a member of an LTB, it is unlikely to receive any of the devolved funding.
5. Slough Borough Council is proposed to be the Accountable Body responsible for BLTB and has thus agreed to take on the responsibilities including legal advice, appropriate use of funds through Section 151 Officer, adherence to the Assurance Framework, maintaining official records of BLTB proceedings and overall responsibility for decisions taken in the case of legal challenge. Slough Borough Council will incur additional costs for some of these activities. Whilst the Council is able to accommodate some of the costs in kind, where there are significant cash costs, notably if there are costs to commission project bid evaluations, these costs will be shared.

## Risk Management

<b>Risk</b>	<b>Mitigating action</b>	<b>Opportunities</b>
<u>Legal</u> BLTB decisions or schemes challenged	Accountable Authority ensures decisions adhere to Assurance Framework, and maintains records	Ensure good value for money and transparent decision making
<u>Financial</u> If BLTB not formed, or Assurance Framework not approved by DfT, funding will not be released, and no funding available for major schemes	Approve membership of BLTB. Submit Assurance Framework to DfT within deadline for comments, amendment and/or approval. Accountable body ensures adherence to Assurance Framework	Major scheme funding pooled across Berkshire to support transport schemes which deliver regional benefits
<u>Timetable for delivery</u> Deadline for submission of Framework missed (February 2013)	Assurance Framework was submitted to DfT by the deadline. List of prioritised schemes submitted by July 2013	Release of devolved funds to BLTB and allocation to a number of prioritised schemes
<u>Project Capacity</u> Meetings not constituted according to the Framework, evaluation not thorough, legal challenge	Slough BC will provide professional and secretariat support to ensure meetings correctly run, records kept, and ensure due diligence throughout scheme evaluation and prioritisation	Schemes with greatest benefit according to the principles set out in the Assurance Framework will be funded and delivered in a transparent process

## Human Rights Act and Other Legal Implications

- The Assurance Framework will be submitted to the DfT for approval. Slough Borough Council will provide legal support for the BLTB.

## **Supporting Information**

- From 2015 funding for major transport schemes will be devolved to Local Transport Bodies. These will be voluntary partnerships between Local Enterprise Partnerships and Local Authorities. While the Department for Transport is devolving the allocation of funding and the prioritisation of schemes, it wishes to ensure that the “devolved system provides appropriate safeguards for the use of public funds and is able to deliver value for money for the overall level of Government funding” (*Local Frameworks for funding major transport schemes: guidance for local transport bodies.*)
- Due to this requirement the DfT has issued comprehensive guidance, and placed requirements on LTBs to ensure value for money, proper use of public funds and transparent decision making. The LTB must therefore be backed up by an Accountable

Body, (Slough Borough Council) which will provide Section 151 Officer, legal and secretariat support to the LTB, and be the ultimately responsible body in the case of legal challenge.

9. BLTB submitted its Assurance Framework to DfT by the end of February 2013. The Framework is attached as Appendix 1. This has been considered and endorsed by the Berkshire Leaders. It has subsequently been considered and endorsed by the TVBLEP.
10. A list of prioritised schemes also needs to be submitted by July 2013. The total sum to be allocated to the BLTB will be £22 million over three years.
11. Within the Assurance Framework, BLTBs strategic aims and objectives include removing barriers to economic growth through the development of infrastructure; to maintain a list of prioritised schemes within the allocated budget; to assess competing schemes using DfT methodologies; ensure value for money; and monitor scheme progress, delivery and spend.
12. The main purpose of BLTB will be to prioritise infrastructure schemes to receive the funding allocated. It will do this by assessing the relative merits of bids submitted by member authorities against the criteria set out in the Assurance Framework. These include strategic impact; economic impact; value for money; deliverability; environmental impact; and social/distributional impact. In addition to using DfT methodologies to evaluate bids, there must also be an element of independent scrutiny, and it is intended that, where possible, this will be carried out by neighbouring LTBs on a mutual exchange basis.
13. Following prioritisation there will be a stepped system of scheme assessment and approval ranging from a long list of submitted schemes which can be refused, referred back for further development or accepted into the process using the criteria set out in paragraph 5.6. To progress through subsequent stages each bid will require a transport business case in line with DfT guidance, using the WebTAG process, which will then be independently scrutinised. Following satisfactory progress a scheme can then be approved, prior to agreement of roles, responsibilities, reporting and auditing between the BLTB and the promoting authority.
14. The DfT has set out a range of options for the structure and operation of LTBs. The existing Berkshire Strategic Transport Forum (BSTF) provides a useful foundation on which to build BLTB, as the membership of the former satisfies the requirements of the latter. With the application of an Assurance Framework the BSTF can be easily be adapted to comply.
15. The main features include:
  - Membership consisting of one local authority elected member from each of the six Berkshire authorities and one named deputy each, and six business representatives drawn from across the TVB LEP area. The chair of BLTB will be an elected member drawn from the pool of six local authority elected members. This and other procedural arrangements ensure that the composition of BLTB does not allow elected representatives to be outvoted by non-elected representatives, in line with the DfT guidance.
  - Meetings of BLTB will be held at the same venue and time as BSTF meetings. The Assurance Framework will apply only to the part of the meeting operating as BLTB.

- Slough Borough Council will be the Accountable Body of BLTB and as such will carry out the responsibilities outlined within the guidance including ensuring decisions and activities of BLTB conform to legal requirements and the Assurance Framework, ensure appropriate use of funds through the Section 151 Officer, maintaining official records of BLTB proceedings and overall responsibility for BLTB decisions in the case of legal challenge.
- The DfT requires LTBs to carry out independent local audits to ensure adherence to the Assurance Framework. BLTB has stipulated that it will be the responsibility of the Section 151 Officer of the Accountable Authority to ensure this is carried out by December 2014 and henceforth annually. The DfT from time to time will also carry out periodic assessments of the quality of appraisal and scrutiny within LTBs.

### **Progress to date**

16. At the time of writing three of the member local authorities had formally approved their membership and adopted the founding document. The other three have this in progress.
17. Generic feedback has been provided by the DfT to all those who had submitted draft frameworks. The issues raised vary from detail in the documents to matters of significant relevance to the work of the Board and to resources. The latter can be summarised as:
  - The need for there to be a clear understanding and agreement to the resources required and how they will be funded. Until the Board starts working it will be impossible to assess the resources required with accuracy. To date Slough BC has accepted it will subsume the administrative capacity required and there has been agreement in principle to sharing the cost of independent evaluation and to mitigate this wherever possible by working with neighbours.
  - The requirement that prioritisation will be 'evidence based, robust and based on clear objectives'. There is an item on the BSTF agenda to develop further the approach to prioritising schemes.
  - The requirements for determining value for money, particularly non-monetised benefits and for proportionality in scheme assessment. The DfT is providing guidance and training on these matters and officers reporting to the Board will examine the guidance and take advantage of the training.

### **Conclusion**

18. In order to access devolved major scheme funding, Local Enterprise Partnership areas must form Local Transport Bodies in partnership with Local Authorities. Berkshire Local Transport Body will be analogous with the boundaries of TVB LEP and the six Berkshire authorities, and will be established using an Assurance Framework based on Department for Transport guidance. The Assurance Framework will be used to priorities and appraise schemes submitted by Local Transport Authorities, before allocating £22 million over three years to deliver infrastructure development across the region to remove barriers to economic growth. Berkshire has made good progress in

developing its Assurance Framework and will continue to develop the framework as more guidance from DfT emerges.

### **Appendices Attached**

'A' - Proposed Berkshire Local Transport Body Assurance Framework

### **Background Papers**

Local Frameworks for funding major transport schemes: guidance for local transport bodies