



COUNCIL CABINET
10 June 2020

ITEM 10

Report sponsor: Simon Riley, Director of
Financial Services
Report author: Toni Nash Head of Finance
Corporate Finance

Compliance with Contract and Financial Procedure Rules

Purpose

- 1.1 To seek approval by Council Cabinet under Contract and Financial Procedure rules for the following:
- Approval to write off three irrecoverable debts
 - Approval to bid of up to £0.500m Garden Communities Capacity Funding - Homes England, for South Derby Growth Zone (SDGZ) and Infinity Garden Village (IGV)
 - Approvals for the Transforming Cities Fund Programme with Nottingham City Council
 - Delegate approval to enter into contractual arrangements for the delivery of the Local Air Quality Plan (Roadside NO₂ Project) ('the Plan') and to agree any further variation to the plan.

Recommendations

- 2.1 To approve the write off of irrecoverable debts totalling £0.046m as detailed in section 4.1.
- 2.2 To approve the submission of a bid of up to £0.500m to Homes England for Garden Communities Capacity Funding for 2020/21 and subsequently accept any funding allocated by Homes England, subject to acceptable grant conditions being agreed as detailed in section 4.2.
- 2.3 To delegate approval of the funding allocated by Homes England, if the bid is successful, to the Strategic Director of Communities and Place, following consultation with the Director of Financial Services.
- 2.4 To approve if required the carry forward of the Homes England funding into subsequent years, subject to grant conditions permitting.
- 2.5 To approve the acceptance of the grant funding for the Transforming Cities Fund as detailed in section 4.3.
- 2.6 To approve the acceptance of the grant funding for the Future Transport Zone (formerly known as Future Mobility Zone) as detailed in section 4.3.

- 2.7 To approve the addition of Transforming Cities to the capital programme as detailed in 4.3.12 and note that the Future Transport Zone will be added at a future date when amounts and profiling are confirmed.
- 2.8 To note the establishment of a new joint Transport Programme Delivery Board as detailed in section 4.3.8.
- 2.9 To delegate authority to the Strategic Director of Communities and Place, following consultation with the Cabinet Member for Regeneration, Planning and Transport, and the Strategic Director of Corporate Resources to make executive decisions on the future programme as detailed in section 4.3.9.
- 2.10 To delegate to the Strategic Director of Communities and Place, following consultation with the Cabinet Member for Regeneration and Public Protection and the Strategic Director of Corporate Resources to enter into contracts and associated arrangements for the Local Air Quality plan, as detailed in section 4.4.4.

Reason

- 3.1 To comply with the Council's Contract and Financial Procedure rules.

Supporting information

4.1 Debt write off

- 4.1.2 Cabinet approval is sought to write off the following debts:

Customer Reference	Value £	Description	Reason
117331	15,411	Connect Rent for period July 2015 to December 2015	Insolvency
119256	18,648	Connect Rent & Service Charge for period August 2016 to May 2017	Unable to recover
117392	11,818	Connect Rent for period July 2015 to December 2015	Unable to recover
TOTAL	45,877		

- 4.1.3 In each case the outstanding debt has been through the Council's debt recovery process and the Council's appointed debt enforcement agency has been unable to recover the debt.
- 4.1.4 It is recommended to approve the write off of three debts totalling circa £0.046m.
- 4.2 **Garden Communities Capacity Funding, Homes England - Bid for up to £0.500m for South Derby Growth Zone and Infinity Garden Village.**

- 4.2.1 Homes England has indicated that they anticipate inviting bids for capacity funding for 2020/21 within the next few months. In previous years, just three weeks has been allowed for the bidding process from the receipt of the invitation in June to the submission deadline in July.
- 4.2.2 Approval is being sought at this stage to ensure that resources can be focussed on the content of the bid in the short bidding window to enable a maximum allocation.
- 4.2.3 The council has been successful in securing capacity funding for the last three years, receiving £0.461m in total. This has been one of the critical success factors in getting the project to this stage, including the submission of a planning application for a new A50 junction and link road, planning consent, which is anticipated shortly and the submission of the Housing Infrastructure Fund (HIF) business case.
- 4.2.4 It is recommended to approve the submission of a bid of up to £0.500m to Homes England for Garden Communities Capacity Funding for 2020/21 and subsequently accept any funding allocated by Homes England, subject to acceptable grant conditions being agreed.
- 4.2.5 It is recommended to approve the delegation of approval of the funding allocated by Homes England, if the bid is successful, to the Strategic Director of Communities and Place, following consultation with the Director of Financial Services.
- 4.2.6 It is recommended to approve if required the carry forward of the funding into subsequent years, subject to grant conditions permitting.
- 4.3 **Transforming Cities Fund Programme with Nottingham City Council**
- 4.3.1 In November 2017 the Government announced the £1.7 billion Transforming Cities Fund (TCF) programme. This was to transform intra-city connectivity, improve productivity and prosperity through investment in public and sustainable transport. In the Cabinet Report of 12 December 2018 approval was secured to bid jointly with Nottingham City Council.
- 4.3.2 In March 2019 the Department for Transport (DfT) confirmed that the Derby-Nottingham Area had been successful in securing Tranche 1 funding and was eligible to develop a bid for Tranche 2. The process for bidding involved 'co-development' with DfT officials. The programme is focused on four key themes:
- I. City Centre Connectivity (focused on rail/bus station, city centre public realm and interchange facilities at key transport nodes)
 - II. Strategic Derby – Nottingham – East Midlands Airport (EMA) connectivity
 - III. Nottingham urban growth corridors
 - IV. Derby urban growth corridors.

A detailed breakdown of the programme is attached at Appendix 1.

- 4.3.3 In April 2019 the DfT announced the Future Mobility Zone (now Future Transport Zone) fund, open only to TCF selected areas to bid. The aim was to test innovation projects and integration of services, with only a few areas to be selected, based on outline proposals. The Councils FTZ programme focused around three core themes:
- I. Open access mobility as a service platform, which will build on the city's significant success with the Robin Hood smartcard
 - II. Creation of a data platform for managing the transport network and keeping travellers informed; and
 - III. Creation of electric mobility hubs to provide a network of integrated mobility services.
- 4.3.4 The bid for TCF and the proposal for FTZ were approved for submission in the Cabinet Report of 13 November 2019. In February 2020 confirmation was received that the Derby-Nottingham TCF bid had been successful and £161m awarded. In March 2020 it was confirmed that the FTZ had also been accepted with £16.7m awarded.
- 4.3.5 Nottingham City Council are acting as the lead partner and will take the lead as the accountable body for both TCF and FTZ. The bids were developed collaboratively with Nottingham and 'co-produced' with direct involvement of the DfT. The Derby specific elements amount to approximately £60m. There are also several joint projects that will benefit Derby and neighbouring authority areas, these add up to approximately £20m and mainly involve public transport technology on routes, and longer distance cycling facilities. Local contributions (which may be private sector or the Council's capital and other investment funding) are required and were submitted to strengthen the bid.
- 4.3.6 The FTZ funding will require more detailed work with DfT and academics to work on the innovation aspects. A key component of the programme is to carry out research and evaluation activities to understand the benefits, impacts and limitations of the innovative measures. This includes dissemination of monitoring reports and learning from the implementation of scheme to DfT, local authorities and other interested parties. The delivery of this programme has been delayed by the DfT and may now be slightly re-shaped as a result of Covid-19 impacts and government aspirations around e-scooters.
- 4.3.7 Many of the TCF and FTZ projects will be subject to confirmation of business cases, with additional tests for viability, and consultation requirements. Delivery will utilise existing resources where possible however given the scale of the programmes, additional posts will need to be recruited for project delivery rechargeable to the capital projects. Both programmes will require design and technical resources, some of which will need to be brought in from outside the Council. Regular reporting to the DfT and sharing of findings at the end of the programme will also be required.
- 4.3.8 It is proposed to establish a new programme delivery board to oversee all Nottingham and Derby transport programmes. All relevant transport Portfolio Holders for the area will be invited to participate. The membership and terms of reference for the board are in development.

4.3.9 Cabinet is asked to delegate authority to the Strategic Director of Communities and Place, following consultation with the Cabinet Member for Regeneration, Planning and Transport, and the Strategic Director of Corporate Resources to make executive decisions on the future programme. To ensure the programme and projects can be progressed and delivered as effectively and efficiently as possible, these include:

- I. Revisions and variations particularly in light of the current pandemic, where appropriate, these will be in agreement with Nottingham City Council and the Department of Transport
- II. Negotiating terms for and entering into contractual arrangements for the development and delivery of projects and any appropriate collaboration agreements, consultations
- III. To add the delivery of the TCF to the Highways & Transport work programme as part of the Council's Capital Programme. The addition FTZ will be at a future time when final amounts and profiling are agreed.

4.3.10 It is recommended to approve the acceptance of the grant funding for the Transforming Cities Fund.

4.3.11 It is recommended to approve the acceptance of the grant funding for the Future Transport Zone (formerly known as Future Mobility Zone).

4.3.12 It is recommended to approve the addition of the Transforming Cities Fund to the capital programme with the following profile:

	2020/21	2021/22	2022/23	2023/24	Total
Transforming Cities Fund	£3,065,891	£7,765,174	£23,929,100	£26,699,835	£61,460,000

4.3.13 It is recommended to delegate authority to the Strategic Director of Communities and Place, following consultation with the Cabinet Member for Regeneration, Planning and Transport, and the Strategic Director of Corporate Resources to make executive decisions on the future programme.

4.4 **Local Air Quality Plan (Roadside NO₂ Project)**

4.4.1 Previously Cabinets on 8 February 2017 and 24 October 2018, agreed delegated approval to the Strategic Director of Communities and Place to bid for and accept grant funding from Government to implement the measures identified in the full business case (FBC) and to add the delivery of the Local Air Quality plan initiatives to the Highways and Transport work programme.

- 4.4.2 The Government remains under a legal obligation to deliver compliance with air quality limits in the shortest possible time and is committed to delivering on this obligation. Discussions have been held with the Government to confirm variations to the FBC and government grants have now been accepted by the Council for the delivery of the measures identified in the FBC (as varied). As the procurement process is taken forward it might be necessary to vary the measures to take account of the various methods of delivery and cost to achieve the project aims. The Council will continue to work with Government to manage project delivery and review and implement efficient changes in design or scope (which do not threaten core compliance) if required.
- 4.4.3 The Council as agents for the Government are required to deliver the measures in the shortest possible time. It is therefore recommended that in order to help ensure expediency in implementing the measures further delegated authority is sought from Cabinet.
- 4.4.4 It is recommended to delegate to the Strategic Director of Communities and Place, following consultation with the Cabinet Member for Regeneration and Public Protection and the Strategic Director of Corporate Resources to:
- I. Negotiate suitable contract terms for the delivery of the Plan
 - II. Enter into the contractual arrangements for the delivery of the measures identified in the Plan
 - III. Take any necessary measures required to secure agreement with Government for any variations to the Plan (which do not threaten core compliance) in order to ensure delivery of the Roadside NO₂ Project, including any necessary further consultations.

Public/stakeholder engagement

- 5.1 None directly arising.

Other options

- 6.1 **Debt write off** - Continue to chase the debt. As each debt has been through the Council's debt recovery process this is not the recommended option.

Financial and value for money issues

- 7.1 **The Transforming Cities fund programme** - Funding is 100% capital funding. Currently the delivery is scheduled to take place between 2020–2023, however this timescale may be extended. Any future revenue implications will be identified as the individual projects go through detailed designs.

Legal implications

- 8.1 **Homes England** - As detailed in the body of the report regarding compliance with procurement rules. No grant conditions are typically specified for Homes England for Garden Communities Capacity Funding and there is usually no funding agreement with this grant. If the situation changes and there are associated conditions, the service will seek advice from Finance and Legal Divisions.
- 8.2 **Homes England** - The Homes England bid is not a partnership bid and does not have associated legal implications of such a bid, for instance joint Section 151 Officer sign-off. Whilst South Derbyshire District Council is a partner in SDGZ and IGV and outputs and outcomes arising from the funding will benefit the project as a whole, this bid is for activities that will be led by Derby City Council.

Other significant implications

- 9.1 **Transforming Cities fund programme** -The funding will benefit citizens through the delivery of public transport and cycling improvements. The funding is now likely to play an important role in the recovery of Derby and the public transport sector following the impact of Covid-19. The option of not to accept the funding would mean that the Council would not be able to deliver these benefits.
- 9.2 **Air Quality Plan** - An Equality Impact Assessment of the Air Quality Plan was completed in 2018 involving members of our Equality Hubs and Forums.

Equalities Impact

- 10.1 **Homes England** - The service will work with the council's equality team to ensure equality, diversity and inclusion is embedded in the bid.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu – Head of Legal	20/05/2020
Finance	Toni Nash – Head of Finance	20/05/2020
Service Director(s)	Greg Jennings Director of Development and Growth	20/05/2020
Report sponsor	Simon Riley – Director of Financial Services	27/05/2020
Other(s)	Homes England, Author: Laura Simpson, Housing Regeneration Manager	27/05/2020
	Transforming Cities, Author: Nigel Brien, Network Management Group Manager	
	Local Air Quality, Author: Nicola Weekly, Traffic Management Group Manager	

APPENDIX 1

Transforming Cities Fund funding allocations

	2019/20	2020/21	2021/22	2022/23	Total
Nottingham City Council	£4,560,043	£11,549,510	£35,590,870	£39,711,919	£89,710,343
Derby City Council	£3,065,891	£7,765,174	£23,929,100	£26,699,835	£61,460,000
Nottinghamshire County Council	£394,568	£999,347	£3,079,579	£3,436,164	£9,611,657
Total	£8,020,502	£20,314,031	£62,599,549	£69,847,918	£160,782,000

It is anticipated that delays in awarding allocations and COVID-19 that that the profiling of projects will move back by one year.

Transforming Cities Fund schemes and indicative award

Scheme	Allocation DfT award (£M)
Nottingham City Council Projects	
Package 1:	
Broadmarsh Public Realm	20.000
Expansion of Existing and creation of new Park & Ride sites to serve Nottingham's tram network	8.800
Boots Enterprise Zone (Thane Road) Bus and ULEV Priority Lane (including Clifton Bridge junction improvements)	2.500
Castle-Broadmarsh wayfinding, Castle Traffic Management and public realm	2.330
Pinch Point Bus Priority Package - A610 Nottingham - Cinderhill	1.702
Package 2:	
A609 Ilkeston Rd, A610, A60 central, A60 Mansfield Rd	3.780
Inter-urban bus lane and traffic light priority on key approaches within the Nottingham area	2.000
Bus lane enforcement cameras	0.300
Hucknall Road / Bestwood Road and Hucknall Road / Bestwood Park Drive installation of SCOOT	0.300
Arnold Road / Edwards Lane installation of MOVA	0.200
Carey Road / Stockhill / David Lane Level Crossing Cameras and Traffic Signals	0.200
Colwick crossing signal upgrade	0.050
Package 3:	
Futureproofing of the Derbys - Notts Real-time System and Real-Time Information stop displays	2.000
	2.000
EMV Card Validators and EMV Bus Ticket Machines	0.465
Upgrade of Tram Ticket Vending Machines to enable the purchase of Robin Hood Top-Up	0.460
Victoria and Bulwell bus station improvements	0.250
Futureproofing of the Derbys - Notts HOPS Back Office to facilitate better reporting and journey matching	0.200
New Robin Hood fare products (including Student PAYG)	0.200
Nottingham University Hospitals Campus Road Improvements to support larger bus capacity on the Medilink service	0.200

Package 4:	
Improved River Trent pedestrian/cycle crossings and onward connections. Project includes options to deliver a new river crossing or widening to the existing Lady Bay Bridge.	9.275
Delivery of the Nottingham elements of the proposed cycle expressway linking Nottingham, Derby and East Midlands Airport	6.803
Broadmarsh area cycle schemes	5.140
Nottingham and Derby Bikeshare programme	4.000
LCWIP South (Queens Drive & Crossgate Drive) cycle corridor improvements	2.638
LCWIP North West (Wigman Rd/Beechdale Rd) cycle corridor improvements	2.633
LCWIP North (City Hospital, Hucknall Rd, Mansfield Road) cycle corridor improvements	2.459
City Centre (Toll House Hill, Talbot St, Poynton St and Wollaton St) cycle corridor improvements	2.046
LCWIP North East (Carlton Rd) cycle corridor improvements	1.243
Nottingham Ring Road walking/cycling orbital route improvements	1.210
Nottingham Beeston Canal Towpath works	0.374
River Leen Wilkinson St P&R to Church St	0.277
LCWIP East (A612 corridor) cycle corridor improvements	0.237
Expansion of the D2N2 chargepoint network, including into the new Broadmarsh car park.	2.150
Development of a Demand Responsive Transit system to serve the East Midlands Gateway, to provide better connection from the urban fringe to key employment sites.	1.000
Continued funding of the 'Workplace Travel Service' business support and grants package	1.000
Programme co-ordination and Evaluation	1.000
Derby City Council Projects	
Package 6:	
eRT link Cathedral Quarter to Pride Park	11.500
3 x P&R Smart Hubs, bus lanes and cycle lanes	9.160
Derby bus partnership corridor improvements	8.000
Public Realm work within the key areas of the city centre (The Spot, Becketwell, Vic/Alb Street)	6.500
Derby bus station vehicular entrance/exit upgrades	4.500
City Centre to Derby Rail Station Access Improvement Scheme	4.000
DRT for Infinity Park, RR, Bombardier, bus/rail station, city centre	3.250
Delivery of the Derby elements of the proposed cycle expressway linking Nottingham, Derby and East Midlands Airport	3.100
City centre - Mickleover cycle route	3.000
Pentagon Island - Spondon (Nottingham Road) cycleway	3.000
City Centre - Raynesway (A52) cycleway	3.000
Inter-urban bus lane and traffic light priority on key approaches (Derby area)	2.000
Derby Contactless EMV upgrades and RH integration	0.300
Continued funding of the Derby 'Workplace Travel Service' business support package	0.150
Nottinghamshire County Council Projects	
Package 7:	
Leapool Park & Ride	2.400
Bestwood and Arnold Bus Lane Package	2.333
Pinch Point Bus Priority Package - A60 Cross St to Sir Robinson Way	1.318
Pinch Point Bus Priority Package - B5010 Nottingham Rd - Bramcote	1.200
Switch on traffic light priority at 64 existing SCOOT/MOVA junctions	0.359
A612 Colwick Loop Road between Private Road No. 1 and Victoria Park Way Bus and ULEV Lane	0.300
Total:	9.612