

**SOUTH EAST ENGLAND  
REGIONAL TRANSPORT BOARD**

**MINUTES OF THE MEETING OF 26 April 2007**



Present:

Board Members

Cllr Nick Skellett (Chairman)  
Cllr Jill Baston  
Cllr John Howarth  
John Peel  
Gwyn Drake  
Simon Pratt  
Clive King  
Pam Palmer  
Mark Pearson

Officers

Martin Tugwell  
Paul Lovejoy  
Andy Barton  
Andy Mak  
James Renwick  
Peter Mann  
Susan Stuart  
Lesley van Dijk  
Pat Ayling

Media

In Attendance

Cllr Matthew Lock, East Sussex County Council  
Pat Baxter, Reading Borough Council  
Detlef Golletz, SEEDA  
Cllr Helyn Clack, Surrey County Council  
Bob Wilkins, East Sussex County Council  
Andy Renaut, Brighton and Hove Council  
Kevin Travers, Hampshire County Council  
David Cooper, GOSE  
Lee Sambrook GOSE  
John Harper, Milton Keynes Council  
Steve Hunt, Milton Keynes Council  
Julie Dagless, South East England Regional Assembly  
Jeff Cousins

**1. Apologies for absence and declarations of interest**

1.1 Apologies were received from Cllr. Mrs. Mary Ballin and Paul Bevan.

**2. Minutes of the Meeting held on 1 February 2007.**

**The Minutes were AGREED noting the following corrections:**  
Lee Amor was misspelt.

**3. Matters Arising Not Elsewhere on the Agenda**

3.1 The Board expressed thanks to Cllr. John Howarth, as he was standing down at the May elections, and wished him well for his future plans.

- 3.2 The Board were informed that the Secretariat had held meetings with local and national delivery agencies with a view to identifying potential demonstration projects under the Smarter Choices agenda. The outcome of this would be presented to a future meeting of the Board.

**It was agreed that the Secretariat would bring the proposals to the next meeting of the Board.**

- 3.3 A letter from the Department for Transport regarding regional input into rail franchising had been received with a generally positive outcome. Copies were distributed at the meeting. The only major franchise scheduled for renewal in the South East, planned in the next few years, is the South Central franchise - currently held by Govia. The first phase of work is expected to commence in January 2008, followed by a formal public consultation on the new franchise specification from July to September 2008.
- 3.4 Input on both the definition of objectives for the Franchise Specification and on the Outline Base Proposition would be sought. If the Board was contemplating supporting rail infrastructure schemes which would have an impact on the franchise specification, then this early period would be the most appropriate stage for dialogue.

#### **4. Regional Funding Allocation Update: 2011 - 2016**

- 4.1 The Board received a letter from the Secretary of State, setting out the acceptance of its priorities for the region between 2011 and 2016. The letter highlighted a number of areas of clarification sought from the Board. Partners are already working closely on these issues, and would report in due course. It was also noted that from recent meetings with the Department there is now a clear understanding between the Secretary of State and the region in terms of focus and the advice given by the Region.

**It was AGREED that the Board:**

- i) Noted the response of the Secretary of State to the Board's advice in respect of the period to 2011-2016;**
- ii) Noted the requirement to provide the Secretary of State with further advice in respect of the Bexhill to Hastings Link Road and the A23 Handcross to Warninglid schemes;**
- iii) Requests the secretariat engage in dialogue with the relevant scheme promoters in respect of the package of proposals in Oxford, Portsmouth, Southampton and Chichester.**

#### **5. Nichols and National Audit Office Reports**

- 5.1 The Board was informed that the National Audit Office report had investigated the cost increases in both the Highways Agency and Local Transport Authority schemes.

The Nichols report had built on those findings and made recommendations that the Department for Transport and the Highways Agency should adopt a more progressive approach. Both of these reports had received the support of the Secretary of State and the proposed changes in the monitoring regime will ensure that the Board is better informed of progress with delivery of the regional programme, this in turn, will impact on the way the Board frames its advice to Government.

- 5.2 Following discussions, the Board recommended that due to the length of time each scheme takes before it goes before the Department, greater consideration of potential cost increases must be given at the commencement of any scheme. Closer scrutiny on expenditure must be undertaken and a clear message needs to be given that cost overruns need to be carefully managed. The secretariat will emphasise to delivery bodies the importance of the role of monitoring. The Board agreed that these issues will need to feature strongly in the refresh of priorities in 2008 (see item below), and that there was a need to ensure a sufficient level of information was forthcoming from the Highways Agency.
- 5.3 It was also agreed that the South East region faces greater challenges on funding due to exceptional circumstances - e.g. 2012 Olympics. Although national figures on contractors' price inflation are published, it is difficult to actually break down to a regional level.

#### **ACTIONS:**

It was **AGREED** that the Board:

- i) **Welcomes the recommendations of the Nichols and National Audit Office reports and requests the secretariat ensure that they are taken into account as part of the Board's work on refreshing the regional programme;**
- ii) **Call on the Secretary of State to ensure that future Regional Funding Allocations take a more realistic approach to inflationary impacts, noting the conclusion of both reports that construction price inflation is twice the allowance for inflation assumed by the Treasury;**
- iii) **Requests the secretariat to work with the Highways Agency to ensure an appropriate level of monitoring information for their schemes is available to future Board meetings;**
- iv) **The Secretariat will work with SEEDA on the breakdown of the National expenditure to put together a clearer picture of the actual costs within the South East region;**
- v) **The Assembly and Highways Agency will work together to clarify the process of HA schemes and the life cycles.**

## **6. Making the Case**

- 6.1 The Planning Implementation Director of the Assembly gave the Board an update in respect of the preparation of the 'Making the Case' document. Due to the slippage in the timing of the Comprehensive Spending Review, which will now be published in the autumn, there is more time for the region to prepare its arguments. There remains however, a need to ensure that the final document is ready at the earliest possible opportunity, therefore it is suggested that the Secretariat will circulate a revised version of the document by late-May.

**It was AGREED that the Secretariat would circulate a revised version of the document for consideration of the Board members by mid-May.**

## **7. Programme Management and Monitoring**

### **7.1 Protocol for Addressing Cost Increases**

- 7.1.1 Following a comprehensive discussion regarding the protocol as set out in Annex A of the paper, the Board expressed its general support for the direction and content of the paper. However there was a need to consider a number of detailed points including the thresholds set for invoking the protocol.

**It was AGREED that the Secretariat would produce a revised version of this protocol and bring it back to the next meeting of the Board in July.**

### **7.2 Programme Management and Monitoring**

- 7.2.1 The Board was updated on the findings of the most recent monitoring information of progress with the regional programme. It was requested that the Board give consideration to the request by the Secretary of State for further advice in respect of the Bexhill to Hastings Link Road and the A23 Handcross to Warninglid schemes, and clarification on available funding for the Brighton and Hove Rapid Transit scheme.
- 7.2.2 The Board was informed that the Secretariat met with the Department on 12 April as part of the regular cycle of 6 monthly meetings at official level. It was noted that with an agreed regional programme of investment, these meetings now focused on issues of management and monitoring. The monitoring figures for the fourth quarter of 2006/07 had now been released and the Secretariat will bring these to the next Board meeting in July. In considering the latest monitoring information the Board reaffirmed its support to bring forward the Brighton and Hove Rapid Transit scheme, as sufficient resources were available.
- 7.2.3 A presentation to the Board was made by Bob Wilkins of East Sussex County Council regarding the Bexhill to Hastings Link Road. This provided a clearer picture of why this scheme was so important to the area and also to explain how the cost increases had occurred.

This assisted with providing content and a clarity on the key economic factors of the scheme. The Board agreed to continue to support the scheme in principal subject to the issues set out below.

- 7.2.4 The Board then went on to briefly consider the A23 Handcross to Warninglid scheme. The Board agreed to continue to support the scheme in principal subject to the issues set out below.

**It was AGREED that the Board:**

- 1. Advise the Secretary of State that the monitoring information demonstrates there is sufficient scope within the regional programme to enable the Brighton and Hove Rapid Transit scheme to be accelerated in accordance with the Board's previous advice;**
- 2. In light of the most recent monitoring information, request the secretariat to examine with the promoters of schemes in the regional programme whether the potential exists to accelerate other schemes;**
- 3. Advise the Secretary of State that in respect of the Bexhill to Hastings Link Road:**
  - i) Confirms the Board's support for the scheme as being integral to ensuring delivery of the Five Point Plan agreed with Government;**
  - ii) Requests that the DfT work with East Sussex County Council with a view to establishing whether the cost increase has an impact on the scheme's value for money;**
  - iii) Seeks a discussion with DfT officials in order to establish the basis for sharing any cost increase between the region and Government;**
  - iv) Requests that East Sussex County Council, working with the secretariat, examine as a matter of urgency the potential to secure contributions towards the cost of the scheme from third parties;**
  - v) Requests that DfT make available to East Sussex County Council additional funds in order to enable work on archaeological studies, ground investigation work and construction procurement work to be taken forward, on the basis that progress with these works would avoid further unnecessary delay to the scheme and resultant cost increases;**
  - vi) Confirms that the Board will provide further advice on the Bexhill to Hastings Link Road following the outcome of the actions set out above.**

4. **Advise the Secretary of State that in respect of the A23 Handcross to Warninglid:**
- i) **Confirms the Board's support for the scheme in principle;**
  - ii) **Requests that the DfT work with the Highways Agency with a view to establishing whether the cost increase has an impact on the scheme's value for money;**
  - iii) **Seeks a discussion with DfT officials in order to establish the basis for sharing any cost increase between the region and Government;**
  - iv) **Confirms that the Board will provide further advice on the A23 Handcross to Warninglid following the outcome of the actions set out above.**

### 7.3 Sub Regional Partnerships

- 7.3.1 The Board agreed that there is a need to develop an effective working relationship with the emerging transport partnership developing within the Thames Gateway and Milton Keynes / South Midlands Growth Areas. The overview of sub-regional priorities which such partnerships would potentially provide would assist the work in the Board in giving its advice to the Secretary of State in respect of regional priorities.
- 7.3.2 The Board member from the Highways Agency amplified the report, highlighting the difficulty of managing the growth agenda in the Thames Gateway along with the other requirements across the region. A suggestion was made that talks should be held between the Secretariat, Highways Agency and the Department for Transport to discuss the appropriate way forward.
- 7.3.3 The Board briefly discussed the relevance of other sub-regional partnerships, such as diamonds for growth, and how these might relate to the work of the Board. The Board concluded that, at this time, the engagement should be related to mature transport focused groups.

#### **It was AGREED that the Board:**

- i) **Write to the Thames Gateway Strategic Partnership welcoming the submission of advice on prioritisation for consideration as part of the Board's work on identifying regional priorities and seeking clarification on timescales for the receipt of any such advice;**
- ii) **Write to the Milton Keynes South Midlands Inter Regional Board seeking clarification of the relationship between the proposed sub-regional transport board and the work of this Board;**
- iii) **Note the development of sub-regional transport partnerships in the region.**

## **8. Development and Review of Regional Programme**

### **8.1 Transport Innovation Fund - Productivity Strand.**

- 8.1.1 An update was given to the Board by the Head of Transport and Infrastructure from SEEDA. It was noted that SEEDA has a level of expertise and knowledge in the preparation of bids for TIF funding upon which the region needs to build. There is an opportunity of using the Board's approach to prioritisation as a means on improved alignment of the TIF funding stream with other investment funds. If the Board is seeking to play a more proactive role in supporting bids for consideration, the Board needs to establish an approach which ensures consistency in the assessment of individual proposals or packages.
- 8.1.2 It was suggested that a 'Task and Finish' group be set up to co-ordinate the development of bids through partnership working between the regional partners and the respective delivery agencies / stakeholders. The Group will provide regular reports back to the Board and will ensure that key regional stakeholders are kept informed of progress, while also ensuring that continued alignment of work to secure funding through the TIF with the Board's work on other funding streams. It is recommended that this Group was set up as a sub-group of the Regional Transport Co-ordination Group.

#### **It was AGREED that the Board:**

- i) Support the establishment of a 'task-and-finish' group to help co-ordinate the development of feasibility studies, business cases and funding packages with stakeholders and partners;**
- ii) Instruct the 'task-and-finish' group to prepare a draft list of proposals that satisfy the draft criteria for its consideration at the next meeting of the Board.**

### **8.2 Refresh of Regional Programme**

- 8.2.1 The Board were reminded that at the previous meeting, it had been agreed that a project brief be prepared for undertaking a refresh of the regional programme. The purpose of which is to set out clearly to stakeholders the remit and focus for a refresh to be undertaken.
- 8.2.2 The Board also agreed at its last meeting to organise a workshop for all Local Transport Authority portfolio holders, to expand on the work of the Board and Refresh. This workshop will be held in London on 4 June.
- 8.2.3 Following a discussion amongst the Board, it was agreed that paragraph 3.3 of the report should read '2008-2018'. A further update on the work contained in the brief would be brought back to the next meeting of the Board.

#### **It was AGREED that the Board gave its approval for the project brief for the 2008 refresh of regional priorities as set out in Annex I of the report.**

## **9. Dialogue with Stakeholders**

- 9.1 The Assembly reported that it had approached both the Highways Agency and Network Rail with a proposal to establish an annual dialogue. The proposal had been met with a positive response from the Highways Agency; a response from Network Rail is still awaited. It is expected that the first meeting will take place in the autumn of this year.

**It was AGREED that the Board:**

- i) Noted the responses from the Highways Agency and Network Rail in relation to further dialogue;**
- ii) Agree to hold the first round of such meetings in the autumn of this year, and that the arrangements are put in place by the secretariat.**

## **10. Regional Transport Board Dates 2008**

24 January 2008	Institute of Materials, London
24 April 2008	Institute of Materials, London
10 July 2008	Institute of Materials, London
23 October 2008	Institute of Materials, London

Please note that all meetings will be from 10.00 - 13.00 and venues have been confirmed.

## **11. Dates of Future 2007 Meetings**

13 July 2007	Institute of Materials, London
26 October 2007	Institute of Materials, London

There being no other business, the meeting closed at 16.45.