

## **BERKSHIRE LOCAL TRANSPORT BODY (BLTB)**

**REPORT TO:** BLTB **DATE:** 14 November 2013

**CONTACT OFFICER:** Ruth Bagley, Chief Executive Slough Borough Council, lead  
Chief Executive to the BLTB

### **PART I**

#### **PROCUREMENT OF INDEPENDENT ASSESSMENT CONSULTANTS**

##### ***Purpose of Report***

1. To seek approval for further amendments to the BLTB Founding Document (part 3) in order to remedy the points made by the DfT in a letter dated 1 July 2013.
2. To report plans for a joint procurement of independent assessors with Buckinghamshire LTB.

##### ***Recommendation***

3. The BLTB are requested to resolve:
  - (a) That the proposed amendments to part 3 of Berkshire Local Transport Body's Assurance Framework be adopted; and
  - (b) That the intention to jointly procure independent assessors with Buckinghamshire LTB be noted.

##### ***Other Implications***

##### **Financial**

4. There are no direct financial implications associated with the proposed amendments to the Assurance Framework. The indirect implication is that delegation of the Local Major Scheme funds from the DfT to Berkshire LTB is contingent on the DfT's approval of part 3 of the Assurance Framework. The proposed amendments are intended to directly cure the shortcomings of the original draft of the Assurance Framework.
5. The LEP has identified a budget for paying the BLTB share of the fees of the independent assessors appointed as a result of the proposed joint procurement exercise with Buckinghamshire LTB. This comes from a government allocation of transport funds to LEPs in respect of their role in supporting and encouraging Strategic Transport initiatives. The BLTB share of the costs of the procurement exercise will be met by the LEP.
6. Slough Borough Council is the Accountable Body responsible for BLTB and has thus agreed to take on the responsibilities including legal advice, appropriate use of funds through Section 151 Officer, adherence to the Assurance Framework, maintaining official records of BLTB proceedings and overall responsibility for decisions taken in the case of legal challenge. Slough Borough Council will incur additional costs for some of these activities. Whilst the Council is able to accommodate some of the costs in kind, where there are significant cash costs, notably if there are costs to commission project bid evaluations, these costs will be shared.

## Risk Management

<b>Risk</b>	<b>Mitigating action</b>	<b>Opportunities</b>
<u>Legal</u> BLTB decisions or schemes challenged	Amendment to Assurance Framework to gain DfT approval. Accountable Authority ensures decisions adhere to Assurance Framework, and maintains records	Ensure good value for money and transparent decision making
<u>Financial</u> If Assurance Framework not approved by DfT, funding will not be released, and no funding available for major schemes	Approve amendments to Assurance Framework. Accountable body ensures adherence to Assurance Framework	Major scheme funding pooled across Berkshire to support transport schemes which deliver regional benefits
<u>Timetable for delivery</u> DfT letter issued July 2013: corrective action later than November 2013 would be tardy	Parts 1 and 2 of the Assurance Framework were submitted to DfT and approved. List of prioritised schemes was submitted by July 2013.	First use of independent assessors anticipated March 2014
<u>Project Capacity</u> Berkshire Authorities unable to resource original plan for mutual reviews	Revision to plans recognises the limited spare resources available to Berkshire authorities to undertake independent reviews. LEP resource is available.	Procurement will identify independent assessors

## Human Rights Act and Other Legal Implications

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

## **Supporting Information**

8. The [BTLB Assurance Framework \(known as the Founding Document in Berkshire\), parts 1 and 2](#) has been approved by the DfT.
9. Part 3 remains unapproved, and the DfT have identified the following points as requiring more detail:
  - a. LTB assessment of scheme appraisals
  - b. VfM statement produced
  - c. Sign off by named officer responsible
  - d. Mechanism to ensure monitoring and evaluation

In addition, two further advisory points have been identified:

- e. QA of business cases
- f. Ensuring that evaluation is published and reviewed

10. The full detail of the DfT commentary and recommendation is attached in the Appendix to this report.

11. The proposed BLTB response is set out below:

<b>DfT Item</b>	<b>Current Wording</b>	<b>Proposed Wording</b>
LTB assessment of scheme appraisals	<p>15. Each council will be invited to nominate one or more officers (or retained consultants) who will form a panel of independent assessors. This panel will include nominations from councils in neighbouring LTB areas. Each scheme that has reached Programme Entry stage and is being proposed for Full Approval will be subject to an independent assessment by a named individual drawn from this panel. Wherever possible we will appoint an independent assessor from a council outside the Thames Valley Berkshire area.</p>	<p>15. The TVB LEP will appoint consultants to perform the role of independent assessors. The appointment process will be a competitive tender. The procurement exercise will examine the credentials and capability of the bidders in respect of their: independence; their technical ability and their available resources. This will be tested against a specification which establishes the scope of the assessment, and the provision of post implementation evaluation.</p> <p>The report of the independent assessor will first be made available to promoting authority, and an opportunity will be provided for the promoter to make a response to the assessment. Before any scheme is recommended for financial approval, the independent assessor's report and any response from the promoter will be reported in full to the LTB, and through the publication of LTB meeting papers, to the wider public.</p>
VfM statement produced	<p>14. [extract] In addition, in order to demonstrate value for money, all schemes will be developed in accordance with current WebTAG guidance published by DfT, and this assessment will also be independently scrutinised.</p>	<p>14. [extract] In addition, in order to demonstrate value for money, all schemes will be developed in accordance with current WebTAG guidance published by DfT, and include a VfM statement signed by a senior responsible officer. Together, all the documents produced by the scheme promoters will be scrutinised by the independent assessors (see paragraph 15).</p>

DfT Item	Current Wording	Proposed Wording
Sign off by named officer responsible	14. [extract] Where a scheme can demonstrate high value for money and receive a positive assessment, and have this validated by the independent appraisal, it may become an Approved scheme.	14. [extract] Where a scheme can demonstrate high value for money and receive a positive assessment, and have this validated by the independent assessor, a report to this effect may be prepared for the LTB recommending approval, and this report must be signed off by the Chief Executive of the Accountable Body. Where the scheme is being promoted by the Accountable Body, this report must be signed off by the Chief Executive of another local authority.
Mechanism to ensure monitoring and evaluation	17. Evaluation (Guidance Paragraphs 76-77): Evaluation post implementation. An early task for the BLTB will be to define the evaluation process for schemes that move beyond approval and into delivery phase.	17. Evaluation (Guidance Paragraphs 76-77): Evaluation post implementation will be in accordance with DfT guidance. This will be conducted by the LTB's independent assessors. The LTB will publish an initial report based on data collected at least one year post scheme opening; and a final report based on both 'one year after' data and further data collected approximately five years after scheme opening.
QA of business cases	14. [extract] The scheme proposer will develop a full Transport Business Case in line with current DfT guidance and this will be subject to independent assessment	14: The scheme proposer will develop a full Transport Business Case in line with current DfT guidance and this will be presented to a meeting of the LTB. Following scrutiny and detailed consideration by the LTB, the scheme may be referred for independent assessment

DfT Item	Current Wording	Proposed Wording
Ensuring that evaluation is published and reviewed	17. Evaluation (Guidance Paragraphs 76-77): Evaluation post implementation. An early task for the BLTB will be to define the evaluation process for schemes that move beyond approval and into delivery phase.	17. Evaluation (Guidance Paragraphs 76-77): Evaluation post implementation will be in accordance with DfT guidance. This will be conducted by the LTB's independent assessors. The LTB will publish an initial report based on data collected at least one year post scheme opening; and a final report based on both 'one year after' data and further data collected approximately five years after scheme opening.

12. The proposed amendments to the Assurance Framework directly address the commentary and suggestions made by the DfT.
13. The main change to substance of the proposed scheme is to abandon the plan to conduct independent scheme assessments on a mutual basis within and between LTBs. The new proposal is to use some resources given to the LEP by Government to support the transport policy area to pay for independent consultants to provide this service, and post-scheme evaluation reports.
14. We will be working with Buckinghamshire LTB to jointly procure the services of competent and qualified consultancy that is independent of the seven transport authorities. We will use the TVB LEP procurement procedures, and an established public procurement Framework Agreement, such as the Homes and Communities Agency's Multi-disciplinary Panel: (OJEU notice number 2009/S 214-308983 August 2010 - August 2014).

### **Conclusion**

15. In order to access devolved major scheme funding, the DfT have indicated the further amendments they require to the Assurance Framework, and this report recommends that these changes are now made. It also notes the steps that will be taken to procure a consultancy to conduct independent assessments of scheme proposals, and evaluations of schemes post-delivery.

### **Appendices Attached**

- A – Letter from Mr Fidler (DfT dated 1 July 2013)  
 B – Detailed comments of the BLTB Assurance Framework

### **Background Paper**

[DfT Guidance for Local Transport Bodies November 2011](#) published by the DfT



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1 July 2013

Richard Tyndall  
Thames Valley Berkshire LTB  
By email

### **TV BERKSHIRE LTB ASSURANCE FRAMEWORK**

We are about to embark on an unprecedented transfer of funding and decision making on major capital transport schemes. This represents a historic opportunity for real local decision making.

An important step in the Department's plans is the setting up of assurance frameworks for Local Transport Bodies (LTBs). These frameworks are an important link in the chain of accountability back to Parliament and enable the Department to have confidence in the ability of LTBs to make sound decisions that will deliver value for money.

As you will know, the funding for local major transport schemes was confirmed this week as one of the funding streams that will be included in the new Single Local Growth Fund from 2015.

Details of precisely how that fund will work, and how the work of Local Transport Bodies will be integrated within it, will be set out in guidance on Local Growth Deals but our overriding aim will be to make any transition as seamless and sensible as possible.

In the meantime, however, we want to make sure that the momentum of delivery is maintained and that the devolution of major transport schemes funding proceeds as planned.

This, therefore, is the Department's formal response to your draft assurance framework submitted at the end of February. It has been agreed by Norman Baker, the local transport Minister

We intend to write again next week to confirm your funding allocation post 2015 and the details of the immediate next steps including publication of your prioritised lists in July.

If for any reason you think you will have difficulty in meeting the July deadline please contact the Department urgently, so that we may consider whether more time can be allowed. I should stress that we expect such cases to be very much the exception.

#### **Part 1 – Membership, governance and working arrangements**

I am pleased to confirm that you now satisfy all the requirements on the governance arrangements and structures for LTBs as set out in Part 1 of our guidance document.

The Department has therefore signed off Part 1 of your framework as set out in your draft dated February 2013, on the understanding that it incorporates the wording on legal responsibility for LTB decisions as contained in Richard Tyndall's email of 18 March, and incorporates the amendments set out in your Founding Document: Draft Addendum sent by Richard Tyndall on 13 June.

## **Part 2- Scheme prioritisation**

We appreciate you have already undertaken considerable work in progressing your prioritisation plans and developing your initial scheme programme. As we stressed in our guidance, prioritisation should be evidence based, robust and based on clear objectives.

I am pleased to say that we are now in a position to approve Part 2 of your framework, as set out in your draft of February 2013 and as supplemented by the proposal for the assessment of scheme decisions (sixth draft) sent by Richard Tyndall on 13 June 2013. This means you can now proceed with a decision to agree your prioritised scheme programme.

The prioritisation of schemes is a very important step. We have looked carefully at all LTBs' proposals for how this is to be done as we want to make sure that your decisions are grounded in rigour and sound evidence and that you are taking a fresh look at the urgent priorities of today and the future. We are sure that you will seize the opportunity to inject some innovative new thinking into this process, for example to look at corridor based solutions across modes, including low carbon and non-road solutions. We very much encourage cross boundary working with neighbouring LTBs and would like to reaffirm the expectation, set out in our previous guidance, that you will exercise caution when considering schemes that were previously rejected on value for money grounds.

## **Part 3 – Scheme Assessment and Investment Decisions**

We recognise that our requirements for scheme assessment and decision making, particularly on value for money, are complex and it is important that we help you to get these right. We are not yet in a position to approve Part 3 of your framework but will liaise further with you over the coming weeks and months.

As a start, we have attached our assessment of your framework against our value for money requirements to enable you to identify what further information you should include in your framework (note we have also provided some advisory comments attached at Annex B that it would be helpful for you to consider). In some cases, e.g. if there are only 1 or 2 areas that need to be addressed, then we would hope that these could be resolved through correspondence in the next month or so. For assurance frameworks where a significant number of areas are identified that require amendment, e.g. 4 or more, we would encourage you to discuss these with us before embarking on further work, although we would be happy to discuss the details of the assessment in any event. We would hope to resolve all outstanding issues by the autumn and we will work with you to achieve this aim. We will continue to do what we can to help LTBs get up to speed on business case scrutiny and value for money and we are already running workshops and will provide further guidance in this area in due course.

## **Finalising the frameworks for publication**

For the parts of your assurance framework that we have signed-off, you need to provide the Department with a version of what is intended to be published as the final signed-off version, incorporating the changes that you have already confirmed you will make, and including any additional material supplied, which should be embedded within, or attached to, your published assurance framework.

We recognise of course that many LTBs have already published their frameworks in draft but you should make clear on your websites which parts are the final signed-off versions and which are not.

**The Department's approval of any part of your framework is, of course, conditional upon the approved draft being formally agreed by all LTB member organisations.** If that has not already been done can you please arrange for that to happen and advise the Department accordingly. If that process raises any substantive issues that might delay sign off please let us know immediately.

**All subsequent changes to your framework will need to be submitted to the Department for approval.**

## **Publication of scheme lists in July 2013**

As you know, we asked for LTBs to finalise and publish their prioritised scheme lists by the end of July. Although we have not prescribed the format in which you should publish your information it would help the Department if you could submit to us the details of your prioritised schemes using the attached spreadsheet.

The submission of this information to the Department is for information only, to assist with financial profiling and understanding the use to which the funding will be put. I would stress that once Part 2 of your framework has been signed off you do not need to seek Departmental approval for the publication of your prioritised scheme list, nor for the selection of schemes within it.

## **Local engagement and transparency**

I am sure you would agree with the importance of local engagement and transparency in the activities of LTBs at all stages. We recognise that we set a tight timetable for the prioritisation work and that that has not allowed time for a formal consultation stage. We would therefore ask you, once you have published your prioritised lists, to ensure there is a process to allow proper public comment on the prioritisation process and outcome. **The Department's sign off of your part 2 is conditional upon such a process being undertaken.**

More widely, we trust that you will conduct your business with the full transparency that you have committed to in your assurance framework, and will make adequate provision for public involvement and engagement, including opening your meetings to the public and holding them in reasonably accessible locations.

I should also take this opportunity once again to emphasise the importance of evaluation. It is in all our interests to ensure that high quality evaluation is carried out in order to provide the evidence base for further spending rounds.



**Finally, I would be grateful if you would also confirm, if you have not already done so, your LTBs website address and public contact points.**

If you have any queries with the content of this letter please contact Lee Sambrook on 0207 944 6136.

I would like to thank you for your patience with the process but I know you will appreciate it is important that we have robust arrangements to ensure high quality and effective decision making arrangements are in place for all LTBs across the country.

Yours sincerely

**Stephen Fidler**  
**Head of Local Transport Funding, Growth & Delivery Division**

# Assurance Framework: Thames Valley Berkshire

# APPENDIX B

Req no	Para ref	Requirement	Rat-ing	Comments	Issue to be addressed
16c	69	LTB assessment of scheme appraisals	R	Para15 mentions establishment of panel of independent assessors including neighbouring LTBs. Each scheme subject to independent assessment by named individual where possible from outside Thames Valley area. No mention of the scope of nature of the assessment.	The AF needs to include details of how the LTB plans to ensure it has the capability and access to requisite skills/knowledge to undertake independent assessment e.g. commission consultants, train up officers within LTB or constituent authorities. It would also be helpful for the AF to include the following: A description of the scope of the assessment or how this will be determined in individual cases; How the results of independent assessment will be made available to promoting authorities and LTB members and the wider public; What mechanisms will be in place for acting on recommendations from the assessment process of scheme appraisals.
16d	69	QA of business cases	G	Insufficient details provided.	Helpful for the AF to include a clear statement covering: Governance arrangements for commissioning, monitoring and signing off scrutiny; Process for checking / seeking second opinion on conclusions / recommendations from scrutiny.
17a	70	vfm statement produced	R	No details included about VfM statements though may be subsumed in scrutiny provided by panel of assessors.	The AF should include a clear and unambiguous statement that all schemes considered for funding from Local Major Scheme allocations will have a VfM statement prepared. It should be clear that: <ul style="list-style-type: none"> <li>o The VfM statement should be produced by officers (or agents) working on behalf of the LTB (or produced by promoters and scrutinised by the LTB).</li> <li>o The VfM statement should be prepared in line with published DfT guidance on VfM.</li> </ul> The VfM statement must be presented to Decision Makers in reports/submissions to the LTB seeking approval.
17b	70	sign off by named officer responsible	R	VfM sign off officer not named	The AF should indicate the role/job title of the officer responsible for signing off the statement. Officer should be of appropriate seniority. Need to set out process for dealing with any potential conflicts of interest. Helpful to explain how the sign-off process will operate and be recorded.
19a	77	Mechanism to ensure monitoring and evaluation	R	Para 17 says an early task for the BLTB will be to define the evaluation process for schemes that move beyond approval and into delivery phase. No mention of monitoring guidance, resources or time period of reporting.	The AF should be clear that: A mechanism in place for identifying level of monitoring and evaluation for the scheme in accordance with DfT guidance; Resources are in place to deliver proposed monitoring and evaluation; An Initial report based on data collected at least one year post scheme opening will published; A final report based on both 'one year after; data and further data collected approximately five years after scheme opening published.
19b	77	Ensuring that evaluation is published and reviewed	G	Insufficient details provided.	Helpful for AF to commit to publication of Evaluation Plans and Reports.

Note: All Assurance Frameworks should ensure that core Value for Money assessments align with DfT procedures. Detailed guidance on Value for Money assessments will be released in the Summer/Autumn to fully clarify the process

Rating: G – Advisory; R – Needs to be addressed through issue of revised Assurance Framework