



From: Tim Wates, Chairman, Coast to Capital Local Enterprise Partnership

To: Councillor Pieter Montyn, Chair of the Coast to Capital Local Transport Body

8th December 2014

COAST TO CAPITAL TRANSPORT SCHEMES: LETTER OF DELEGATION

This letter invites the Local Transport Body to assume responsibility for decisions on the allocation of funds to local transport schemes.

We are very grateful to the Local Transport Body (LTB) for the work that it has done so far to establish the funding mechanism for local transport schemes supported by the Local Growth Fund. This work has helped to develop sound and effective arrangements for open decision-making. The Government has recognised the strength of these arrangements and the way that the LEP and LTB have worked in partnership. This has helped us to secure more flexibilities than some other LEPs and may also have contributed to the amount of funding that the Government has allocated to us.

General principles

Subject to the conditions in this letter, we now ask the Local Transport Body (LTB) to take decisions about allocation of funds to individual transport schemes. These funds are being allocated to Coast to Capital Local enterprise Partnership, and through this letter the Coast to Capital Board is formally delegating certain responsibilities and accountability for the funding to the Local Transport Body.

The Local Transport Body has agreed an Assurance Framework with the Department for Transport and this should form the basis for the LTB's project appraisal and decision making in relation to the funding which has been made available and which is being delegated to the LTB. The Assurance Framework may require amendment from time to time. Any changes to the Framework should be jointly agreed by the Coast to Capital Board and LTB.

The funding that has been allocated to us has been on the basis of the Strategic Economic Plan. We would therefore ask the LTB to prioritise those schemes and interventions which best meet the objectives, principles and policies of the Strategic Economic Plan. Our goal is to promote economic growth, to facilitate new jobs and protect existing jobs, and to encourage sustainable development of both housing and employment floor space.

As a general rule, we would expect that the schemes to be funded will be those already mentioned in the Strategic Economic Plan or close variants of those schemes.

Successful schemes should be deliverable, realistic and effective. They should provide good value for money.

Decisions about whether to fund schemes should be taken after a thorough assessment of business cases which are produced in accordance with Government guidelines. The Local Transport Body should produce guidance for promoting authorities on an appropriate level of detail to include in business cases.

It is of critical importance that we collectively demonstrate an ability to deliver. That will help to build our credibility with Government and with partners and could lead to higher levels of investment in the future. The Coast to Capital Board expects the Local Transport Body and partners to deliver in full the funding allocated in 2015/16 and securing the planned improvements. The Local Transport Body must raise with the Coast to Capital Board as an issue of urgency any risks that the funding delegated will not be delivered.

The delegated funding

In the Growth Deal announced in July 2014, the Government agreed to provide funding for a number of individual named transport schemes. This funding is conditional on the promoters of those schemes providing a satisfactory business case and meeting all normal requirements for planning and consultation.

There are five elements of funding which the Coast to Capital Board is delegating to the LTB:

- LTB Funding allocated in 2013 and reconfirmed in the July 2014 Growth Deal
- Specific funding for named major schemes included in the Strategic Economic Plan
- A package of funding for Sustainable Transport schemes set out in the Strategic Economic Plan
- A package of funding for Transport Resilience schemes set out in the Strategic Economic Plan.
- Indicative funding for schemes which will be delivered in 2016/17 or later.

LTB 2013 funding

The schemes for which conditional funding has been offered, and the total funding allocations, are:

	Total LGF contribution	Amount of LGF to be spent in 2015/16	Total local match funding contribution	Expected outcomes
A 284 Lyminster By-Pass, East Arun	£3,000,000	£0	£8,505,000	4,695 jobs 2,600 homes
A259 East Arun	£7,500,000	£125,000	£8,150,000	27, 370 sqm
Valley Gardens Phase 1&2	£8,000,000	£4,000,000	£1,600,000	
Epsom Plan E	£2,160,000	£296,000	£540,000	635 homes
Wider Network benefits Surrey	£2,400,000	£1,200,000	£600,000	

Growth Deal Major Funding

The LTB will be responsible for progressing and delivering the major projects listed below from the Growth Deal

	Link to SEP Strategic Priorities	Total LGF Funding	Amount of LGF to be spent in 2015/16	Total local match funding contribution and leverage	Expected outcomes
A29 Realignment	Part of a much wider programme for Enterprise Bognor Regis and associated housing development	£13,000,000	£655,000	£17,000,000	4,821 jobs 2,000 homes 140,500 sqm [From the whole EBR and associated schemes]
Crawley Area Transport Package	Redevelopment of Crawley town centre, station and access routes into the town. Enhancement of Manor Royal as a primary business location. Levering the economic impact of Gatwick Airport.	£18,100,000	£2,600,000	£25,000,000	400 jobs 808 homes 14,330 SQM (from this scheme alone)

Promoting authorities should now develop the business cases for both the LTB 2013 schemes and the newly allocated major schemes, following the guidance produced by the Local Transport Body and the Department for Transport.

We invite the Local Transport Body to assess those business cases according to the decision-making processes established in the Assurance Framework. It will be for the Local Transport Body to decide whether the promoters have produced a satisfactory business case for each scheme and whether the conditional funding can be released. In making a decision on the submitted business cases, the LTB should meet any obligations for such decisions to be made at a meeting held in public.

The Local Transport Body may wish to attach conditions to its funding decisions, for example to ensure that there are sound governance or delivery arrangements for a specific scheme.

Because the Government has identified specific funding for each scheme, the decision which the LTB will take is whether each scheme should be funded or not. Unlike the sustainability and resilience

schemes (described below) these specific schemes do not need to be compared against each other. Funding is ring-fenced for each scheme.

The Coast to Capital Board is also delegating to the LTB oversight of delivery of the projects and for ensuring that funding allocated for 15/16 is fully spent. If there proves to be slippage in delivery in 15/16, the LTB should not reallocate the funding for these schemes without seeking the approval of the Coast to Capital Board and reallocation will normally only be approved to other schemes which are part of the same strategic purpose and/or location for which the funding was allocated.

Sustainable transport funding

The Government has provided Local Growth Funding for sustainability schemes:

	Total LGF funding	Amount of LGF to be spent in 2015/16	Total Local Match Funding Contribution
Sustainable Transport	£31,700,000	£3,700,000	£10,000,000

We now ask the Local Transport Body to allocate these funds to suitable schemes.

The LTB will be responsible for:

- Implementing an open and transparent process to select the schemes that will be funded, drawing on the list of eligible schemes as put forward in the Strategic Economic Plan
- Taking the selected schemes through the Assurance Framework as agreed with DfT. The LTB may also wish to make special arrangements for the first year of funding given the short timescales involved.
- Overseeing delivery of the schemes which pass the Assurance stage
- Reporting on a regular basis to the Coast to Capital Board

In selecting the schemes to be funded the LTB should have regard to the following criteria:

- Criteria set out in the Assurance Framework agreed with Department for Transport
- The schemes must be selected from those included in the Strategic Economic Plan March 2014 and included here as Annex 1 or close variants of them.
- Schemes which are certain to deliver in 2015/16
- Schemes which fall in the seven strategic priority areas (excluding Croydon and Newhaven) as set out in the SEP:
 - o Burgess Hill
 - o Heart of the Gatwick Diamond (Horsham & Crawley)
 - o East Surrey M25 Corridor
 - o Coastal Corridor
 - o Shoreham Harbour and Airport
 - o Brighton Centre
 - o Enterprise Bognor Regis
- Schemes which deliver the greatest economic impact in terms of new jobs, new homes or new employment space

- Schemes which have the highest levels of direct match funding and indirect leverage from both the public and private sector
- Schemes which deliver the highest value for money

Transport Resilience

	Total LGF Funding	Amount of LGF to be spent in 2015/16	Total Local Match Funding Contribution
Transport resilience	£30,900,000	£5,500,000	£5,000,000

We now ask the Local Transport Body to allocate these funds to suitable schemes.

The LTB will be responsible for:

- Implementing an open and transparent process to select the schemes that will be funded, drawing on the list of eligible schemes as put forward in the Strategic Economic Plan
- Taking the selected schemes through the Assurance Framework as agreed with DfT. The LTB may also wish to make special arrangements for the first year of funding given the short timescales involved.
- Overseeing delivery of the schemes which pass the Assurance stage
- Reporting on a regular basis to the Coast to Capital Board

In selecting the schemes to be funded the LTB should have regard to the following criteria:

- Criteria set out in the Assurance Framework agreed with Department for Transport
- The schemes must be selected from those included in the Strategic Economic Plan March 2014 and here set out in [Annex 2](#) or close variants of them.
- Schemes which are certain to deliver in 2015/16
- Schemes which have the highest levels of direct match funding and indirect leverage from both the public and private sector
- Schemes which deliver the highest value for money
- Schemes which deliver the greatest economic impact in terms of new jobs, new homes or new employment space

Indicative funding for schemes which will be delivered in 2016/17 or later

The Government has made an indicative allocation of funding for schemes which will start in 2016/17 or later:

	Total	Total Local Match Funding Contribution
Valley Gardens Phase 3	£6,000,000	£1,250,000
Newhaven Port Access Road	£10,000,000	£13,000,000

The promoting authorities should now develop the business cases for this scheme following the guidance produced by the Local Transport Body and the Department for Transport.

In the case of Newhaven Port Access Road the LTB may wish to note that the funding is ring-fenced to that scheme and will also be subject to additional input from the Department of Transport during the appraisal process. The outcome of the appraisal process for this scheme will have no impact on the funding available for any other scheme promoted by the LTB.

We invite the Local Transport Body to assess the business case according to the decision-making processes established in the Assurance Framework. It will be for the Local Transport Body to decide whether the promoters have produced a satisfactory business case for the scheme and whether the conditional funding can be released. In making a decision on the submitted business cases, the LTB should meet any obligations for such decisions to be made at a meeting held in public.

Programme management

Once a scheme has been accepted for funding, the LTB will oversee the management of the ongoing funding for that scheme.

West Sussex County Council will act as the accountable body for both Coast to Capital and the Local Transport Body.

The release of funding will be authorised by the LTB by providing to West Sussex County Council:

- A decision note authorising the allocation of funding signed by the Chair of the LTB and a Director of Coast to Capital
- Evidence that a business case has been completed which meets the DfT requirements and is approved by the LTB
- A schedule of payments as agreed by the LTB and proposing authority, being no more than two payments per year
- Details of to where the payments are to be made (organisation name, bank details etc)

Other than in exceptional circumstances, funding will be provided in arrears.

Flexibility

The LTB will have flexibility to re-allocate within the sustainability and resilience packages, keeping within the overall funding amounts, within the schemes set out in the SEP, and in line with the criteria set out above, keeping the LEP informed of any changes. If the LTB believes there is a need to include a scheme that is not in the SEP then the agreement of the LEP Board should be sought.

Major changes to the programme are outside the scope of this delegation letter. They would need to be agreed with Coast to Capital and with the Government.

Over-programming

LTB should use its judgement to over-programme to ensure the funding allocated for sustainability and resilience for 15/16 is used in full.

Monitoring and reporting

We would ask that you monitor progress against the agreed programme and provide the Board of Coast to Capital with quarterly reports against the agreed delivery schedule for each project and an annual report of the LTB's decisions and activities.

The LTB must report as a matter of urgency, and in any case no later than 4 weeks after the matter becomes known to the LTB or a proposing authority, if there is any risk that a project will not be delivered in 15/16 and a reallocation to other projects within the terms of this delegated authority is not possible.

Coast to Capital representation on the LTB

Martin Heffer will be the Coast to Capital Board's representative on the Local Transport Body. His role will be to represent the LEP, to provide a point of contact between Coast to Capital and the LTB and to help ensure that this delegation meets the needs of both the promoting authorities and Coast to Capital.

I would be grateful if you would confirm that the Local Transport Body is happy to accept the delegation of responsibility as outlined in this letter.

Signed

Tim Wates

Chairman, Coast to Capital

Signed

Pieter Montyn

Chairman, Local Transport Body

Annex 1: Eligible Sustainable Transport Schemes as included in the Strategic Economic Plan March 2014.

Rural economy destinations support package	West Sussex
Cycle Ambition Network	Brighton
Sustainable transport package	Brighton
Shoreham STP	West Sussex
Burgess Hill STP	West Sussex
Arun Valley Line station improvements	West Sussex
Chichester STP	West Sussex
Worthing STP	West Sussex
NCN2 strategic cycle route package	West Sussex
Horsham STP	West Sussex
East Grinstead STP	West Sussex
Hayward's Heath STP	West Sussex
Ewell & Stoneleigh package	Surrey
Banstead, Epsom and Ewell STP	Surrey
A240 corridor	Surrey
Wider Leatherhead STP	Surrey
Dorking package	Surrey
Greater Redhill STP	Surrey
Reigate Road network Improvements	Surrey
A23 corridor programme	Surrey
A217 corridor programme	Surrey
A25 corridor	Surrey
A22 corridor & Caterham	Surrey
Rural economic support scheme	Surrey

Annex 2: Transport Resilience Schemes as included in the Strategic Economic Plan March 2014.

ITS traffic management package	West Sussex
ITS package	Brighton
Principal road maintenance	Brighton
Seafront structures (Free Shelterhall)	Brighton
Flood Alleviation - A240 (north): E&E	Surrey
A24 corridor Holmwood to Surrey boundary	Surrey
Flood Alleviation- A24: Mole Valley	Surrey
Reigate & Banstead strategic improvements & maintenance	Surrey
Flood Alleviation- A23 (south of M25): R&B	Surrey
Flood Alleviation -A217 (north & south of M25): R&B	Surrey
A24 maintenance	Surrey
A22 maintenance	Surrey
A23 maintenance and resilience	Surrey
Flood Alleviation -A22 (north of M25): Tandridge	Surrey