

PLYMOUTH CITY COUNCIL

Subject: Heart of South West Local Transport Board: Assurance Framework

Committee: Cabinet

Date: 12 February 2013

Cabinet Member: Councillor Coker

CMT Member: Anthony Payne (Director for Place)

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Ref:

Key Decision: No

Part: I

Purpose of the report:

To provide Members with details of the Assurance Framework that is being developed by the Heart of-the-South-West Local Transport Board to support the devolution of major scheme funding between 2015/16 and 2018/19.

Corporate Plan 2012-2015:

Significant growth is proposed on both the Northern and Eastern Corridors over the next fifteen years and improvements to the transport infrastructure along these corridors will be required to enable these developments to come forward. These improvements will help create the conditions for investment in quality homes, jobs and infrastructure and they will benefit all road users, including bus passengers, cyclists and pedestrians. They will improve public transport reliability and increase the range of travel options available to all. Potential funding sources to enable the delivery of these improvements include the Major Scheme Funding, which is being devolved to the Heart-of the South-West Local Transport Body. The Assurance Framework supports the process by which the devolved Major Scheme funding is allocated.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

Implications on the Medium Term Financial Plan will not be known until the Heart of the South-West Local Transport Board has agreed its shortlist of major transport schemes, including those being promoted by Plymouth. Details were given in a Cabinet Report in December 2012 of the nine schemes PCC proposed schemes, with a current capital cost of £52m, which have currently been submitted to the Board for their consideration

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

None

Equality and Diversity

Has an Equality Impact Assessment been undertaken? No

Individual Equality Impact Assessments for each of the transport schemes being promoted by Plymouth City Council will be undertaken as part of the Outline Business Case development.

Recommendations and Reasons for recommended action:

Members approve the draft Heart-of-the-South-West Local Transport Board's (Heart of SW LTB) Assurance Framework and delegate the agreement of any amendments to the Portfolio Member for Transport, Plymouth City Council's Representative on the Heart of SW LTB.

Alternative options considered and rejected:

None

Published work / information:

Cabinet Report, 13th November 2012 "Local Transport Bodies and Major Scheme Funding".

<http://www.plymouth.gov.uk/mgInternet/documents/s42326/Local%20Transport%20Bodies%20and%20Major%20Scheme%20Funding.pdf>

Cabinet Report, 11th December 2012 "Local Transport Bodies: Major Scheme funding and Prioritisation".

<http://www.plymouth.gov.uk/mgInternet/documents/s43063/Local%20Transport%20Bodies%20Major%20Scheme%20Funding%20and%20Prioritisation.pdf>

Local frameworks for funding transport schemes: Guidance for Local Transport Bodies:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15176/guidance-local-transport-bodies.pdf

Background papers:

None

Sign off:

Fin	SG/PI aceF TC12 1300 6.180 113	Leg	JAR/ 1666 5	Mon Off	TH/ 2501 13	HR		Assets		IT		Strat Proc	
Originating SMT Member Clive Perkin													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

1.0 Background

- 1.1 Local major transport schemes have traditionally been approved and funded individually by Central Government under a centralised bidding process. In 2005/6 a Regional Funding Allocation (RFA) process was introduced for schemes over £5 million, which took the initial scheme prioritisation away from Whitehall and gave that responsibility to the then Regional Transport Board, but business cases for those individual schemes were still scrutinised by the Department for Transport (DfT) prior to the Secretary of State giving final approval to release the funding.
- 1.2 As part of its localism agenda, the Coalition Government is now giving local communities and businesses real control for decisions affecting local transport in their areas. Major scheme funding, which is the Department for Transport's (DfT) largest bid-based fund, will now be devolved to democratically accountable Local Transport Bodies (LTB). These LTBs will have responsibility for making decisions on which schemes would be allocated devolved funding and ensuring that there are effective delivery and accountability arrangements in place.
- 1.3 At the end of September 2012 the four authorities based on the Heart-of-the South West Local Enterprise Partnership (LEP) geography, those being Plymouth City Council, Devon County Council, Somerset County Council and Torbay Borough Council, confirmed to the DfT that they will create a Heart-of-the-South-West LTB (Heart of SW LTB).
- 1.4 DfT has recently provided the LTBs with their indicative funding allocations although these amounts will not be confirmed until announcements on the next Comprehensive Spending Review are made towards the end of 2014. These funding allocations will be for the period 2015/16 to 2018/19 and will be allocating £1.1bn across all the LTBs in England (excluding London) based on a forecast population in each LTB in 2017. The Heart of SW LTB has been allocated £40.6 million over the four year period.
- 1.5 Whilst DfT has devolved major scheme funding to the Heart of SW LTB it still needs reassurance that the LTB is fit for purpose and has the necessary arrangements in place to ensure value for money and good decision making. In late November 2012 DfT published a guidance document, "Local Frameworks for Funding Transport Schemes: Guidance for Local Transport Bodies", which set out their key requirements and principles.
- 1.6 The Heart of SW LTB will be required to submit an Assurance Framework, which addresses the key requirements set out in the guidance, to DfT by 28th February 2013 for their approval. DfT has stated that it will aim to sign off the Assurance Framework within two months, but they will provide feedback earlier than that if they have any major issues.
- 1.7 The Heart of SW LTB prepared a draft Assurance Framework in November 2012 and sent it to DfT for their initial comments. DfT provided feedback in December and a second draft of the document, incorporating their comments, is attached in Appendix A. This report summarises the key elements of the Assurance Framework that Members should be aware of.

2. Purpose, Structure and Operating Principles of the Heart of SW LTB

2.1 Membership

- 2.2 The Heart of SW LTB will comprise of seven organisations with two types of membership, voting and non-voting, as outlined in the table below:

Organisation		
Voting Members	Representatives	Votes
Heart of South West Local Enterprise Partnership	2	2
Devon County Council	1	1
Plymouth City Council	1	1
Somerset County Council	1	1
Torbay Council	1	1
Non Voting Members		
Highways Agency	1	0
Network Rail	1	0

2.3 Four voting members will be required to be quorate. In accordance with DfT guidance LEP members, who represent the private sector, should not be able to outvote Local Transport Authority (LTA) representatives. A chair and vice-chair will be elected by the LTB vote on an annual basis. This will be on a rotating basis with each of the voting organisations entitled to one chair and one vice-chair position every five years. The membership of the LTB will be reviewed every two years.

2.4 Status and Role of Accountable Body

2.5 The Heart of SW LTB will be an informal (i.e non legally constituted) partnership. There will be a legal agreement between the LTAs that defines the responsibilities between them, including financial and legal safeguards for the accountable body. Devon County Council (DCC) will be the accountable body for the LTB. Its role will include:

- Ensuring that the decisions and activities of the LTB conform with legal requirements;
- Ensuring through its Section 151 officer that the funds are used appropriately;
- Ensuring that the LTB assurance framework as approved by the DfT is being adhered to;
- Maintaining the official record of LTB proceedings and holding all LTB documents.

2.6 DCC will hold the LTB funds in separately identifiable accounts. These will be monitored and reviewed on a monthly basis as part of its existing financial and project management system including risk analysis.

2.7 There will be a separate legal agreement between the accountable body and the relevant delivery body for each transport scheme receiving major scheme funding.

2.8 Financial auditing will be undertaken by the district auditor for DCC as part of the standard capital auditing procedures. It is proposed that a formal audit of the LTB's adherence to the Assurance Framework will be carried out by the auditors from a local authority outside the LTB's geographic area. This is expected to be Wiltshire subject to formal agreement.

2.9 Strategic Objectives and Purpose

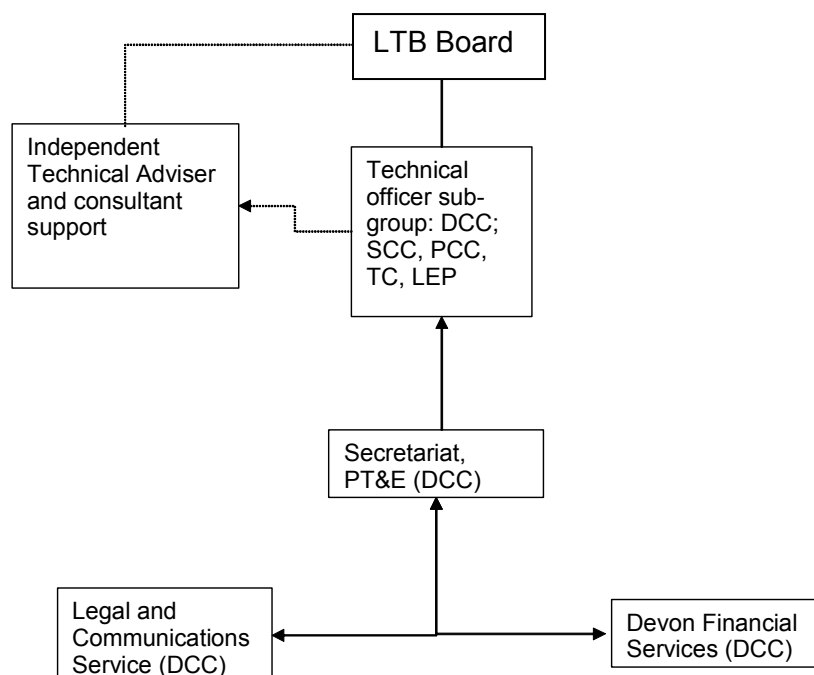
2.10 The initial role of the Heart of SW LTB from February 2013 will be restricted to managing devolved major transport scheme funding. It is acknowledged however that there may be scope for them to take on further roles in the future, including emerging proposals for devolved local rail funding.

2.11 The Heart of SW LTB's role will include:

- Setting the objectives and criteria that will be used as the basis for scheme prioritisation and assessment;
- Identifying a prioritised programme of investments within the available budget including a pipeline of future schemes to enable prudent management;
- Responsibility for ensuring value for money is achieved;
- 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 changing circumstances.

2.12 Support and Administration Arrangements

- 2.13 The support and administration functions required to enable the LTB to undertake its functions can be separated into two roles. The first is to provide independent professional technical analysis and scrutiny of schemes including business cases. To cover this it is proposed that the LTB will employ an experienced, Independent Technical Advisor (ITA) to provide advice on the prioritisation of schemes and the soundness of business cases. They will be given specialist technical support by a specialist consultant with experience of technical input into local major schemes.
- 2.14 The second role is to provide administrative support to the LTB, including the role as accountable body. This will include secretariat support, management of records and communications, financial management including monitoring and legal monitoring and support. It is proposed that DCC will undertake these various functions.
- 2.15 The LTB Board will be also supported by an officer technical sub-group. The group's membership will be officers from the four LTAs, the LEP Chief Executive, the ITA and their consultancy support. The sub-group's role will include making recommendations to the Board on issues related to the assurance framework; recommending a scheme programme to the Board; monitoring the progress of individual schemes against projected profiles and monitoring the results of completed schemes. The diagram below outlines the relationship between the various support and administrative arrangements:



2.16 It is proposed the LTB Board will meet quarterly and the Technical Officer Group bi-monthly.

2.17 Transparency and Local Engagement

2.18 A high degree of transparency will be an important element of the LTB's decision making process and a dedicated LTB website will be established. Key stakeholders will be able to attend Board meetings and make a representation on an agenda item. Board meetings will also be open to the public, although they will only be able to make written representations.

3.0 Prioritisation of Schemes

3.1 By 31st July 2013 the Heart of SW LTB needs to provide DfT with its prioritised list of transport schemes that will receive major scheme funding between 2015/16 and 2018/19. For each scheme that is being considered the promoting LTA will need to complete a modified version of the DfT's Early Assessment Sifting Tool (mEAST), which is a decision support tool that will summarise and present evidence on options in a clear and consistent format.

3.2 The mEAST submissions will be reviewed by the ITA and the Technical Officer Group and a joint recommendation as to which schemes should receive funding will be presented to the LTB Board. Alignment with strategic objectives, value for money, deliverability, environmental and social/distributional impact will be key considerations and the LTB will aim to outline an indicative programme with a value which is approximately 30% above the available funding allowance.

3.3 It is the intention that the LTB Board agree the list of prioritised schemes by the end of April 2013, so that the indicative programme can be published on the Heart of SW LTB website to gain the views of stakeholders and the public in advance of submitting to DfT in July 2013.

3.4 In view of the make up of the Board, with authorities having only one vote, there is the potential concern that some schemes for some areas get out voted by other areas and receive no funding through the LTB process. However, the DfT set out clear guidance to ensure a fair process for selection and sign off is undertaken, that requires them to agree the final prioritisation and assurance framework that an LTB wishes to put in place. This includes:

- There should always be a majority of democratically elected members over non elected members when any vote is taken.
- Promoting Local Transport Authorities (LTA) will be able to vote on schemes in their area as there is sufficient balance of representation from other organisations to minimise the risk that its own vote will have an undue influence on the decision making process. However, an LTA may not have the casting vote if it is the current chair and there is a tied vote.
- Suitable training will be given to LTB voting members to ensure that they have a clear understanding of the prioritisation process and the strategic objectives of the Heart of SW LTB.
- A robust and clear independent level of technical support which will help ensure there are clear reasons for decisions.
- An independent audit and scrutiny process will be established and this is expected to be undertaken by Wiltshire Council

4. Scheme Eligibility

4.1 For a scheme to be eligible for major scheme funding it must meet the following criteria:

- Scheme cost greater than £3m
- Benefit-Cost Ratio greater than 2, i.e. offering high value for money
- Demonstrate public acceptability
- Demonstrate that it is practical and not subject to high risk
- Provide a minimum of 10% local contribution.

5. Scheme Assessment and Approval

5.1 Once the list of prioritised schemes has been agreed and sent to DfT, this will be known as the Indicative Pipeline. It is proposed that the LTB will then adopt a similar approval process to the current DfT system in that, as a minimum, schemes within the Indicative Pipeline will then be expected to pass the equivalent of a Programme Entry and Full Approval stage.

5.2 An Outline Business Case will need to be developed to secure Programme Entry and a Full Business Case will be required for Full Approval. These Business Cases will need to be fully WebTAG compliant and demonstrate high value for money. Alignment with strategic objectives, value for money, deliverability, environmental and social/distributional impact will be key considerations. The Heart of SW LTB will be responsible for granting Full Approval, based on recommendations from the ITA and the Technical Officers Group.

6. Next Steps

6.1 The timetable for finalising the draft Heart of SW LTB's Assurance Framework is as follows:

February 2013:	Individual LTA Cabinets' approve the draft Assurance Framework
28 th February 2013:	Draft Assurance Framework submitted to DfT
April 2013:	DfT approve Assurance Framework
	Heart of SW LTB Board agree Indicative Pipeline of schemes
May 2013:	Indicative Pipeline published on LTB website for consultation
July 2013:	Respond to public consultation
31 st July 2013:	Submit Indicative Pipeline to DfT
Aug 13-Mar 15:	Gain Full Approval for schemes in the Indicative Pipeline

APPENDIX A

Heart of South West Local Transport Board Proposed Assurance Framework



HEART OF THE SOUTH WEST

Local Enterprise Partnership



WWW.SOMERSET.GOV.UK



January 2013

Version 41

Version History

Version	Date	Changes	Comments	Initials
1.0	12 th November	None	Initial draft version	AA / CS
2.0	16 th November	Full draft for circulation	Revisions to sections following discussions with DCC legal & finance and Ian Harrison: <ul style="list-style-type: none"> • 3-10 • 12 • 13 • 16 	AA / CS
2.1	23 rd November	Revisions following officer meeting on 20 th Nov	Revisions to sections: <ul style="list-style-type: none"> • New 4.2 • Amended 4.3 	AA / CS
3.0	30 th November	Further revisions following officer meeting on 20 th Nov, internal DCC discussions and issuing of full DfT guidance on 23 rd Nov.	Revisions to sections: <ul style="list-style-type: none"> • 8.2 • 9.2 • 9.6 • 9.7 (new) • 9.8 • 9.9 (including diagram) • 10.1 • 11.3 • 11.7& 11.8 (new) • Fully revised section 13 • Updated section 14 (including diagram) • Section 16 revised sections ref programme entry and ASR • Fully revised section 18 	AA / CS
4.0	3 rd January 2013	Further revisions following officer meeting on 10 th December and feedback from DfT (EC)	Revisions to sections: <ul style="list-style-type: none"> 2.2 3.1-3.2 3.4 4.1 4.3 5.2 6.4 7.2 8.2-8.3 9.2 9.5-9.9 10.1 11.7 12.2 12.5 12.7 12.10 12.17 12.23-12.24 13.1-13.2 14.1 14.3-14.4 16.6-16.7 	AA / CS

Version	Date	Changes	Comments	Initials
			17.1 18.1-18.4 19.3	
4.1	18 th Jan 2013	Minor revisions ref Mike O'Dowd Jones e-mail 11/1	Revisions to: 9.6 12.15 12.22 12.23 14.2 14.5 Duplicate paras in section 16 removed	

Issue History

Version	To Whom	Date	Issued By
1.0	Ian Harrison, Ann Heppell, Karen Strahan	12 th November	AA
2.0	Officer Technical Group; Ann Heppell, Karen Strahan, Rob Murphy (Wiltshire)	16 th November	AA
3.0	Officer Technical Group; Ann Heppell, Gordon Bryant, Denise Travers, Karen Strahan, DfT Engagement Team, Rob Murphy (Wiltshire)	30 th November	AA
4.0	Officer Technical Group; Ann Heppell, Karen Strahan, DfT Engagement Team, Rob Murphy (Wiltshire)	4 th January 2013	AA
4.1	Officer Technical Group; Juli Wileman (Plymouth, Rob Murphy (Wiltshire)	18 th January 2013	AA

Document produced by:

Document agreed by LTB Officer Group:

Document signed by portfolio holders / LEP Chair:

Devon County Council:

Plymouth City Council:

Somerset County Council:

Torbay Council:

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1 Introduction and Background

- 1.1 The purpose of this document is to set out the assurance framework for the Heart of the South West Local Transport Board. The Board is the formal name of the Local Transport Body that has been set up to manage devolved major local transport scheme funding for the Heart of the South West Local Enterprise Partnership area (see Geography below).

Part 1: Purpose, Structure and Operating Principles

2 Name and Geography

- 2.1 The Local Transport Body for the Heart of the South West Local Enterprise Partnership (LEP) area will be known as the 'Heart of the South West Local Transport Board (Heart of SW LTB)'.
- 2.2 The geographic area covered by the Heart of SW LTB comprises the following local authority areas:
- Devon County Council
 - Plymouth City Council
 - Somerset County Council
 - Torbay Council

Figure 1: Geography of the Heart of SW LTB area

[insert diagram]

3 Membership

- 3.1 The Heart of SW LTB will comprise 7 organisations as follows with two types of membership, voting and non-voting:
- Heart of South West Local Enterprise Partnership
 - Devon County Council
 - Plymouth City Council
 - Somerset County Council
 - Torbay Council
 - Highways Agency
 - Network Rail

Organisation		
Voting Members	Representatives	Votes
Heart of South West Local Enterprise Partnership	2	2
Devon County Council	1	1
Plymouth City Council	1	1
Somerset County Council	1	1
Torbay Council	1	1
Non Voting Members		
Highways Agency	1	0
Network Rail	1	0

- 3.2 A quorum is four voting members.

- 3.3 All members may attend all meetings. Additional organisations will be invited to attend on a case by case basis. Given that this is an informal partnership, LEP members should not be able to outvote LTA representatives in line with DfT advice. Each voting member shall be entitled to one vote provided that, where a scheme is promoted by an LTA (or is substantially affected by

it), then that LTA shall disclose that interest and be regarded as having a dispensation to speak and vote.

- 3.4 A chair and vice-chair will be elected by a Board vote on an annual basis from voting members. This will be on rotating basis with each of the voting organisations entitled to one chair and vice-chair position every five years unless there are exceptional circumstances such as illness. If the chair resigns part way through the year the vice-chair will take the post of chair. In the event of a tied vote the chair will have the casting vote. A situation may arise where the chairman's casting vote is required and the scheme is within the current chairman's LTA geographical area. In this event the vice-chair will become the chair for that specific vote. If the current chair is one of the LEP representatives, they will not be able to have a casting vote. This removes the ability for non-democratically elected members of the LTB to out vote those who have been. In these circumstances the same procedure would apply – i.e. the vice-chair would have the casting vote. If this happened to be the LTA member for the scheme's geographical area then the responsibility would pass to the vice-chair for the following year.
- 3.5 Network Rail and the Highways Agency will be on the Board as key network owners who may be affected by proposed schemes. Whilst they will not have voting rights, their views on schemes affecting their networks will need to be fully taken on Board in the decision making process.
- 3.6 District Councils will not normally be entitled to attend Board meetings unless they are specifically invited. They will be fully engaged in the scheme identification, prioritisation (at County level) and development process through joint working with the LTA authorities on infrastructure plans linked to Local Plans and Local Development Frameworks. They will also be entitled to make representations to the LTB on the prioritisation of funding at this level alongside other stakeholders.
- 3.7 The membership of the LTB will be reviewed approximately every 24 months. It is anticipated that the LTB could expand further in the future if it takes on a wider remit.

4 Conflicts of Interest

- 4.1 This section outlines how potential conflicts of interests of voting members will be managed, for example that members act in the interests of the area as a whole and not according to the sectoral or geographic interests that they represent. This is particularly important in the arrangements for agreeing the prioritised programme for funding, reviewing business cases and approving individual schemes.
- 4.2 There are two primary types of conflict of interest – organisational and personal. Organisational conflicts of interest will typically be where a promoting LTA is voting on a scheme in its area, or one that directly affects it. Personal conflicts could occur where an individual has, for example, a business interest that could directly benefit from a scheme.
- 4.3 The system for managing potential conflicts of interest will be through several layers of safeguards:
 - There should be a majority of democratically elected members over non elected members when any vote is taken. A vote cannot be taken if this requirement is not met.
 - Promoting LTAs will be able to vote on schemes in their area. There is sufficient balance of representation from other organisations to minimise the risk that the LTA's own vote has undue influence on the decision making process. However the LTA may not have the casting vote if it is the current chair and there is a tied vote – in these circumstances the vice chair would have the casting vote;
 - Where an authority has a significant interest in a scheme that it is outside its boundary (for example improvements to a rail line or road that lead to it), this interest should be explicitly declared;

- A collated register of interests for all voting board members will be held by the LTB secretariat. This will cover personal and business interests across the whole LTB area;
- Suitable training will be given to LTB voting members to ensure that they have a clear understanding of the prioritisation process and how interests should be declared (particularly important for members from the LEP who may not have been involved in a similar process);
- A robust and clear independent level of technical support which will help ensure there are clear reasons for decisions (see section 9)
- An independent audit and scrutiny process (see section 7)

5 Gifts and Hospitality

- 5.1 Members should register any gift or hospitality worth over £25, which is received in connection with their official duties, with their own authority or the LEP. The value of a gift or hospitality may have to be estimated.
- 5.2 Members should record the gift in line with their authority's or the LEP's policy within 28 days of receiving it. A collated register of gifts and hospitality will be held by the LTB secretariat for public accessibility as required.
- 5.3 Members should not accept significant personal gifts from contractors and outside suppliers and should also be sensitive to the timing of decisions which the authority may be taking that affect those providing the hospitality.

6 Status and Role of Accountable Body

- 6.1 The Heart of SW LTB will be an informal (i.e. non legally constituted) partnership. There will be a legal agreement between the LTAs that defines the responsibilities between them, including financial and legal safeguards for the accountable body. The agreement will include commitments to fund the costs of employing the independent advice and technical support to assess scheme proposals and reasonable additional costs incurred by Devon County Council in providing the administrative, legal and financial resources in its role as the accountable body and secretariat.
- 6.2 Devon County Council will be the accountable body for the LTB. Its role will include:
- Ensuring that the decisions and activities of the LTB conform with legal requirements;
 - Ensuring through its Section 151 officer that the funds are used appropriately;
 - Ensuring that the LTB assurance framework as approved by the DfT is being adhered to;
 - Maintaining the official record of LTB proceedings and holding all LTB documents.
- 6.3 Devon County Council will hold the LTB funds in separately identifiable accounts. These will be monitored and reviewed on a monthly basis as part of its existing financial and project management system including risk analysis.
- 6.4 There will be a separate legal agreement between the accountable body and the relevant delivery body for each scheme.

7 Local Audit and Scrutiny

- 7.1 Financial auditing will be undertaken by the district auditor for Devon County Council as part of the standard capital auditing procedures.
- 7.2 It is proposed that a formal audit of the LTB's adherence to the assurance framework will be carried out by the auditors from a local authority outside the LTB's geographic area. This is expected to be Wiltshire subject to formal agreement.

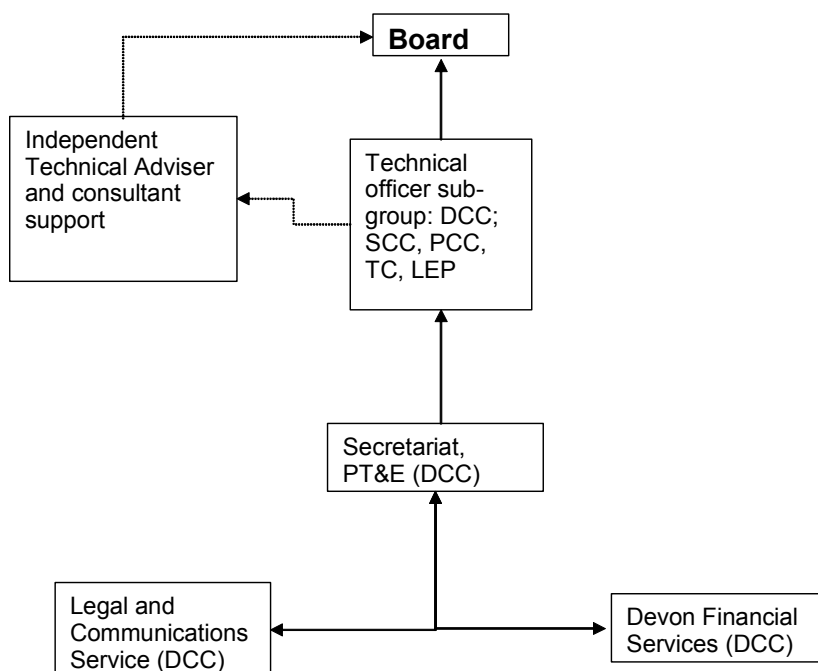
8 Strategic Objectives and Purpose

- 8.1 The initial role of the LTB from January 2013 will be restricted to managing devolved major transport scheme funding. It is acknowledged however that there may be scope for the LTB to take on further roles in the future including emerging proposals for devolved local rail funding.
- 8.2 The LTB's roles will be:
- Set the objectives and criteria that will be used as the basis for scheme prioritisation and assessment;
 - Identifying a prioritised programme of investments within the available budget including a pipeline of future schemes to enable prudent management;
 - Responsibility for ensuring value for money is achieved;
 - 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 changing circumstances.
- 8.3 These roles will be reviewed on an alternate year basis alongside the membership of the LTB, or exceptionally if there is a significant change in circumstances such as new or revised government proposals for a particular funding stream or policy.

9 Support and Administration Arrangements

- 9.1 The support and administration functions required to enable the LTB to undertake its functions can be summarised as follows:
- Independent professional technical analysis and scrutiny of schemes including business cases
 - Administrative support to the LTB including the role as accountable body:
 - secretariat support including management of records and communications;
 - financial management including monitoring and
 - legal monitoring and support.
- 9.2 It is proposed that the LTB will employ an experienced, independent professional adviser to provide advice on the prioritisation of schemes and the soundness of business cases. They will be given specialist technical support by a specialist consultant with experience of technical input into local major schemes. Please refer to 9.6 below regarding funding arrangements.
- 9.3 The Planning, Transportation and Environment (PT&E) Service at Devon County Council will provide the secretariat support required to maintain records, decisions and communication arrangements on behalf of the LTB. It will also co-ordinate the different services providing the accountable body role within the County Council, the partner organisations and the LTB. This will be part-time support within the scope of existing posts.
- 9.4 Devon Financial Services will provide the financial management service on behalf of the LTB including the maintenance of suitable financial records and monthly reports. These will be communicated to partners and the LTB via the PT&E secretariat support. This will be part-time support within the scope of existing posts.
- 9.5 The Legal and Communications Service within Devon County Council will provide an advice and monitoring role, ensuring that the decisions and activities of the LTB conform with legal requirements with regards to environmental, equality, procurement, state aid and other issues. The legal team will lead on the development of the legal agreements required as the basis of the partnership. They will also provide an important role in supporting the LTB's communication channels with stakeholders and the public. This will be part-time support within the scope of existing posts.

- 9.6 Support and administration costs will be split between the LTAs in two ways. Core costs including those of the accountable body (all costs) and the Independent Technical Adviser (ITA – see below) (to develop the prioritised programme) will be split on the basis of Devon CC 30%, Somerset CC 30%, Plymouth CC 30% and Torbay Council 10%. All scheme specific costs related to the ITA's role will be charged direct to the promoting LTA on an hourly basis. Support costs will need to be funded from the authority's own resources and not the devolved funding. This will be monitored by the accountable body.
- 9.7 The four LTAs in the LTB area intend to have the assurance framework document approved by their Cabinet (or equivalent) by mid-February. This will include the authority for the relevant Cabinet member to sign the final document for submission to the DfT by the end of the month. The LEP is expected to consider the document at its board meeting in early February. Final sign off is expected to be completed at the first meeting of the LTB during February.
- 9.8 The Independent Technical Adviser, including their specialist consultancy support, will provide the necessary independent overview to the Board. They will work closely with the officer technical group and the individual promoting LTA to progress schemes as fast and positively as possible. However they will also have the mandate to challenge data and information they feel is incorrect or misleading. It is intended that the ITA will work proactively with the LTAs to identify issues and remedy them before any recommendations are made to the Board. They will however be able to make any necessary reports and alternative conclusions to the Board independently of the officer group and promoting LTA, if they feel there are important areas of disagreement at key decision stages. If the process works well this should very much be the exception rather than the rule.
- 9.9 The Board of the LTB will be also supported by an officer technical sub-group. The group's membership will be officers from the four LTAs, the LEP Chief Executive, the ITA and their consultancy support. The sub-group's roles will include:
- making recommendations to the Board on issues related to the assurance framework and legal agreement including monitoring adherence to them;
 - recommending a scheme programme to the board;
 - monitoring the progress of individual schemes against projected profiles, reviewing proposed mitigation measures and making recommendations to the Board for any changes to financial provisions;
 - monitoring the progress and projected out-turn of the programme over the four year funding period including recommendations for potential mitigation measures to address projected over or under spends (advice on the priority of, and business case for, individual schemes would remain the responsibility of the independent professional adviser)
 - review monitoring results from completed schemes with input from the independent adviser, making recommendations to the Board on their value for money and implications for future programmes.
- 9.10 The diagram below outlines the relationship between the various support and administrative arrangements:



10 Working Arrangements and Meeting Frequency

- 10.1 It is proposed that the Board meets on a quarterly basis to make decisions on prioritisation, business cases and agree, and update the assurance framework as required and monitor the financial progress and monitored outcomes of schemes. It will also monitor the progress of scheme development and delivery as part of a pipeline of schemes and manage the programme as required. Urgent decisions on revised scheme funding arrangements in between Board meetings, in exceptional circumstances, by a special meeting of the Board.
- 10.2 The Technical Officer Sub-group will generally meet at least once in between Board meetings, and usually bi-monthly, but this frequency may increase if there is urgent business.

11 Transparency and Local Engagement

- 11.1 A high degree of transparency will be an important element of the LTB's decision making process. This will include two main elements – enabling the public and key stakeholders to clearly understand the LTB's decision making process and rationale whilst also linking this to the local decision making processes made by each LTA, including planning and Cabinet (or equivalent level) decisions. This will provide a clear decision pathway from the first stages of the scheme development by an LTA through LTB decision making to its construction and subsequent monitoring. At the core of this pathway will be a dedicated LTB website which will include information and documents relating to all the LTB's activities and with links to partner sites as appropriate. The public and key stakeholders will be able to subscribe to an e-mail list. This will advise them of the availability of key documents on the website such as agendas and minutes.
- 11.2 The table below sets out the proposed timescales affecting Board and technical sub-group meetings:

Meeting	Item	Timescale
Board	Meeting dates	On the website at least 3 months ahead or as soon as possible after the previous meeting, whichever is the shorter. Additional one-off meetings will be publicised as soon as possible

Meeting	Item	Timescale
		after the date is confirmed.
	Forward Plan	A forward plan of planned decisions
	Agendas and accompanying reports	On website at least seven days in advance of the meeting.
	Minutes	On website no later than twelve working days after the meeting
	Other documents including technical material, funding decision letters and programme updates	On the website as soon as they are available and have been confirmed by the relevant promoter or adviser. Note this only applies to final and not draft versions of documents.
Technical Officer Sub-group	Agenda	Not published – no decisions are made at this meeting. It is an informal working group. Any recommendations from the group will be made in the form of a report to the Board which will be made publicly available in the same way as other papers.
	Minutes	As above

11.3 Key stakeholders that are not already members of the Board will be able to apply to attend a Board meeting and make a representation on a particular scheme or other agenda item. They will be able to apply via the LTB secretariat in advance of the meeting date. Board meetings will be open to the public but they will not be able to make direct representations to the Board in person. They will however be able to make written representations in advance. These will need to be submitted to the LTB secretariat in writing at least ten days in advance of the scheduled Board meeting date.

11.4 Devon County Council as the accountable body will deal with Freedom of Information or Environmental Impact Regulations that directly relate to the role of the LTB in the same manner as it would for DCC matters. A clear distinction will however need to be made whether the information requested is the responsibility of the promoting authority and not the LTB. Guidance and contact details will be published on the website to aid the public or organisations wishing to access information.

11.5 The LTB will adhere to the requirements of the Local Government Transparency code by making data used in decisions publicly available. Where large or complex technical documents are used, a non-technical summary will be made available at the same time as the original document, or as soon after as possible.

11.6 The LTB will publish a non-technical summary of its approach to making major investment decisions on its website.

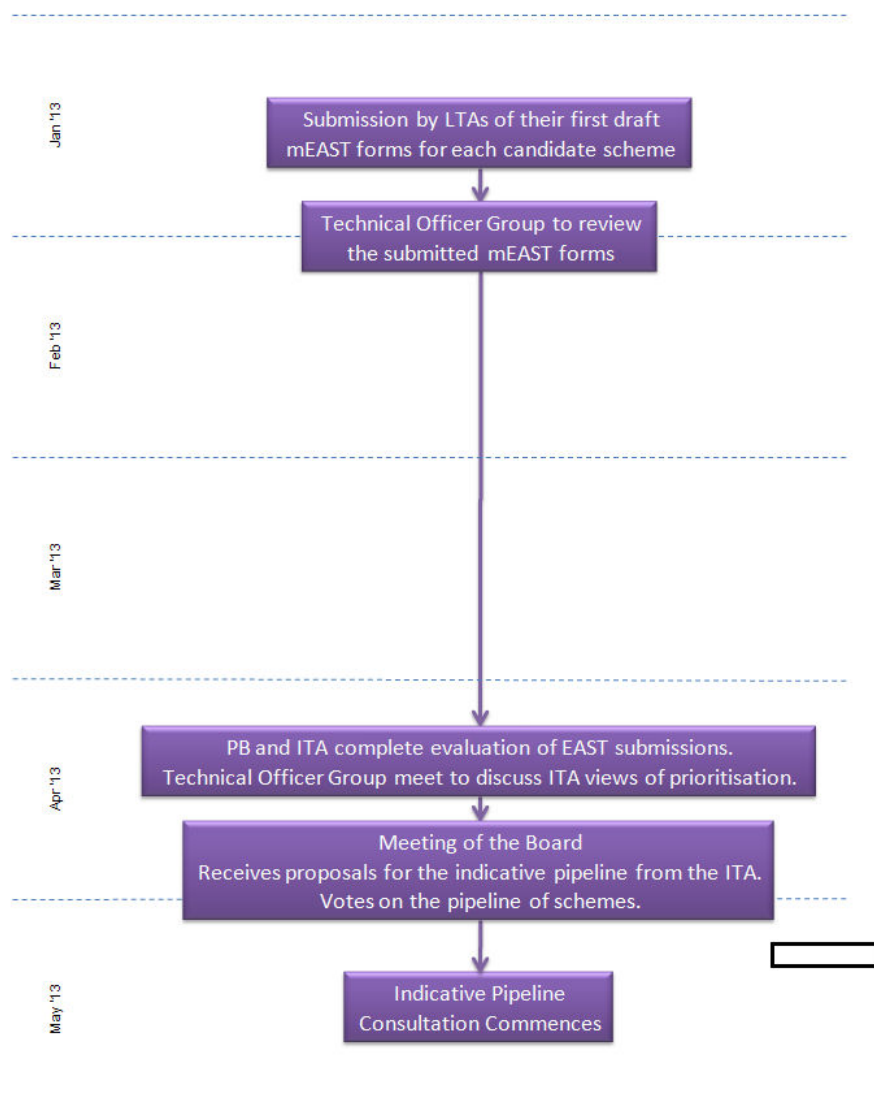
11.7 Complaints will be dealt with by the accountable body using a similar three stage process to Devon County Council's which can be found here: <http://www.devon.gov.uk/customer-feedback-policy.pdf> .

11.8 The LTB's whistle blowing policy will be based on that currently in place at Devon County Council: <http://www.devon.gov.uk/part-5-9-a-whistleblowing-policy.pdf>

Part 2: Prioritisation of Schemes

12 Agreement of a Prioritised Scheme Programme

- 12.1 This section deals with the prioritisation and agreement of a prioritised scheme programme, within the available funding envelope, as required by April 2013.
- 12.2 To reduce the burden on promoting LTAs for assessment of schemes, identification of a prioritised and affordable list of schemes by May 2013 will be conducted on the basis of a limited set of criteria. The criteria will be limited due to the fact that most schemes do not have a fully developed business case or a WebTAG appraisal completed.
- 12.3 A timeline for the prioritisation and the process are given below:



LTAs submit EAST data for candidate schemes

- 12.4 Each LTA and the LEP will be asked to identify a list of schemes for consideration. Where schemes are identified by the LEP, the LEP will be required to undertake discussions with the relevant LTA(s) with a view to the LTA becoming the promoting authority.

- 12.5 The majority of candidate schemes will have been identified within Local Transport Plans, Local Development Frameworks and Local Growth Plans. Each LTA, and in particular the LEP, will also be given the opportunity to identify other priorities for consideration.
- 12.6 The ability to fund larger local major cross LTB boundary schemes will depend on pooled funding and securing additional third-party funding. LTAs will be invited to identify opportunities to collaborate and jointly fund projects with neighbouring LTAs outside the LTB geographical area. It is recognised that there will be complexities around the arrangements for funding between each LTA and the LTBs and hence opportunities (and the joint LTA funding proposal) will have to be identified at the earliest possible stage.
- 12.7 Each submitted scheme must be accompanied by supporting information and an assessment under a modified version of the DfT's Early Assessment Sifting Tool (mEAST). Schemes that cannot supply a basic set of information for the purposes of mEAST will not be included on the long list.
- 12.8 mEAST is intended to be a decision support tool that will summarise and present evidence on options in a clear and consistent format. It will provide relevant, high level, information to help form an early view of how options perform and compare. The tool itself will not make recommendations and is not intended to be used for making final funding decisions.
- 12.9 mEAST has been designed so that it can be applied without having to obtain detailed evidence as is usually required to support funding applications. This flexibility allows options to be considered at an early stage of development. It has also been designed to be consistent with Transport Business Case principles in that the issues respondents are asked to consider when assessing the economic impact of schemes are the same as those they will need to address in a more detailed way in a full Transport Business Case.

Evaluation of mEAST submissions by ITA

- 12.10 In order for the LTAs to undertake their assessments, the LTB will agree a set of objectives which any scheme should aim to meet. Value for money, deliverability, environmental and social/distributional impact will be among the factors taken into consideration at this stage.
- 12.11 Each LTA will be responsible for undertaking the mEAST assessments for their candidate schemes. To avoid the possibility of LTA bias, each scheme assessment will be invigilated by the ITA. To facilitate this, each candidate scheme must be supported by all available information used to justify the scoring given in mEAST.
- 12.12 All data will be verified by the ITA; where evidence is lacking, more information will be requested. Where the ITA considers that scoring has not been suitably evidenced, schemes scoring may be modified by the ITA. The ITA will be responsible for ensuring that candidate scheme assessments have a suitably robust underlying evidence base and that any uncertainties are identified and communicated.
- 12.13 LTAs and the LEP will be given the opportunity to contest any modified scores and any conflicts referred to the LTB Officer Group.
- 12.14 Each promoting LTA will also be required to submit evidence that a fuller range of options has been assessed which aim to solve the described problems. For the majority of schemes coming from Local Transport Plans and Local Development Frameworks / Local Plans; this evidence should be readily available. For newer schemes, it will be sufficient to use the original EAST tool as this requires a lighter touch to scheme assessment and there will be no further requirement for supporting evidence for discarded schemes. The list of alternatives will be scrutinised by the ITA to ensure that all reasonable alternatives have been considered.

12.15 mEAST will filter the number of options by discounting non-runners at an early stage. This will ease the appraisal burden and avoid resources being spent unnecessarily. Non-runners will be discussed with the relevant LTA so they can consider withdrawing those candidate schemes. Examples of non – runners are as follows:

- Schemes which are not considered practical or are subject to high risk;
- Schemes will be expected to achieve minimum value for money thresholds of ‘high’ value for money (i.e. BCR > 2.0) and in exceptional circumstances ‘medium’ value for money (i.e. BCR > 1.5) where there is a strong case to promote the scheme on other grounds;
- Schemes scoring 1 for public acceptability, i.e. consultation has revealed a high level of disagreement about the option’s ability to deliver the stated outcomes. However lack of consultation will not be used as a factor for sifting schemes as it may unfairly bias against new / innovative schemes being put forward by the LTAs / LEP.

12.16 The mEAST tool will tackle deliverability under a broader managerial heading. Within this heading, implementation timetable, public acceptability, practical feasibility and key risks are all quantified. Where appropriate, the Officer Group / ITA will be set milestones for mitigating risks, which will need to be met for the Scheme to retain its place in the programme. Suitable replacement schemes will also be identified by the Officer Group / ITA.

Indicative Pipeline

12.17 The implementation timetable will be considered but is unlikely to impact scheme selection providing it falls within the funding period. The LTB is required to spend its allocation within the four year funding period rather spending its allocation on an annual basis.

12.18 The ITA and Officer Group will aim to achieve a joint recommendation to the Board. Where it is not possible to reach an agreement, the Officer Group and the ITA will make separate recommendations.

12.19 The LTB will aim to outline an indicative programme with a value which is approximately 30% above the available funding allowance. This will allow schemes to be removed from the Indicative Programme without impacting on the ability to spend the funding allocation.

12.20 Schemes which meet the funding criteria may be placed on a reserve list. This will allow LTAs to work on Business Cases if they feel this is appropriate. It may also increase the potential for entry to the Indicative Programme if other schemes are removed.

12.21 The LTB will exercise particular caution if asked to consider schemes that have been previously proposed and rejected on value for money grounds. They will look in particular at the reasons for the previous rejection and ask whether costs, scope or circumstances have changed to such an extent as to be likely to change the previous assessment.

12.22 A prioritised list of schemes will be submitted to the DfT in May 2013. This list will include a comparable set of information on costs, funding, timescales, state of readiness etc.

Views from Stakeholders

12.23 LTAs will be responsible for making sure that the Highways Agency and Network Rail are fully sighted on any strategic road or rail schemes that are to be considered for funding. This is so that their views on deliverability and impact on the wider network can be considered and taken into account in the initial prioritisation exercise. In cases where schemes have any impact on train services the Train Operating Company and DfT (rail) will also be sought. MP’s views will be sought at the draft programme stage. .

12.24 The Indicative Pipeline will be made available to stakeholders via the LTB website, together with the full list of candidate schemes within a consolidated mEAST document and all supporting evidence.

13 Scheme Eligibility

13.1 As stated above, the following eligibility criteria will be used for schemes considered by the LTB:

- Scheme cost greater than £3m;
- BCR above 2 in most cases, but above 1.5 where there is a case to promote the scheme on other grounds;
- Schemes scoring greater than 1 for public acceptability (consultation has not revealed a high level of disagreement about the option's ability to deliver the stated outcomes); and
- Schemes that are considered practical and not subject to high risk.

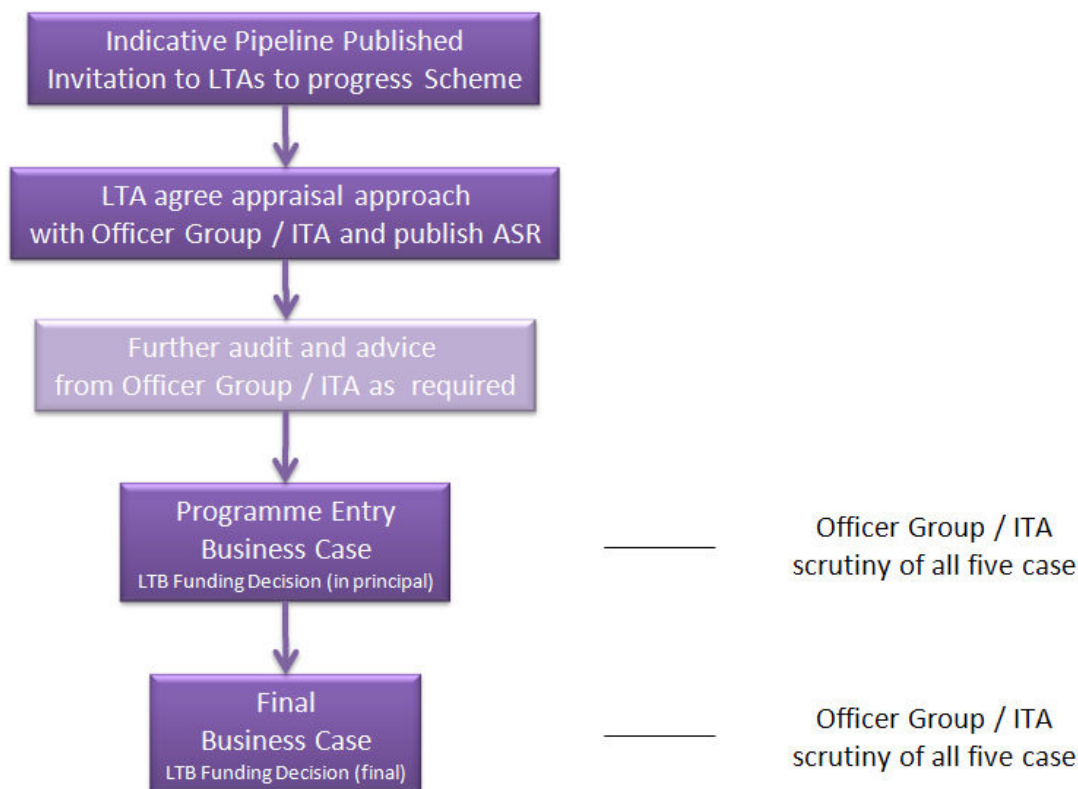
13.2 Promoting LTAs will normally be expected to contribute a minimum of 10% match funding to the scheme and under no circumstances will the Board provide 100% funding for any scheme. Schemes will not be considered for funding without a financial commitment from the LTA. LTAs will be required to make a case to the LTB officer group where a contribution lower than 10% is proposed.

13.3 Final approval will not be given for schemes without confirmation that the necessary funds are or will be available. An increased level of contribution will not necessarily increase its level of priority in the programme but may be considered as a factor when considering schemes with marginal BCRs.

Part 3: Programme Management and Investment Decisions

14 Scheme Assessment and Approval

14.1 An overview of the scheme assessment and approval process is shown in the diagram below:



14.2 The Independent Adviser and their consultant support will initially be appointed for the period to until the prioritised programme is agreed by the LTB. The work beyond this point will be put to competitive tender. For this period it is proposed that Ian Harrison will be employed by the LTB as an Independent Technical Adviser (ITA) on the prioritisation and scrutiny of business cases. Ian has extensive experience working with major schemes of all types on a local and regional basis in his previous roles with Devon County Council. His knowledge and ability to work with a wide range of partners at different levels is well respected across the South West and nationally. He will be given specialist technical support by consultants Parsons Brinkerhoff who have extensive experience in developing and analysing business cases for major schemes including the South Devon Link Road. This will normally be a specialist senior transport planner who will be able to call on additional specialist support if required. Parsons Brinkerhoff are currently the engineering framework contractor for Somerset County Council.

14.3 The LTB will adopt a similar approval process to the current DfT system in that, as a minimum, schemes will be expected to pass the equivalent of a Programme Entry and Full approval stages (termed Programme Entry and Final). Other appropriate approval stages can be agreed on an individual scheme basis by the LTA / Officer Group / ITA. These additional approval stages will be documented through an Appraisal Specification Report (ASR). Details of how the LTB approval processes map to the previous and existing DfT approval regimes are detailed below:

Major Scheme Business Case	Transport Business Case	LTB Approval Stage
	Strategic Outline	mEAST submission
Programme Entry	Outline	Programme Entry
(Conditional Approval)		
Full Approval	Full	Final

- 14.4 The promoting LTA will have the responsibility for delivering schemes. At each stage the LTB will issue an approval letter setting out the required financial and scheme development progress it expects to be achieved at certain milestones, 'the Conditions'. Future financial reimbursement will be conditional upon meeting these conditions. The conditions will have been discussed and agreed between the promoting LTA and the ITA in advance as far as possible before being signed off by the Board. Further guidance will be developed by the officer technical sub-group, and signed off by the Board, to provide LTAs with examples typical standard conditions. The Board will make the final decision where there is any disagreement between the LTA and the ITA.
- 14.5 LTAs must provide quarterly stage monitoring reports (to a standard format to be developed) to the ITA via the LTB secretariat, or on request with reasonable notice. The Independent Advisor will provide a summary report to the Board at each meeting to advise whether the progress made meets the conditions laid out in the approval letter. The LTA must discuss any proposed major scheme changes with the ITA as soon as possible. The ITA will determine whether the proposed change requires a decision of the Board before further funds are released.

Major Scheme Changes

- 14.6 The promoting authority and / or ITA will notify the Board of any changes to a scheme that they consider to be significant. This could include changes in cost, BCR and scheme specifications. The ITA and Officer Group will recommend a course of action to the Board including any changes to scheme approvals and revisions to the overall programme.

15 The Transport Business Case

- 15.1 The LTB will ensure that all scheme proposals submitted by LTAs follow the key principles of the Transport Business Case guidance available on DfT's website. This ensures that the information and assessment of a scheme is set out according to five cases:
- the strategic case
 - the economic case
 - the commercial case
 - the financial case
 - the management case
- 15.2 However, the Transport Business Case guidance will not necessarily be relied upon to provide all the specific content of the business case that the LTB may require for a local authority major scheme. The LTB will therefore ensure that individual promoters are clear about the specific information that they need to include in their scheme business case, to enable funding decisions

to be made, and should in turn be clear as to how they will assess the information and take it into account when making decisions.

- 15.3 At the core of every funding bid will be a clear statement of objectives and the specific outcomes that the scheme is intended to achieve. This will enable the public and stakeholders to reach a clear judgement on the success or otherwise of the scheme when it is evaluated.
- 15.4 The LTB will mimic the DfT approval regime, i.e. The Transport Business Case guidance which includes reference to three stages of business case development; the Strategic Outline Case, the Outline Business Case and the Full Business Case. This process will:
- provide the necessary expectation of funding at an early stage to enable LA promoters to embark on statutory processes (the initial prioritisation in the LTB programme may be sufficient for this purpose).
 - ensure that funding is not committed irreversibly before delivery of the scheme is guaranteed (legal powers in place) or costs are firmed up (e.g. contracted prices).
- 15.5 All Business Case Documents will be made available to the public via the Local Authority's and the LTB's website. This will include all supporting documents and technical reports used to inform the Business Case submission.

16 Value for Money

- 16.1 Promoting LTAs will be invited to progress business cases for prioritised schemes for approval by the LTB. As part of any transport business case submission, all promoting authorities will be required to undertake a Value for Money Assessment which focuses on the economic case for their scheme. The information considered in the Value for Money (VfM) assessment will be obtained through an appraisal that is consistent with the DfT's WebTAG guidance.
- 16.2 Central case assessments will be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). This requirement doesn't preclude the LTB asking authorities to consider alternative planning assumptions as sensitivity tests and considering the results of these in coming to a decision about whether to approve a scheme.

Appraisal Specification Report

- 16.3 At the beginning of the Business Case development process, LTAs will be expected to submit an Appraisal Specification Report (ASR). The ASR will:
- *define the proposed methodology that will allow all claimed benefits to be quantified and to allow all negative impacts to be identified. The level of assessment will not be based solely on cost of the scheme, but will be proportionate to the likely impacts for the economy, environmental and social impacts.*
 - *Outline the approval stages being sought.*
 - *Identify any technical reports which will require scrutiny by the ITA.*
- 16.4 The ITA will advise and review on the appropriate methodology given within the ASR, this will be discussed with the Officer Group and the final approach recommended to the Board. The LTA will be able to refer the final decision to the Board if there is disagreement over the assessment approach.
- 16.5 The ASR should include a timetable to production of all Business Case and supporting documents, including an allowance for an ITR review.

Additional Approval Stages

- 16.6 For most schemes, following the approval of an ASR, the ITA role will be to monitor progress and to offer advice. This will be achieved through review of modelling reports and follow up meetings as required. Certain schemes, for example particularly costly schemes or those with other significant impacts, will be scrutinised in more detail. This may necessitate additional approval stages to provide all parties the confidence that Value for Money will be achieved. These stages will be agreed within the ASR and monitored during progress reporting.

Programme Entry

- 16.7 Once the ITA is satisfied that the agreed assessment methodology has been followed and that the scheme eligibility has been satisfied, they will report back to the Officer Group. Again the Officer Group / ITA will aim to make a joint recommendation to the LTB that the scheme be given Programme Entry. This will provide all parties confidence that the scheme is viable and that funding will be available subject to a limited set of criteria being met.

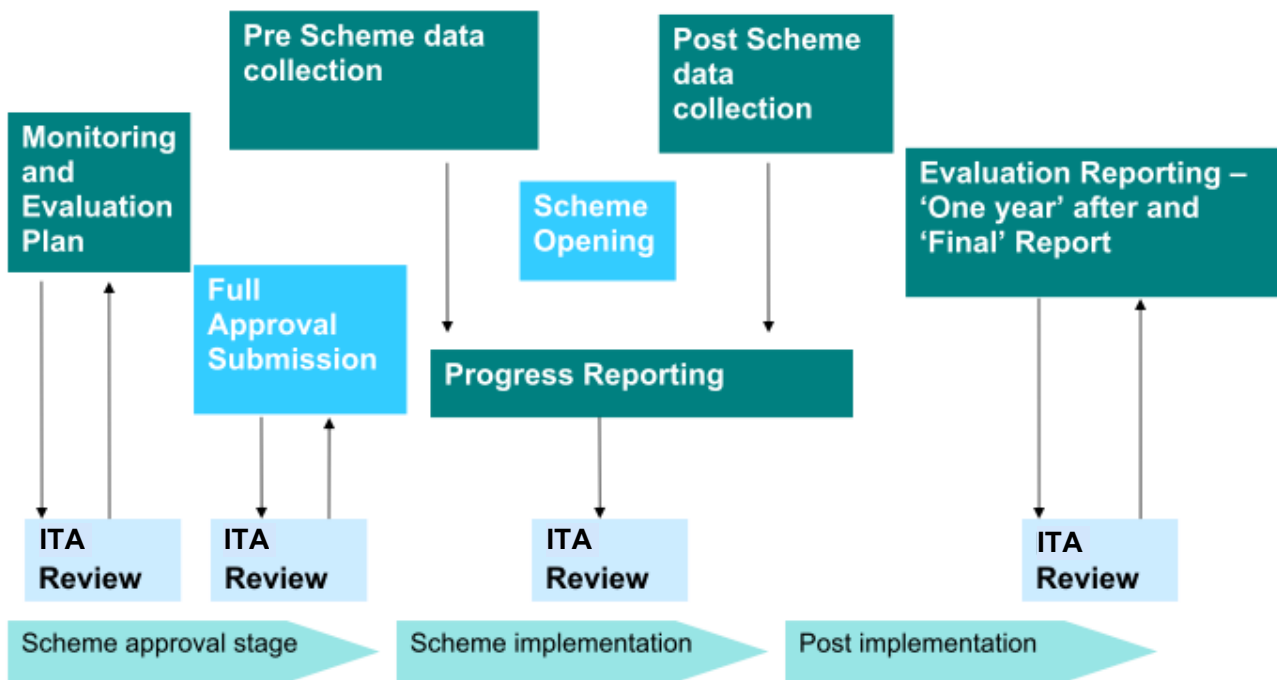
Final Approval

- 16.8 The ITA will advise LTAs on their Business Case submissions. They will be responsible for auditing the Business Case, supporting information and reports and discussing their conclusions with the Officer Group. The ITA and Officer Group will aim to make a joint recommendation to the Board that the Scheme be accepted for Full Approval. They will also ensure the assessments are in accordance with the guidance published in WebTAG at the time the business case is submitted to the LTB for approval.
- 16.9 Schemes will be expected to achieve minimum value for money thresholds of 'high' value for money (i.e. BCR > 2.0) and in exceptional circumstances 'medium' value for money (i.e. BCR > 1.5) where there is a strong case to promote the scheme on other grounds. The circumstances under which the LTB would consider funding for schemes with lower than 'high' value for money are where a scheme can be identified as bringing forward development, is fundamental to an LTA's growth aspirations or can be shown to have a strong fit with the LTB's overall objectives.
- 16.10 All LTAs will be expected to support their schemes with a Value for Money Statement. A Value for Money Statement provides a summary of the conclusions from the VfM assessment. The statement will provide a concise summary of the economic, social, environmental and public account impacts of the Scheme and inform the LTB about the economic case for the scheme. Again, each VfM statement will be scrutinised by the Officer Group / ITA to ensure the information within it is suitably evidenced. The VfM assessment will be signed off as true and accurate by a named officer with responsibility for Value for Money assessments within the Officer Group / ITA.
- 16.11 Scheme promoters are expected to submit a detailed Monitoring and Evaluation Plan to the LTB within 3-6 months prior to the Full Approval submission or before any data collection is programmed, whichever is the earliest. The ITA will provide feedback on the Monitoring and Evaluation Plan, giving advice on best practice and agreeing data collection, analysis and reporting.

Evaluation and Monitoring

- 16.12 Evaluating the investment in this funding stream will deliver the following objectives:
- Provide accountability for the investment;
 - Justify future spending allocations;
 - Enhance the operational effectiveness of existing schemes or future scheme extensions;
 - and
 - Improve future initiatives based on learning.

16.13 The evaluation process will follow the guidance set out by the DfT in 'Monitoring and Evaluation Framework for Local Authority Major Schemes', and in particular the 'Standard Tier Modelling', given that prioritised schemes are likely to be less than £50m. The process is given below:



16.14 All scheme promoters are required to monitor their scheme's progress against a set of standard measures. The following measures (covering inputs, outputs, outcomes and impacts) will be monitored for all schemes:

- Scheme build;
- Delivered scheme;
- Costs;
- Scheme Objectives;
- Travel demand;
- Travel times and reliability of travel times;
- Impacts on the economy; and
- Carbon Impacts.

16.15 Agreed Monitoring and Evaluation Plans should be published on the Authority's website for the purposes of local accountability and transparency. The LTB may also make reference to these in discussions with other promoters and on its own website.

16.16 The promoter should keep the LTB informed of progress on evaluation. The process for progress reporting should be set out by promoters within the Monitoring and Evaluation Plan.

16.17 The timing for reporting will be agreed as part of the Monitoring and Evaluation Plan but, in most cases, is expected to be as follows:

- An initial report based on data collected at least one year (but less than two years) after scheme opening; with a report published within two years of scheme opening.
- A final report based on both 'one year after' data and further data collected approximately five years after scheme opening; with a report published within six years of scheme opening.

- 16.18 It is anticipated the reports will be sent to the ITA in draft for comment, with the aim of publishing an agreed report on an appropriate website with the LTB providing links from its own site.
- 16.19 The LTB will periodically produce and publish meta-analysis of Local Authority Major Scheme evaluations, reporting on best practice and findings more generally on benefit realisation and attainment of objectives. This is likely to take place on an annual basis, with results published on the LTB's website.

17 External Views on Programme Entry Business Cases

- 17.1 Programme Entry Business Cases will be published on the LTB's website at least 4 months before the Board makes a decision. The public and stakeholders will be able to make representations in writing to the Board in advance of a meeting where a Programme Entry Business Case is considered. This can be done on or off-line. Representations must be sent to the LTB secretariat at least one calendar month in advance of the Board meeting. Specific dates will be made clear on the LTB's website. Individual members of the public or stakeholders may be invited to attend the Board meeting to discuss their representation at the discretion of the Chair.
- 17.2 The ITA will produce a summary report to the Board on the representations to highlight specific issues and comment on their validity. Promoting LTAs must make reasonable efforts to answer specific questions on the business case from the public or stakeholders within their normal customer service standards to help them to come to a view. The LTB's website will include the necessary contact information at the LTA to enable them to do this.
- 17.3 The Board's decision letters to LTAs will include specific reference to how external representations have been taken into account. This will be supplemented by details included in the minutes of Board meetings.

18 Release of Funding, Cost Control and Approval Conditions

- 18.1 LTB scheme contributions will be capped at a level to be agreed in the Award letter. The section 151 officer of the LTA will be required to sign the conditions of the scheme in the offer letter prior to the award letter being sent. The promoting LTA or other promoting body will normally be responsible for all cost increases over and above the agreed LTB contribution. Scheme costs prior to the Award letter may be allowed as part of the scheme bid subject to agreement with the LTB.
- 18.2 LTAs may, in exceptional circumstances, make an application to the Board for an additional planned contribution. Under no circumstances will the Board consider a 100% contribution to genuine additional costs (i.e. unexpected cost overruns or extensions to the scheme, not funding gaps). Any additional contribution agreed will be the minimum required once all other possible sources open to the LTA have been exhausted. In making a decision on a request for additional funding, the Board will take into account the impact on the value for money of the scheme.
- 18.3 The LTA will be required to provide a detailed report to the ITA setting out the reasons for the cost increases and what additional funding sources have been explored, including reprioritising spend on other council projects. A specific template will be developed for this purpose. The ITA will make a recommendation to the Board. Once agreed a revised Award letter will be sent.
- 18.4 The Accountable Body will require, from the promoting LTA, evidence of funding sources being in place before an award of LTB funds is made. Funding will be released to scheme promoters on a quarterly basis in arrears after approval by the Board. The LTA or other body will submit the quarterly grant claim form to the Accountable Body signed by the Section 151 of the

promoting LTA or equivalent in another body certifying that the costs are capital and appropriate to the scheme. There will be a standard claim form which will require financial and non-financial information. The Board will agree payment based on a report from the Accountable Body reflecting the recommendation of the ITA using information from the required progress reports and from the Accountable Body using the financial data.

- 18.5 The grant is capital awarded under Section 31 so reimbursable costs are bound by the Local Authority capital accounting code of practice. The LTAs will be expected to keep the costs of each agreed scheme in a separate accounting code on their financial information systems under an "open book" agreement with the Accountable body. The Accountable body reserves the right to request evidence of detailed expenditure. Claims for funding from the LTA to the Accountable body will be checked for compliance. In particular claims will be checked to ensure that they meet the definition of capital expenditure and that the costs are necessary as part of the approved scheme.
- 18.6 As the DfT audit requirements develop, the above may need to be refined.
- 18.7 Devon County Council as the Accountable body will hold the LTB funds outside the DCC accounts as an 'agent in principle' arrangement.

19 Programme and Risk Management

- 19.1 The Transportation Manager (Policy) at Devon County Council, acting as the LTB secretariat, will provide the contact and focal point between formal LTB meetings and therefore have direct contact with the Chair.
- 19.2 The ITA will meet the promoting LTA on a regular basis to discuss the progress of the scheme and contents of the progress reports to be submitted to the Board. The frequency of these meetings will depend on the complexity and scale of the scheme as well as the stage of preparation / construction and any risk issues previously identified.
- 19.3 Scheme and programme risk levels will be closely monitored on a regular basis by the officer group including the ITA. The default position will be that the promoting LTA is expected to manage risk within the scheme and its funding envelope. Any significant issues that affect the programme as a whole will be referred to the next Board meeting, including proposed modifications to the programme in the light of scheme progress. If the ITA cannot agree a proposed course of action with the officer group and promoting LTA they may exercise a right to submit an report to the Board independent of the other parties.