

Tees Valley Local Major Transport Schemes Assurance Framework

1. Purpose, Structure and Operating Principles

Name

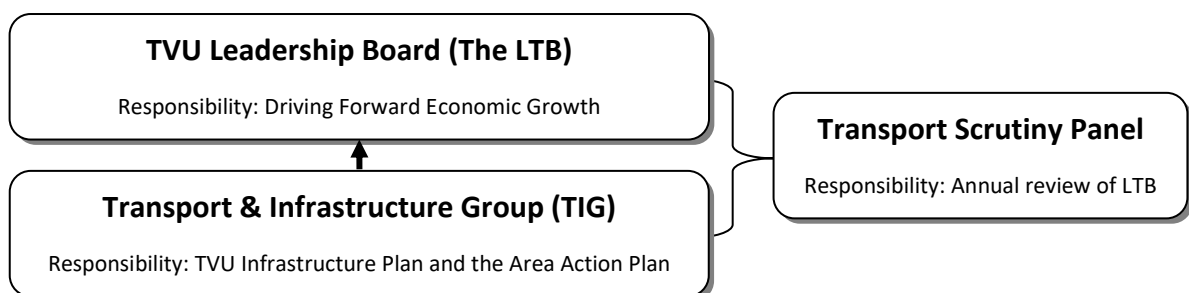
- 1.1. The Local Transport Body (LTB) will simply be known as Tees Valley Unlimited (TVU).
- 1.2. TVU is an unincorporated partnership of Local Authorities, business and other sectors acting in concert to support the economic development of the Tees Valley by facilitating the realisation of the Statement of Ambition and its supporting Investment Plan, which on 28 October 2010 was confirmed by the Secretary of State for Communities and Local Government as a Local Enterprise Partnership. Tees Valley Unlimited is driven by a private sector-led Leadership Board which builds on more than a decade of successful partnership work to lead and co-ordinate the development of the Tees Valley economy.
- 1.3. The LTB will use the existing governance arrangements as set out within the March 2011 Joint Agreement (for the Governance of Tees Valley Unlimited), made between Darlington Borough Council, Hartlepool Borough Council, Middlesbrough Council, Redcar & Cleveland Borough Council and Stockton-on-Tees Borough Council. The LTB will be managed by the TVU Leadership Board as outlined below.

Geography

- 1.4. The LTB will cover the Tees Valley, which is made up of the local authority areas of Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees.
- 1.5. It is anticipated that the Tees Valley Local Major Scheme funding allocation will be predominantly spent on schemes within the Tees Valley. However, TVU will collaborate with neighbouring LTBs as and when required (e.g. rail devolution), and this may lead to the pooling of funding in the future.

Membership

- 1.6. Membership of the LTB will mirror that of the TVU Leadership Board, which includes elected representatives from each of the five Tees Valley Local Authorities and key representatives from the private sector. Membership will change when the Leadership Board membership changes however it will always include the five local authority leaders or mayors. The structure of the LTB and the roles of each of the levels can be summarised as follows:



- 1.7. The **TVU Leadership Board** meets on a quarterly basis to discuss a wide range of TVU business. The board includes the Leaders and Mayors from each of the five Tees Valley local authorities and key representatives of the local business, education and voluntary community as set out within the Joint Agreement. The current membership (as of 28th February 2013) is listed below.

Member	Organisation	LTB Vote
Sandy Anderson OBE Chairman, Tees Valley Unlimited	Chair – Teesside University	-
Ray Mallon	Mayor – Middlesbrough Council	Yes
Stuart Drummond	Mayor – Hartlepool Borough Council	Yes
Alastair MacColl	Chief Executive – Business & Enterprise Group	-
Cllr Bill Dixon	Leader – Darlington Borough Council	Yes
David Robinson	Group Chief Executive – PD Ports	-
Alison Thain	Chief Executive – Fabrick Housing Group	-
Cllr Bob Cook	Leader – Stockton on Tees Borough Council	Yes
Cllr George Dunning	Leader – Redcar & Cleveland Borough Council	Yes
David Soley	Director – Cameron’s Brewery	-
Ian Kinnery	Director – Team Massive Results	-
Paul Booth	President – SABIC UK	-
Prof Graham Henderson	Vice Chancellor – Teesside University	-

- 1.8. The board will discuss LTB business as an on-going item within their wider agenda. Within this they will be responsible for:
- Agreeing a shortlist of schemes, which meet the criteria of the Tees Valley Local Transport Major Scheme fund; and
 - Agreeing which schemes will be delivered once the shortlist has been prioritised and business cases have been submitted and approved.
- 1.9. Voting on all aspects of the transport funding allocation will be reserved for the 5 elected Local Authority Leaders and Mayors. However, the private sector members of the Leadership Board will be given ample opportunity to influence the direction of the LTB and will be, and have already been, fully involved in setting priorities, identifying funding opportunities and developing schemes to be put through the prioritisation process.
- 1.10. A Terms of Reference will be established for the LTB prior to its first official meeting.
- 1.11. The **Tees Valley Transport Scrutiny Panel** will meet on an annual basis and will mirror similar arrangements currently in place for sectors such as health and social care. The panel includes

the transport portfolio holders from each of the five Tees Valley local authorities and will be responsible for:

- Scrutinising the decisions made and the processes followed by the LTB.

1.12. The **Transport and Infrastructure Group** (TIG) meets on a monthly basis. The group is chaired by a nominated representative from the Leadership Board (currently the CEO of Teesport) and includes the senior officers who oversee transport at the five local authorities, Tees Valley Unlimited, the Highways Agency and Network Rail. The group will act as a steering group for the LTB and will be responsible for:

- The scheme shortlisting process and recommending a final shortlist of schemes to the Leadership Board;
- The prioritisation process and recommending the schemes for which a full business case should be developed;
- The development of Business Cases for the prioritised schemes; and
- The delivery and monitoring of schemes.

Support and Administration Arrangements

1.13. TIG, as part of the core TVU organisational structure, will be the main source of professional advice for the LTB. The group will provide the Leadership Board with the information and evidence they require to make funding decisions.

1.14. The LTB will also receive professional advice and administrative support from TVU staff, as with the existing TVU Leadership Board. TVU currently have three members of staff within its Strategic Transport Team who will be devoting much of their time to the local major scheme process over the next 2 years. This includes the development and application of the Tees Valley's Local Major Scheme methodology and the continued maintenance and development of the Tees Valley Strategic Transport Model. The model will be vital for the identification, shortlisting and prioritisation of schemes, and will be integral to the development of WebTAG compliant scheme business cases.

1.15. Consultancy support will also be utilised where the specific expertise or impartiality cannot be found within TVU.

1.16. The details of the tasks required to manage the Tees Valley Local Major Scheme Fund are presented elsewhere. The resources allocated to these tasks can be summarised as follows:

- Scheme identification – Local Authorities with support from TVU staff;
- Sifting and prioritisation – TVU staff will produce the methodology and modelling outputs required within the process with support from the Local Authorities;
- Tees Valley Strategic Transport Model maintenance and improvements – TVU staff with targeted specialist consultancy support;
- Independent scrutiny of the Tees Valley Strategic Transport Model to ensure its compliance with WebTAG – External Consultant(s);

- Business Case development – Local Authorities with the support of TVU staff and consultancies where appropriate; and
- Independent appraisal of business cases – External Consultant(s).

Gifts and Hospitality

1.17. The LTB will follow existing TVU gifts and hospitality procedures where any gift or hospitality over the value of £25 will be declared and documented.

Conflicts of Interest

1.18. The LTB will follow existing TVU conflicts of interest procedures:

- (i) A standing item, regarding conflicts of interest, is included on each agenda at the start of TVU meetings. All members should declare the existence and nature of any interests at this point. Details of the declaration are recorded in the Board's minutes. If members arrive part way through a meeting they should declare any interest at the start of the relevant item or as soon as it becomes apparent that they have an interest;
- (ii) TVU will maintain a publically available register of such declared interests, detailing the nature and extent of such an interest;
- (iii) Where a conflict of interest occurs, the Board member should withdraw from the meeting room whilst the relevant business is being considered / determined and, must not vote or otherwise improperly influence decisions on that business;
- (iv) In respect of collective decisions, such as partnership quarterly grant claims or the approval of annual delivery plans, partnership members should consider the issues in respect of the *other* elements of the schemes and not their own projects or interests. *In practice, this means that within the context of an overall scheme decision, members should vet each other's claim or submission.*

1.19. All TVU Board Members are required to complete a TVU Member Notification of Personal Interest Form when joining the board, which is then repeated on an annual basis. This ensures that Board Members adhere to a Model Code of Conduct, issued under section 50 of the Local Government Act 2000. Elected TVU Board Members will also have signed an undertaking to adhere to a Model Code of Conduct, which has been adopted by their authority.

Status and Role of Accountable Body

1.20. Stockton-on-Tees Borough Council (SBC) will act as the accountable body for the LTB, assuming legal responsibility for LTB decisions. SBC will also hold the devolved major scheme funding and make payments to the scheme delivery bodies. This is an established process in the Tees Valley and is subject to the Joint Agreement. The arrangement has been used successfully to deliver joint major transport schemes in the past, such as elements of the Tees Valley Metro Scheme.

1.21. The Local Devolved Major Scheme Funding will be allocated to its own unique cost centre within SBC's financial system. Financial statements will be available upon request and will be presented at LTB meetings on a periodic basis. As funding will only be released as actuals in

arrears, proof will be required that expenditure claimed is in accordance with an LTB decision. This will be overseen by SBC's Finance (s151) Officer and pass through the TVU audit process.

- 1.22. Decisions and activities of the LTB will be monitored by TVU and SBC's finance and legal teams. The Leadership Board will collectively be responsible for approving schemes and through SBC, any legal challenge that may arise. The transport scheme decisions will be based upon the objectives of the Tees Valley Statement of Transport Ambition, which have undergone a Strategic Environmental Assessment. Individual schemes will be required to have considered the relevant equality, environmental and EU requirements within their business plans and adhere to them if they reach the delivery stage. An Equality Framework has been established that covers the work and outputs of all of the TVU boards, panels and groups, which is updated on an annual basis.
- 1.23. Measures will be in place to ensure the DfT approved assurance framework is being adhered to. Much of the framework is based upon existing TVU arrangements, which have been agreed through committees at each of the five Tees Valley Local Authorities. The governance arrangements through the Leadership Board are already in place and active for a number of purposes, including transport. This will continue to be the case and the Scrutiny Panel will annually review the overall process to ensure it is still adhering to the governance, prioritisation and programme management arrangements set out within the framework.
- 1.24. TVU staff compile papers, agendas and minutes for each leadership board and TIG meeting. This will continue to occur and they will be made public through the TVU website.

Local Audit and Scrutiny

- 1.25. The functions of the LTB and the SBC cost centre assigned to the Local Major Scheme funding, will be independently audited on an annual basis as part of the external audit of SBC's accounts. The reports will be made available to the DfT on an annual basis, the first of which will be available by the end of 2014.
- 1.26. The Scrutiny Panel will annually review the overall process to ensure that the LTB is still operating effectively within the terms of the Assurance Framework and adhering to the governance, prioritisation and programme management arrangements. Reports and minutes from this panel will be made available to the DfT on an annual basis.

Strategic Objectives and Purpose

- 1.27. The 2011 Tees Valley Statement of Transport Ambition sets out how key local authority, business and other public sector leaders in the Tees Valley prioritised three transport challenges, based on the national transport challenges in place prior to May 2010. The three challenges remain consistent with the Coalition Government's primary goals for transport.
- 1.28. These commonly agreed challenges are:
 - Improve the journey experience of transport users of urban, regional and local networks, including interfaces with national & international networks;
 - Improve the connectivity and access to labour markets of key business centres; and

- Deliver quantified reductions in greenhouse gas emissions within cities and regional networks, taking account of cross-network policy measures.
- 1.29. The evidence supporting these three challenges has been examined in detail within an earlier 2010 study programme and has identified a number of detailed issues, which in turn have influenced the identification of options to tackle the transport challenges within the Tees Valley.
- 1.30. The Coalition Government has also signalled that it wishes to see strong leadership and autonomy within local communities, led by local government, business and other key stakeholders. In transport, many issues that can be tackled at the local level emerge, and indeed the Coalition Government has identified that social justice and quality of life are important outcomes that improved transport can deliver. These local challenges include road safety, local network management, highway maintenance (including management of local infrastructure assets), and the delivery of local infrastructure that supports active travel such as walking and cycling. Tackling each of these challenges through local action will contribute to delivering outcomes that are important within each locality, and will help to enhance health and quality of life in local communities across the Tees Valley.
- 1.31. As the LTB is also the TVU Leadership Board, its strategic objectives and purpose will also match those already established within the Tees Valley. Decisions on scheme selection will be expected to contribute towards economic growth, an increase in employment opportunities and the main ambitions of the Tees Valley Statement of Economic and Regeneration Ambition:
- Driving the transition to a high value, low carbon economy; and
 - Creating a more diversified and inclusive economy.
- 1.32. The nature of the existing Leadership Board's business will also mean that the LTB is involved in making decisions for other funding streams managed by TVU (such as Growing Places Funding and the Tees Valley Investment Fund, which has been established to utilise the income from the Tees Valley Enterprise Zone sites) and it will be a discussion forum for any strategic transport issues, even those not covered by local major scheme funding. Therefore this presents opportunities to consider TVU investment in transport schemes aligned with Local Major Transport Funding.
- 1.33. The LTB will be responsible for:
- Identifying a prioritised list of interventions;
 - Approving individual schemes, investment decisions and funding release;
 - Overseeing the scrutiny of individual scheme business cases;
 - Monitoring the progress of scheme delivery and managing programme changes;
 - Ensuring value for money is achieved; and
 - Local economic growth.

Transparency and Local Engagement

- 1.34. Transparency will be maintained through existing TVU arrangements as set out in the Joint Agreement and by adhering to the Local Government Transparency Code. The Leadership Board will agree a diary of meetings during the year as soon as practicable after the Annual Meetings of the Local Authorities. There will be a minimum of a 5 day notice period with agenda and papers before any LTB meeting. LTB papers and minutes will be made available to LTB members within 7 days of the LTB meeting. They will also be made available to the public through the TVU website alongside scheme business cases, evaluation reports, funding decision letters and regular programme updates.
- 1.35. Individual scheme promoters will obtain agreement from the appropriate Local Authority Committee/Cabinet meeting, upon which schemes to put forward as Business Cases, from the prioritised list of schemes. The prioritised list of schemes and approved business cases will also be taken through the appropriate Local Authority Committee/Cabinet meetings before being signed off by the LTB. These meetings will ensure that the initial decision on the composition of the scheme programme and the individual scheme investment decisions are approved in a meeting open to the public, which has a minimum notification period. The leaders and mayors can then bring the delegated decision from these meetings to the Leadership Board/Local Transport Board, which is not open to the public, for final sign off.
- 1.36. The Tees Valley and Local Authority transport strategies and priorities upon which the major scheme funding shortlist will be based, will continue to go through the Local Authority consultation processes.
- 1.37. TVU, formerly listed as a public body, will be responsible for holding the official record of LTB proceedings and all LTB documents. Any information held by TVU will be supplied under the Freedom of Information Act 2000, unless subject to one of the 23 exceptions under the Act. Full details of TVU's Freedom of Information requests procedures can be found on the TVU website.

Complaints and Whistleblowing

- 1.38. TVU has a dedicated complaints procedure which is followed upon receipt of a complaint. The details of which are published on the TVU website. In summary a complaint must be sent to TVU's Office Manager in writing (fax and email also accepted). All complaints will be investigated and fully responded to within 10 working days of receipt. If the sender of the complaint is unhappy with the response or action taken a further response will be within 20 working days. If the sender is still unhappy the matter can be put to the Local Government Ombudsman.

2. Prioritisation

- 2.1. Sifting and prioritisation will be undertaken using information derived from the Tees Valley Area Action Plan (AAP) and a Pro-forma based upon the DfT's EAST methodology (Appendix 1). To ensure transparency, justification for scheme prioritisation, outlining how the following criteria have been applied, will be published alongside a draft list of prioritised schemes by the end of April 2013 and presented to the LTB. A final list of prioritised schemes will be published at the end of July 2013 and submitted to the DfT.

Scheme Identification

- 2.2. Congestion hotspots are identified through the AAP and schemes are designed and tested by TVU within the Strategic Transport Model to find the most appropriate solution. The tests consider the role of non-highway schemes such as the Tees Valley Metro (local rail enhancements) and Bus Network Improvement Scheme as well as highway improvements. Testing schemes using the one model enables a consistent comparison of scheme benefits for schemes promoted across the Tees Valley.

Tees Valley Area Action Plan

The Tees Valley AAP is a collaboration between the Highways Agency, Tees Valley Unlimited, and the five Tees Valley local authorities. This partnership has been in place for around 5 years and is a constantly evolving transport planning response to the changing development aspirations of the Tees Valley.

The AAP is strongly evidenced based, using outputs from sophisticated transport modelling and development assessment techniques to inform scheme identification and prioritisation. The AAP has been recently used successfully to prioritise the HCA's Growth Point and the HA's Pinch Point schemes within the Tees Valley. Growth Point led to the delivery of Ramp Metering schemes to provide additional capacity at 5 key junctions on A19 and A66 in the Tees Valley. Pinch Point will deliver further capacity enhancement at the A19/A174 and A19/A689 junctions, which are critical in unlocking development sites across the Tees Valley.

In order to facilitate the economic growth that is being sought by TVU, it is vital that the strategic transport network is able to accommodate the traffic pressures that come with it. This will be achieved through the maintenance, adaptation and expansion of the existing network allied to measures to encourage the use of buses, trains, walking and cycling. This is summarised within the aim of the AAP as stated below:

"Taking all of the predicted and aspirational future economic growth into consideration – develop a series of transport interventions and prioritise them by growth delivered, value for money, affordability, and timescale."

Within the AAP a development database has been created, which outlines all of the major developments expected to occur within the Tees Valley over the next twenty years and provides a common set of development assumptions for all modelling then undertaken. This has then been constrained to TEMPro growth forecasts and run through the Tees Valley Strategic Transport Model, the Highways Agency's Traffic Impact Assessment Toolkit and the Highways Agency's Meso-scopic Transport Model which covers the Tees Valley trunk road

network. The outputs from the modelling provide an indication of where congestion is likely to occur on the road network in the future if development goes ahead as planned.

The AAP as a tool is concerned primarily with the facilitation of economic growth and maintaining the stability of the strategic road network. To this end congestion measures have been used as a proxy for the quantity of growth and future development the existing Tees Valley transport networks can accommodate. The wider social and environmental impacts of scheme development will be considered when the AAP is applied within context, such as Local Transport Plans and Local Major Scheme prioritisation.

- 2.3. Initially schemes will be added to a long-list for further consideration. The long-list will also include schemes derived from local requirements or previous studies. Due to the sifting process explained subsequently, there are no set criteria for what can be added to the long-list.

Scheme Sifting

- 2.4. Using methodologies and modelling tools from the Tees Valley’s Area Action Plan, the following criteria will be applied to the long-list of transport schemes. These will be applied consistently across the long list of schemes using information supplied through a common scheme pro forma. The modelling input will also be applied consistently across all schemes by TVU, utilising a multimodal strategic model which will be tested for WebTAG compliance by an independent specialist.
- 2.5. Exclusion by these criteria will not exclude a scheme from the Area Action Plan but a scheme may need to look to other funding sources or be revised / packaged to meet the Local Majors criteria in future revisions.

Value for Money

A Benefit Cost Ratio (BCR) greater than 1.5 for schemes below £10m (or greater than 2 for schemes above £10m).

- 2.6. The BCR is a standard output from transport modelling that has traditionally been used to apply for Major Scheme funding. It offers a simple comparison between transport schemes based upon the cost of the scheme and the monetised benefits of the scheme (including time savings, accident savings, emission savings, etc).
- 2.7. The HM Treasury Green Book outlines the following categories of value for money based upon the BCR of schemes:
- Poor – less than 1;
 - Low – 1 to 1.5;
 - Medium – 1.5 to 2;
 - High – 2 to 4;
 - Very High – greater than 4.
- 2.8. The Department for Transport followed these categories, generally only considering schemes in the ‘High’ and ‘Very High’ categories. The value used within the sifting process will be

obtained from the Tees Valley’s Strategic Transport Model, which will provide a consistently derived comparable figure.

Cost

Between £1.5m and £20m.

- 2.9. The scheme cost has will be obtained through the industry costing of a scheme (from a Local Authority, the Highways Agency or Network Rail.) or by using a comparable scheme which has already been delivered as an estimate. An optimism bias will be included within the scheme costs where appropriate to ensure that they account for risks and cost changes.

Requirement Year

Schemes which are required within 5 years of the end of the funding period will be shortlisted.

- 2.10. Modelling outputs and local authority development predictions will be used to estimate when transport interventions will be required to facilitate specific new jobs / homes.

Deliverability

Assurances will be required from a scheme promoter / partner (e.g. local authority, Highways Agency or Network Rail) that a scheme can be delivered within the timescales specified. This will include a review of key risks associated with a scheme’s delivery.

- 2.11. The deliverability of a scheme takes into account a number of factors beyond the issues around securing funding for a scheme. These include aspects such as what stage of design and consultation the scheme is at and whether there are any ownership constraints with the land required for the scheme. This will be developed in partnership with the Local Authorities and the HA.

Scheme Prioritisation

- 2.12. The Tees Valley transport priorities were established within Connecting the Tees Valley, the Tees Valley Statement of Transport Ambition, published in April 2011. This provided a Tees Valley transport perspective on the 2010 National Infrastructure Plan and a response to the Tees Valley’s Economic and Regeneration Statement of Ambition. The role of transport was summarised within three challenges, which were to:
- Improve the journey experience of transport users of urban, regional and local networks, including interfaces with national & international networks;
 - Improve the connectivity and access to labour markets of key business centres; and
 - Deliver quantified reductions in greenhouse gas emissions within cities and regional networks, taking account of cross-network policy measures.
- 2.13. These challenges have shaped the development of the Tees Valley Area Action Plan, which has led to the prioritisation of Local Major Schemes by their delivery of GVA (Gross Value Added), homes and carbon benefits.
- 2.14. The shortlisted schemes have then been indexed by their relative (to other schemes within the shortlist) GVA, homes delivered and carbon benefit per £1m spent. As well as meeting the Tees Valley’s value for money criteria to pass through the sifting process, the benefits per £1m

spent will also favour higher value for money schemes in the prioritisation process. Weightings of 1, 2 and 3 have been applied to each index respectively to calculate a total score.



GVA

- 2.15. The GVA of a scheme has been derived from the number of jobs¹ that could be facilitated by the extra road capacity generated by a scheme, as predicted by the Tees Valley Strategic Transport Model. The type of job generated is then determined using the Tees Valley Development Database and a GVA is generated from the direct jobs, indirect jobs and construction jobs.
- 2.16. The final GVA index is then calculated by dividing the GVA by the cost of the scheme and indexing it against the other shortlisted schemes.

Homes Delivered

- 2.17. The number of homes¹ delivered is estimated from the extra road capacity generated by a scheme, as predicted by the Tees Valley Strategic Transport Model. The final Homes Delivered index is then calculated by dividing the number of homes delivered by the cost of the scheme and indexing it against the other shortlisted schemes.

Carbon Benefit

- 2.18. The carbon benefits of a scheme have been derived from the Tees Valley Strategic Transport Model, through TUBA analysis. In simple terms, a scheme which increases the average speed on the surrounding road network will improve fuel efficiency and therefore increase the carbon benefit. This is of course up to a certain speed threshold where a higher average speed will start to have a negative effect on fuel efficiency, thus a reduction in the carbon benefit.
- 2.19. The final Carbon Benefit index is then calculated by dividing the benefit by the cost of the scheme and indexing it against the other shortlisted schemes.

Other Criteria

- 2.20. Local contributions, external funding and any income that could be generated from a scheme will be taken into consideration at a later stage, once scheme business cases have been developed. Noise, air quality, the physical environment, social and distributional impacts will also be considered at this time.

¹ Taken from the Tees Valley Development Database

3. Programme Management and Investment Decisions

The Transport Business Case

- 3.1. Business Cases will be developed for each shortlisted scheme by the promoting Local Authority, with support from TVU, the Highways Agency or Network Rail as required. These will be WebTAG compliant and based upon forecasts consistent with NTEM. They will be based upon transport business case best practice and will comprise of:
- The strategic case;
 - The economic case;
 - The commercial case;
 - The financial case; and
 - The management case.
- 3.2. Modelling input will be available for business case development using the strategic transport model (managed by TVU). A decision on what additional modelling may be required will be made on a scheme by scheme basis.

Scheme Assessment and Approval

- 3.3. Each individual business case will be assessed and scrutinised by an independent consultant. The Tees Valley's Strategic Transport Model will also need to undergo independent scrutiny to ensure it is WebTAG (The DfT's web based Transport Analysis Guidance) compliant and fit for purpose for the business cases its outputs are to support. A rigorous procurement process will be followed for the commissioning of each of these consultants to ensure the quality of the business case and model approval. A summary report will be made available for the output of each approval.
- 3.4. Following feedback from an independent consultant, approval recommendations will be put forward by the Transport and Infrastructure Group to the Leadership Board. The Leadership Board will then make a decision on whether to proceed with the scheme / funding recommendations.
- 3.5. A two staged approval process will be used similar to the DfT's where schemes can achieve programme entry but full approval will not being granted until costs have been contracted and legal requirements met.

Value for Money

- 3.6. Value for Money (VfM) statements will be included for each scheme put forward as a business case and approved by the independent consultant. The content of the statement will include:
- The VfM category of the scheme and any justification if it is not high;
 - A summary of the present value of benefits, present value of costs and the BCR;
 - An assessment of non-monetised impacts; and
 - Identification of key risks, sensitivities and uncertainties.

External views on business cases

- 3.7. Business Cases will be published on the TVU website, alongside meeting papers, minutes, etc and any external views will be made available to the LTB. A sufficient period will be available between when business cases are first published and when a final decision is made by the LTB upon which schemes to fund.

Release of Funding, cost control and approval conditions

- 3.8. A mechanism for managing funding has already been established in the Tees Valley for the Tees Valley Bus Network Improvements Major Scheme as detailed within the TVBNI Project Execution Plan (supplied on request). This has proved successful for the management up to £60m worth of funding including approximately £40m worth of funds obtained from the DfT, therefore it is deemed appropriate to follow similar protocols for the management of the smaller Tees Valley Local Major Scheme Fund.
- 3.9. A plan following a similar format to the TVBNI Project Execution Plan will be developed for the Tees Valley Local Major Scheme Fund as detailed within this assurance framework and will comprise of:
- Project Governance;
 - Procurement;
 - Financial Control;
 - Change Management;
 - Risk Management;
 - Progress Reporting; and
 - Benefits Realisation.
- 3.10. For each separate scheme being delivered using local major scheme funding, every quarter, a formal application will be required to be made to the LTB for a drawdown of funds. A requirement of the application will be the provision of evidence of the total expenditure in the quarter.
- 3.11. Each scheme's project manager shall be responsible for the collection of the necessary evidence to justify all expenditure. At the month end the evidence shall be sent to the LTB and the nominated Finance Officer at Stockton-on-Tees Borough Council.
- 3.12. In summary, the LTB will ensure that:
- Agreed LTB financial contribution profiles will be set for each scheme;
 - The promoting local authority will be responsible for any cost increases; and
 - Payments will be made from the central LTB budget for actuals in arrears as per the current DfT system. Therefore the scheme promoter will only receive funding once they have provided evidence of progress and spending towards the scheme they are promoting.

Programme and Risk Management

- 3.13. A Risk Register will be developed for each individual scheme and any scheme with substantial risks will be ruled out at the scheme sifting stage. As with the Tees Valley Bus Network Improvements major scheme the LTB will provide payment in arrears. The promoting local authority will be expected to cover cost increases, which will minimise the risk on the central LTB budget.
- 3.14. Significant scheme risks will be reported monthly by the scheme project managers. From this an update will be provided to the LTB. At quarterly intervals there will be a review to capture current key risks. The focus will be on reviewing what has changed and ensuring the current risks are up-to-date.
- 3.15. A local major scheme fund risk register will summarise the main risks to the successful delivery of the LTB schemes, as well as highlighting common risks and interface risks across all schemes. Knowledge of the interface risks will enable the LTB to manage risks more efficiently across the programme. Most importantly the process will provide an assurance process to demonstrate that potential causes of loss are being managed and controlled.

Monitoring and Evaluation

- 3.16. Scheme promoters will be required to monitor and evaluate their schemes. This will be required at the delivery phase in order for the scheme promoter to obtain payment from the central LTB budget. This will consist of a quarterly summary of scheme spend to date and a summary of delivery progress on the ground.
- 3.17. As set out in DfT Major Scheme monitoring guidance, the following measures (covering inputs, outputs, outcomes and impacts) will be monitored for all schemes:
 - Scheme build;
 - Delivered scheme;
 - Costs;
 - Scheme Objectives;
 - Travel demand;
 - Travel times and reliability of travel times;
 - Impacts on the economy; and
 - Carbon Impacts.

Appendix 1 – Draft Prioritisation Pro Forma

EAST Category	Measure		Source
	Description of issue scheme addresses		
Strategic	Scale of impact	V.Positive / Positive / Neutral / Negative / V.Negative	Modelled result (achieve mitigation of above)
	Fit with Wider transport and government objectives		
	Fit with other objectives	Source: Statement of Transport Ambition	
	- Resilient Network	##	Remaining Capacity/km (on classified roads)
	- Access to employment	##	TUBA Output (commute travel time)
	- Reducing Carbon emissions	##	TUBA Output (vehicle distance)
	Key Uncertainties'		
	Degree of Consensus over outcomes		
Economic	Economic Growth (Travel Time)	##	TUBA Output (work/commute travel time)
	Economic Growth (Homes)	##	Number of Homes facilitated (modelled)
	Carbon Emissions	##	TUBA Output (vehicle distance)
	Socio-distribution impact and the regions	##	Number of Jobs facilitated (modelled)
	Local Environment		
	- Noise	V.Positive / Positive / Neutral / Negative / V.Negative	
	- Air Quality	##	TUBA Output (vehicle distance)
	- Physical Environment	V.Positive / Positive / Neutral / Negative / V.Negative	
	Well Being		
	- Physical Activity	V.Positive / Positive / Neutral / Negative / V.Negative	
	- Accident Benefits	##	COBA Output
	- Access the Amenities	##	TUBA Output (other travel time)
	Expected VfM category	##	TUBA Output (Cost-Benefit)

EAST Category	Measure		Source
Managerial	Implementation timetable	##	Calculated Requirement Year
	Public Accountability	COVERED BY GOVERNANCE AGREEMENT	
	Practical Feasibility	Considered / Not Considered	
	What is quality of supporting evidence		
	Key Risks	Considered / Not Considered	
Financial	Affordability		Initial Sift
	Capital Cost	##	£
	Revenue Cost	##	£
	Cost Profile		
	Overall Cost Risk	##	Calculated Optimism Bias
Commercial	Flexibility of Option		
	Where is funding coming from		
	Any income generated		
Other Appraisal Issues	Alternative schemes	Available / Not Available	Preferably lower cost
	Local Contribution		%