

SUPPLEMENT TO THE AGENDA FOR

General Overview & Scrutiny Committee

Tuesday 8 March 2016

10.00 am

**Council Chamber, The Shire Hall, St Peter's Square, Hereford,
HR1 2HX**

71. QUESTIONS FROM THE PUBLIC

Pages

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The following questions were received before the identified deadline (4.00pm Thursday 3 March 2016)

Questions from members of the public regarding item 8, Local Transport Plan

Question and Response

Question 1, from Mrs E Morwiecka

I understand that the Marches LEP have now adopted the Dept. for Transport business case value for money assessments proposals within the LEP Assurance Framework. This should mean that transport spending has to be prioritised not on projects with "high" BCRs, (benefit cost ratios) but with the "highest."

A Benefit to Cost Ratio of 3.55 for the South Wye Transport Package was reported in the Strategic Outline Business Case submitted to the LEP. With a Present Value Benefit of £92.48 million this BCR is improbably high for a new road carrying as little traffic as the Southern Link Road (AADT 6,500). Separate BCRs had not been calculated for any of the elements of the Sustainable Max option or each of the Southern Link Road options. The Marches LEP agreed allocating funding for the Southern Link Road in Herefordshire on the basis of this single BCR .

- a) Will the Marches LEP now require Herefordshire Council to calculate BCRs for alternative transport options to the Southern Link Road such as improved sustainable transport measures within the South Wye area?

Response:

The approval of funding for the scheme through the Growth Fund recognised that Government considered that the scheme demonstrated value for money. Recognising the importance of the scheme, the Department for Transport (DfT) has included it within its portfolio of 'retained' schemes and is directly overseeing the development and delivery of the scheme. Whilst the LEP continues to take an interest in this important scheme, Herefordshire Council is working directly with the DfT to take forward the scheme and develop the full business case, in accordance with DfT requirements. It is therefore not appropriate or necessary for the LEP to separately request Herefordshire Council carry out further assessments.

- b) Will the Marches LEP support alternatives to road building in Herefordshire if they are shown to deliver better value for money?

Response:

The Marches LEP promotes a range of projects that assist in meeting economic growth priorities including additional jobs and housing. Projects range from workforce skills and training initiatives, Higher Education provision, installation of Broadband infrastructure, to business support needs and infrastructure to open up housing and employment sites. Appraisal of projects will assess any application for transport, housing or skills/employment against the priorities agreed in the SEP and any national funding criteria that exist in relation to the funding scheme.

Question 2, from Mrs E Morwiecka

The previous Marches LEP Transport Assurance Framework Feb 2014 required transport scheme business cases to not only “demonstrate high value for money but also contribute to economic growth, reducing carbon emissions, reducing social exclusion, improving safety and promoting health / well being”. The Parsons Brinkerhoff report to Cabinet on the Southern Link road options clearly stated that “all scheme options will have a slight adverse impact on greenhouse gases due to vehicles travelling greater distances and at higher speeds”; “All route variations will have an adverse impact on walking and cycling levels in the rural area, discouraging these activities by increasing severance on existing routes and loss of rural amenity through the introduction of traffic noise and proximity to traffic”; “The four SLR options are assessed to have a moderate adverse impact on physical activity.”

a) If the Marches LEP is still committed to promoting sustainable growth by supporting transport projects that reduce carbon emissions, reduce social exclusion, improve safety and promote health and well-being would they please provide examples of proposed transport projects that meet these criteria and the way in which they do this?

Response:

The LEP remains committed to promoting sustainable growth. Indeed, elements of the South Wye Transport Package and the Hereford City Centre Transport Package will contribute to improving provision for pedestrians and cyclists as part of an integrated package of proposals to address the barriers to economic growth. The LEP will continue to consider schemes to deliver economic growth alongside wider benefits.

b) How does construction of the Southern Link Road ahead of any sustainable transport measures meet delivery of the Marches LEP criteria for “sustainable growth” and ensure that ALL transport users, including non-car owners, benefit from Marches LEP funding?

Response:

The South Wye Transport Package has been developed to provide an integrated package of measures to address the transport issues within the area and support economic growth, including at the Hereford Enterprise Zone. The package has been developed in accordance with Department for Transport guidance and includes a package of measures to be introduced to improve conditions for all transport users including pedestrians and cyclists. Whilst the scheme has been retained by the Department for Transport, which is overseeing its development, the LEP is satisfied that the scheme will contribute to our aims for sustainable growth.

Question 3, from Mrs E Morwiecka

The Local Development Order for the Hereford Enterprise Zone relates to minimising the growth of traffic on the A49 (part of the Strategic Network). However, the Parsons Brinkerhoff report route assessment states for each of the Southern Link road options “Increased traffic along the A49 but level of delay at the A49/A465 junction proposed to remain at existing levels”.

a) For what reasons is the Marches LEP looking to support the increase of traffic on the A49 in Hereford?

b) How does increasing traffic on the A49, contrary to the Local Development Order for the Hereford Enterprise Zone, promote growth at the Rotherwas Enterprise Zone?

Response:

The development of the South Wye Transport Package, including the Southern Link Road has included detailed traffic modelling to demonstrate the benefits of the scheme in relation to the Hereford Enterprise Zone. It is well understood that within the current highway infrastructure there are constraints upon development at the EZ due to the existing traffic conditions on the A49 and surrounding highways. The provision of the Southern Link Road as part of an overall South Wye Transport Package will enable further development to take place at the Enterprise Zone. This is because this scheme provides traffic relief and would improve the operation of the A49, reducing the capacity constraints and assisting in releasing development. The provision of the southern link road will be complemented by a range of sustainable transport measures within the south wye area.

Question 4, from Mrs E Morwiecka

With the opportunities available to reduce travelling by improving broadband access what support is the Marches LEP giving to improve broadband to the various Enterprise parks across Herefordshire?

Response:

The Marches LEP has secured £7.7m, through Growth Deal 2, towards rolling out the Broadband programme. This is estimated to secure provision for a further 39,000 premises and enable the creation of 300 jobs across the Marches. The programme does seek to target key industrial parks where possible. In Herefordshire and Shropshire, where there are some of the highest home based and self-employed business sectors nationally, roll out across rural areas is also essential.

Question 5, from Mrs E Morwiecka

The Marches LEP is apparently looking to engage with the “Midlands Engine for Growth”, which lies to the East of the Marches area.

a) What transport improvements are being promoted to improve connectivity with the transport networks across the Midlands?

Response:

The Marches LEP is one of 11 LEPs and 26 councils that are working together as partners within the Midlands Engine which covers an area from the eastern border of Wales to the Wash. Part of the programme of work is the development of a Strategy for Transportation by 2017, called ‘Midlands Connect’. Individual schemes to be promoted as part of this programme of work have not yet been identified. Please also note the response to question 6 below which mentions the work the council are undertaking as a partner in West Midlands Rail Ltd.

b) How does promoting the A49 ahead of other transport projects improve engagement with the rest of the Midlands area?

Response:

As indicated in response to 5 a) the formal process of identifying schemes for consideration as part of Midlands Connects has not yet been undertaken but the Marches LEP is already actively engaging with the Midland Connect project and will seek to promote the interests of the Marches area and secure support for additional investment as and when opportunities arise. Schemes which assist the Marches main economic centres including Hereford play their role within the Midlands economy will be of value to the Midlands Engine. The LEP maintain that, as a key connectivity route linking the north and south of the Marches, the A49 is integral to communication within the LEP, makes a contribution to wider transportation linkages, and is considered to be a key piece of transport infrastructure.

Question 6, from Mrs E Morwiecka

With overcrowding on many of the trains across Herefordshire and with its train operators recently named the country's worst for delays, what is the Marches LEP doing to improve rail services between Herefordshire, the Marches and the rest of the country?

Response:

According to the most recent punctuality data for train operating companies published by Network Rail, Arriva Trains Wales and Great Western are more punctual than the national indicator average for all 23 rail franchises and London Midland was only 8th least punctual of 23 operators.

Marches LEP authorities are actively engaged with a number of cross border rail forums and seek to secure service improvements through these and direct contact with operating companies and DfT and Welsh Assembly. The LEP will also take opportunities to actively promote rail service improvements as the opportunity arises through the re-franchising process.

The Marches LEP commissioned the Marches Rail Study to review of rail provision in the Marches area to the period 2043. This Study has provided evidence of forecast passenger capacity problems which could constrain future rail use. It identified the greatest future capacity constraint issue (within the Marches area) being on the Hereford to Birmingham line. This study will support the LEP and Herefordshire Council's future lobbying opportunities for greater investment in rail infrastructure.

All of the constituent transport authorities of the Marches are also partners in the West Midlands Rail Ltd – a transport authority partnership which is seeking to take over responsibility for this franchise (currently operated by London Midland and managed directly by the DfT). If this is successful the Marches LEP transport authorities will gain greater control and influence to secure service improvements within the area and improvements on longer distance journeys and service coordination.

Question 7, from Mrs E Morwiecka

With all business rate income from the Rotherwas Enterprise Zone being paid to the Marches LEP, please confirm how much this has been worth to the Marches LEP in the last 2 years and how this is forecast to grow over the next 5 years?

Response:

The annual rates cumulative growth up to 2015/16 totalled £240k pa, this is forecast to increase to a cumulative total of £4,896k by 2020/21.

In accordance with the LEP Board recommendation of the 17 November 2014 meeting, the LEP is due to receive £100k per year from 2016/17 onwards, towards operational costs with any business rate uplift over and above that being reinvested within the Enterprise Zone in order to expedite build out.

Question 8, from Mrs E Morwiecka

The Marches LEP has been in existence since 2010. In accordance with transparency and accountability in the public sector when using taxpayers money, many LEPs publish annual financial statements. I welcome that the Marches LEP is proposing to publish an annual report in April 2016. However, comparisons to previous year's figures are always welcome. a) Where can taxpayers find the financial reports and annual statements for the Marches LEP for previous years?

Response:

The Marches LEP is not a registered company / legal entity and therefore does not produce accounts for publication. Shropshire Council is the Accountable Body for the LEP and the LEP's income and expenditure can be found in the audited annual accounts of Shropshire Council, which are published on 30 September each year.

Question 9 , from Mrs P Mitchell

What is the function of the Local Assurance Framework regarding a) the delivery of schemes promoted by the LEP authorities, and with respect to Herefordshire in particular, b) the delivery of the Southern Link Road?

Response:

The Local Assurance Framework sets out the key practice and standards for the Partnership and explains organisational management and operations, which build upon the local government system of financial management, as required by Government. The mechanism followed for project appraisal, evaluation and business case development is the Treasury Green Book. Reviews are undertaken through the Performance, Risk and Monitoring Committee and through auditing which follows local government requirements.

Question 10, from Mrs P Mitchell

What mechanisms does the LEP have to review the functioning of the Local Assurance Framework with respect to a) project appraisal, b) the Independent Technical Evaluation and c) the business case development of transport infrastructure schemes?

Response:

Please see the response to the above question.

Question 11, from Mrs P Mitchell

What procedures does the LEP have in place to address concerns on the part of councillors or members of the public about the evidence base, assumptions, strategic fit and conformity with national guidance and policy of schemes prioritised for delivery by the LEP in the SEP?

Response:

Assurance is provided through Treasury Green Book Appraisal and the approval of the Marches Enterprise Joint Committee to any schemes put forward for consideration by Government. Government takes the final decision on areas of work which support national policy guidance and might be funded for delivery.

Question 12, from Mrs P Mitchell

In its role of enabling the delivery of major infrastructure schemes, does the LEP submit evidence to planning inquiries that result from transport infrastructure schemes it has prioritised?

Response:

The LEP has not currently submitted evidence to planning enquiries but can choose to make a written representations/submit a letter, like any other stakeholder or member of the public.

Question 13, from Ms V Wegg-Prosser

What are the Committee's concerns about the functionality of the Marches LEP in the light of the reassurances minuted [p.3] by the Board on 24/11/15? The reassurances are that :-

“... Government had put LEPs in funds to assist developers who have good housing / job-creating projects that were stalled for financial or other reasons. It was expected that LEPs would be funding schemes that had failed to attract funding from other sources. It was expected that developers would make a profit. The role of the LEP was that of enabler.”

Response:

The LEP cannot speak for the Committee. The minute referred to above makes reference to a specific loan fund (in our area it is called the Marches Investment Fund), financed by Government in 2012 in each LEP area, which came with set government guidance around application and use.

Question 14, from Ms V Wegg-Prosser

Can it be confirmed that the Marches LEP Group Structure presented in Appendix 1 is up to date? For example, the document suggests that the Local Transport Body is part of the structure, yet it was minuted [p.5] at the 24/11/15 Board meeting that the LTB was being replaced with an advisory sub group.

Response:

The Group Structure in the Accountability and Assurance Framework is currently up to date, although some Chair names need to be updated. However at the LEP Board meeting on 26 January 2016 it was agreed to recommend that the Local Transport Body be replaced by a Transport Sub Group. The DfT gave greater control over local transport investment to newly formed Local Transport Bodies in early 2012. The government then removed that ability to influence from LTBs in 2013 and gave it to LEPs. In following months, most LTBs disbanded. The Board's recommendation to disband the formal Body will be incorporated as an amendment within the Assurance Framework following approval by the Marches Enterprise Joint Committee in April.

Question 15, from Ms V Wegg-Prosser

Have the Growth Deal contracts (enabling the 2016/17 release of funds) been signed, and if so, when?

Response:

The contracts are in the process of being signed now. The South Wye Transport Package Project was signed on 18 February 2016.

Question 16, from Ms V Wegg-Prosser

Could the GOSC please obtain a copy of the report on outputs and business rate income for the HEZ which the Performance Risk and Monitoring Committee asked to see in October 2015, and ensure that Herefordshire Council, without delay, place on its website links to ALL the Marches LEP Board Minutes and Reports (including this PRMC one) which, in accordance with its Assurance Framework, demonstrate the LEP's accountability to members of the public via Herefordshire Council. Delays in placing such reports etc on the Marches LEP website should not be tolerated.

Response:

Minutes are signed off at the following meeting and are thereafter placed on the website. Appropriate links have been added to the Herefordshire Council website to aid transparency and avoid the need for duplication.

