

Report to the Transport for South Hampshire Joint Committee

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Subject: Local Transport Body Assurance Framework

Purpose of the Report

This report seeks the approval of the Joint Committee of a set of key principles that will underpin the drafting of an Assurance Framework, such that it can provide the Assurance Framework for a Local Transport Body (LTB) for the Solent Local Enterprise Partnership (LEP) Area. Given the associated timescales for submission of an Assurance Framework, the report seeks delegated authority to the Monitoring Officer to TfSH to finalise the Assurance Framework in agreement with all proposed LTB Board Members.

Recommendation

- (a) **That the Joint Committee approves the key principles on which TfSH will seek to establish a Local Transport Body, and delegates to the Monitoring Officer to Transport for South Hampshire, working with the LEP, authority to finalise the revised joint agreement for Joint Committee sign-off so that it can be approved by all TfSH member authorities and Local Transport Body Members.**

Introduction

1. In September the Department for Transport (DfT) published *Devolving Local Major Transport Schemes: Next Steps*, which summarised responses to the January 2012 consultation and set out guidelines for the establishment of LTBs. In late November DfT published Guidance for the establishment of LTBs, which set out the minimum requirements for an Assurance Framework.
2. The geography of an LTB for the Solent LEP area has already been agreed in a joint letter submitted in September to DfT, signed by the Chief Executive of the four Local Transport Authorities (LTAs) and the Chairman of the Solent LEP. This identified that the local preference is

for the LTB boundary to be coterminous with that of TfSH and the Solent LEP.

3. This report proposes the key principles on which an Assurance Framework should be drafted.

The role of a Local Transport Body

4. LTBs will have a single remit, that being to prioritise local major transport scheme investment and award funding to those prioritised schemes from the devolved local major transport schemes pot for the period 2015-19.
5. Existing statutory duties and responsibilities of LTAs along with local transport funding streams are unaffected, meaning that the role of an LTB is a very specific one. LTAs remain the only bodies that can deliver (or allow delivery of) schemes on their network and have responsibility for producing local transport plans and transport strategy for their area.
6. It is also worth noting that the role of an LTB would be distinct (although intrinsically linked) to the wider remit of TfSH.
7. The local major transport scheme budget will be capital only, with funding calculated on a per capita basis of the LTB area, using the latest projection of mid-year population in 2017 (given that the funding period will cover 2015-19). The total funding likely to be available (at the national level) in the devolved local major transport schemes pot is £1.1 billion for the four-year period 2015-19. For planning purposes, DfT has indicated that an LTB covering the Solent LEP area will receive an allocation of £29 million over the 2015-19 period. However, DfT has advised areas to plan for alternative scenarios of one-third above and one-third below this figure (£38 million and £19 million respectively).

Membership of LTBs

8. The guidance states “*as a minimum, full membership of an LTB, with voting rights, must be open to all LTAs within the geographical area of the LTB and to the primary LEP or LEPs upon whose geography the LTB is based.*” In addition, LTBs should be “*democratically accountable*” and that “*as a minimum, elected members should form the majority of voting members on the LTB, or, alternatively, other measures should be put in place to ensure that elected representatives cannot be out-voted by non-elected parties.*”
9. Other than LTAs and LEPs, there is no requirement for other groups to be represented. However, there is an expectation that other interested bodies would be able to attend meetings and feed into the process just as they do at current TfSH Joint Committee meetings.

10. All LTBs will need to meet certain minimum standards of governance, financial management, accountability and meeting and testing value for money. This should be set out in an Assurance Framework.
11. Each LTB area must submit an assurance framework to DfT by the end of February 2013.
12. If an LTB is not established the funding will be distributed elsewhere and not through an alternative local body.

Establishing an LTB

13. In comparison to other areas, DfT view the Solent LEP area as being in a strong position to discharge the duties expected of an LTB. The area benefits from a history of, and existing architecture (in Transport for South Hampshire) for successful strategic partnership working across the four LTAs.
14. DfT has stated that they will need to have confidence in the transport expertise of those proposing an LTB in order to sign-off proposals and that the LTB should build on existing transport partnership structures. DfT has demonstrated confidence in local arrangements for transport partnership working (TfSH) through the award of over £22 million to TfSH in the past year.
15. TfSH has an existing and established pool of transport expertise and is recognised and understood by key stakeholders such as DfT, Highways Agency, Network Rail and Public Transport operators, with which it has strong relationships. A Joint Committee structure exists with regular and well-attended public meetings, with documents published on its website – exactly the arrangements DfT is expecting.
16. Utilising TfSH staff resources would result in no additional funding required for an LTB secretariat and therefore, this model represents the most efficient and least bureaucratic option for establishing an LTB.
17. The existing architecture, experience and expertise of TfSH (and that TfSH can readily and freely call upon) provides a significant opportunity and strength of the Solent area that should be utilised when establishing an LTB.

Key Principles

18. It is recommended that the following key principles that will underpin an Assurance Framework for a Solent LTB are approved by the Joint Committee:
 - That the name of the LTB be the ‘Solent Local Transport Body;’

- A principle on membership composition will be updated to the Joint Committee meeting;
- Each full member organisation to have one vote each;
- TfSH to provide the secretariat for the LTB;
- LTB meetings to utilise the existing TfSH meeting architecture to provide efficiency;
- The LTB would be separate to TfSH and have a separate Joint Agreement that accords with the Assurance Framework minimum requirements;
- A principle on voting arrangements will be updated to the Joint Committee meeting;
- Prioritisation of schemes would be undertaken as set out in the report for agenda item 8;
- The Accountable Body for the LTB would be Hampshire County Council (as is presently the case for TfSH); and
- Schemes considered for LTB funding must be supported by the LTA whose area within which a scheme would be delivered.

Conclusion

19. This report has summarised the key criteria that LTBs must conform with in order for the sign-off of an Assurance Framework by DfT. The Solent LEP area benefits from strong partnership working on transport matters, provided for by TfSH. The existing architecture and expertise is in place and can provide an efficient and proven mechanism for discharging the functions of an LTB. To reflect this, and to accord with the criteria for an Assurance Framework, a set of key principles to underpin the drafting of an Assurance Framework are recommended in paragraph 18 (some of which will need to be updated at the Joint Committee meeting), for approval by the Joint Committee. It is also recommended that delegated authority to the Monitoring Officer to Transport for South Hampshire to finalise the Assurance Framework so that it can be approved by all full LTB members, prior to submission to DfT.

Section 100 D - Local Government Act 1972 - background papers

The following documents disclose facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of this report.

NB the list excludes:

1. Published works.
2. Documents which disclose exempt or confidential information as defined in the Act.

TITLE

LOCATION

None.