

**Executive Board
21 December 2021**

Subject:	Levelling Up Fund – Transport Programme
Corporate Director(s)/Director(s):	Sajeeda Rose, Corporate Director for Growth and City Development
Portfolio Holder(s):	Councillor Rosemary Healy, Portfolio Holder for Highways, Transport and Cleansing Services
Report author and contact details:	James Ashton, Transport Strategy Manager james.ashton@nottinghamcity.gov.uk
Other colleagues who have provided input:	Chris Carter, Head of Transport Strategy chris.carter@nottinghamcity.gov.uk Chris Keane, Head of Highways chris.keane@nottinghamcity.gov.uk
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input checked="" type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
If Capital, provide the date considered by the Capital Board:	7 May 2021
Total value of the decision:	£20,000,000
Wards affected:	All
Date of consultation with Portfolio Holder(s):	9 November 2021
Relevant Council Plan Key Outcome:	
Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input checked="" type="checkbox"/>
Safer Nottingham	<input checked="" type="checkbox"/>
Child-Friendly Nottingham	<input checked="" type="checkbox"/>
Healthy and Inclusive	<input checked="" type="checkbox"/>
Keeping Nottingham Moving	<input checked="" type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>

Financial Stability
Serving People Well

Summary of issues (including benefits to citizens/service users):

The purpose of this report is to seek approval to accept the Department for Levelling Up, Housing and Communities' (DLUHC) £18 million 'Levelling Up' grant funding for the 'Renewing Local Streets' transport bid, and to deliver the programme in full.

The programme is for a package of measures targeted at neighbourhoods to improve the condition and quality of residential streets, encouraging more walking and cycling to school, energy saving street lighting and community electric vehicle charging. In so doing, this will encourage more walking and cycling for short trips, improve air quality and reduce carbon emissions.

Does this report contain any information that is exempt from publication?

No

Recommendation(s):

1. To accept the 2021/22 to 2023/24 Department for Levelling Up, Housing and Communities grant award of £18 million for the delivery of the Levelling Up Fund Nottingham Renewing Local Streets programme, subject to any funding agreement or documentation being approved by the Director of Legal and Governance. In total, £2 million of Local Transport Plan 2021/2022 to 2023/24 Area Capital funding will be committed by the Council as match funding.
2. To approve that the funding is allocated and spent in accordance with Appendix 1 (with the 'Streets for People' element allocated to wards using the existing Area Capital formula and schemes prioritised via the existing Area Capital governance), and to delegated authority to the Corporate Director of Growth and City Development to vary expenditure between project headings as required to ensure full programme spend.
3. To approve the procurement of services (including professional services), technical advice and the equipment necessary to support the delivery of the programme, and to delegate authority to the Corporate Director for Growth and City Development to appoint preferred suppliers and contractors to deliver the relevant elements, including approval for the calling off from Council frameworks.
4. To delegate authority to the Head of Major Projects to enter into a Deed of Variation and any related small-value change requests to the Street Lighting Private Finance Initiative contract, to enact the changes required to deliver the project.

5. To note that the Renewing Local Streets programme will be established and delivered in accordance with the Council's corporate approach to programme and project management, including rigorous monitoring through the Gateway/Project Assurance review processes.

1. Reasons for recommendations

1.1 The Council is being offered £18 million of DLUHC Levelling Up grant funding over three financial years, including 2021/22 through to March 2024. The funding is to deliver schemes in accordance with our 'Renewing Local Streets' Transport bid. The funding is conditional on £2 million of Local Transport Plan 2021/2022 to 2023/24 Area Capital funding also being allocated as match funding. Subject to confirmation, the programme has an indicative spend profile as follows:

- Financial year 2021/22 – £0.75 million
- Financial year 2022/23 – £8.50 million
- Financial year 2023/24 – £10.75 million

1.2 The programme has three investment themes:

- **Streets for people:** Identified by local people and prioritised by ward councillors, this will take the form of minor works to improve the condition of existing footways, repairing potholes in streets and cycle ways, installation of more dropped crossing to help people with mobility impairments, subway treatments as well as adding in new links where required to improve access to local centres. Signing will be reviewed to reduce clutter, improve direction signing and replace street name plates. The addition of street trees and landscaping, together with upgrading the condition of footways and cycle ways will help to make sustainable travel more attractive. This project will also improve access to local centres such as Bulwell, Hyson Green, Sherwood and Clifton.
- **School Streets:** This will comprise of measures to encourage more walking, scooting and cycling to schools. This element of the programme will work with schools and residents to expand the number of school streets around the city. It will make more areas around school entrances safer, with less traffic and more inviting approach routes. New road crossings will also be included to reduce severance. This element of the programme will build on successful projects delivered through the Active Travel Fund. The Council will make use of existing relationships with schools, education and residents groups in order to deliver the project.
- **Greener Streets:** This component is focused on a large scale upgrade of our street lighting to bring the lamps up to modern LED standard. It will be applied on an area-wide basis and contribute to significant energy savings whilst maintaining high quality lighting standards. The second element of this component involves expanding our network of community electric

vehicle charging points serving residential areas with limited off-street parking.

- 1.3 The allocations for the various programme elements are set out in Appendix 1, which are in line with the Council's original bid. These allocations are in addition to Local Transport Plan Area Capital funding allocations, which are determined through the annual Medium-Term Financial Plan.
- 1.4 To increase the amount of local influence, the 'Streets for People' element is allocated to ward level using the existing Area Capital formula, based on ward area population and index of multiple deprivation status. Areas with a high degree of multiple deprivation are awarded a higher level of funding per head than wards with lower deprivation levels. Schemes will be prioritised via existing Area Capital governance to give councillors the greatest influence in determining how local money is spent and schemes prioritised.
- 1.5 The School Streets programme will build on the success of the existing Active Travel Fund programme. The projects will require the procurement of traffic signals equipment, speed enforcement cameras and physical barriers to reduce traffic outside schools. Traffic regulation orders will also be required.
- 1.6 The Council is currently in a Private Finance Initiative (PFI) contract with Tay Valley Lighting to supply and maintain all of its highways street lighting stock. The contract runs until 2035, and to change the lights to LED will require a variation in the legal form of a Deed of Variation. As part of the Deed of Variation, the PFI provider will have to demonstrate that value for money is being achieved through their procurement and approach to implementation.
- 1.7 It is anticipated that external professional advisors will be required to support the Council with the Deed of Variation and project management resource will be engaged in order to oversee the process. The Council may also require some additional technical input during the process and this report seeks to allow this to be procured as required.
- 1.8 The Council currently has a contract with BP Pulse to install and maintain electric vehicle charge points throughout the city. The expansion of the network will be completed under the existing contract or other procurement via a suitable framework.
- 1.9 In order to deliver the programme, it is important that priorities are determined at the local level in a timely manner. In order to achieve full spend, the programme will also need to be managed flexibly. For that reason, approval to vary expenditure between project headings is being sought to be delegated to the Corporate Director of Growth and City Development.
- 1.10 The programme will be overseen by existing transport programme governance arrangements and reporting via the corporate Project Management Office. As identified above, existing Area Capital governance will be used to prioritise 'Streets for People' scheme elements.

1.11 Robust programme management processes will be followed to deliver the programme and as a minimum will be in accordance with any guidance issued by the funder. These will establish procedures for managing risk, budget controls, programme resource planning, change controls, etc. This will accord with the Council's established corporate approach to programme and project management. The programme will be subject to the Council's Gateway/Project Assurance review processes and consultation requirements. The programme will utilise existing project management, design and technical resources where available but some additional resources will need to be brought in from outside the Council. Regular reporting to DLUHC and sharing of findings at the end of the programme will also be required.

1.12 The Renewing Local Streets Programme will help deliver key commitments within the 2021-2023 Strategic Council Plan, including:

- becoming the first carbon-neutral city in the country;
- keeping Nottingham moving through comprehensive road and pavement maintenance programmes; and
- improving air quality in Nottingham by cutting nitrogen dioxide and particulate pollution by 20%.

1.13 This programme targets neighbourhoods that will benefit most from an uplift in the streets where people live. It will build on the shift to more active travel that has occurred as a result of the Covid pandemic and support residents through recovery, as well as making a positive contribution to improving air quality and reducing carbon emissions from transport.

2. Background (including outcomes of consultation)

2.1 In March 2021, the Government launched its £4.8 billion Levelling Up Fund. The purpose of the fund being to invest in infrastructure that improves everyday life across the UK, including local transport. As a Unitary Authority, the Council was permitted to submit a specific local transport bid. In October 2021, as part of the Budget, the Government announced an award of £18 million for our 'Renewing Local Streets' transport bid.

2.2 Prior to submission of our Levelling Up Fund application, officers consulted with MPs representing the three constituency areas (Nottingham North, South and East), as well as consulting with City Councillors, who were all supportive.

2.3 The 'Renewing Local Streets' Transport bid formed one of three bids submitted to Government by the Council.

3. Other options considered in making recommendations

3.1 To not accept the Levelling Up Fund Transport award: this option was rejected because Nottingham would lose out on the opportunity to invest £18 million in local neighbourhoods. It would also fail to demonstrate commitment to the Government's Levelling Up agenda, putting at risk the ability to secure future capital funding.

4.Consideration of Risk

- 4.1 The DLUHC has the ability to invoke funding clawback from the Council if there are any issues with project performance or compliance.
- 4.2 To mitigate this risk, officers will develop risk assessment plans, regularly monitor performance, compliance, income and expenditure, as well as put in place clear escalation procedures to ensure that all funding is received, used in accordance with the Memorandum of Understanding (MoU) and any potential risks are identified, addressed or mitigated early.
- 4.3 The Senior Responsible Officer is the Head of Transport Strategy. The programme of capital works will be managed by officers within Growth and City Development and Resident Services. The Council has a good track record of delivering transport capital projects.
- 4.4 The programme will use an established project governance structure reporting into the Capital Board. The governance structure has defined reporting lines and a clear decision-making process.

5.Finance colleague comments (including implications and value for money/VAT)

- 5.1 The Area Capital match funding of £2 million as identified is funded entirely from the Integrated Transport Block, a third-party grant awarded by the Department for Transport.
- 5.2 Following approval of this report, the capital programme will be amended as detailed in Appendix 1.
- 5.3 The project managers for each identified project are required to ensure that any revenue impact of the projects (if applicable) is fully mitigated prior to the Council being contractually committed.
- 5.4 The projects contained within this report have been endorsed by the Capital Board. As the Levelling Up Fund (£18 million) and Area Capital match (£2 million) are entirely funded from external grant, the projects are exempt from the amended scheme of delegation.

Advice provided by Tom Straw, Senior Accountant – Capital Programmes, on 6 December 2021.

6.Legal colleague comments

- 6.1 The Council has received confirmation that its application for funding of £18 million from the Levelling Up Fund has been successful. Any funding will be subject to entering into an agreement with the Funder and it is understood that this will be a MoU. The MoU will set out the Parties' intentions and any obligations. The details of the obligations to be imposed on the Council in return for the grant funding have not yet been agreed. Legal Services can support colleagues in any negotiations with the proposed MoU to ensure the proposed use of funds by the Council is agreed by DLUHC, thus reducing the risk of

clawback of grant funding. Subject to the Director of Legal and Governance being satisfied with the provisions in the MoU and confirmation of the Council being able to meet its obligations, the Council can accept the grant funding.

6.2 With regard to the recommendations around procurement, it is advised that officers prepare a procurement plan in respect of this funding in order to ensure procurement timescales can be met and processes followed to ensure the Council obtains Best Value and enters into compliant contracting arrangements. All procurements will be subject to procurement legislation and the Council's Contract Procedure Rules as set out in the Constitution. The use of any Council operated frameworks, including the Highways frameworks, is fully supported by Legal Services.

6.3 Legal Services will, as required, provide support in the delivery of the project, in particular the contractual arrangements to support procurement strategies and the engagement of professional advisors.

Advice provided by Naomi Vass, Team Leader – Commercial, Employment and Education, on 6 December 2021.

7. Procurement Comments

7.1 There are no procurement concerns with the recommendations set out within the report. Procurement will work closely with the client to ensure compliance with the Council's Contract Procedure Rules and Public Contract Regulations.

Advice provided by Sue Oliver, Places Category Manager, on 3 December 2021.

8. Crime and Disorder Implications

8.1 The primary aim of the Levelling Up Fund is to improve the lives of residents through physical regeneration improving infrastructure for the betterment of all. Improvements in physical regeneration makes a material difference in reductions in crime and disorder.

9. Social value considerations

9.1 Local Suppliers will be notified of any tendering opportunities that may arise from the acceptance of this funding and the delivery of the programme.

10. Equality Impact Assessment (EIA)

10.1 A new EIA is not required because a previous EIA formed part of the Levelling Up Fund Application. An internal EIA will be completed once the outcome of the applications and conditions are announced.

11. Data Protection Impact Assessment (DPIA)

11.1 A DPIA will be completed once the outcome of the applications and conditions are announced.

12. Carbon Impact Assessment (CIA)

12.1 A CIA will be completed once the outcome of the applications and conditions are announced.

13. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

13.1 None

14. Published documents referred to in this report

14.1 Nottingham Levelling Up Fund – ‘Renewing Local Streets’ Transport bid
<https://www.transportnottingham.com/policies/levelling-up-fund/>

Appendix 1

Funding Allocations

Funding allocations are as set out as per the original bid submission. Funding is over the three financial years of 2021/22 to 2023/24. The allocations are as follows:

Programme Area	Project Type	Allocation	Determination of schemes
Streets for People	Improvements to local streets	£8.5m	Schemes to be prioritised via Area Capital approach
School Streets	Measures to encourage more walking, scooting and cycling to schools	£1.5m	Expansion of Active Travel Fund School Streets Programme
Greener Streets	Street lighting to LED	£7m	Determined by contractor
	Community electric vehicle charging	£1m	Gaps in existing public charging network

'Streets for People' ward allocations

Funding for the 'Streets for People' component are allocated using the existing Area Capital Fund formula. Latest available population and Index of Multiple Deprivation (IMD) score data have been used to calculate the ward allocations. The table below also shows the population of each ward together with the IMD Average Weighted Score¹.

Ward	Population 2020	IMD Average Weighted Score	Total Allocation
Aspley	19,560	54.7	£589,731
Basford	16,780	34.6	£428,903
Berridge	17,436	32.5	£423,885
Bestwood	16,995	43.3	£486,203
Bilborough	16,737	48.7	£516,760
Bulwell	16,328	52.9	£537,939
Bulwell Forest	13,352	28.1	£344,819
Castle	15,429	18.4	£309,669
Clifton East	16,865	36.9	£444,066
Clifton West	10,744	24.6	£289,511
Dales	17,047	38.1	£454,244
Hyson Green & Arboretum	26,873	39.1	£584,178

¹ An explanation of how the IMD average weighted scores are calculated can be found here: <https://www.nottinghaminsight.org.uk/d/a8YpGly>.

Leen Valley	9,139	24.3	£267,936
Lenton & Wollaton East	24,076	21.0	£435,332
Mapperley	16,544	31.6	£406,749
Meadows	10,654	36.0	£360,299
Radford	17,414	30.4	£410,204
Sherwood	16,084	28.1	£379,266
St Ann's	23,812	43.1	£570,468
Wollaton West	15,229	10.8	£259,835