

Coast to Capital Local Transport Body Assurance Framework

Membership

1. The primary functions of the Coast to Capital Transport Body (the LTB) shall be exercised through its Board which will be supported by working groups (as required) and a standing annual conference.

2. The membership of the Board will consist of:
 - Brighton & Hove City Council;
 - Coast to Capital LEP;
 - Surrey County Council;
 - West Sussex County Council;
 - London Borough of Croydon
 - East Sussex County Council (for Lewes District transport interests)

Observers:

- The Highways Agency;
- Network Rail.

London Borough of Croydon and East Sussex County Council will participate in full in strategic discussions and decisions, but will not be eligible to vote in decisions about allocation of funding which the board of the LTB decides is open only to schemes in the administrative areas of Brighton and Hove City Council & Hove, Surrey County Council and West Sussex County Council.

Observers will not be eligible to vote in decisions.

Funding for transport projects in the London Borough of Croydon will be sought from TfL, the London Growth Fund and other non-local Growth Fund sources.

3. The Board will be supported through a standing conference which will include the board members plus:
 - Representatives of district and borough councils;
 - Transport for London;
 - South Downs National Park Authority;
 - Sussex Enterprise;
 - Gatwick Diamond Initiative;
 - Gatwick Diamond Business Association
 - Surrey Connects;
 - Chambers of Commerce
 - Confederation of British Industry

- Institute of Directors
- Federation of Small Businesses
- Coastal West Sussex Partnership;
- West Sussex Rural Partnership;
- Surrey Collaborative Rural Economic Forum
- Sustrans
- Transport operators;
- Gatwick Airport Ltd;
- neighbouring LEPs and LTBs; and
- Other organisations as appropriate.

4. Local authority representatives on the Board must be senior or nominated elected members or their deputies. All local authority representatives should have delegated authority to be able to take decisions which might reasonably be expected of them during the LTB meetings. Members should use their best endeavours to be able to take most decisions during the meetings, reducing the number of decisions which would have to be referred back to their local authority.

5. Membership is to be reviewed at least every two years or when there is a request for a new member. District and borough councils and promoting organisations have an automatic right to attend for discussions about a scheme in their area. Guest organisations can be invited when a relevant topic is being discussed.

6. The voting members of the LTB are the Board – each has one vote. Decisions can only be reached by a majority of Board members. The Chairman does not have a casting vote. The London Borough of Croydon and East Sussex County Council will not be eligible to vote in decisions about allocation of funding which the board of the LTB decides is open only to schemes in the administrative areas of Brighton and Hove City Council & Hove, Surrey County Council and West Sussex County Council.

Conflicts of interest

7. Board members are expected to abide by the 'Nolan principles'.

8. Conflicts of interest will be managed by the respective processes for the Coast to Capital LEP or local authority. A local authority representative may speak and vote on issues that are of interest to his/her local authority, but may not speak or vote on issues where they have a personal and prejudicial interest. Alternative local authority representatives may be used in such cases.

9. Local authority representatives will abide by both the code of conduct for the LEP and their own authority's standards and codes of conduct.
10. Representatives will use their best endeavours to represent the area as a whole and not according to the sectorial or geographical interests of their member organisations.
11. The LTB will maintain a clear policy on gifts and hospitality, which is consistent both with Coast to Capital LEP policies and each local authority's policies. An elected member receiving a gift or hospitality as part of his/her LTB activity will register it both on the LTB register and also on their host organisation's register. The register will be maintained by Coast to Capital LEP in the administrative role supporting the Board.
12. All gifts, gratuities, facilities, entertainment, tickets to events, meals and benefits in kind from whatever source given or received by Board members or their family in connection with a relationship formed through LTB business will be recorded on the register unless the actual or estimated value is negligible (less than £10).
13. A register of interests will be maintained by the LTB and Board members will be asked to declare any personal and prejudicial interests at Board meetings through the "Declaration of Interests" agenda item.

Governance

14. The LTB is a formal partnership, the status of which may be amended with the agreement of all Board members.
15. The accountable body for the Coast to Capital Transport Body will be West Sussex County Council.
16. The primary responsibilities of the accountable body shall be;
 - to hold the devolved major scheme funding; and
 - to make payments to local authorities and others as directed by the Board.
17. The accountable body will hold these funds in such a way that they are separately identifiable from the authority's own funds and provide financial statements to the LTB as required.

18. The accountable body will be responsible for:
 - ensuring that the decisions and activities of the LTB conform with legal requirements with regard to equalities, environmental, EU issues etc;
 - ensuring (through their Chief Finance Officer) that the funds are used appropriately;
 - ensuring that the LTB assurance framework as approved by the Department for Transport (DfT) is being adhered to;
 - maintaining the official record of LTB proceedings and holding all LTB documents; and

19. The operation of the Board and Annual Conference will be governed by Terms of Reference which will be agreed and signed by all members of the Board.

20. Legal responsibility for decisions made by the Board of Coast to Capital shall rest with the accountable body, subject to any risk and cost-sharing agreement agreed between the Board members.

21. An independent audit will be carried out annually and submitted to the Board, Coast to Capital LEP Board and the DfT.

The role of the LTB

22. The role of the LTB shall be as defined by a regular letter of delegation from the Board of Coast to Capital. Subject to that letter, the LTB's role is to:
 - advise the Coast to Capital LEP Board and its nominated committees about the policy and other objectives that transport schemes should meet;
 - invite local authorities and others to propose schemes that meet those objectives;
 - take decisions on which transport schemes should be funded within the available budget;
 - take decisions about the transport priorities in the London Borough of Croydon which would be supported for funding by Transport for London
 - ensure that the successful schemes meet the stated policy objectives and offer good value for money;
 - make decisions on individual scheme approvals, investment decision-making and the release of funding, including scrutiny of individual business cases;
 - monitor progress of scheme delivery and spend;
 - actively manage the devolved budget and programme to respond to various circumstances e.g changes proposed by the DfT or alterations to spending profiles;

- report progress regularly to the Board of Coast to Capital LEP, member organisations, the DfT and other stakeholders;
- maintain awareness of central Government initiatives and processes which are pertinent to its role;
- regularly review its operation to ensure that it remains fit for purpose;
- provide broad support to transport projects and initiatives being delivered by member organisations; and
- carry out any other relevant functions as required by its member organisations (and if agreed by the Boards of the LEP and LTB).

23. The LTB will agree with the Coast to Capital LEP Board an approach to investment which is consistent with Government policy and will be used to guide investment decisions.

Resources and operating costs

24. The costs of operating the LTB may be met by a management fee levied on scheme proposers to be paid on submission of outline business cases. If a fee is applied, the LTB will agree the schedule of fees on an annual basis and will approve a budget for each financial year. The LTB will receive reports on how the budget has been spent. The LTB will set the annual budget to ensure that there are sufficient resources to operate the LTB according to this assurance framework. Independent audit of the use of the fees collected will be provided by the auditors used by the accountable body.

25. Where appropriate and by agreement between the Board members, member organisations may provide resources and services in kind to support the work and activities of the LTB.

Meetings

26. The LTB will define its own schedule of meetings according to need. Meetings may be either held in public or in private, depending on the subject matter under consideration.

27. Decisions on the recommended prioritisation of individual schemes, a scheme programme and funding allocations must be made in a public meeting. The intention to hold the meeting should be advertised one month in advance. Papers should be available two weeks in advance of the meeting.

28. The Board may agree to amend these deadlines in exceptional circumstances – for example, if there is a need to withdraw funding from a scheme or to approve funding to meet a short deadline imposed by the Government.

29. A standing conference will be convened annually in the autumn to help determine strategic direction for the year ahead and to discuss the LTB with key stakeholders. Arrangements for the standing conference will broadly follow the same protocols as Board meetings (outlined above).

Publicity and information

30. Subject to decisions around commercial and other types of confidentiality, the LTB will publish (or provide suitable links to):

- meeting papers and minutes;
- scheme business cases and evaluation reports;
- funding decision letters;
- regular programme updates;
- the rationale behind funding decisions and other key decisions; and
- scheme evaluation reports.

31. Scheme promoters will be expected to undertake consultation prior to irreversible funding decisions and present key findings from the consultation to the Board when funding recommendation decisions are made.

32. Members of the public and other stakeholders will be given guidance on how they can provide input to the decision-making process. A guide will be published on the LTB webpage explaining how to get involved. Papers relating to funding decisions will refer to comments received from the public and stakeholders.

33. The LTB will also make arrangements for allowing parties with an interest to speak at public meetings.

34. The LTB will adhere to the Local Government Transparency Code.

35. The LTB will publish a statement of its approach when making major investment recommendations.

36. Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests will be dealt with in accordance with relevant legislation which will be considered to apply to the LTB. Where the information requested relates to a specific

scheme, this will be handled by the scheme promoter in accordance with their own established protocols.

37. The LTB will have a dedicated web page on the Coast to Capital web site which will include guidance on how to access information about schemes, recommendations and decisions. The web page will also give guidance on whistle-blowing and complaints.

Scheme prioritisation

38. The LTB will use the DfT's Early Assessment and Sifting Tool, or a similar tool, to ensure that the prioritisation process is informed by robust and comparable evidence. The prioritisation process will include consideration of value for money, deliverability, environmental, social and distributional impacts. The methodology will be published once this has been agreed by the Board.

39. The LTB will meet neighbouring LTBs on an annual basis to explore the potential for collaborative working. Neighbouring LTBs will also be consulted about schemes which may affect them.

Funding

40. Funding will be provided for individual and indivisible schemes or for coherent packages of closely-related schemes. Funding will not be provided for unspecified or loosely-defined uses. Funding for transport projects in the London Borough of Croydon will be sought from TfL, the London Growth Fund and other non-Local Growth Fund sources. Funding for schemes in Lewes District can only be put to either the Coast to Capital LTB and LEP OR the South East LEP and may not be proposed for funding to both.

41. All funding claims must be signed as true and accurate by the scheme promoter's Chief Finance Officer.

42. Subject to availability, funding may be provided as either revenue or capital funding. Where funding is provided for capital schemes the meaning of the word "capital" shall be as defined by the Chartered Institute of Public Finance and Accountancy (CIPFA). Only costs incurred in relation to schemes by the scheme proposer after the commitment to fund is made can be claimed.

43. Funding letters will form the basis of an agreement between Coast to Capital LEP and the scheme promoter and where appropriate (such as Conditional

Approval), this will include details of any conditions which must be met before funding can be claimed. Funding letters will be signed on behalf of Coast to Capital LEP by the Chairman and must be co-signed by the Senior Responsible Officer of the scheme promoter. Funding letters will specify funding levels and, where appropriate, funding conditions agreed by the LTB.

44. To maximise the value for money of its investments, the LTB will encourage scheme promoters to provide a local contribution towards scheme costs. The contribution provided by the LTB will provide the basis for assessments of value for money.

Scheme assessment

45. Every individual scheme approval recommendation made by the LTB will be supported by an assessment of the scheme carried out by an independent assessor; a named person who is suitably qualified and experienced and familiar with all relevant DfT guidance.

46. Coast to Capital LEP and the LTB will appoint one or more independent assessors who will report to the LEP and LTB and will not have a prejudicial interest in any of the schemes under consideration.

47. It will be the role of the independent assessor to provide an impartial report for each scheme advising on issues including:

- whether the scheme has complied with the guidance produced by Coast to Capital LEP and the LTB, especially the scheme's contribution to economic growth;
- The extent to which the scheme provides good value for money, as defined by the Department for Transport; and
- The deliverability of the scheme and any risks or barriers to delivery.

48. The reports produced by the independent assessor will be provided to the promoting authority to enable them to make changes and improvements to their business cases.

49. The reports will also be published on the Coast to Capital website for public viewing.

50. When considering a scheme and making recommendations about the awarding of funding, the Board of the LTB will be presented with:

- The promoting authority's business case (including Appraisal Summary Table);
- The results of consultation (including executive summary where appropriate);
- The report of the independent assessor; and
- A value for money statement produced by the LEP.

51. The LTB will aim to keep administrative costs to a minimum, whilst ensuring value for money and sound governance. This will ensure that the funding is focused on delivering transport schemes.

52. To achieve this, the LTB will seek to streamline the procedures and give constant feedback to scheme promoters about the likelihood of their schemes receiving funding. A system of gateways will be used to ensure that schemes:

- meet the policy criteria of the Coast to Capital Strategic Economic Plan.
- offer good value for money; and
- have the necessary planning permissions, if required.

53. The approval process will include the following stages:

- **Future programme (FP)** – in principle support and confirmation of indicative start date, subject to successful completion of a business case.
- **Programme entry (PE)** – business case approved subject to completion of statutory processes (e.g. planning permission, traffic regulations orders etc).
- **Conditional approval (CA)** – funding awarded subject to conditions where statutory processes are still outstanding.
- **Full approval (FA)** – funding awarded.

54. Individual scheme business cases will meet the requirements of the DfT's Transport Business Case guidance. Compliance with this will be assessed by the independent assessor and reported to the board of the LTB.

55. Scheme appraisals will be proportionate to the LTB contribution. Large scheme assessments will be carried out in accordance with the guidance published in WebTAG. Central case assessments will be based on forecasts which are consistent with the National Trip End Model. Compliance with these requirements will be assessed by the independent assessor designated for each scheme. The level of compliance will be reported as part of scheme consideration.

56. External modelling and assessment of schemes will be considered on a scheme by scheme basis – for example, for particularly costly or controversial schemes.

Small schemes

57. The LTB may agree a reduced level of assessment for small schemes (for example those costing less than £5 million including local contributions) and/or for schemes which are for a specified purpose, such as sustainability packages and resilience schemes. Such schemes could have reduced business cases and shorter consultation periods if the LTB is satisfied that the requirements applying to larger schemes would be disproportionate.

Value for money assessments

58. The LEP, guided by advice from the independent assessor, will produce a value for money assessment of each scheme at each approval stage where funding decisions or recommendations are being made. Each value for money statement will be signed as true and accurate by the Chief Executive of Coast to Capital, or in the case of potential conflicts of interest another senior officer or Coast to Capital LEP board member.

59. In all cases, the individuals producing and signing off the value for money statement will be independent of the promoting authority or authorities of the scheme in question.

60. Value for money statements will be published on the Coast to Capital website and will be made available to the board of the LTB during its formal meetings.

61. The LTB will only fund schemes which offer high value for money (i.e. greater than 2:1), except in limited circumstances. The limited circumstances could include:

- schemes which form part of a wider package or initiative which would have a high value for money assessment;
- schemes which are innovative or which trial new techniques;
- where the benefits of the schemes are not adequately captured by conventional assessment techniques; and
- where the interventions could help to maintain or grow unquantifiable business or consumer confidence in the area, and so lead to economic growth.

62. Where a proposed scheme does not offer high value for money, it will be for the promoting authority to demonstrate that there is a compelling need for the scheme to be funded. The promoting authority should provide suitable evidence of the need for the scheme and of any harm or dis-benefits that might occur if the scheme is not approved. This evidence will be considered by the independent assessor and the LTB officers when producing the value for money statement for that scheme. Their assessment of the scheme will be published and laid before the LTB in the usual way.

63. As low value for money schemes are likely to be exceptional, it is not possible or desirable to stipulate which additional evidence or assessments may be needed for each scheme. Individual cases will be considered on their merits.

Monitoring and evaluation

64. Requirements for regular and effective monitoring and evaluation will form part of the offer of funding to successful bidders. Scheme evaluations will follow DfT guidance on evaluation of local major schemes and be published. Schemes will not be accepted for funding if their promoters do not agree to meet the requirements in a funding letter.

65. The evaluation and monitoring of the scheme will be assessed by the agreed independent assessor of each scheme (see above).

66. The results of evaluation and monitoring will be published on the Coast to Capital website. They will be reviewed by LEP officers and the independent assessor to ensure independence from scheme promoters and the LTB.

Consultation

67. Except where commercially sensitive, business cases will be published as part of the decision-making process – see discussion of public meetings above.

68. Opinions expressed by the public and stakeholders will be made available to LTB members when decisions are being taken.

69. Except where otherwise agreed, the consultation period shall be one month.

Cost increases

70. The funding of cost increases will be considered on a case by case basis. As a general rule, the LTB will expect promoters to bear cost increases that could reasonably be considered to be within their control. The LTB may recommend the funding of cost increases, for example, where the reason for the cost increase could not realistically have been expected, such as a change in legislation or scope of the

project.

Funding accountability

71. Chief Finance Officer sign-off of the accuracy of business cases is mandatory.

72. Other than in exceptional circumstances, funding will be provided in arrears. Where funding is provided in advance of works being carried out or costs incurred, the funding letter will stipulate conditions to ensure that funds can only be spent on a specified scheme or schemes. As the release of funds in advance of costs being incurred will be rare, each case will be considered on its merits.

Risk Management

73. Risks will be managed to minimise the likelihood and impact of those risks occurring. To support this, a full risk register will be kept which will include details of the risks identified, their potential impact and likelihood, suitable mitigation measures and assigned responsibilities. The risk register will be reviewed in advance of each Board meeting using a traffic light system. Where a change is identified through the review process, this will be reported at the next Board meeting.