



Leicester
City Council

WARDS AFFECTED
New Parks, North Braunstone, Rowley Fields

Cabinet

7th November 2002

ARRANGEMENTS FOR DELIVERY OF URBAN BUS CHALLENGE PROJECT

Report of the Service Director, Highways & Transportation Division

1. Purpose of Report

- 1.1 This report details the arrangements that will deliver a local Community based bus service in the Braunstone area, which is being grant funded by Central Government under the Urban Bus Challenge programme.

2. Report

2.1 Background

- 2.1.1 The Urban Bus Challenge invited bids from Local Authorities to fund innovative public transport projects in areas suffering from high levels of deprivation.
- 2.1.2 Braunstone Community Association conceived the idea of a local bus service, which complements the commercial bus network, and provides links within the estate as well as to employment opportunities in adjacent suburbs with no direct bus links.
- 2.1.3 Leicester City Council endorsed the bid for Urban Bus Challenge funding. The bid was successful, and the Government has awarded £1.13m to deliver the Project.
- 2.1.4 A Local Authority has to be the "Accountable Body" for managing the Urban Bus Challenge Grant Funding, and therefore has to put an appropriate system in place to monitor the Project.
- 2.1.5 There will be a Legal Agreement between the City Council and Braunstone Community Association, detailing their obligations, and it will include a provision that BCA has an agreed exit strategy in place to address the situation at the conclusion of the Grant funding.

2.2 Project Delivery Mechanism

- 2.2.1 Leicester City Council has appointed a separate Project Board to:
- fulfill its function as the "Accountable Body".
 - ensure financial and legal probity.
 - ensure compliance with Urban Bus Challenge Grant Conditions.

The Project Director is the Service Director, Highways and Transportation. Other officers on the Board include Finance and Traffic Group representatives – the latter with direct experience of bus operations.

- 2.2.2 Planning, management and delivery of the Project will be undertaken by Braunstone Community Association, ensuring local involvement with, and “ownership” of, the Project. This will be the responsibility of a Management Board. The Service Director will be invited to sit on the Management Board.
- 2.2.3 The bus service will be operated by an established bus/coach operator under contract using the existing means by which supported services are procured. The contract will specify all aspects of the service, which is to be operated, and will be structured to enable the scope of the service to be varied, in the light of operational experience.
- 2.2.4 Local bus and coach operators will be invited to tender for the Contract. The Project Board will confirm the award of the contract, and its duration.
- 2.2.5 Braunstone Community Association has submitted a comprehensive Project Plan to the Project Board, detailing the scope, operation and objectives of the Project. Details of budgeted financial outcomes will be appended once information is available on the contract costs.
- 2.2.6 City Council Legal Services has prepared and submitted, to BCA Solicitors, a Draft Agreement between the City Council and Braunstone Community Association detailing the obligations, responsibilities and liabilities of each Party.
- 2.2.7 The City Council’s Project Board will meet regularly, initially monthly, to oversee the Project, and approve the phased release of the grant, in response to approved expenditure.

3. Recommendations

- 3.1 To endorse the acceptance of Urban Bus Challenge funding, with Leicester City Council being the Accountable Body.
- 3.2 To approve the arrangements that have been established to manage this Project, and to authorise expenditure of the Grant funding on this Project.
- 3.3 To authorise the Corporate Director of Environment, Regeneration and Development to request the Head of Legal Services to arrange relevant Contracts and Agreements, between the City Council and Braunstone Community Association, regarding the delivery of the Urban Bus Challenge Project.

FINANCIAL, LEGAL AND OTHER IMPLICATIONS

4. Financial Implications

- 4.1 The total cost of the project is estimated to be £1.464m, funded by £1.13 Urban Bus Challenge Grant and £334k contribution from the Braunstone Community Association.

- 4.2 Provisions within the Legal Agreement will safeguard against the City Council being liable for any ongoing costs at the end of the Grant funding.
- 4.3 If the City Council takes on the role of the “Accountable Body”, in respect of the Urban Bus Challenge Grant, it is responsible for ensuring that the monies are spent appropriately and in accordance with guidelines, which are currently awaited from the Department for Transport. It is anticipated that the guidelines will include responsibility for ensuring that proper financial records are kept; that sound financial systems are set up to ensure that money is properly handled; and that any changes to the Partnership’s Plans are agreed in advance with the Government Regional Office. Failure to do so could result in the Grant being subject to “clawback” by the Department for Transport.
- 4.4 The City Council’s role will require a contribution from the Urban Bus Grant to fund the additional workload.
- 4.5 Provisions within the Legal Agreement between the City Council and BCA will protect the City Council against the possibility of the City Council becoming liable for the cost of an exit strategy at the conclusion of Grant funding, or ongoing Project costs.

5. Legal Implications

- 5.1 The legal Agreement between the City Council and Braunstone Community Association, will enable and control the Project’s delivery with regard to legal and financial regulations in accordance with the requirements of the City Council.
- 5.2 The City Council will have no responsibility for the Project at the end of the period of Grant funding, which is anticipated to be between 3 & 4 years. This will be stipulated in the Legal Agreement.
- 5.3 The Legal Agreement will include a provision that BCA has an agreed exit strategy in place to address the situation at the conclusion of the Grant funding.

6. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	Yes	2.1.2
Crime and Disorder	Yes	2.1.2
Human Rights Act	No	
Elderly/People on Low Income	Yes	2.1.1

7. Background Papers – Urban Bus Challenge Bid Letter from DTLR confirming Grant

8 Consultations

- 8.1 BCA have undertaken a local consultation exercise.

9. Report Author/Officer to contact:

Alistair Reid, Service Director, Highways and Transportation Division

DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	No
Executive or Council Decision	Executive (Cabinet)