

Enterprise M3 Local Transport Body

Friday 6 March 2015

13.30 -15.30

Concord Room, Rushmoor Borough Council, Farnborough, GU14 7JU

AGENDA

1. **Introductions & Welcome**
Councillor John Furey – Surrey County Council – Chair EM3 LTB
2. **Apologies for Absence**
3. **Disclosure of Members' Interests**
4. **Minutes of Last Meeting and Matters Arising**
5. **Major Scheme Business Case for approval**
 - **A30/A331 Meadows Gyratory, Camberley**
6. **Major Scheme Business Case for information**
 - **Victoria Arch, Woking**
7. **Programme for development and production of future Scheme Business Cases**
8. **Update on Enterprise M3 LEP Strategic Economic Plan and funding for future transport projects**
9. **LTB Governance and Terms of Reference**
10. **Any Other Business**
11. **Date and Venue of Next Meeting – 25th June 2015 14.30 - 16.30 Runnymede Borough Council Offices, Addlestone**

Enterprise M3 Local Transport Body held on the 17th November 2014 at 10.00am
Wellington Room, The Castle, Hampshire County Council, Winchester, S023 8RY

Present

Local Transport Body (LTB) Board: Cllr John Furey (Chairman, Surrey CC), Cllr Seán Woodward, (Hampshire CC), Geoff French (Enterprise M3 LTB)

LTB Secretariat and LTA/LEP Officer representatives: Rachel Barker (Enterprise M3 LEP), Mike D'Alton (Parsons Brinckerhoff), Dominic McGrath (Hampshire CC), Lyndon Mendes (Surrey CC), Kathy Slack (Enterprise M3 LEP), Kevin Travers (Enterprise M3 LEP), Keith Willcox (Hampshire CC), David Wilson (Hampshire CC)

Apologies

Jason Russell (Surrey CC)

LTB Stakeholders – See Annex 1.

Introductions & Welcome

CLLR JOHN FUREY (LTB Chairman) opened the meeting and welcomed all those present. He highlighted that the timescales related to scheme development and delivery are very tight, but it is important that we meet them.

Disclosure of Members' Interests

CLLR JOHN FUREY (LTB Chairman) asked for any disclosures of interest and none were made.

Minutes of Last Meeting and Matters Arising

The minutes of the meeting of the Enterprise M3 Local Transport Body held on 14th July 2014 were agreed as an accurate record, other than a minor typographical error in the 4th paragraph of the second page, which should have read:

*GEOFF FRENCH (Enterprise M3 LEP) added that he didn't **wish** to undermine the existing strong partnership working and equally doesn't want things to have to be double counted.*

In future it was agreed that the pages of the minutes would be numbered. There were no other matters arising.

Governance and options for the role of the Local Transport Body going forward

KATHY SLACK (Enterprise M3 LEP) introduced the paper and circulated a diagram explaining the new structure of the LEP and how the LTB fits within this. She explained that in the short term she sees the LTB continuing its specific role of considering major transport schemes, but that this should be kept under review going forward.

CLLR SEÁN WOODWARD (Hampshire CC) considered that the LTB has an essential long term role in ensuring there is the correct level of political buy in and that it should be retained in the long term.

GEOFF FRENCH (Enterprise M3 LEP) supported the recommendation, that we continue as we are for the time being, but do need to review this. The general election next year could affect LEP geography, so it is right that there is no dramatic change at this stage. He acknowledged that currently the LTB is the only opportunity for the lead members responsible for transport in each of the local authorities to feed directly into the process.

CLLR JOHN FUREY (LTB Chairman) agreed that given the amount of decisions that need to be made in the short term, it is right not to alter the current structure at the moment.

The **RECOMMENDATION** that the LTB continues in its existing role in the short term and the Transport Action Group continues to review the options, in the light of the emerging wider LEP structure and reports back to the next meeting of the LTB **WAS AGREED**.

Major Scheme Business Cases for approval

KEVIN TRAVERS (EM3 LTB Lead Officer) introduced the paper detailing the full businesses cases submitted for the Basingstoke North East Corridor to Growth, the Basingstoke North Corridor to Growth and Runnymede Roundabout. He also explained the scrutiny process that had been carried out by independent transport consultants AECOM. The two promoting authorities then gave a presentation of each of the businesses cases for consideration by the LTB.

GEOFF FRENCH (Enterprise M3 LEP) considered that the business case for the two Basingstoke schemes was well presented and he believed that the schemes would deliver the capacity for economic growth that was being sought.

CLLR JOHN FUREY (LTB Chairman) sought clarity on the relationship between the LEP and AECOM.

MIKE D'ALTON (Chairman Transport Action Group) explained that they were independent and that the LEP had ensured that they were not involved directly in any of the business case preparation for the promoting authorities.

KATHY SLACK (Enterprise M3 LEP) said that she found the production of an independent report invaluable. She also highlighted that the main issue the scrutiny had identified was that the business cases hadn't been able to identify as strong linkages between the schemes and economic growth as she had hoped. This was partly because they had been developed for the LTB as transport focussed schemes and partly because the existing business case process did not tease out the wider economic benefits of schemes sufficiently. Going forward schemes will need to demonstrate a stronger relationship with economic growth.

KEITH WILLCOX (Hampshire CC) advised that this was the first time the newly developed North Hampshire model had been used to develop a business case. Following discussions with AECOM as part of the scrutiny process, the calibration of the model had been further refined to ensure that it is fully WebTAG compliant and can fully account for the economic benefits.

MIKE D'ALTON (Chairman Transport Action Group) asked what consideration had been given to the sequencing of construction of the Basingstoke schemes.

KEITH WILLCOX (Hampshire CC) advised that whilst the business case had been developed and appraised for the whole A33 corridor, it was intended that the work would be delivered as separate but complementary schemes to ensure that the impact of the works on Basingstoke was kept to a minimum.

KEVIN TRAVERS (EM3 LTB Lead Officer) advised that since the report had been drafted Surrey County Council had provided AECOM with further information with respect to the wider economic benefits of the Runnymede Roundabout scheme. AECOM had considered this further work and were now of the view that issues previously raised had now been addressed whereby additional calibration has been undertaken and reported. On that basis it was suggested that the LTB could consider recommending this scheme to the Programme Management Group.

The **RECOMMENDATION** that the LTB formally recommend to the Programme Management Group that expenditure be approved for the Basingstoke North East Corridor to Growth (£6.56m), Basingstoke North Corridor to Growth (£3.34m) and Runnymede Roundabout (£3.6m) **WAS AGREED.**

Programme for development and production of Scheme Business Cases

KEVIN TRAVERS (EM3 LTB Lead Officer) introduced the paper outlining the latest programme of business case submission to the LTB for 2015.

KATHY SLACK (Enterprise M3 LEP) emphasised the flexibility that we have to take schemes forward and how this might change depending on circumstances. For example the Farnborough Corridor to Growth had so far only been partially funded, so the LEP was likely to seek the balance of funding to complete the full scheme in the 2nd round of the Growth Deal. The success or not of this will impact on when the scheme is submitted to the LTB for consideration.

MAUREEN PULLEN (Department for Transport) also noted that the LEP has flexibility to move funding between approved schemes to maximise overall spend and delivery.

KEITH WILLCOX (Hampshire CC) advised that the programme for the Whitehill Bordon Relief Road was such that it may be possible to bring this to the LTB in July 2015.

CLLR JOHN FUREY (LTB Chairman) similarly advised that it may be possible to bring the consideration date for the Guildford Sustainable Transport Package and Guildford Gyratory forward.

LYNDON MENDES (Surrey CC) queried the total amount of funding identified for the Guildford Gyratory scheme.

KEVIN TRAVERS (EM3 LTB Lead Officer) confirmed this was correct and offered to send him an email explaining the derivation of the figure.

GEOFF FRENCH (Enterprise M3 LEP) considered that it would generally be advantageous to bring business cases to the LTB at the earliest possible opportunity, again to give maximum flexibility for delivery.

Update on the Enterprise M3 LEP Strategic Economic Plan and funding for other transport projects

KEVIN TRAVERS (EM3 LTB Lead Officer) introduced the paper explaining that whilst the LTB only had responsibility to consider major transport schemes, the LEP had also secured funding for smaller sustainable transport projects through the Local Growth Deal. He summarised the schemes the LEP was considering delivering through this programme in 2015/16. The programmes for future years would be developed in due course.

MAUREEN PULLEN (Department for Transport) advised that the Autumn Statement, due to be published in December, should give an high level indication of further funding allocated to the Local Growth Deal, with the detail of specific schemes and programmes being announced in January/February 2015.

KEITH WILLCOX (Hampshire CC) highlighted that expenditure on the sustainable transport programme was quite significant and that to deliver it required a disproportional level of resources, because of the nature of the schemes and the amount of coordination required with partners. This needs to be acknowledged by the LEP at a time when local authority resources are becoming increasingly stretched.

Any Other Business

None

Date of Next Meeting

The next meeting will be held on Friday 6th March 2015 13.30 – 15.30 at Rushmoor Borough Council Offices, Farnborough.

Annex 1

Stakeholders Present

Name	Organisation
Mark Lambert	Basingstoke & Deane Borough Council
Maureen Pullen	Department for Transport
Peter Sims	Runnymede Borough Council
Phil Marshall	Solent Transport
Phil Dominey	South West Trains
Mark Turner	Stagecoach
Mark Pearson	Surrey Connects
Annie Tomlinson	Test Valley Borough Council
Ernest Amoako	Woking Borough Council

Stakeholder Apologies

Name	Organisation
Graham Harmer	Arriva
Julia Potter	East Hampshire District Council
Graham Ellis	Hampshire Business Alliance
Ian Frost	Heathrow Airport Limited
Neil Andrew	Highways Agency
Jaime Rockhill	Network Rail
Nick Hunt	New Forest District Council
Jenny Rickard	Surrey Heath Borough Council
Jeni Jackson	Woking Borough Council
Tony Ewer	Yorktown & Watchmoor Park Business Association

ENTERPRISE M3 LOCAL TRANSPORT BODY

Report

Action:	Local Transport Body Members are asked to, AGREE the recommendations made in this paper
Date:	6 March 2015
Title:	Major Scheme Business Case for approval – A30/A331 Meadows Gyratory, Camberley
Reference:	Item 5
Report From:	Enterprise M3 Local Enterprise Partnership

Contact name: Kevin Travers

Tel: 01962 846856 **Email:** kevin.travers@enterprisem3.org.uk

1 Executive Summary

- 1.1 This report considers the next full business case submitted to the LTB, for A30/A331 Meadows Gyratory, Camberley. It summarises the scheme and outlines the independent scrutiny that has been carried out by consultants appointed by the LEP.
- 1.2 The Transport Action Group has considered the business case and the initial scrutiny and the overall conclusion is that the scheme has performed well in terms of the technical transport based assessment and has also demonstrated a contribution to wider economic benefits. The need for greater emphasis to be placed on these, which was highlighted for schemes in the previous round of assessments has been picked up.
- 1.3 Surrey County Council is addressing the outstanding issues highlighted in the scrutiny report. An update on this will be provided at the meeting which should enable the LTB to be able to recommend this scheme to the Programme Management Group for formal approval.

2 Background

- 2.1 The LTB has established a process whereby promoters of schemes that have been provisionally allocated LGF should submit completed full business cases to the LTB for further consideration. The first set of business cases for 3 schemes to be delivered in 2015/16 were submitted in September 2014. These were considered by the LTB in November and subsequently approved by the Programme Management Group and LEP Board.

- 2.2 The next business case, for a small project (costing between £3m and £5m) has now been submitted by Surrey County Council for improvements to the A30/A331 Meadows Gyratory, Camberley. The total cost of the scheme is £4.9m, with Local Growth Funding of £3,675 being sought; £2m in 2015/16 and £1.675m in 2017/18; the remaining £1.275m will come from local contributions.
- 2.3 In line with the agreed Assurance Framework, the business case has been subject to independent scrutiny and reviewed by the Transport Action Group, who have referred the scheme for consideration by the LTB.

3 Independent Scrutiny

- 3.1 One of the fundamental principles adopted by the LTB is that there is a clear distinction and adequate separation between scheme promoters and decision-makers. This is achieved through:
- a rigorous and objective scheme identification process;
 - a consistent, open and transparent prioritisation process;
 - opportunity for challenge through open forum;
 - Independent value for money statement following scrutiny of business case and WebTAG assessment;
 - Review of decision-making by the Chair of the Transport Action Group.
- 3.2 Independent scrutiny of the business case for each scheme is therefore an integral part of the process. The Transport Action Group has again commissioned transport consultants AECOM to carry out the independent assessment. The consultants were required to review the business case, so that the TAG and LTB could be confident that a robust process had been followed, that the scheme can be delivered as programmed and that it will achieve the outcomes expected.
- 3.3 In line with the priorities of the LEP and the feedback from the initial round of business case scrutiny, the review concentrated on demonstrating the linkages of the schemes to economic growth, employment and housing delivery.

4 A30/A331 Meadows Gyratory, Camberley - Proposal

- 4.1 The scheme is to improve the A30/A331 Meadows Gyratory junction to the west of Camberley, which serves as the primary access to the town centre and key employment areas, linking to the area south of the strategic road network and providing access to the M3 towards London and Southampton.
- 4.2 The Meadows Gyratory junction is acknowledged locally as a key location on both the local and strategic highway network, with capacity and congestion a regular issue.
- 4.3 The A30 provides direct access to Camberley town centre and also functions as a strategic corridor, linking to the A331 and the M3, and therefore accommodates both commuter and retail trips across the weekday and weekend peak periods. The A30 also acts as a strategic diversion route for the M25 between junctions 12 and 13.

- 4.4 The proposed scheme will provide a new direct link between the A30 (west) and A331 (south) to help maximise junction throughput. This will deliver both reduced journey time and increased journey time reliability, together with increased accessibility, encouraging modal shift and hence providing economic benefits to the local area.
- 4.5 The improvements will play a key role in addressing one of the key road infrastructure constraints in Camberley and unlocking the potential for investment in the local economy and job creation for the town centre and local business and industrial parks located adjacent to the Meadows.
- 4.6 The scheme is expected to enable 750 FTE jobs across various sites (540 FTE jobs at Camberley's vacant employment space; 210 FTE jobs at the London Road Revitalisation Area). An additional 1,000 transport and storage jobs could also be safeguarded.
- 4.7 The full business case for this scheme is appended as Annex 1 to this report and Surrey County Council will give a presentation of the proposal at the LTB meeting.

5 A30/A331 Meadows Gyratory, Camberley - Scrutiny

- 5.1 AECOM has reviewed the business case and raised comments and questions with the scheme promoter. At the time of drafting this report Surrey County Council hadn't fully responded to the points raised, so a verbal update on this will be provided to the LTB Meeting. Surrey County Council will also be given an opportunity to revise the business case in the light of this process.
- 5.2 Overall AECOM concluded that the scheme performs well in terms of the technical transport based assessment and also demonstrates a contribution to wider economic benefits. Their assessment focussed on the three key areas making up the business case; the Strategic Case, the Economic Case and the Financial Case. The points raised are summarised below and were considered by the Transport Action Group, who concluded that whilst it would be helpful if these were addressed, the TAG was confident that these issues were not fundamental and that a strong scheme was being proposed.
- 5.3 In relation to the Strategic Case their initial conclusion was that this required a more robust assessment of benefits and distribution. In particular there was no analysis regarding inter-peak journey times, impacts on other parts of the network/bottlenecks, distribution of benefits, nor the impact of induced/ generated demand. However, we believe that Surrey County Council has the necessary information to be able to address each of these concerns.
- 5.4 Within the Economic Case, AECOMs initial view was that the supporting evidence makes a strong case that the investment will support future investment in Camberley. However, more evidence would be useful to support the level of quantified benefits, in terms of new and safeguarded employment and growth generation, which are set out in the business case.
- 5.5 The financial case was considered sound. However it needed to be acknowledged how close the scheme is to £5m 'large' project threshold. If costs go over £5m, the categorisation of the scheme and procurement route will change, so it would be helpful if Surrey County Council could set out the implications of this risk.

5.6 The final point noted related to the very high reported Benefit Cost Ratio (BCR) of 33.06, and the Net Present Value (NPV) of £137.23 million. We have requested that Surrey County Council relook at these exceptionally high figures to assess whether they are realistic. In particular it would be helpful to consider the use of fixed demand assumptions in calculating benefits for a scheme claimed to directly or indirectly bring about substantial wider impacts (employment and housing), and the lack of any sensitivity tests.

6 Conclusion & Next Steps

6.1 The business case submitted is considered to be strong in terms of the transport benefits identified and also provides evidence of a contribution to wider economic benefits. Whilst the independent scrutiny has identified some issues, the Transport Action Group conclusion is that this is a strong scheme that will contribute to the LEPs economic objectives. A verbal update will be provided to the meeting of Surrey County Council's response to the points raised through the scrutiny, so the LTB can take a view on whether these issues have been adequately addressed and hence whether they wish to recommend that PMG support funding of this scheme.

7 Recommendation

7.1 To formally recommend to the Programme Management Group that expenditure from the Local Growth Fund be approved for the A30/A331 Meadows Gyratory, Camberley, subject to the issues highlighted through the independent scrutiny being adequately addressed.

Rpt/ref/KT/5/03/15

ENTERPRISE M3 LOCAL TRANSPORT BODY

Report

Action:	Local Transport Body Members are asked to, NOTE the contents of this paper
Date:	6 March 2015
Title:	Major Scheme Business Case for information – A30/A331 Victoria Arch, Woking
Reference:	Item 6
Report From:	Enterprise M3 Local Enterprise Partnership

Contact name: Kevin Travers

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1 Executive Summary

- 1.1 This report provides an update on the status of the business cases for the Victoria Arch, Woking proposal. It has been agreed that, given its wider focus, the scheme will be assessed as a regeneration, rather than a transport, scheme and hence be reported directly to the Programme Management Group.
- 1.2 This report therefore briefly summarises the key features of the scheme, outlines the independent scrutiny that has been carried out on the business case to date and the further work needed before the business case can be presented to the Programme Management Group.
- 2.1 The Local Growth Fund announcement in July 2014, included an award of funding totalling £7.5m towards Victoria Arch, Woking to help address a serious pinch-point in the centre of Woking, by constructing new pedestrian and cycling tunnels on one of Woking's main arterial routes. The proposal, which had initially been considered by the LTB in July 2013, was submitted by Surrey County Council as a transport improvement scheme.
- 2.2 The scheme has subsequently been developed by Woking Borough Council and although they have submitted a full transport business case, the Council has also requested that the scheme be considered in the context of a growth and regeneration scheme rather than as a transport improvement; and hence be appraised on this basis.
- 2.3 Woking Borough Council proposed the scheme as part of its commitment to growth in jobs and homes. The scheme is designed to support the improvement in the environment of Woking and the connectivity within the town that supports jobs and homes. Given this the full business case, which has been submitted, did not produce a positive cost/benefit ratio, when subject to a full transport appraisal.

- 2.4 The LEP accepts that this scheme is primarily a redevelopment project, albeit with a strong transport element, and should therefore be assessed in terms of its wider economic benefits. This is an issue that is common with a number of the schemes that are coming forward and as a result the LEPs appraisal of all schemes is shifting from consideration of the 'pure' transport economics to a wider appreciation of the economic benefits. The LEP has therefore agreed that given the wider nature of the scheme it is not necessary for the LTB to also appraise the proposal and it will therefore proceed directly to the next stage of the scrutiny process that will be consideration by the Programme Management Group (PMG).
- 2.5 However, given there remains a strong transport component to the scheme the business cases is still being subject to independent scrutiny carried out by consultants AECOM, and then reviewed by the Transport Action Group.

3 Victoria Arch, Woking – proposal and scrutiny

- 3.1 The scheme is to improve connectivity north and south of the railway line in Woking, by constructing two pedestrian and cycle tunnels through the railway embankment, and an additional lane for traffic through the existing tunnel to increase capacity and traffic flow.
- 3.2 The application makes clear that the scheme is not a highway scheme and, correspondingly, achieves a weak BCR (<1), rather it is to enable growth in jobs and homes. The scheme is expected to deliver 635 FTE jobs and safeguard a further 813 jobs, based on employee densities at Victoria Square, Altura and Victoria Way developments.
- 3.3 AECOM has reviewed the business case and have identified a number of issues that they have raised with Woking Borough Council. The Transport Action Group considered these and particularly felt that the business case needs to be more specific as to what outputs are directly attributable to the scheme in question, rather than overall redevelopment of Woking.
- 3.4 It is therefore proposed that a meeting is held between the LEP, Borough Council and AECOM to see how the scheme can be repackaged to demonstrate the wider economics benefits more strongly.

4 Conclusion & Next Steps

- 4.1 The consultants are working with the LEP and scheme promoters to establish how the business case can be presented to clearly demonstrate specific wider economic benefits, directly linked to the scheme. There remains some work to do before the business case can be presented to the Programme Management Group, so this may need to be delayed until their May meeting.

ENTERPRISE M3 LOCAL TRANSPORT BODY

Report

Action:	Local Transport Body Members are asked to, NOTE the contents of this paper
Date:	6 March 2015
Title:	Programme for development and production of future scheme business cases
Reference:	Item 7
Report From:	Enterprise M3 Local Enterprise Partnership

Contact name: Kevin Travers

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1. Proposed Programme of Business Case Development

- 1.1. This report outlines the future programme of business case submission to the LTB. In order to be able to meet the timescale to deliver the expected programme of capital schemes in 2015/16 and beyond, scheme promoters are continuing to develop business cases for schemes that have been provisionally approved funding through the Local Growth Fund.
- 1.2. The programme continues to be developed at risk because of the long lead in time needed to prepare schemes of this nature. The table below summarises the current forecasts from scheme promoters as to which business cases are likely to be submitted ahead of each LTB meeting. The programme is likely to be revised and developed as the design of each scheme is progressed.

LTB Meeting Date	Major Scheme Business Cases to be tabled	Planned Start of Works	Lead Promoting Local Transport Authority	Estimated package value
June 2015	Whitehill Bordon Relief Road – Phase 2	Spring/ Summer 16	HCC	£23m
November 2015	Basingstoke SW Corridor to Growth (Winchester Road and Thornycroft roundabout improvements)	Nov-16	HCC	£11.6m
	Farnborough Northern Corridor to Growth	Nov-16	HCC	£8m
	Guildford Sustainable Transport Package	Summer-16	SCC	£4.9m
	Guildford Gyratory	Summer-16	SCC	£3.8m
	Woking Station Multi-Modal Transport Interchange	Summer-16	SCC	£7.7m
tbc	Basingstoke SW Corridor to Growth (Brighton Hill roundabout)	2018/19	HCC	£5m
	Camberley Town Centre Highways Improvements	2016/17	SCC	£5m
N/A*	Clay Lane Link Road	Jan-16	GBC	£1.4m

* as the Clay Lane Link Road is less than £3m a full business case will not be required for this scheme and it will be considered by the Programme Management Group. Appropriate business case documentation is being developed.

Rpt/ref/KT7/03/15

ENTERPRISE M3 LOCAL TRANSPORT BODY

Report

Action:	Local Transport Body Members are asked to, NOTE the contents of this paper
Date:	6 March 2015
Title:	Update on Enterprise M3 LEP Strategic Economic Plan and funding for other transport projects
Reference:	Item 8
Report From:	Enterprise M3 Local Enterprise Partnership

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1. Executive Summary

1.1. This report provides details of additional transport schemes that were bid for through the second round of Growth Deals and those that the LEP was successful in securing funding for; these schemes will now be developed and brought forward. There remain a number of unfunded schemes that appear to meet the LEPs strategic objectives. The LEP will work with the promoters of these schemes to ready them for future funding opportunities when they arise.

2. Growth Deal 2

2.1. At the November meeting of the LTB it was reported that Government had indicated that there may be a small amount of 'top up' funding available for projects starting in 2016/17. However in the Autumn Statement on 3 December 2014, it was confirmed that the 'top up' funding would not be available, but that £1bn of outer years Local Growth Fund would be available for allocation, mostly in 2018/19. This would be allocated to specific projects, with LEPs receiving an overall funding allocation.

2.2. Government requested the LEP provide an overall list of our priorities, which was drawn from an exercise the LEP ran in late November, requesting outline information around further proposals from partners, together with schemes that had remained unfunded from the first round of the Local Growth Deal. We submitted a non-prioritised list of 15 projects, using high level information from proposers in order to assess eligibility and strategic fit with the Strategic Economic Plan. The total funding sought was £51m LGF.

2.3. The proposals related to transport that were submitted were as follows:

Project Name	Lead Organisation	LGF Request (£m)
Aldershot Railway Station Access & Interchange Improvements	Rushmoor BC	2
Basingstoke South-Western Corridor to Growth - Brighton Hill Roundabout	Hampshire CC	4
Camberley Town Centre Highways Improvements	Surrey CC	3.8
Junction Capacity Improvements in Farnborough on A325, A327 and A3011 Corridors	Hampshire CC	4.4
Staines Bridge Widening	Surrey CC	9.5
SARP/Clay Lane Link Road (Guildford)	Surrey CC	1

2.4. On 29th January Government announcement that Enterprise M3 had been awarded a further £29.9million of funding from the Government's Local Growth Fund allowing us to proceed with all the projects in the table above with the exception of the Staines Bridge widening proposal.

2.5. Specific funding allocations to individual schemes were not given and the LEP is in discussion with partners on the exact funding for projects to deliver the greatest economic benefits to the area.

2.6. The LEP will now work with the lead organisations for each of the schemes to put together a timescale for developing business cases for each of these schemes, which will then be presented to the LEP.

3. Development of Future Transport Schemes

3.1. There remains a significant number of transport related schemes from our call for proposals in November 2014 that are still unfunded.

3.2. The majority of these projects would potentially fit within the pipeline of future projects for the Local Growth Fund and we are working with the scheme promoters to ready these projects for any future funding opportunities and to better understand the relative priority for each of the schemes, their deliverability and their impact on the economy. There was however a few projects from an initial appraisal the LEP did not think demonstrate a strong enough fit with Enterprise M3's Strategic Economic Plan. In those instances the scheme promoter has been advised and no further development work will be carried out at this stage.

3.3. We expect further announcements about Growth Deal future funding following the election and will ensure that we have a pipeline of transport schemes to put forward in a future bid to government.

ENTERPRISE M3 LOCAL TRANSPORT BODY

Report

Action:	Local Transport Body Members are asked to, AGREE the recommendations made in this paper
Date:	6 March 2015
Title:	Local Transport Body Governance and Terms of Reference
Reference:	Item 9
Report From:	Enterprise M3 Local Enterprise Partnership

Contact name: Kevin Travers

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1. Executive Summary

- 1.1. This report explains the changing role of the Local Transport Body (LTB) and how this is impacted upon by recent changes to the wider governance of the LEP.
- 1.2. It explains how the role of the LTB is formalised within a new Assurance Framework that will cover the LEP's governance arrangements, relationship with the accountable body, and decision-making processes.
- 1.3. To complement the Assurance Framework a draft Terms of Reference for the LTB has been produced which focuses on the key activities of the LTB and how it is managed, prioritises major transport schemes and scrutinises business cases for each of the proposals.

2. LEP Assurance Framework

- 2.1. As previously reported the role of the Local Transport Body has changed since the funding for major transport infrastructure schemes has been included in the Local Growth Deal. At the meeting in November the LTB agreed that it should continue in its existing role in the short term and the Transport Action Group would review its role, in the light of the emerging wider LEP structure.
- 2.2. Enterprise M3 has carried out a review of its governance procedures to ensure that they are fit for its current role. This review was driven by the changing role of the LEPs and the increasing need for LEPs to focus on delivery.
- 2.3. In advance of the first tranche of Local Growth Fund being disbursed to LEPs in April 2015, government has requested that all LEPs agree assurance frameworks with their accountable bodies. These will cover the LEP's governance arrangements, relationship with the accountable body, and decision-making processes. The LEP

Board has decided to incorporate all aspects of governance into one assurance framework including the existing assurance framework agreed with the DfT for the LTB. So once the LEP assurance framework is in place it is proposed that this will supersede the existing LTB one.

- 2.4. The new assurance framework will fully recognise the role of the LTB in considering investment and priorities for major transport infrastructure. It formalises the new process where the LTB makes recommendations to the Board, via the Programme Management Group, and is advised and supported by the Transport Action Group.
- 2.5. The LEP Board is currently in the process of finalising the Assurance Framework and it will be signed off in advance of the Local Growth Fund money coming on stream in April 2015.

3. Local Transport Body Terms of Reference

- 3.1. The new Assurance Framework will formally recognise the role of the LTB as a sub-Group of the LEP. It also contains a short description of the LTB with specific focus on the roles of the LTB in terms of the governance of the Enterprise M3's funding streams.
- 3.2. However the Assurance Framework only provides a broad overview and assumes that the detailed workings and responsibility of the LTB, be contained in free standing Terms of Reference.
- 3.3. Draft Terms of Reference have therefore been put together and are included as Annex 1 to this report. These Terms of Reference focus on the key activities of the LTB but will need to be read in conjunction with the LEPs Assurance Framework, which provides the context for the LTB in terms of the overall governance and structure of the LEP. These are issues that were previously covered in the LTB Assurance Framework and none of these are repeated within the suggested Terms of Reference for the LTB. Instead the draft focuses on the following areas:
 - The role of the LTB
 - Membership and Terms of Office
 - Frequency and conduct of meetings
 - Prioritisation process and the criteria used for identifying major transport schemes
 - How scrutiny of transport business cases will be carried out
 - Evaluation and monitoring of the schemes that are delivered

4. Recommendations

- 4.1. That the draft Terms of Reference, appended to this report, be adopted by the LTB and included as an appendix to the LEPs Assurance Framework.
- 4.2. That the Terms of Reference are reviewed and updated on an annual basis.

Rpt/ref/KT/9/03/15