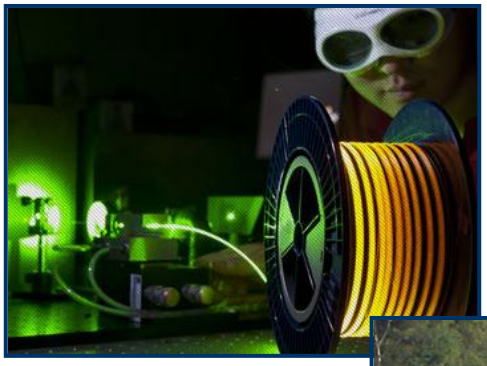
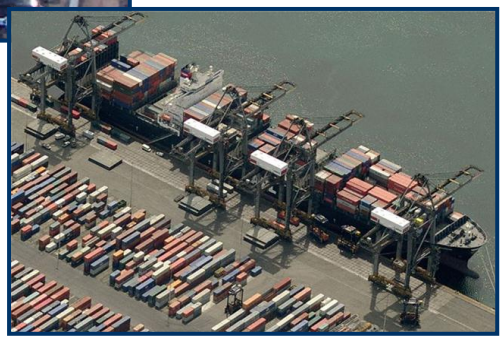
Solent Local Transport Body

Assurance Framework





Hampshire County Council

ISLE of WIGHT COUNCIL

Portsmouth CITY COUNCIL

push Partnership for Urban South Hampshire

SOLENT LOCAL ENTERPRISE PARTNERSHIP

SOUTHAMPTON CITY COUNCIL

CONTENTS

	Assurance Framework Signatories	**3**	
	Statement of Principles	**4**	
	Contact Details	**5**	
	Introduction	**6**	
Part 1:	**Purpose, Structure and Operating Principles**	**7**	
1.1	Name		7
1.2	Geography		7
1.3	Membership		7
1.4	Review		8
1.5	Voting Arrangements		8
1.6	Conflicts of Interest		8
1.7	Gifts and Hospitality		9
1.8	Status and Role of Accountable Body		9
1.9	Audit and Scrutiny		9
1.10	Strategic Objectives and Purpose		9
1.11	Support and Administration Agreements		10
1.12	Working Arrangements and Meeting Frequency		10
1.13	Transparency and Engagement		10
1.14	Complaints and Whistleblowing		11
Part 2:	**Prioritisation**	**12**	
2.1	Prioritisation Overview		12
2.2	Scheme Eligibility		16
2.3	Prioritisation Methodology		17
Part 3:	**Programme Management and Investment Decisions** To be completed following discussion with the Department for Transport	**21**	
Appendix A	**Agreement Relating to the Solent Local Transport Body**	**22**	
Appendix B	**Solent LTB Boundary Proposal Letter**	**56**	

ASSURANCE FRAMEWORK SIGNATORIES

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SOLENT LOCAL ENTERPRISE PARTNERSHIP

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STATEMENT OF PRINCIPLE

The Solent Local Transport Body will prioritise its allocation from the devolved major transport scheme funding stream on transport investments that have no identified funding source and that deliver measurable and significant economic benefits to the Solent economy in terms of growth in employment or that safeguard employment, drive new residential and employment development, or an increase in GVA. Transformational opportunities will take priority. Transport schemes will provide clear evidence of value for money, be deliverable within the 2015-19 period and be identified and developed proportionately in accordance with DfT WebTAG guidance.

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INTRODUCTION

This draft Assurance Framework sets out the arrangements that will be put in place to provide assurance that the Solent Local Transport Body (LTB) will operate in accordance with the Guidance for Local Transport Bodies, published by the Department for Transport (DfT) on 23rd November 2012.

The arrangements for a Solent LTB build on existing partnership working on transport matters (as provided by Transport for South Hampshire and the Isle of Wight - TfSHIoW), and fully involves the Solent Local Enterprise Partnership (LEP) within decision-making.

The Solent LTB will be provided by means of a Voluntary Partnership between the core (voting) members of the LTB. These are the four Local Transport Authorities of Hampshire County Council, Isle of Wight Council, Portsmouth City Council, and Southampton city Council, the Partnership for Urban South Hampshire and the Solent Local Enterprise Partnership.

The Voluntary Partnership is formalised within a Joint Agreement between the full LTB members. The Joint Agreement is provided in Appendix A. All full members of the LTB have agreed this Assurance Framework and the Joint Agreement.

We are confident that the Assurance Framework presented here, along with the track-record of existing partnership working on transport and economic matters will provide the Department with the necessary confidence and assurance to agree to the devolution of funding and decision-making on local major transport schemes to the Solent Local Transport Body.

For ease of reference, each aspect of the Assurance Framework has a reference to the relevant paragraph of the Guidance document, and – where applicable – a reference to the relevant section of the Joint Agreement (Appendix A), as per the below:

Solent LTB Assurance Framework element	*Para # in Guidance*
Joint Agreement Reference: e.g. Clause X	

PART 1 – PURPOSE, STRUCTURE AND OPERATING PRINCIPLES

1.1 Name

The name of the Local Transport Body for the Solent LEP area will be the Solent Local Transport Body (Solent LTB).

Joint Agreement Reference: Clause 6.1

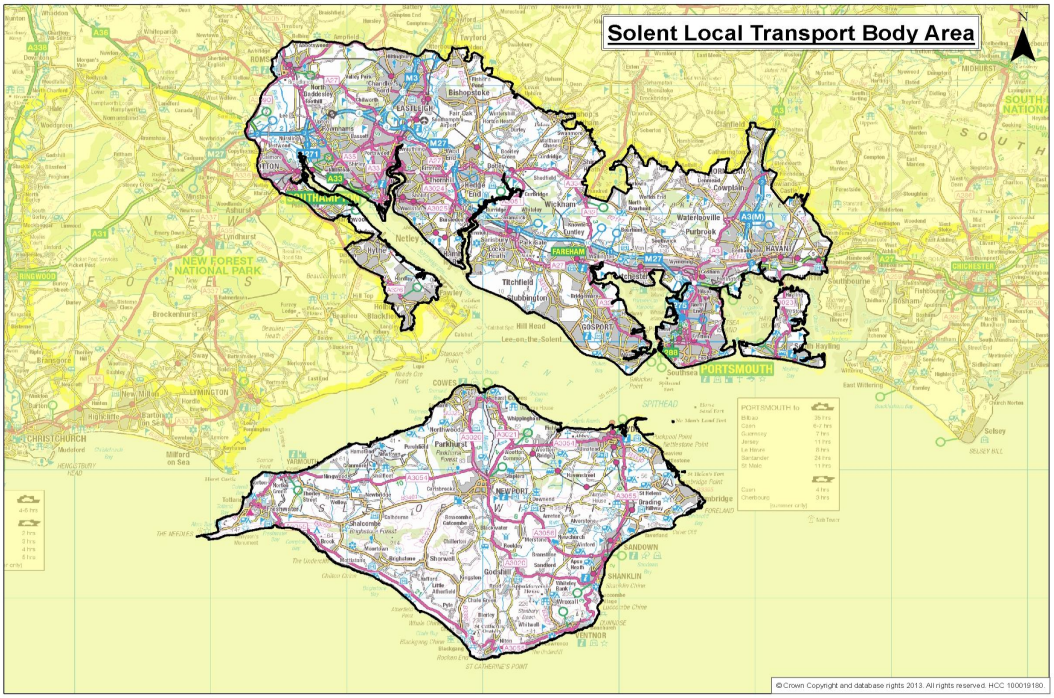
Para 1 in Guidance

1.2 Geography

The boundary of the Solent LTB was proposed in a letter (Appendix B) sent to the DfT in September 2012 and this was subsequently confirmed by DfT in January 2013. The geography of the Solent LTB is shown in Map 1, below.

The LTB area is coterminous with that of the Solent LEP and includes the whole of the Local Transport Authorities of Isle of Wight Council, Portsmouth City Council and Southampton City Council, and part of the Local Transport Authority of Hampshire County Council.

Map 1: Geography of the Solent LTB



Joint Agreement Reference: Clause 4.3 and Appendix 3

Para 2 in Guidance

1.3 Membership

Full (voting) membership of the Solent LTB is made up of the following:

- Hampshire County Council;
- Isle of Wight Council;
- Portsmouth City Council;
- Southampton City Council;
- The Partnership for Urban South Hampshire (PUSH); and
- The Solent Local Enterprise Partnership.

These members will form the LTB board and have equal status.

Paras 3-5 in Guidance

Following the establishment of the Solent LTB, the full Members committed to actively engage with the District/ Borough Councils of the area. The District Council's are represented via PUSH but have also all been individually offered Associate (non-voting) Member status. Further invitation letters inviting other bodies to take up Associate Membership of the Solent LTB have been sent to: • Department for Transport; • The Highways Agency; • Network Rail; • Local Public Transport Operators; • The Hampshire Chamber of Commerce; • Isle of Wight Chamber of Commerce; • The International Gateways of the area; • Transportation Research Group at the University of Southampton; and • Hampshire Business Alliance In addition to Full and Associate Members, LTBs and LEPs with an interest in Solent LTB decision-making and programmes of investment have been invited to LTB meetings, but will have no formal status. *Joint Agreement Reference: Clause 3 and Appendix 6*	

1.4 Review LTB Membership arrangements will be kept under review. In the event that a City Deal is agreed in relation to the area covered by the LTB, such review shall include the role and existence of the Solent LTB. *Joint Agreement Reference: Recital 4 and Clauses 8.4 and 17*	*Para 7 in Guidance*

1.5 Voting Arrangements Each member organisation will have one vote each. Voting will be on a simple majority basis, with no casting vote for the Chairperson. The majority of voting members of the Solent LTB will be democratically elected councillors, with the make-up of the LTB Board consisting of 5 elected members (one from each of the 4 LTAs, and 1 from PUSH on behalf of the District Councils) and 1 Solent LEP board member. Each of the LTA members will have one seat on the Board, whilst the Solent LEP will have two seats, but only one vote. The quorum for meetings of the Board shall be 5 of the 6 Parties. Chairmanship shall rotate between the full Members on a basis to be agreed between them. *Joint Agreement Reference: Clause 8 and Appendix 5*	*Para 8 in Guidance*

1.6 Conflicts of Interest The Parties acknowledge the possibility of conflicts of interests between their LTB role and their role in their host organisation, and undertake to at all times act in the interests of the area as a whole and not according to the sectoral or geographic interests of their member organisations.	*Paras 9-10 in Guidance*

The Parties shall adhere to the Lead Authority's Code of Conduct and Rules. To promote transparency, a separate register of personal interests (including gifts and hospitality) of the individuals attending the Board on behalf of the Parties shall be held by and maintained by the LTB. This register will be published on the Solent LTB website. *Joint Agreement Reference: Clauses 9.3-9.5*	

1.7 Gifts and Hospitality To promote transparency, a separate register of personal interests (including gifts and hospitality) of the individuals attending the Board on behalf of the Parties shall be held by and maintained by the LTB. This register will be published on the Solent LTB website. *Joint Agreement Reference: Clause 9.5*	*Para 12 in Guidance*

1.8 Status and Role of Accountable Body The Solent LTB will be a Voluntary Partnership. The legal agreement that underpins this Assurance Framework is the *Agreement Relating to the Solent Local Transport Body*, which is provided as Appendix A. **The accountable body for the LTB will be Hampshire County Council. This role will include:** • holding the devolved major scheme funding and make payments to delivery bodies such as other local authorities; • accounting for these funds in such a way that they are separately identifiable from the accountable body's own funds; • providing financial statements to the LTB as required; • ensuring that the decisions and activities of the LTB conform with legal requirements with regard to equalities, environmental, EU issues etc; • ensuring (through their Section 151 Officer) that the funds are used appropriately; • ensuring jointly with the Monitoring Officer that the LTB assurance framework as approved by DfT is being adhered to; • maintaining the official record of LTB proceedings and hold all LTB documents; and • being responsible for the decisions of the LTB in approving schemes (for example if subjected to legal challenge). Legal advice will be provided by the Monitoring Officer of Southampton City Council. *Joint Agreement Reference: Clause 9.6 and 9.8*	*Paras 13-17 in Guidance*

1.9 Audit and Scrutiny Hampshire County Council will provide the services of financial adviser to the LTB and will act as Lead Authority for providing advice and guidance on all financial administration and other associated financial issues. This shall include making provision for regular local independent audit, including an initial audit prior to December 2014. *Joint Agreement Reference: Clauses 9.2 and 9.8*	*Paras 18-20 in Guidance*

1.10 Strategic Objectives and Purpose The single purpose of the Solent LTB shall be to make decisions on devolved local major transport scheme funding. The Solent LTB shall perform the following roles:	*Para 21 in Guidance*

- Responsibility for ensuring value for money is achieved;
- Identifying a prioritised list of investments within the available budget;
- Making decisions on individual scheme approvals, investment decision-making and release of funding, including scrutiny of individual scheme business cases;
- Monitoring progress of scheme delivery and spend;
- Actively managing the devolved budget and programme to respond to changed circumstances.

Joint Agreement Reference: Clause 4.4 and Appendix 4

1.11 Support and Administration Agreements

Paras 22-24 in Guidance

The secretariat for the Solent LTB will be provided by Hampshire County Council with technical support provided by TfSHIoW. The Solent LEP staff and expertise will also play a key role in supporting the LTB. Much of the initial prioritisation work has already been undertaken by TfSHIoW through its work on the Transport Delivery Plan (TDP), which is described further in Part 2 of this Assurance Framework. It is expected that support for the LTB will require approximately 0.20 FTE from HCC / TfSHIoW in the initial months of establishment, reducing to 0.10 FTE for the remainder of 2013-14 and future years. The four LTA members of the LTA form TfSHIoW and have agreed to this use of resources and will reflect such in the TfSHIoW Business Plan. However, each full member will also commit officer and Member time to the LTB process, including meeting attendance, development of initial proposals, business cases, delivery and monitoring and evaluation. These aspects will vary in accordance with scheme type. Hampshire County Council as the accountable body will provide finance resources (circa 0.10 FTE in year 1 and reducing to 0.05 in future years) to cover finance and audit, whilst Southampton City Council will provide legal resources (circa 0.10 FTE in Y1, reducing to 0.05 FTE in future years).

Independent scrutiny will be procured from an external resource and will be funded by the LTB full members.

Joint Agreement Reference: Clause 8.2, 8.7, 9.2, 11 and 12

1.12 Working Arrangements and Meeting Frequency

Paras 25-28 in Guidance

Meetings of the Board shall comply with the requirements of Part VA Local Government Act 1972 (access to information) and accordingly, matters such as notice periods for meetings, public access to meetings, access to information (including access to meeting papers, records of decisions and their rationale, and other relevant papers including scheme business cases, evaluation reports and regular programme updates) shall be applied accordingly.

LTB meetings will be open to the public and be advertised subject to the minimum notice period.

As a minimum, there shall be a meeting of the LTB when:
(a) determining the initial decision on the composition of the scheme programme; and
(b) when making individual scheme investment decisions.

Joint Agreement Reference: Clauses 9 and 15.5

1.13 Transparency and Engagement

Paras 29-33 in Guidance

The LTB will routinely publish meeting papers and minutes, scheme business cases, and evaluation reports, funding decision letters with funding levels and conditions indicated, and regular programme updates on delivery and spend against budget.

Stakeholders will be provided with meaningful input before decisions are made. This will be achieved through direct engagement, publication and advertising of information, and attendance and opportunity to challenge at LTB meetings. The Solent LTB will adhere to the Local Government Transparency Code. Meetings of the Board shall comply with the requirements of Part VA Local Government Act 1972. The prioritisation methodology and the decision-making procedures will be published on the Solent LTB website in advance of any transport scheme prioritisation decisions being made. All FOI and EIR requests will be dealt with in accordance with the relevant legislation. The Solent LTB has a dedicated webpage. The website will set out how the public and stakeholders can contact the LTB. All information will be published on a timely and regular basis. *Joint Agreement Reference: Clause 15*	

1.14 Complaints and Whistle-blowing Should the LTB receive any complaints from stakeholders, members of the public or internal whistleblowers where it is alleged that the LTB is acting in breach of the law, failing to adhere to its framework or failing to safeguard public funds, such matters shall be referred to the accountable body and Monitoring Officer who shall deal with such matters in liaison with DfT as necessary / required by DfT. *Joint Agreement Reference: Clause 9.12*	*Paras 34-35 in Guidance*

PART 2 – PRIORITISATION

The prioritisation methodology and eligibility criteria are formalised within Appendix 1 of the *Agreement Relating to The Solent Local Transport Body* (Appendix A).

2.1 Prioritisation Overview

Paras 36-46 in Guidance

A prioritised list of transport schemes based on robust evidence and developed from clear objectives will be submitted to the DfT by the end of July 2013.

Proposals prioritised for devolved local major transport scheme funding by the LTB will be for worthwhile transport schemes that do not have an identified funding source, that meet local priorities (including carbon reduction), emerge from evidenced transport constraints and accord with the Solent LTB eligibility criteria (section 2.2). Transformational opportunities will be prioritised.

A transport scheme is defined as a scheme that responds to one or more current and/ or forecast transport problem on one or more of the highway, public transport, walking and cycling networks or a future part of one or more of those networks.

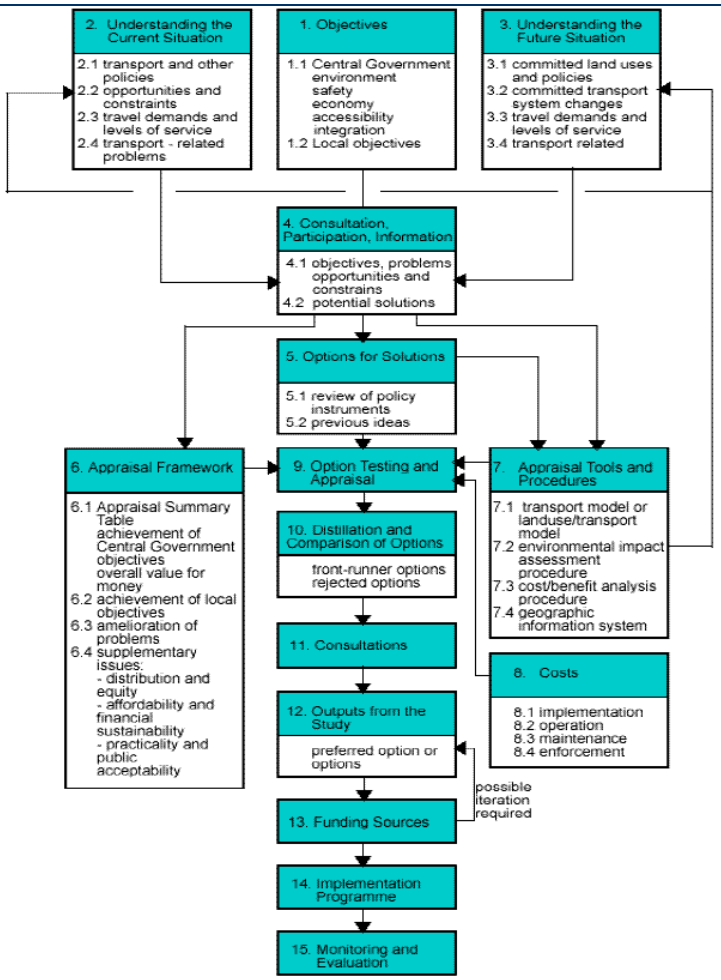
In respect of proposals on the strategic road or rail networks, the LTB will ensure that the Highways Agency and Network Rail are fully sighted on schemes that are to be considered for funding so that their views on deliverability and impact on the wider strategic and rail networks can be considered and taken into account in the initial prioritisation exercise. In cases where schemes have any impact on rail and bus services the views of train operating companies, DfT (rail) and bus operators will be sought.

LTB funds may be awarded to projects where transport is just one component of a wider project. However, in these circumstances, LTB funds must be ring-fenced to fund the transport component either in part or in full.

The LTB will only consider proposals for devolved local major transport scheme funding that are included within the TfSHIoW Transport Delivery Plan (TDP). The schemes within the TDP (or that are subsequently added to the TDP) are identified following a process that is consistent with DfT WebTAG advice. The process is explained in section 3 of the TDP. The TDP is a live document and will be updated as new evidence becomes available and new opportunities present themselves. The TDP was developed by the four LTAs of the LTB and has been endorsed by the Solent LEP as the transport delivery plan for the Solent LEP area.

By using the TDP as the source of transport schemes considered by the Solent LTB, this Assurance Framework addresses the following aspects of the Guidance:

- **Identifying an initial list of candidate schemes**
    - The schemes contained within the TDP have been sifted from an initial list of circa 400 schemes and provide a set of schemes that accord with local priorities and national objectives, offer value for money and are deliverable.
- **Methodology employed to generate a prioritised list of projects**
    - The methodology employed for the TDP is consistent with WebTAG unit 2.5, which describes the appraisal process (shown below)



- **Ensuring the full range of options is considered for addressing problems or meeting strategic objectives:**
    - As stated above, the TDP has sifted schemes from an initial list of around 400 transport options.
    - The schemes identified in the TDP aim to realise one or more of five strategic Outcomes identified following a review of relevant local and national policy and priorities, and have been validated through local consultation. The Outcomes are presented below:

Core Outcomes	
O1	Strengthened international gateways in, fulfilling their role in supporting the local and national economy.
O2	Delivering planned housing and employment growth in existing economic centres first.
O3	The transport sector contributing to the area achieving its commitment to reduce greenhouse gas emissions (especially Carbon).
Supporting Outcomes	
O4	Reduced social disparities, supporting cohesive and inclusive communities and improving the quality of life for residents.
O5	Delivering continuous economic growth through the implementation of the strategic and major development areas in the region that will ultimately deliver the housing and employment targets.

    - These outcomes drive the prioritisation of schemes through the eligibility

criteria (section 2.2)

- The Outcomes provide the context within which a WebTAG consistent Land-use and Transport model – the Sub-Regional Transport Model (SRTM) – has been used to model the current and forecast future transport situation, providing a consistent evidence base and appraisal basis for schemes. A summary of the SRTM is provided in appendix 7 of the *Agreement Relating to The Solent Local Transport Body*. This identified the transport constraints (or barriers) to achieving the above Outcomes, which in turn generate objectives that direct transport solutions. This process ensures that schemes identified respond to evidenced problems. The objectives for the TDP are to:

• Enable higher levels of economic growth by improving local employment opportunities, deepening the labour market and therefore increasing productivity
• Enhance business performance particularly at the international gateways, by increasing the efficiency of the transport network and managing congestion
• Improve sustainable access linking people to jobs and key facilities in our cities and towns and improving the opportunities for education and training.
• Reduce unemployment in areas of high deprivation through improved sustainable access to employment centres
• Reduce emissions (particularly carbon) from the transport sector by reducing highway vehicle kilometres

- **Using evidence and rigour to inform decisions:**
  - Prioritised schemes are required to be included within the TDP. As identified above, schemes included within the TDP have progressed through a rigorous process using an assessment methodology consistent with WebTAG.
  - The Sub-Regional Transport Model (SRTM) has been utilised to identify current and forecast transport problems, and it is from this evidence that transport options have emerged and been assessed.
  - The TDP will be a live document, and new schemes will be added to it as evidence becomes available and as opportunities present themselves.
  - The process for adding new schemes to the TDP will be based on an augmented version of EAST, which also captures impact on employment creation (both direct and indirect).

- **The extent to which decisions will be dependent on data supplied by scheme promoters and how that will be verified:**
  - The majority of schemes included within the TDP have been assessed by the WebTAG consistent SRTM. This provides a robust and objective basis on which to compare schemes and inform decision-making.
  - Data may also be provided by scheme promoters, and in these circumstances the quality and validity of that data will need to be set out in the proposal.
  - Proposed outputs can be assessed by the SRTM or by other tools that the LTAs have (such as the Portsmouth Western Corridor model) to verify the validity of data assumptions.
  - A rigorous application process has been established, based on the five transport business case model and requiring data on transport and economic impacts of proposals.

- A nationally recognised basis for GVA calculations is being used to ensure consistency and robustness.
- Assessment of applications for prioritisation will take place independently of the LTB and applicants.

- **Assessing likely value for money:**
  - A Benefit Cost Ratio (BCR) can be provided through scheme assessment within the SRTM.
  - It is unlikely that most schemes at LTB prioritisation stage will have a BCR available to support their case, and as such it is proposed that a BCR is not a requirement for scheme prioritisation. There is an inherent danger in reporting headline information on BCRs at an early stage of scheme development, and these are more appropriately reported through more detailed work. Furthermore, as scheme proposals are likely to be at different stages of their development the LTB would not be comparing like with like (in terms of level of confidence) and decision-making could be misinformed.
  - In addition, it is important to note that value for money is not defined solely by the BCR for a scheme. The calculation of a BCR through WebTAG does not capture all value for money considerations, and it will be important that these are fully reported in the full Transport Business Case of those schemes prioritised for funding.
  - Scheme promoters will be expected to identify the likely value for money (high to low) of their proposal and explain from where the benefits are likely to be derived.
  - As covered in the Essential Eligibility Criteria, transport schemes prioritised must be expected to provide 'high' value for money.

- **Agreeing the selection criteria and how this is matched to strategic objectives:**
  - The selection criteria is set out in 2.2 below.
  - As explained above, the schemes within the TDP respond to strategic objectives and aim to realise strategic outcomes.

- **Ensuring criteria are not retro-fitted:**
  - As explained above, schemes considered for prioritisation must be included within the TDP. The schemes within the TDP respond to evidenced transport constraints that are impeding progression towards realising the above stated strategic Outcomes. Therefore it can be demonstrated that schemes have been generated in response to evidenced problems and are not legacy schemes in search of a problem.

- **Balancing deliverability against other criteria:**
  - It is essential that schemes prioritised are capable of being delivered. An initial step in the TDP sifting process employed an EAST-type assessment of schemes. Only those schemes that were identified as deliverable progressed through this assessment stage.
  - To be considered for LTB funding, schemes must be capable of being delivered within the 2015-19 period. This is required as part of the 'Essential Criteria.'

For LTB prioritisation, the Department for Transport (DfT) Early Assessment and Sifting Tool (EAST) will be used to summarise and present evidence on options in a clear and consistent format. It is fully understood that EAST is not a complete methodology, and accordingly

EAST will be used to drill-down to the key strategic transport schemes (from those identified through the TDP process) that show the greatest potential to drive economic growth and provide the LTB with a mechanism to compare schemes at a high level to inform decision-making. A local augmentation to EAST will be a requirement on promoters to identify the number of direct and indirect jobs that would be expected to be created as a consequence of scheme delivery.

The prioritisation process to be followed by the Solent LTB is set out in the six steps, below:

Step 1:	Using the TDP as a base, promoters select those schemes that they wish to propose for devolved local major transport scheme funding. This will ensure commitment from the delivery body.
Step 2:	Each scheme promoter completes Parts A and B application.
Step 3:	Applications published on LTB website and stakeholders invited to comment. Applications independently assessed on a common basis. Independent assessment presented to the LTB Senior Management Board.
Step 4:	Report presented to a meeting of the LTB providing details of all proposals and recommendations for prioritisation, programme entry, and phasing.
Step 5:	Prioritised list ratified at a meeting of the LTB.
Step 6:	Results of prioritisation published on the Solent LTB website and notified to DfT.

The LTB will be prioritising schemes from the TDP and therefore, all schemes will already have been identified as a priority through a transparent, quantified and evidenced process consistent with WebTAG. The role of the LTB will to prioritise from the TDP those schemes that promoters are in a position to deliver that best support sub-national strategic priorities. These will be selected through a competitive process and assessed independently.

The prioritisation methodology has already been published on the LTB website. Submitted applications will be published on the Solent LTB website and stakeholders will be invited to comment in advance of any transport scheme prioritisation decisions being made

Joint Agreement Reference: Appendix 1

2.2 Scheme Eligibility

Paras 47-52 in Guidance

Independent schemes as well as package proposals will be considered for funding, subject to the following criteria:

Essential Criteria

Proposals must:

a. be included (or will be included) within the TDP;
b. have a clearly defined scope;
c. drive employment and/or housing growth and/or solve a current or future transport problem that constrain economic and/or housing growth or that safeguards existing employment (*with higher employment and/ or housing growth viewed more favourably in scheme prioritisation*);
d. provide sustainable access;
e comprise a 100% capital funding request;
f. be supported by a local contribution (public and/ or private and revenue and/ or capital) of at least 25% of the overall project cost. This 25% local contribution can exceptionally be applied before 2015 and/ or after 2019 *(with higher local contributions viewed more favourably in scheme prioritisation)*;
g. be for a minimum total project cost of £2,000,000. However, it is expected

that funded projects will generally require over £5,000,000 of LTB funding;

h. normally expect to deliver 'high' value for money;
i. be delivered largely between 2015-19;
j. be supported by the Local Transport Authority/ies whose area(s) within which the proposal would be delivered; and
k. attach an *in principle* letter of support for a project that is on the strategic highway or rail networks.

Desirable Criteria

Proposals that demonstrate the following will be considered more favourably:

l. leverage of private sector investment into the Solent LTB area;
m. improve sustainable access to city and/ or town centres and major employment areas;
n. improve access to the Enterprise Zone(s)
o. tackle congestion;
p. reduce carbon output and other emissions;
q. increase capacity of transport networks; and
r. be measurable against the following Key Performance Indicators (KPIs):
   - Net additional jobs created (directly or indirectly) or safeguarded in the Solent area that can be linked to the transport intervention.
   - Net additional housing or employment floorspace supported as a consequence of the transport investment (either directly or as part of a wider package of enabling measures).
   - Private sector investment leveraged as a result of the delivery of the transport scheme (either directly or as part of a wider package of enabling measures).
   - Local Gross Value Added (GVA) created and safeguarded.

The Solent LTB will reserve the option to use LTB funding flexibly in order to respond quickly to economic shocks and opportunities. This will be in exceptional circumstances only, where there is a significant transformational opportunity, and will take place outside the normal process. Proposals for exceptional LTB funding will be subject to the same level of appraisal and including independent scrutiny.

Joint Agreement Reference: Appendix 1

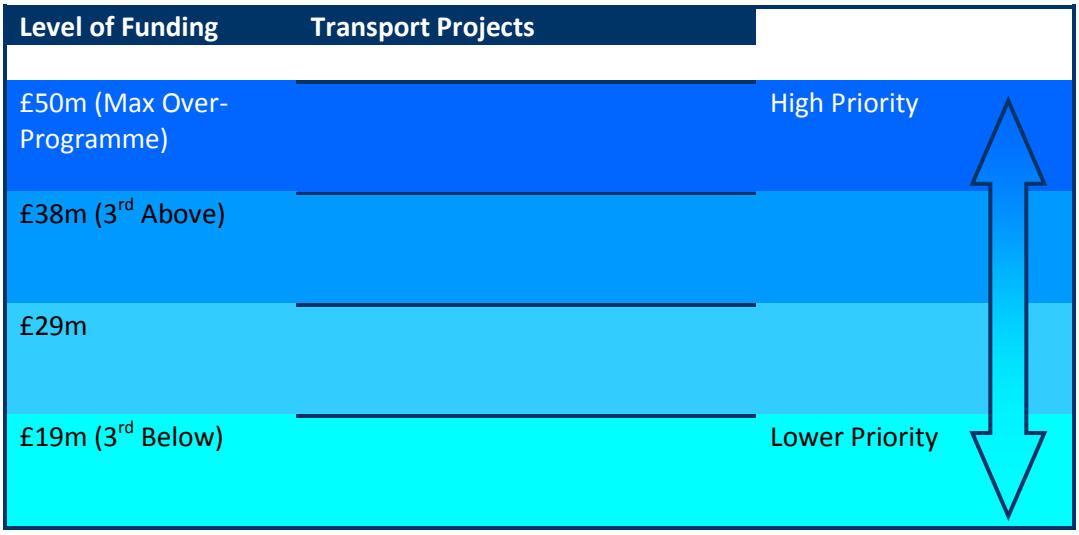
2.3 Prioritisation Methodology

Paras 47-52 in Guidance

There will be two opportunities to apply for prioritisation for LTB funding. The first round will run from Monday 13th May 2013 to Wednesday 12th June 2013, with the second round running for a period to be decided in the first half of 2014. The first round will prioritise transport projects for progression to business case development (and will form the basis of our indicative list for submission to DfT by the end of July 2013). The second round will provide an opportunity for new schemes to be considered for prioritisation and enter the programme, and as a result, following the second round of applications the priority of projects within the overall programme may change. By having two bidding rounds we recognise the need for flexible planning.

The below figure shows how the Solent LTB will construct a prioritised programme of investment. The total programme value would be £50m as the LTB is keen to over-programme (above the indicative £28.8m figure) to enable the programme to reflect local contributions and to have additional shovel-ready schemes to take advantage of any further

funding that may be forthcoming. Those projects in the top box would be the highest priority schemes, whilst those in the bottom box would be of lower priority. If the £28.8m allocation is confirmed, our priorities would consist of the first £28.8m of schemes (working from the top). If the LTB is subsequently allocated more funding, additional schemes, working down the list, would be funded.



There can be movement between the boxes as circumstances change. This would be a decision for the LTB and would provide a flexibility and responsiveness of the programme to changing circumstances.

The application forms (Part A and Part B) and application guidance are available from the Solent LTB website. The Part A application form is arranged into five main sections, one for each of the five transport business cases. The dual focus for assessment, are the strategic and economic cases. The application forms aim to provide applicants with an opportunity to clearly demonstrate the strategic fit of their project with local priorities, and the economic benefits that would be realised. The economic benefits include both transport-specific benefits as well as economic growth-related outputs. The Part B application form aims to provide a consistent basis for setting out economic growth-related outputs, and uses nationally recognised bases for GVA:

- GVA as a factor of the project's construction expenditure: 2011 Annual Business Survey data produced by the Office of National Statistics suggests that 37% of construction spend in the UK relates to the sector's GVA contribution nationally. The figure of 37% should be applied to the project to derived project construction GVA.; and
- Operation stage GVA: The 2011 Annual Business Survey data provides per employee (capita) benchmarks for GVA by different sectors of economic activity. Relevant benchmarks should be applied to the full-time equivalent jobs created impacts of the project to estimate the annual additional GVA contribution of the project during the operational stage.

It is anticipated that the form of evidence and level of detail provided in application forms will vary from scheme to scheme depending on the state of development of the projects.

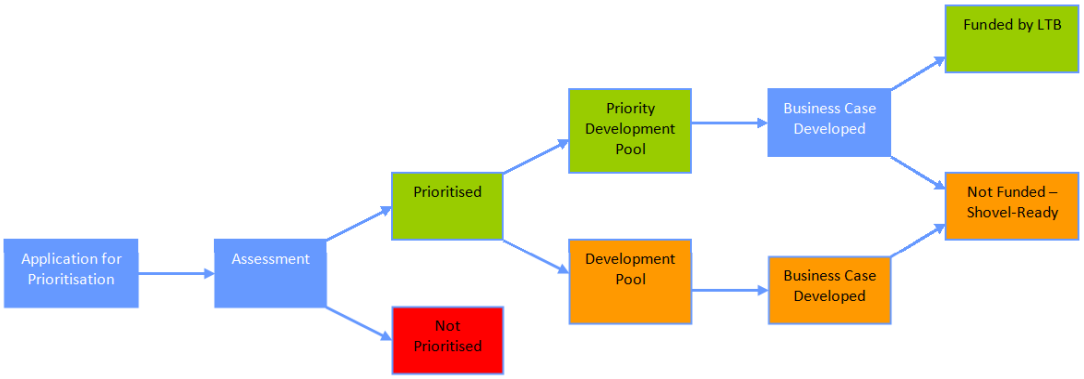
The following questions within the application forms will be given a Red, Amber, Green (RAG) status: B1-B11; C4-C6, C10; D1-D8; E1-E15; F1-F7, F8-F9 (if applicable); G1-G9; H1-H2; I1; J1. The purpose of assigning these questions a RAG status will be to provide an overview of each section, highlight risks, and assess the impact of the project against the particular question, relative to the focus for this Fund.

Each of the five Business Case sections (D-H of the application forms) will be scored between 1-10. The upper, middle and lower score descriptors are provided in table 1, on pages 20-21 of the application form guidance. The "10" score descriptor provides the 'target' for applications. The score descriptors are designed to be wide enough to cover the breadth of transport projects that could be received. Assessment descriptors will apply relative to the focus of individual projects.

The Strategic and Economic cases each carry a double-weighting to recognise their relative importance over the other three 'cases.' The Economic Case will be scored in two sections (each carrying equal weight). One section will score transport benefits, and the other scoring the economic benefits (including employment and new development). The relative weighting to be used in assessment is shown in table 1, on pages 20-21 of the application form guidance.

The steps prior to a final funding award are shown in the figure below. Following submission, applications will be independently assessed by the LTB secretariat (or its appointed consultant). This may include the need for face-to-face meetings between the applicant(s) and the assessor(s). A report will be produced recommending schemes for prioritisation to the LTB Senior Management Board (SMB). The SMB will then make recommendations on prioritisation to the LTB Board.

Steps Towards an Investment Decision



All projects prioritised for LTB funding will be assigned a status as 'Priority Development Pool' or 'Development Pool'. 'Priority Development Pool' projects will have a strong degree of certainty that they will be funded by the LTB, subject to the satisfactory and timely submission of a full Business Case that demonstrates high value for money[1], deliverability, and affordability. 'Priority Development Pool' schemes will also begin delivery in the first two years of the programme (2015-16 to 2016-17).

Following the first round of bidding, projects assigned a status of 'Development Pool' will feature on the prioritised list, but be of lower priority and will not have a strong degree of certainty that they will be funded by the LTB following submission of a full Business Case. The 'development pool' projects will be reviewed following round two submissions and would have an opportunity to be prioritised in the 2017-18 to 2018-19 period. Funding available for the 2017-18 to 2018-19 period will be contingent up the level of funding awarded in the first two years of the programme.

Where known, applicants are requested to submit at round 1, an indication of projects that

[1] Lower value for money performance may be considered by exception.

they may be considering a bid for in round two. Applicants should email the LTB (at the contact email address) with the following information (no more than one page of A4) by 1st July 2013: • Project name; • Project location; • Short project description (what the project will deliver and what it aims to achieve / support); and • Indicative total project cost range (<£5m, £5-£10m, >£10m-£15m, >£15m-£20m, and >£20m). The LTB will use this information to inform its decision making at round 1.	

PART 3 – PROGRAMME MANAGEMENT AND INVESTMENT DECISIONS

To be completed following discussion with the Department for Transport.

APPENDIX A – AGREEMENT RELATING TO THE SOLENT LOCAL TRANSPORT BODY

DATED **2013**

Hampshire County Council
Isle of Wight Council
Portsmouth City Council
Southampton City Council
Partnership for Urban South Hampshire
and
Solent Local Enterprise Partnership Limited

AGREEMENT

Relating to

The Solent Local Transport Body

Mark R Heath
Director of Corporate Services
Southampton City Council
Civic Centre
Southampton
SO14 7LT

RECITALS

1. The Parties to this Agreement have agreed to form a voluntary partnership to undertake the role of the Solent Local Transport Body ("LTB").

2. The Parties wish to enter into this Agreement to record their respective rights and obligations to each other and also their commitment to comply with the Government's requirements (the Assurance Framework as approved by the Department for Transport ("DfT"))

3. The Parties enter into this Agreement in pursuance of their powers under their Memorandum and Articles of Association (in respect of the LEP) and the Local Government Acts 1972 and 2000 and all other enabling powers (in respect of the local authorities).

4. The Parties further note that these arrangements will be kept under review including (but not limited to) in the event that a City Deal / Combined Authority is agreed in relation to the area covered by the LTB, such review shall include the role and existence of the Solent LTB (as currently constituted).

NOW IT IS AGREED:

1. Commencement

This Agreement shall come into force on the date above and shall continue in force until determined in accordance with Clause 13 of this Agreement.

2. Description

This Agreement records the present intentions of the Parties. It is entered into in good faith, but it is expressly recognised that this Agreement cannot fetter the discretion of the Parties. Subject to that, the following points are agreed.

3. Parties

a. Hampshire County Council of The Castle, Winchester, Hampshire, SO23 8UJ
b. Isle of Wight Council of County Hall, High Street, Newport, Isle of Wight, PO30 1UD
c. Portsmouth City Council of Civic Offices, Guildhall Square, Portsmouth, Hampshire, PO1 2BG
d. Southampton City Council of Civic Centre, Southampton, Hampshire S014 7LY
e. Partnership for Urban South Hampshire of Civic Offices, Guildhall Square, Portsmouth, Hampshire, PO1 2BG

f. Solent Local Enterprise Partnership Limited of Solent LEP Office, Floor 2, Core 2, Civic Offices, Guildhall Square, Portsmouth, PO1 2AY

4. Definitions

4.1	"Assurance Framework"	means the framework set by DfT which LTBs must comply with, as varied from time to time.
4.2	"The Parties"	means the Parties to this Agreement set out in Clause 3 of this Agreement.
4.3	"LTB"	means the Solent Local Transport Body, a voluntary partnership between the Parties to this Agreement which shall meet and discharge its business in accordance with this Agreement
4.4	"The LTB Area"	means the geographical area shown on the plan in Appendix 3 of this Agreement.
4.5	"Key Objectives"	means the Key Objectives for the LTB laid out in Appendix 4 of this Agreement.
4.6	"Lead Authority"	means the local authority appointed by the Parties under this agreement to lead on a particular function in accordance with Clause 12 of this Agreement.
4.7	"Associate Members"	shall mean those bodies given such membership and rights as laid out in Appendix 6 and varied by virtue of clause 8.3 of this agreement
4.8	"The Local Transport Authorities" ("LTAs")	shall mean Hampshire County Council, the Isle of Wight Council, Portsmouth City Council and Southampton City Council.
4.9	"City Deal"	means the Government's initiative to support private sector growth by granting Cities powers and freedoms
4.10	"Combined Authority"	means a top-tier administrative body for the local governance created under the Local Government Act 2000 and The Local Democracy, Economic Development and Construction Act 2009

4.11 "Monitoring Officer" means the Monitoring Officer as defined by the Local Government and Housing Act 1989 to Southampton City Council

4.12 "Investment Panel" means the panel appointed by the LTB Board to provide independent advice on aspects of LTB business to be defined by the LTB Board.

5. Interpretation

5.1 The headings for each section throughout this Agreement are provided for ease of reference only and shall not affect its construction or interpretation.

5.2 Where the masculine gender is used it shall also incorporate the feminine gender. Where the singular is used, it shall also incorporate the plural and words importing party and persons includes bodies, corporate and unincorporated and (in each case) vice versa.

5.3 Any reference to legislation shall include a reference to that legislation as amended, applied, consolidated, re-enacted by or as having affect by virtue of any subsequent legislation

6. Principles and Key Objective

6.1 The Parties agree to establish and participate in the LTB a voluntary Partnership to be known as "Solent LTB".

6.2 The Key Objectives for the LTB are as set out in Appendix 4 of this Agreement.

7. Governance Structures and Membership

7.1 The governance structures shall be established in accordance with Appendix 5.. Any proposed change to the governance arrangements shall be treated as a variation in accordance with Clause 18 of this Agreement.

7.2 The membership of the governance structures shall be as laid out in Appendix 6. Any proposed change to membership shall be treated as a variation in accordance with Clause 18 of this Agreement.

8. Decision Making, Categories of Membership and Voting Rights

8.1 The LTB will establish a board ("the Board") with the terms of reference, membership and constitutional arrangements as set out in Appendices 5 and 6 of this Agreement.

8.2 The Board will be administered by the relevant Lead Authority appointed in accordance with Clause 12 of this Agreement. The constitutional arrangements for the Board will be determined by that Lead Authority and will, unless the Lead Authority determines otherwise, follow the Constitutional arrangements of the Lead Authority.

8.3 The Board may at its absolute discretion determine that other bodies may have Associate Membership status which shall enable them to speak but not vote.

8.4 Membership of the Board may be reviewed at any time, but shall be reviewed at least every two years. Any proposals for a change in membership shall be considered in accordance with Clause 18 of this Agreement.

8.5 Decisions shall be reached by simple majority voting between the Parties. Each of the Parties shall have one vote.

8.6 The quorum for meetings of the Board shall be 5 of the 6 Parties.

8.7 The Solent LTB Senior Management Board (the membership of which is the 4 LTAs, Partnership for Urban South Hampshire and the Solent Local Enterprise Partnership Limited) shall be responsible for LTB business case scrutiny and recommendation to the LTB Board, and shall have the authority to commission such other bodies or persons to assist them in this role**.** An Investment Panel, which will be small in size and comprise both transport and non-transport professionals, will be established which will provide independent advice to the LTB. This will provide a further level of assurance to decision-making. The LTB Manager shall be responsible for signing-off individual assessments of business cases. In the event of the LTB Manager being conflicted from undertaking this role, they shall liaise with the legal advisor (Monitoring Officer) who shall make such other arrangements as they deem appropriate following consultation with the Parties.

8.8 Chairmanship shall rotate between the Parties on a basis to be agreed between them.

9. Legal, Governance, Probity and Financial Administration Issues

9.1 The LTB shall appoint one of the LTAs to provide the services of legal adviser to the partnership under this Agreement, and that LTA shall act as Lead Authority for providing advice and guidance on all corporate governance, constitutional and other legal matters. The charges for such provision (which may be sub-contracted by that authority to other authorities or the private sector) shall be met in accordance with clause 10 of this Agreement.

9.2 The LTB shall appoint one of the LTAs to provide the services of financial adviser to the partnership under this Agreement and that LTA shall act as Lead Authority for providing advice and guidance on all financial administration and other associated financial issues. This shall include making provision for regular local independent audit. The charges for such provision (which may be sub-contracted by that authority to other authorities or the private sector) shall be met in accordance with Clause 10 of this Agreement.

9.3 The Parties shall adhere to the Lead Authority's Code of Conduct and Rules for the purposes of declaring conflicts of interest and personal interests, declaring gifts and hospitality and shall abide by the Monitoring Officer's directions and requirements as though they were a member of that authority.

9.4 The Parties acknowledge the possibility of conflicts of interests between their LTB role and their role in their host organisation, and undertake to at all times act in the interests of the area as a whole and not according to the sectoral or geographic interests of their member organisations and to act in the utmost good faith towards each other. The Monitoring Officer may provide further advice as required on this issue.

9.5 To promote transparency, a separate register of personal interests (including gifts and hospitality) of the individuals attending the Board on behalf of the Parties shall be held by and maintained by the LTB as directed by the Monitoring Officer (who will determine which authority shall host this arrangement and how such information is to be placed in the public domain).

9.6 Hampshire County Council shall be the accountable body. This arrangement may be varied in accordance with Clause 18 of this Agreement. The accountable body shall:

a. hold the devolved major scheme funding and make payments to delivery bodies such as other local authorities as authorised by the Board;

b. account for these funds in such a way that they are separately identifiable from the accountable body's own funds;
c. provide financial statements to the LTB as required;
d. ensure that the decisions and activities of the LTB conform with legal requirements with regard to equalities, environmental, EU issues etc;
e. ensure (through their Section 151 Officer) that the funds are used appropriately;
f. ensure jointly with the Monitoring Officer that the LTB assurance framework as approved by DfT is being adhered to;
g. maintain the official record of LTB proceedings and hold all LTB documents; and
h. be responsible for the decisions of the LTB in approving schemes (for example if subjected to legal challenge).

9.7 For the avoidance of doubt, the Parties confirm that devolved major funding may only be used in accordance with an LTB decision.

9.8 The accountable body shall, on behalf of the LTB put in place arrangements for independent local audits to be carried out by a qualified auditor, and shall submit the reports of these audits to DfT. The aim of each audit will be to verify that the LTB is operating effectively within the terms of its agreed assurance framework. The LTB shall be responsible for taking the necessary action to remedy any shortcomings identified within the audit.

9.9 Meetings of the Board shall comply with the requirements of Part VA Local Government Act 1972 and accordingly, matters such as notice periods for meetings, public access to meetings, access to information (including access to meeting papers, records of decisions and their rationale, and other relevant papers including scheme business cases, evaluation reports and regular programme updates) shall be applied accordingly.

9.10 Papers (agendas, reports and decisions) of Working Groups shall also be made publicly available.

9.11 Meetings of the Board shall be convened when:
(a) determining the initial decision on the composition of the scheme programme; or
(b) when making individual scheme investment decisions.

9.12 Should the LTB receive any complaints from stakeholders, members of the public or internal whistleblowers where it is alleged that the LTB is acting in breach of the law, failing to adhere to its framework or failing to safeguard public funds, such matters shall be referred to the accountable body and Monitoring Officer who shall deal with such matters in liaison with DfT as necessary / required by DfT.

9.13 The LTB will ensure a high level of transparency and ensure the involvement of the public and key stakeholders.

9.14 Key stakeholders may be given Associate Membership of the Board in accordance with Clause 8.3 of this Agreement and as a result are able to attend meetings of the Board and make representations to the Board. Other bodies or groups may be added to this category of membership by virtue of Clause 8.3 of this Agreement. The papers for Board meetings will be made available in advance in accordance with Clause 9.9 of this Agreement, and the Board will as an overriding obligation ensure that the public and stakeholders have a meaningful opportunity to input before decisions are made.

9.15 The Parties agree that they will provide all reasonable co-operation and assistance to enable the Accountable Body to fulfil the requirements placed upon it in clauses 9.6-9.8 above.

10. Financial Commitments of the Parties

10.1 The running costs of the LTB and the Board shall be met by a financial contribution from the Parties agreed by the Board and in the case of the Solent LEP shall not exceed the total sum of £131,000.

11. Staff

11.1 Hampshire County Council shall provide the secretariat for the LTB and the Board with Transport for South Hampshire and the Isle of Wight (TfSHIoW) providing the technical support.. The LTB secretariat may be supported by the LEP from time to time.

11.2 When any of the Parties agrees to undertaking work at the request of the LTB, the staff of the Party undertaking such work shall be considered to be seconded to the LTB.

11.3 During the period of secondment, the staff shall continue to be employed by the Party from whom they were seconded and managed by that Party and no changes to the staff's terms and conditions of employment shall take place.

11.4 When the period of secondment comes to an end, the staff shall be treated as having returned to their original authority on the terms and conditions applying to their posts had they not been seconded

12. Lead Authorities and their Duties

12.1 In order to achieve the objectives of the LTB, the Parties may appoint a Lead Authority to act on their behalf in implementing decisions of the Board.

12.2 In the event of an authority being appointed as Lead Authority by the LTB, subject to any terms, conditions, limitations or caveats, the Lead Authority shall:

a. act as agent for the LTB in the management and day-to-day supervision of the particular task the Lead Authority has been asked to lead on;

b. compile and return all financial and participation data relevant to the task that the Lead Authority has been asked to lead on;

c. convene meetings comprising such individuals, bodies or others as agreed by the LTB in establishing the Lead Authority arrangements and update the Parties on the progress of the task assigned to the Lead Authority;

d. act as the representative of the LTB in any discussions or negotiations when acting as the Lead Authority;

e. provide such administrative resources and office facilities as are reasonably necessary to enable the Lead Authority to manage the project (subject to any caveats or limitations agreed by the LTB in establishing the Lead Authority arrangements);

f. exercise overall responsibility for ensuring the quality assurance of the project or task assigned to the Lead Authority, including monitoring and evaluation in consultation with other Parties; and

g. play such other role(s) as would normally and reasonably be expected of a Lead Authority in relation to the project or task as assigned.

12.3 The Lead Authority shall have full authority and power to act within the scope of the roles and responsibilities laid out in this Agreement on behalf of the LTB in the course of or for the purpose of doing the activities agreed by the LTB as Lead Authority in relation to the specific task assigned. Such action may be taken without further consent or approval from the Board provided this is within the scope of the authority given by the Board. The Parties shall take such steps as shall be necessary to enable the Lead Authority to fulfil its role.

13. Termination and Withdrawal

13.1 The LTB recognises that the success of the LTB depends upon the mutual co-operation of all the Parties and the withdrawal of any Parties may have serious administrative and financial repercussions for the remaining

Parties and any Party withdrawing from the LTB shall, unless otherwise unanimously agreed:

a. give six months notice in writing of withdrawal to all other Parties; and
b. the other Parties shall consider what future arrangements should apply for the discharge for their functions which may include to agreeing to continue joint arrangements further to a new joint agreement.

14. Intellectual Property

14.1 Unless otherwise agreed:

a. the Parties shall not acquire any right, title or interest in or to the intellectual property rights of the LTB (which shall be held by agreement by one of the Parties on behalf of the LTB); and

b. the LTB shall not acquire any right, title or interest in or to the intellectual property rights of the Parties.

14.2 Any issues, challenges or claims in relation to any intellectual property rights shall be advised to each of the Parties immediately, and any intellectual property right claim shall be managed by the Parties as agreed.

15. Data Protection, Freedom of Information, Local Government Transparency Code, Information Sharing and Confidentiality

15.1 Without prejudice to the specific requirements of this clause, each Party shall comply with its legal requirements under data protection legislation, freedom of information and associated legislation, and the law relating to confidentiality.

15.2 An authority will be appointed as a Lead Authority for the purposes of ensuring compliance with any requirements arising under this Clause should they arise directly in relation to the LTB (as compared to information held by the Parties to this Agreement).

15.3 Subject to any legal obligations either arising upon the Parties and/or the LTB, information supplied by the Parties or third parties shall, unless agreed by the LTB, subject to any over-riding legal obligations, be treated as confidential.

15.4 The LTB shall, in discharging its responsibilities, comply with the Local Government Transparency Code

15.5 For the avoidance of doubt, meetings of the Board shall comply with the requirements of Part VA Local Government Act 1972 (access to information).

15.6 The LTB shall have its own web pages.

16. Liability of the Parties

16.1 Whilst the Parties / Parties shall make all reasonable attempts to mitigate loss, each Party /Party ("the Indemnifying Party") shall be liable for and indemnify the others against any expense, liability, loss, claim or proceeding whatsoever arising under any statute or at common law in respect of personal injury to or death of any person whomsoever arising out of or in the course of or caused by any act or omission of that Indemnifying Party in respect of its role in the activities of the Board and/or under this Agreement and /or where acting as Lead Authority

16.2 Whilst the Parties / Parties shall make all reasonable attempts to mitigate loss, each Party / Party ("the Indemnifying Party") shall be liable for and shall indemnify the others against any reasonable expense, liability, loss, claim or proceeding in respect of any injury or damage whatsoever to any property real or personal in so far as such injury or damage arises out of or in the course of or is caused by any act or omission of that Indemnifying Party in respect of its role in the activities of the Board and/or under this Agreement and/or where acting as Lead Authority.

16.3 Whilst the Parties / Parties shall make all reasonable attempts to mitigate loss, each Party / Party ("the Indemnifying Party") shall indemnify the others in respect of any reasonable loss caused to each of the other Parties / Parties as a direct result of that Indemnifying Party's negligence, wilful default or fraud or that of any of the Indemnifying Party's employees in respect of its role in the activities of the Board and/or under this Agreement and/or where acting as Lead Authority.

16.4 Where a Party is appointed the Lead Authority under the terms of clause 12 of this Agreement, the other Parties shall each indemnify the Lead Authority on pro rata basis according to the proportions of their respective financial commitments as set out in Clause 10 of this Agreement for any loss or expense suffered by the Lead Authority by virtue of its status as Lead Authority with the intent that the Lead Authority shall itself be responsible for its own pro-rata share Provided Always that the Lead Authority shall not be entitled to rely upon the indemnity set out in this Clause 16.4 if it is deemed to be an Indemnifying Party under Clauses 16.1 to 16.3 respectively.

16.5 Where Hampshire County Council in its role as the accountable body suffers any loss or expense as a result of circumstances which do not fall within clauses 16.1-16.3 above by virtue of its status as accountable body the other Parties shall each indemnify Hampshire County Council as the accountable body on a pro rata basis according to the proportions of their respective financial commitments as set out in Clause 10 of this Agreement with the intent that the accountable body shall itself be responsible for its own pro-rata share,

Provided always that none of the Parties shall be liable under Clauses 16.1 to 16.3 in so far as they are fulfilling their responsibilities under the terms of this Agreement

17. Review

This Agreement may be reviewed at any time by agreement between the Parties.

18. Variations

This Agreement may at any time be varied or amended by the Monitoring Officer where the amendment is minor and has been agreed by all the Parties in writing in advance. Otherwise, this Agreement may at any time be varied or amended by a deed executed by all the Parties.

19. Insurance and Indemnification

Each of the Parties shall ensure that they have a sufficient policy of insurance of any work that they undertake on behalf of the LTB under this agreement and for a period of six years after termination of this Agreement.

20. Severability

If any term, condition or provision contained in this agreement shall be held to be invalid, unlawful or unenforceable to any extent, such term, condition or provision shall not affect the validity, legality or enforceability of the remaining parts of this agreement.

21. Publicity

The Parties recognise their respective public reputations and legal responsibilities. Each Party shall use all reasonable endeavours not to harm or compromise these.

22. Waiver

No term or provision of this Agreement shall be considered as waived by any of the Parties to this Agreement unless a waiver is given in writing by that Party to all other Parties to this Agreement.

23. Notice

Any notice, demand or other communication required to be served under this Agreement shall be sufficiently served if delivered personally to or sent by pre-paid first class recorded delivery post or facsimile transmission to the addresses set out in Clause 3 and if so sent shall, subject to proof to the contrary, be deemed to have been received by the addressee at the time of personal delivery or on the second working day after the date of posting or unsuccessful transmission as the case may be. Anything served personally or transmitted which is received at the recipient's premises on a day when it would not in the ordinary course of its business have been open for business shall be deemed to have been received on the next following day when it is open in the ordinary course of business or would have been if it had not ceased to conduct business.

24. Governing Law

This Agreement shall be governed by and construed in accordance with English Law and the Parties hereby submit to the exclusive jurisdiction of the English Courts.

25. Counterparts

This agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument.

26. Exercise of statutory authority

Without prejudice to this agreement, nothing in this agreement shall be construed as a fetter or restriction on the exercise by any of the parties of their statutory functions.

27. Exclusion of Third Party Rights

Save to the extent as expressly provided for in this Agreement no person not a Party to this Agreement shall have any right to enforce any term of this

Agreement and the provisions of the Contracts (Rights of Third Parties) 1999 shall not apply to this Agreement.

28. Survival of Clauses

The following clauses shall survive the expiry or termination of this Agreement

- Clause 4 (Definitions)
- Clause 5 (Interpretation)
- Clause 6 and Appendix 4 (Principles and Key Objectives)
- Clause 9 (Legal, Governance and Financial Administration Issues)
- Clause 10 (Financial Commitment of the Parties)
- Clause 14 (Intellectual Property)
- Clause 15 (Data Protection, Freedom of Information, Information Sharing and Confidentiality)
- Clause 19 (Insurance and Indemnification)
- Clause 23 (Notice)
- Clause 28 (Survival of Clauses)

29. No Partnership at Law

As public bodies, the Parties do not enter into this Agreement with any view of profit. The use of the terms “partners” and “partnership” in this Agreement merely denotes the intention of the Parties to work within local government legislation in a common way to achieve shared objectives, and should not be taken as an indication of any legal partnership for the purposes of the Partnership Act 1890.

THE COMMON SEAL OF THE PARTIES IS HEREUNDER AFFIXED IN THE PRESENCE OF:

Authorised Signatory .....

Hampshire County Council

Authorised Signatory .....

Isle of Wight Council

Authorised Signatory .....

Portsmouth City Council

Authorised Signatory .....

Southampton City Council

Authorised Signatory .....

Solent Local Enterprise Partnership Limited

Authorised Signatory .....

Partnership for Urban South Hampshire

APPENDIX 1: PRIORITISATION METHODOLOGY

Prioritisation Overview

A prioritised list of transport schemes based on robust evidence and developed from clear objectives will be submitted to the DfT by the end of July 2013.

Proposals prioritised for devolved local major transport scheme funding by the LTB will be for worthwhile transport schemes that do not have an identified funding source, that meet local priorities (including carbon reduction), emerge from evidenced transport constraints and accord with the Solent LTB eligibility criteria (section 2.2). Transformational opportunities will be prioritised.

A transport scheme is defined as a scheme that responds to one or more current and/ or forecast transport problem on one or more of the highway, public transport, walking and cycling networks or a future part of one or more of those networks.

In respect of proposals on the strategic road or rail networks, the LTB will ensure that the Highways Agency and Network Rail are fully sighted on schemes that are to be considered for funding so that their views on deliverability and impact on the wider strategic and rail networks can be considered and taken into account in the initial prioritisation exercise. In cases where schemes have any impact on rail and bus services the views of train operating companies, DfT (rail) and bus operators will be sought.

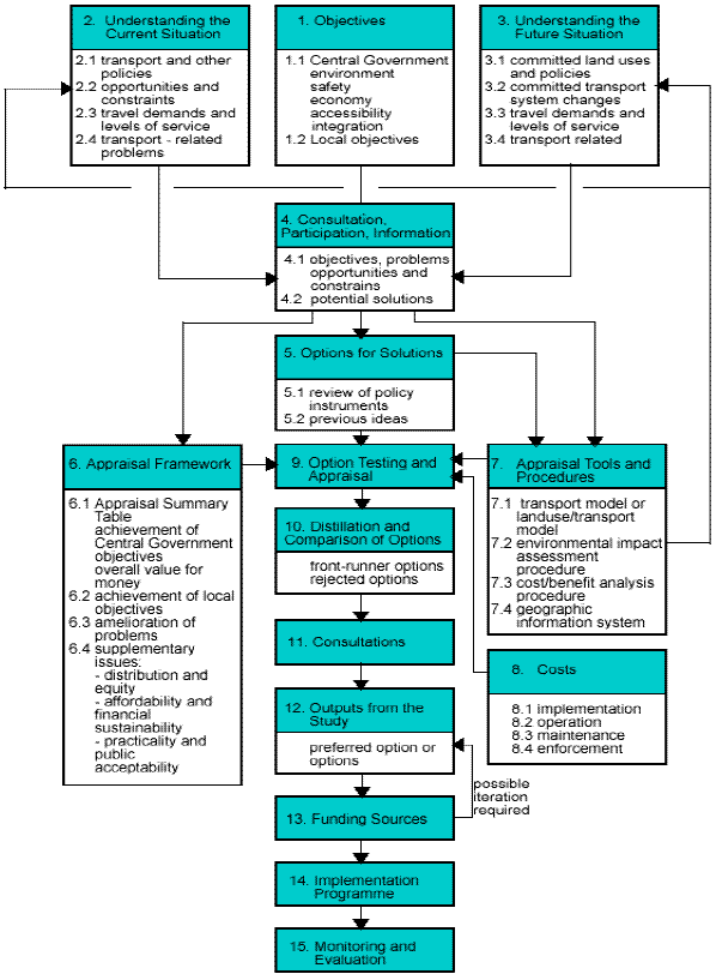
LTB funds may be awarded to projects where transport is just one component of a wider project. However, in these circumstances, LTB funds must be ring-fenced to fund the transport component either in part or in full.

The LTB will only consider proposals for devolved local major transport scheme funding that are included within the TfSHIoW Transport Delivery Plan (TDP). The schemes within the TDP (or that are subsequently added to the TDP) are identified following a process that is consistent with DfT WebTAG advice. The process is explained in section 3 of the TDP. The TDP is a live document and will be updated as new evidence becomes available and new opportunities present themselves. The TDP was developed by the four LTAs of the LTB and has been endorsed by the Solent LEP as the transport delivery plan for the Solent LEP area.

By using the TDP as the source of transport schemes considered by the Solent LTB, this Assurance Framework addresses the following aspects of the Guidance:

- **Identifying an initial list of candidate schemes**
    - The schemes contained within the TDP have been sifted from an initial list of circa 400 schemes and provide a set of schemes that accord with local priorities and national objectives, offer value for money and are deliverable.

- **Methodology employed to generate a prioritised list of projects**
    - The methodology employed for the TDP is consistent with WebTAG unit 2.5, which describes the appraisal process (shown below)



- **Ensuring the full range of options is considered for addressing problems or meeting strategic objectives:**
    - As stated above, the TDP has sifted schemes from an initial list of around 400 transport options.
    - The schemes identified in the TDP aim to realise one or more of five strategic Outcomes identified following a review of relevant local and national policy and priorities, and have been validated through local consultation. The Outcomes are presented below:

Core Outcomes	
O1	Strengthened international gateways in, fulfilling their role in supporting the local and national economy.
O2	Delivering planned housing and employment growth in existing economic centres first.
O3	The transport sector contributing to the area achieving its commitment to reduce greenhouse gas emissions (especially Carbon).
Supporting Outcomes	
O4	Reduced social disparities, supporting cohesive and inclusive communities and improving the quality of life for residents.
O5	Delivering continuous economic growth through the implementation of the strategic and major development areas in the region that will ultimately deliver the housing and employment targets.

    - These outcomes drive the prioritisation of schemes through the eligibility criteria (section 2.2)

- The Outcomes provide the context within which a WebTAG consistent Land-use and Transport model – the Sub-Regional Transport Model (SRTM) – has been used to model the current and forecast future transport situation, providing a consistent evidence base and appraisal basis for schemes. A summary of the SRTM is provided in appendix 7 of the *Agreement Relating to The Solent Local Transport Body*. This identified the transport constraints (or barriers) to achieving the above Outcomes, which in turn generate objectives that direct transport solutions. This process ensures that schemes identified respond to evidenced problems. The objectives for the TDP are to:

• Enable higher levels of economic growth by improving local employment opportunities, deepening the labour market and therefore increasing productivity
• Enhance business performance particularly at the international gateways, by increasing the efficiency of the transport network and managing congestion
• Improve sustainable access linking people to jobs and key facilities in our cities and towns and improving the opportunities for education and training.
• Reduce unemployment in areas of high deprivation through improved sustainable access to employment centres
• Reduce emissions (particularly carbon) from the transport sector by reducing highway vehicle kilometres

- **Using evidence and rigour to inform decisions:**
  - Prioritised schemes are required to be included within the TDP. As identified above, schemes included within the TDP have progressed through a rigorous process using an assessment methodology consistent with WebTAG.
  - The Sub-Regional Transport Model (SRTM) has been utilised to identify current and forecast transport problems, and it is from this evidence that transport options have emerged and been assessed.
  - The TDP will be a live document, and new schemes will be added to it as evidence becomes available and as opportunities present themselves.
  - The process for adding new schemes to the TDP will be based on an augmented version of EAST, which also captures impact on employment creation (both direct and indirect).

- **The extent to which decisions will be dependent on data supplied by scheme promoters and how that will be verified:**
  - The majority of schemes included within the TDP have been assessed by the WebTAG consistent SRTM. This provides a robust and objective basis on which to compare schemes and inform decision-making.
  - Data may also be provided by scheme promoters, and in these circumstances the quality and validity of that data will need to be set out in the proposal.
  - Proposed outputs can be assessed by the SRTM or by other tools that the LTAs have (such as the Portsmouth Western Corridor model) to verify the validity of data assumptions.
  - A rigorous application process has been established, based on the five transport business case model and requiring data on transport and economic impacts of proposals.
  - A nationally recognised basis for GVA calculations is being used to ensure consistency and robustness.
  - Assessment of applications for prioritisation will take place independently of the LTB and applicants.

- **Assessing likely value for money:**

- A Benefit Cost Ratio (BCR) can be provided through scheme assessment within the SRTM.
- It is unlikely that most schemes at LTB prioritisation stage will have a BCR available to support their case, and as such it is proposed that a BCR is not a requirement for scheme prioritisation. There is an inherent danger in reporting headline information on BCRs at an early stage of scheme development, and these are more appropriately reported through more detailed work. Furthermore, as scheme proposals are likely to be at different stages of their development the LTB would not be comparing like with like (in terms of level of confidence) and decision-making could be misinformed.
- In addition, it is important to note that value for money is not defined solely by the BCR for a scheme. The calculation of a BCR through WebTAG does not capture all value for money considerations, and it will be important that these are fully reported in the full Transport Business Case of those schemes prioritised for funding.
- Scheme promoters will be expected to identify the likely value for money (high to low) of their proposal and explain from where the benefits are likely to be derived.
- As covered in the Essential Eligibility Criteria, transport schemes prioritised must be expected to provide 'high' value for money.

- **Agreeing the selection criteria and how this is matched to strategic objectives:**
  - The selection criteria is set out in 2.2 below.
  - As explained above, the schemes within the TDP respond to strategic objectives and aim to realise strategic outcomes.

- **Ensuring criteria are not retro-fitted:**
  - As explained above, schemes considered for prioritisation must be included within the TDP. The schemes within the TDP respond to evidenced transport constraints that are impeding progression towards realising the above stated strategic Outcomes. Therefore it can be demonstrated that schemes have been generated in response to evidenced problems and are not legacy schemes in search of a problem.

- **Balancing deliverability against other criteria:**
  - It is essential that schemes prioritised are capable of being delivered. An initial step in the TDP sifting process employed an EAST-type assessment of schemes. Only those schemes that were identified as deliverable progressed through this assessment stage.
  - To be considered for LTB funding, schemes must be capable of being delivered within the 2015-19 period. This is required as part of the 'Essential Criteria.'

For LTB prioritisation, the Department for Transport (DfT) Early Assessment and Sifting Tool (EAST) will be used to summarise and present evidence on options in a clear and consistent format. It is fully understood that EAST is not a complete methodology, and accordingly EAST will be used to drill-down to the key strategic transport schemes (from those identified through the TDP process) that show the greatest potential to drive economic growth and provide the LTB with a mechanism to compare schemes at a high level to inform decision-making. A local augmentation to EAST will be a requirement on promoters to identify the number of direct and indirect jobs that would be expected to be created as a consequence of scheme delivery.

The prioritisation process to be followed by the Solent LTB is set out in the six steps, below:

Step 1:	Using the TDP as a base, promoters select those schemes that they wish to propose for devolved local major transport scheme funding. This will ensure commitment from the delivery body.
Step 2:	Each scheme promoter completes Parts A and B application.
Step 3:	Applications published on LTB website and stakeholders invited to comment.

	Applications independently assessed on a common basis. Independent assessment presented to the LTB Senior Management Board.
Step 4:	Report presented to a meeting of the LTB providing details of all proposals and recommendations for prioritisation, programme entry, and phasing.
Step 5:	Prioritised list ratified at a meeting of the LTB.
Step 6:	Results of prioritisation published on the Solent LTB website and notified to DfT.

The LTB will be prioritising schemes from the TDP and therefore, all schemes will already have been identified as a priority through a transparent, quantified and evidenced process consistent with WebTAG. The role of the LTB will to prioritise from the TDP those schemes that promoters are in a position to deliver that best support sub-national strategic priorities. These will be selected through a competitive process and assessed independently.

The prioritisation methodology has already been published on the LTB website. Submitted applications will be published on the Solent LTB website and stakeholders will be invited to comment in advance of any transport scheme prioritisation decisions being made.

Scheme Eligibility

Independent schemes as well as package proposals will be considered for funding, subject to the following criteria:

Essential Criteria

Proposals must:

a. be included (or will be included) within the TDP;
b. have a clearly defined scope;
c. drive employment and/or housing growth and/or solve a current or future transport problem that constrain economic and/or housing growth or that safeguards existing employment (*with higher employment and/ or housing growth viewed more favourably in scheme prioritisation*);
d. provide sustainable access;
e comprise a 100% capital funding request;
f. be supported by a local contribution (public and/ or private and revenue and/ or capital) of at least 25% of the overall project cost. This 25% local contribution can exceptionally be applied before 2015 and/ or after 2019 *(with higher local contributions viewed more favourably in scheme prioritisation)*;
g. be for a minimum total project cost of £2,000,000. However, it is expected that funded projects will generally require over £5,000,000 of LTB funding;
h. normally expect to deliver 'high' value for money;
i. be delivered largely between 2015-19;
j. be supported by the Local Transport Authority/ies whose area(s) within which the proposal would be delivered; and
k. attach an *in principle* letter of support for a project that is on the strategic highway or rail networks.

Desirable Criteria

Proposals that demonstrate the following will be considered more favourably:

l. leverage of private sector investment into the Solent LTB area;
m. improve sustainable access to city and/ or town centres and major employment areas;
n. improve access to the Enterprise Zone(s)
o. tackle congestion;
p. reduce carbon output and other emissions;

q. increase capacity of transport networks; and

r. be measurable against the following Key Performance Indicators (KPIs):

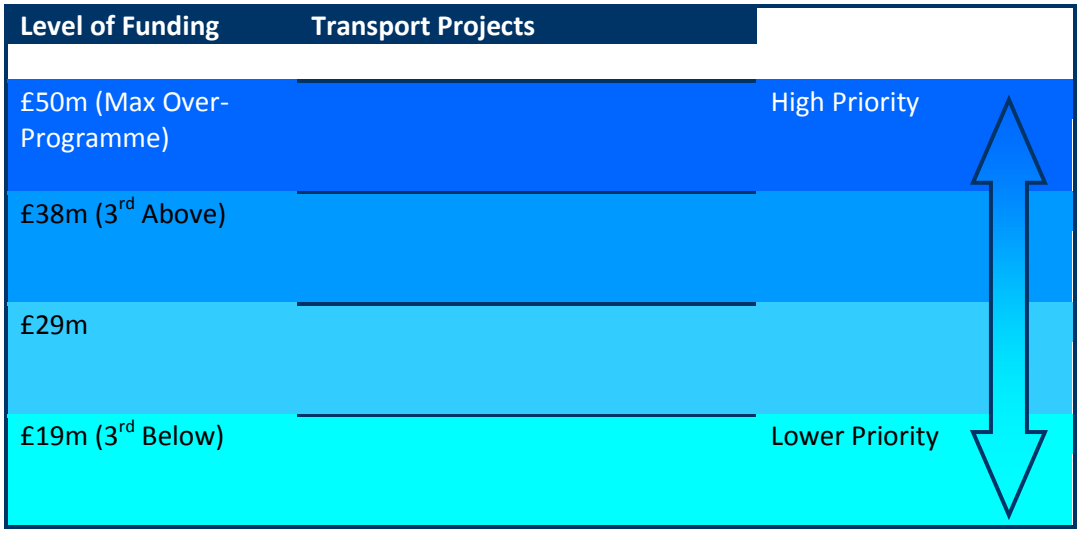
- Net additional jobs created (directly or indirectly) or safeguarded in the Solent area that can be linked to the transport intervention.
- Net additional housing or employment floorspace supported as a consequence of the transport investment (either directly or as part of a wider package of enabling measures).
- Private sector investment leveraged as a result of the delivery of the transport scheme (either directly or as part of a wider package of enabling measures).
- Local Gross Value Added (GVA) created and safeguarded.

The Solent LTB will reserve the option to use LTB funding flexibly in order to respond quickly to economic shocks and opportunities. This will be in exceptional circumstances only, where there is a significant transformational opportunity, and will take place outside the normal process. Proposals for exceptional LTB funding will be subject to the same level of appraisal and including independent scrutiny.

Prioritisation Methodology

There will be two opportunities to apply for prioritisation for LTB funding. The first round will run from Monday 13th May 2013 to Wednesday 12th June 2013, with the second round running for a period to be decided in the first half of 2014. The first round will prioritise transport projects for progression to business case development (and will form the basis of our indicative list for submission to DfT by the end of July 2013). The second round will provide an opportunity for new schemes to be considered for prioritisation and enter the programme, and as a result, following the second round of applications the priority of projects within the overall programme may change. By having two bidding rounds we recognise the need for flexible planning.

The below figure shows how the Solent LTB will construct a prioritised programme of investment. The total programme value would be £50m as the LTB is keen to over-programme (above the indicative £28.8m figure) to enable the programme to reflect local contributions and to have additional shovel-ready schemes to take advantage of any further funding that may be forthcoming. Those projects in the top box would be the highest priority schemes, whilst those in the bottom box would be of lower priority. If the £28.8m allocation is confirmed, our priorities would consist of the first £28.8m of schemes (working from the top). If the LTB is subsequently allocated more funding, additional schemes, working down the list, would be funded.



There can be movement between the boxes as circumstances change. This would be a decision for the LTB and would provide a flexibility and responsiveness of the programme to changing circumstances.

The application forms (Part A and Part B) and application guidance are available from the Solent LTB website. The Part A application form is arranged into five main sections, one for each of the five transport business cases. The dual focus for assessment, are the strategic and economic cases. The application forms aim to provide applicants with an opportunity to clearly demonstrate the strategic fit of their project with local priorities, and the economic benefits that would be realised. The economic benefits include both transport-specific benefits as well as economic growth-related outputs. The Part B application form aims to provide a consistent basis for setting out economic growth-related outputs, and uses nationally recognised bases for GVA:

- GVA as a factor of the project's construction expenditure: 2011 Annual Business Survey data produced by the Office of National Statistics suggests that 37% of construction spend in the UK relates to the sector's GVA contribution nationally. The figure of 37% should be applied to the project to derived project construction GVA.; and
- Operation stage GVA: The 2011 Annual Business Survey data provides per employee (capita) benchmarks for GVA by different sectors of economic activity. Relevant benchmarks should be applied to the full-time equivalent jobs created impacts of the project to estimate the annual additional GVA contribution of the project during the operational stage.

It is anticipated that the form of evidence and level of detail provided in application forms will vary from scheme to scheme depending on the state of development of the projects.

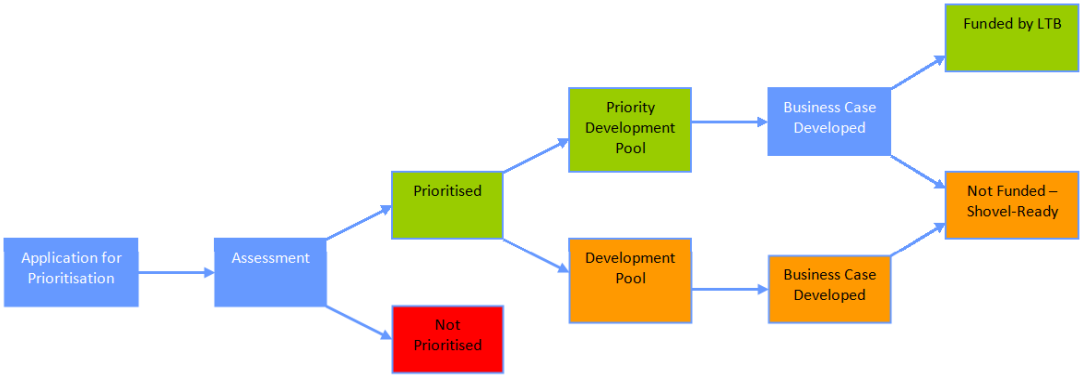
The following questions within the application forms will be given a Red, Amber, Green (RAG) status: B1-B11; C4-C6, C10; D1-D8; E1-E15; F1-F7, F8-F9 (if applicable); G1-G9; H1-H2; I1; J1. The purpose of assigning these questions a RAG status will be to provide an overview of each section, highlight risks, and assess the impact of the project against the particular question, relative to the focus for this Fund.

Each of the five Business Case sections (D-H of the application forms) will be scored between 1-10. The upper, middle and lower score descriptors are provided in table 1, on pages 20-21 of the application form guidance. The "10" score descriptor provides the 'target' for applications. The score descriptors are designed to be wide enough to cover the breadth of transport projects that could be received. Assessment descriptors will apply relative to the focus of individual projects.

The Strategic and Economic cases each carry a double-weighting to recognise their relative importance over the other three 'cases.' The Economic Case will be scored in two sections (each carrying equal weight). One section will score transport benefits, and the other scoring the economic benefits (including employment and new development). The relative weighting to be used in assessment is shown in table 1, on pages 20-21 of the application form guidance.

The steps prior to a final funding award are shown in the figure below. Following submission, applications will be independently assessed by the LTB secretariat (or its appointed consultant). This may include the need for face-to-face meetings between the applicant(s) and the assessor(s). A report will be produced recommending schemes for prioritisation to the LTB Senior Management Board (SMB). The SMB will then make recommendations on prioritisation to the LTB Board.

Steps Towards an Investment Decision



All projects prioritised for LTB funding will be assigned a status as 'Priority Development Pool' or 'Development Pool'. 'Priority Development Pool' projects will have a strong degree of certainty that they will be funded by the LTB, subject to the satisfactory and timely submission of a full Business Case that demonstrates high value for money[2], deliverability, and affordability. 'Priority Development Pool' schemes will also begin delivery in the first two years of the programme (2015-16 to 2016-17).

Following the first round of bidding, projects assigned a status of 'Development Pool' will feature on the prioritised list, but be of lower priority and will not have a strong degree of certainty that they will be funded by the LTB following submission of a full Business Case. The 'development pool' projects will be reviewed following round two submissions and would have an opportunity to be prioritised in the 2017-18 to 2018-19 period. Funding available for the 2017-18 to 2018-19 period will be contingent up the level of funding awarded in the first two years of the programme.

Where known, applicants are requested to submit at round 1, an indication of projects that they may be considering a bid for in round two. Applicants should email the LTB (at the contact email address) with the following information (no more than one page of A4) by 1st July 2013:

- Project name;
- Project location;
- Short project description (what the project will deliver and what it aims to achieve / support); and
- Indicative total project cost range (<£5m, £5-£10m, >£10m-£15m, >£15m-£20m, and >£20m).

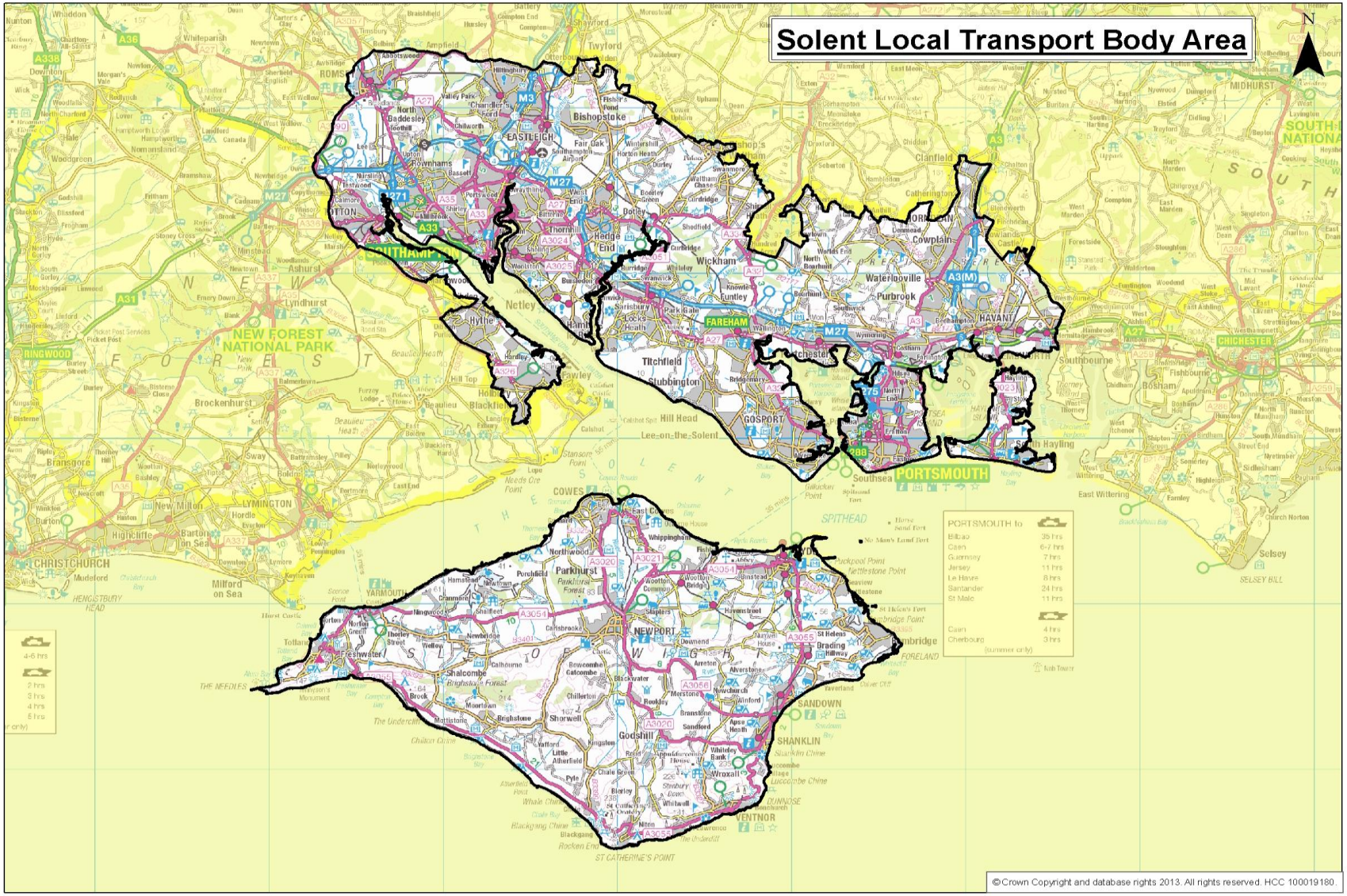
The LTB will use this information to inform its decision making at round 1.

[2] Lower value for money performance may be considered by exception.

APPENDIX 2: PROGRAMME MANAGEMENT AND INVESTMENT DECISIONS METHODOLOGY

To be completed following discussion with the Department for Transport.

APPENDIX 3: LTB AREA MAP



APPENDIX 4: KEY OBJECTIVES OF THE LOCAL TRANSPORT BODY

The Objectives of the Local Transport Body shall be:

To decide which investments should be prioritised, to review and approve individual business cases for those investments, and to ensure effective delivery of the programme.

APPENDIX 5: GOVERNANCE

TERMS OF REFERENCE FOR THE LTB BOARD

GENERAL

a. This is the Solent Local Transport Body Board, a voluntary partnership of the Parties

b. The Parties have agreed that the Board shall operate as if it were a Committee established under the Local Government Act 1972 in the interests of openness, accountability and transparency, and the access to information regime applicable to such a committee shall apply accordingly to the Board.

c. Certain functions, tasks or activities may be delegated by the Board within their terms of reference to officers of the Parties(in so far as the law allows).

d. Where a function or matter within the Board's competence has been delegated, the Board may exercise that function / matter concurrently with the officer to whom it has been delegated.

e. The Parties have agreed to form a Local Transport Body Board which shall meet to decide which investments should be prioritised, to review and approve individual business cases for those investments, and to ensure effective delivery of the programme.

SPECIFIC

a. To be responsible for ensuring value for money is achieved
b. To identify a prioritised list of investments within the available budget in accordance with the Prioritisation Methodology set out in Appendix 1 which may be amended from time to time by the LTB and which shall be published on the LTB web pages
c. To make decisions on individual scheme approval, investment decision making and release of funding, including scrutiny of individual scheme business cases in accordance with the methodology set out in Appendix 2 which may be amended from time to time by the LTB and which shall be published on the LTB web pages
d. To monitor progress of scheme delivery and spend
e. To actively manage the devolved budget and programme to respond to changed circumstance
f. To formally:
    I. Determine the initial decision on the composition of the scheme programme; and
    II. To make individual scheme investment decisions

TERMS OF REFERENCE FOR THE WORKING GROUPS

GENERAL

These Working Groups are informal bodies and without statutory powers or authority save as directly delegated to individual officers by their authority the Board/LTB.

SPECIFIC TERMS OF REFERENCE OF THE WORKING GROUPS

a. Responsibility for ensuring value for money is achieved
b. Identifying a prioritised list of investments within the available budget
c. Making decisions on individual scheme approvals, investment decision making and release of funding, including scrutiny of individual scheme business cases
d. Monitoring progress of scheme delivery and spend
e. Actively managing the devolved major schemes budget and programme to respond to changed circumstances

GENERAL TERMS OF REFERENCE FOR ALL WORKING GROUPS

a. To provide advice and guidance to the LTB Senior Management Board and Board/LTB within the specific terms of reference of each Working Group
b. To monitor and review the budget, governance, financial compliance matters and issues where appropriate.
c. To monitor the action plan and delivery
d. As delegated by the Board/LTB to be responsible for operational decision making & the day-to-day management of projects and activities carried out in the name of or on behalf of the LTB

APPENDIX 6: MEMBERSHIP

Board:

- One Executive Member of each of the partner local authorities leading on the respective issues within the Terms of Reference of the Board or exceptionally in the absence of that person, the Leader of the relevant partner local authority or another Executive Member of that local authority appointed by the Leader to attend the meeting as a Board member.
- A representative(s) of the Solent LEP appointed by the Solent LEP.
- A Representative of the Partnership for Urban South Hampshire appointed by the Partnership for Urban South Hampshire

Note: *Only 1 vote per organisation*

Associate Members:

- An Executive Member from the relevant district councils. Namely:

- Havant
- Fareham
- Eastleigh
- Gosport
- New Forest
- East Hampshire
- Test Valley
- Winchester

-DfT, the Highways Agency and Network Rail
-The relevant transport operators and/or stakeholders
-The International Gateways of the area (Port of Southampton, Portsmouth International Port, HM Naval Base Portsmouth, Southampton International Airport)
-University of Southampton Transportation Research Group
- Hampshire Chamber of Commerce
-Isle of Wight Chamber of Commerce, Tourism and Industry
- Hampshire Business Alliance

NOTE – The LTB may vary in accordance with Clause 8.3 Associate Membership including (but not limited to) increasing the associate membership.

APPENDIX 7: SUMMARY OF THE SUB-REGIONAL TRANSPORT MODEL

This section provides a summary of the model used to support the Economic Case, as requested in the LSTF Supplementary Guidance. Full details are included in the Model Validation Report which are available from.

The Transport for South Hampshire Sub-regional Transport Model (SRTM) modelling suite is an evidence-based land-use and transport interaction model developed to provide a strong analytical basis for the development of coherent, objective-led implementation plans to enable the changes in transport provision required to deliver prosperity to the area.

The integrated forecasting approach contains a suite of transport models and an associated Local Economic Impact Model (LEIM). The toolkit has been developed to assist in the ongoing investigation, appraisal and assessment of different: policies; strategies; and infrastructure, management and operational interventions on land-use policies and transport provision.

Figure 1: SRTM Modelled Area Definitions

The main TfSHIOW area (shown in orange in the figure above) contains the detailed network models, and this area, combined with the surrounding area (shown in green), is covered by LEIM.

The Local Economic Impact Model forecasts:

- The supply of housing
- The number of households by type
- The population by person types
- The number of jobs by sector
- The amount of commercial floorspace

The forecasts are produced for each year of the forecast period (2011 – 2041), and are affected by a range of factors, including, importantly, the performance of the transport network which is input for the years 2014, 2019, 20126 and 2036.

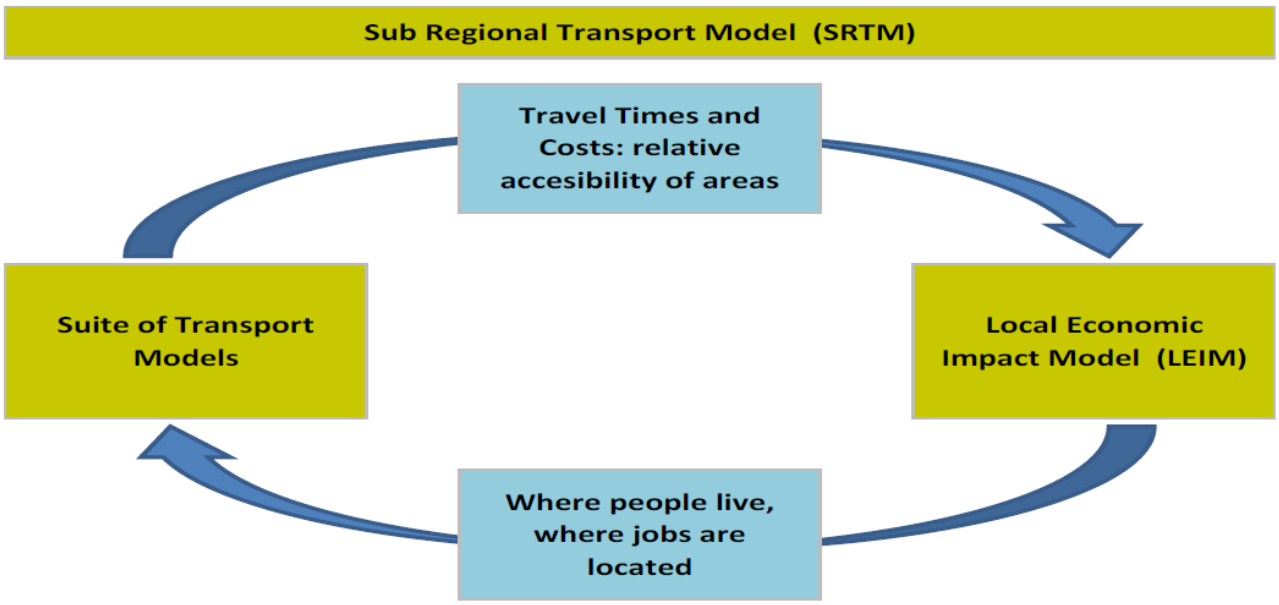


Figure 2: SRTM Transport and Land Use Mode interaction

The changes in the supply of housing and employment floorspace are controlled in line with local planning policies and national figures in TEMPRO 6.2. Planning assumptions on permissible development were collected from the relevant local planning authorities and they cover the period up to 2026. For the period beyond 2026 LEIM assumes a greater intensification of use at existing sites only.

The overall growth of South Hampshire can be allowed to vary within constraints set by the TEMPRO data at a sector level, to test the impact of transport and planning policies, or it can be fixed to test the consequences of higher or lower levels of growth.

The outputs of the LEIM are used by the transport models to predict the demand for travel to and from areas within South Hampshire and these can be compared to assess the land-use/economic impacts of different planning and transport policies. The models are set up for a base year of 2010 with forecast scenarios for 2014, 2019, 2026 & 2036. The transport models represent travel conditions for the morning and evening peak periods and the inter-peak period. They estimate the changing patterns of travel separately for travellers undertaking journeys for different purposes (e.g. for commuting or for education-related journeys) and for light and heavy goods vehicles).

The suite of transport models comprises the Main Demand Model (MDM), the Gateway Demand Model (GDM), Road Traffic Model (RTM) and Public Transport Model (PTM). *Figure.3* shows the interaction of the various models within the SRTM.

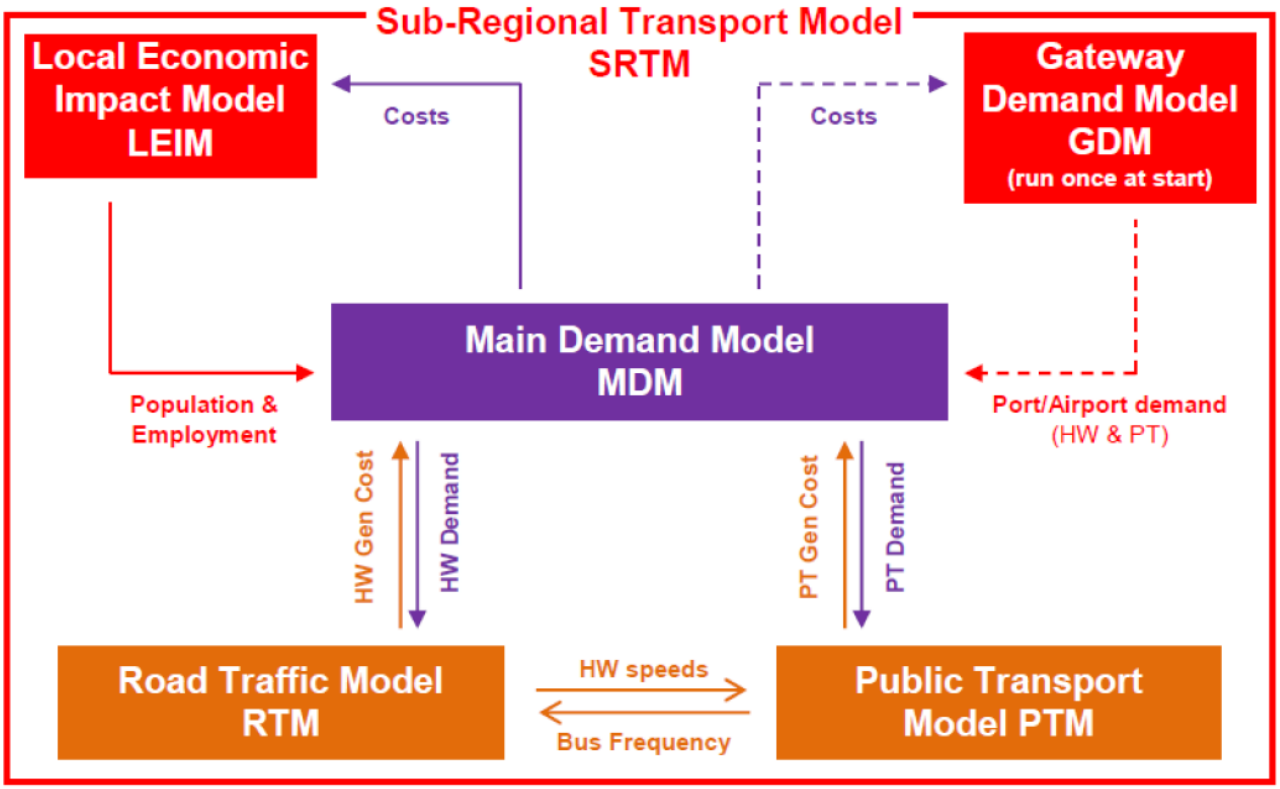


Figure 3: Interaction of models within the SRTM

One notable aspect of the MDM is that it uses tours to define journeys throughout the day rather than the usual trips (one tour would be the journey to work in the morning and back again in the evening; this would be two separate and unlinked trips in other models). A full description of SRTM and LEIM is available from http://www3.hants.gov.uk/TfSHh/TfSHh-what-TfSH-does/TfSH-projects-evidence-base.htm.

How the reference cases are derived and what they tell us (spread and quantum of development)

For each forecast year a set of tests was undertaken:

- Base Case - LEIM forecasts of travel demand using base year transport costs
- Reference Case – LEIM forecasts of travel demand using that year's transport costs incorporating only committed schemes

The Reference Case forecasts of population and employment are lower than the Base Case projections due to the constraints generated by the inefficiencies of the transport network i.e. overall costs of travel (time and money) will be higher. The aim of the interventions in the LSTF bid, and also the LTSIP, is to increase the levels of development, especially employment, back up to the Base Case levels by removing many of the barriers and constraints evident in the reference case. The impacts of these interventions are discussed in the following sections of this Economic Case.

APPENDIX B – SOLENT LTB BOUNDARY PROPOSAL LETTER

Hampshire County Council

Portsmouth City Council

Solent Local Enterprise Partnership

Isle of Wight Council

Southampton City Council

The Chief Executives of The Local Highway Authorities of the Solent LEP area and the Chairman of the Solent LEP

John Dowie
Director, Local Transport
Department for Transport
Zone 2/16
Department for Transport
Great Minster House
33 Horseferry Road
London
SW1P 4DR

Enquiries to stuart.baker@hants.gov.uk
Direct Line 01962 846741
Date September 2012
My reference
Your reference
E-mail richard.jones@solentlep.org.uk

Dear John,

Re: Boundary of Local Transport Body in the Solent LEP Area

Thank you for your letter dated 2nd August in which you helpfully provided interim guidance on the formation of Local Transport Body (LTB) boundaries.

Following the Isle of Wight joining Transport for South Hampshire (TfSH), its boundary matches that of the Solent Local Enterprise Partnership (LEP) and locally, the desire of the four Local Transport Authorities (LTAs) and the Solent LEP is for the boundary of the Solent LTB to be coterminous with the TfSH / Solent LEP boundary, in accordance with the DfT interim guidance.

However, the TfSH / Solent LEP area includes a LTA (Hampshire County Council), which is split between two LEPs (Solent and Enterprise M3) and four districts (New Forest, Test Valley, Winchester, and East Hampshire) whose areas are split between the Solent LEP and the Enterprise M3 LEP. Furthermore the Waterside area (the coastal strip along the western part of Southampton Water) of the New Forest district is within both the Solent LEP and the Enterprise M3 LEP. The local desire is for the Waterside area to form part of the Solent LTB, and not the Enterprise M3 LTB as it is our view that the residents and businesses interact more with the Solent

Transport for South Hampshire

LEP area than the EM3 LEP area, so transport solutions would most appropriately be developed and funded by the Solent LTB.

Our proposal accords with your requirement to not have over-lapping boundaries and for LTB boundaries to be consistent with LEP geography.

However, the interim guidance states that *"In formulating these [boundaries] we would suggest that you work on the basis that there is no overlap between LTBs (to avoid any confusion about responsibilities for major schemes), and that LTB boundaries should, as far as possible, be coterminous with existing boundaries of Local Transport Authorities and Local Enterprise Partnerships."*

The guidance, therefore, poses difficulties for the establishment of a Solent LTB that is coterminous with the geography of the Solent LEP. As stated above, there is local agreement on the geography of a Solent LTB, and given that your guidance states that *"We are keen for these choices to be determined locally as far as possible, with the agreement of all affected parties"* we urge you to provide, within your final guidance, for districts and LTAs to be split in order to properly reflect the local economic and travel to work geography of South Hampshire and the Isle of Wight.

Should DfT decide that devolved funding is calculated on the basis of population, we have the capability and capacity to provide central government with relevant population data.

I look forward to hearing from you.

Yours sincerely,

Doug Morrison
Chairman
Solent Local Enterprise Partnership

Andrew Smith
Chief Executive
Hampshire County Council

Steve Beynon
Chief Executive
Isle of Wight Council

David Williams
Chief Executive
Portsmouth City Council

Alistair Neill
Chief Executive
Southampton City Council