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MEMORANDUM OF UNDERSTANDING

*Between*

Department for Transport

*-and-*

Nottingham City Council

**1. Purpose**

1.1. This Memorandum of Understanding ('MOU') sets out the terms, principles and practices that will apply to the working relationship between the Department for Transport ("the Department") and Nottingham City Council ('the Authority')(collectively 'the Parties') regarding the administration and delivery of their Bus Service Improvement Plan (BSIP).

**2. Background**

2.1. On 8 August 2022 the Department confirmed funding for the Authority as part of the Bus Service Improvement Plan (BSIP) Programme.

2.2. This MOU covers the funding commitments from the Department and the delivery, financial expenditure, agreed milestones, reporting and evaluation, communication and branding expectations between the Parties.

**3. Purpose of Funding**

3.1. The Department agrees to provide funding up to £11,167,414 across 2022/23, 2023/24, and 2024/25. The allocation for each year is set out in the following table:

<b>Financial Year</b>	<b>RDEL</b>	<b>CDEL</b>	<b>Total</b>
2022/23	£1,102,233	£665,715	£1,767,948
2023/24	£1,102,233	£4,445,000	£5,547,233
2024/25	£1,102,233	£2,750,000	£3,852,233
<b>Total</b>	<b>£3,306,699</b>	<b>£7,860,715</b>	<b>£11,167,414</b>

3.2. The funding is provided to form part of the necessary investment required for delivery of the BSIP. The Department expects the Authority to use the funding provided for the purposes outlined in the funding submission approved by the Department. The funding summary table is attached in Annex 1.

3.3. The funding for 2023/24 and 2024/25 is provisional at this stage and will be conditional on further development of your EP content. Your Relationship Manager will work with you to develop the content, which

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could include detailed methodologies and project plans for delivering specific interventions or, preferably, granular detail on exactly what will be delivered, by whom, where and when. Any revised text, agreed with your Relationship Manager, should be submitted to the Department using the BSIP email inbox by 31 January 2023. If satisfactory, the Department will release the second year's funding in April 2023. The same process and timescales will also apply to third-year funding in April 2024.

- 3.4. Should delivery not progress as agreed in in the funding submission or subsequent Project Adjustment Request, or the conditions of this MOU not be met, the Department will review whether it is appropriate to, by notification in writing to the authority, require the repayment of the whole or any part of the grant and/or reduce, suspend or withhold future grant payments. The Department also reserves the right to:
- i. Reduce, suspend or withhold BSIP grant funding should delivery not progress as agreed in documentation relating to other grants provisionally awarded by the Department to the Authority.
  - ii. Reduce, suspend or withhold grant funding from other grants provisionally awarded by the Department to the Authority, should scheme delivery not progress as agreed in the funding submission or subsequent Project Adjustment Request, or the conditions of this MOU not be met.
- 3.5. Should the Authority remove capital schemes funded by this grant (e.g. bus lanes) prematurely or without proper evidence, the Department retains the right to require repayment of the commensurate part of the grant and/or reduce, suspend or withhold future grant payments, as per paragraph 3.4.

### **4. Financial Arrangements**

- 4.1. The agreed funds will be issued to the Authority as non-ringfenced grant payments under Section 31 of the Local Government Act. £7,860,715 of the agreed allocation will be for capital expenditure as set out in the funding table.
- 4.2. The Authority accepts responsibility for meeting any costs over and above the Department's contribution set out in Clause 3.1, including potential cost overruns and the underwriting of any funding contributions expected from third parties.
- 4.3. The Department expects the grant funding to be spent and the programme to be delivered by 31 March 2025, unless agreed otherwise through a Project Adjustment Request.

### **5. Assurance, Monitoring and Evaluation**

- 5.1. The Authority will collaborate with DfT over assurance requirements, which will include the Section 151 Officer using the templates provided to give annual written confirmation that the project continues to represent value for money to DfT. The Authority will also collaborate with DfT who

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reserve the right to seek further assurances. This could include engagement with SRO, Section 151 Officer and Project Leads; attendance at project boards; and/or review of specified procurement, financial and decision-making evidence on request. DfT shall assist the Authority where possible, and the Parties will work together to satisfy these requirements.

- 5.2. The Authority will publish data at least every 6 months against their BSIP targets and delivery progress on BSIP-funded schemes.
- 5.3. Assurance, Monitoring and Evaluation Guidance is set out in Annex 3. The Authority will provide reports to the Department, in such a format that the Department will provide, demonstrating that outputs and outcomes are being met, in line with the approved funding submission. This may include sharing of the following information:
  - i. Funding spent to date
  - ii. Planned expenditures
  - iii. Updates on key project milestones and risks
  - iv. Procurement and governance
- 5.4. The Authority will share relevant timely data and information as requested by the Department and/or its contractors, for the purposes of programme assurance, monitoring and evaluation.
- 5.5. The Department reserves the right to publish relevant data and use it to inform public statements.
- 5.6. The Authority will assess the value for money of all individual investments in line with their assurance policies.

### **6. Adherence to national guidance**

- 6.1. The Authority is expected to follow relevant national guidance in the course of scheme development and implementation, e.g. Local Transport Note 1/97 and updated bus priority guidance when available.

### **7. Changes to approved project/programme**

- 7.1. The Authority will comply with the terms of the funding submission as approved in accordance with this MOU. Any deviation from these terms must be reported to the Department. A wide range of project changes, including but not limited to changes to spending profiles, delivery timelines, funded activities, outputs and outcomes, may be requested through the Project Adjustment Requests (PAR) process. Guidance covering the PAR process is available in Annex 2.

### **8. Compliance**

- 8.1. The Authority will comply with all applicable procurement laws when procuring goods and services in connection with the Project and the Department shall not be liable for the Authority's failure to comply with its obligations under any applicable procurement laws.

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- 8.2. The Authority will ensure that its use of the funding complies with State Aid laws, the UK's international obligations in relation to subsidy control and any UK subsidy control legislation.
- 8.3. The Authority will maintain appropriate records of compliance with the relevant subsidy control regime and will take all reasonable steps to assist the Department to comply with the same and respond to any proceedings or investigation(s) into the use of the funding by any relevant court or tribunal of relevant jurisdiction or regulatory body.
- 8.4. The Authority acknowledges and represents that the funding is being awarded on the basis that the use of the grant will not affect trade in goods and electricity between Northern Ireland and the European Union and shall ensure that the funding is not used in a way that affects any such trade.
- 8.5. The Secretary of State may require repayment of any of the grant already paid, together with interest from the date of payment, if the Secretary of State is required to do so as a result of a decision of a court, tribunal or independent body or authority of competent jurisdiction.
- 8.6. The Authority will ensure they comply with the 2010 Equality Act and the Public Sector Equality Duty. This includes considering impacts of the project on protected characteristic groups during the scheme design process and in the monitoring and evaluation stage.

### **9. Branding and Communication**

- 9.1. The Department will provide the Authority with guidance on the Branding and Communication associated with BSIP projects. The Parties agree to adhere to the guidance and any updates subsequently released by the Department.
- 9.2. Whilst there are important benefits of local brands for transport services - including promoting local identity, loyalty and accountability - to emphasise the role played by government funding, the Authority must also prominently co-brand any vehicles, signage, websites and all public-facing printed material. Media announcements and releases about improvements funded or part-funded by this money must also be co-branded, must prominently acknowledge the role played by HMG funding and offer HMG the opportunity in good time to include a comment. Failure to do so may result in funding being reduced or reclaimed as set out at paragraph 3.4 above.

### **10. Compliance with the MOU**

- 10.1. The Parties to this MOU are responsible for ensuring that they have the necessary systems and appropriate resources in place within their

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respective organisations to comply fully with the requirements of this MOU.

### 11. Legal Enforcement

11.1. This MOU is not legally enforceable. It describes the understanding between both parties for the use of funding specified in Clause 3 of this agreement.

### 12. Other conditions

12.1. The Authority will maintain the commitment in their Enhanced Partnership to work with operators to promote the England National Travel Concessionary Scheme (ENCTS) and to proactively inform local residents when they become aware that they are eligible for such a concession. They will ensure that it is easy to apply for. Unless there are exceptional circumstances, any existing “no marketing” clauses in concessionary travel funding agreements will be removed by 1 April 2023.

12.2. The Authority will maintain the commitment in their Enhanced Partnership to overall funding that the authority will provide for buses, from all sources, in each financial year of this funding.

12.3. Demand responsive transport (DRT) services provided under this funding should offer free travel to ENCTS passholders, between 09:30 to 23:00 on weekdays and at all times on Saturdays, Sundays and bank holidays. Where traditional bus services are replaced by DRT, the concessions offered should not be reduced. Where DRT is planned, clear arrangements shall be in place to ensure a high standard of integration with other services and a clear timeline for delivery, with particular regard to elements such as continuity of service, accessibility, safety and fare levels.

### Signed on Behalf of the Authority:

Name:

### Signed on Behalf of the Department (Deputy Director)



Sharon Maddix

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**Annex 1: Funding summary table [attached separately]**

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### Annex 2: Project Adjustment Request (PAR) guidance

The Authority may request a change to the agreed project baseline initially set out and agreed in Annex 1 of this Grant Funding Agreement by making a Project Adjustment Request (PAR). This includes (but is not necessarily limited to):

- Changes to funded activities that would impact outputs/outcomes and delivery schedules
- Changes to funding profiles
- Changes to delivery milestones
- Changes to match or co-funding
- Cost increases
- Scope change

The PAR process for BSIPs may arise through:

- Specific requests from the Local Transport Authority (LTA) in receipt of the Grant
- Recommended by DfT after a review of quarterly monitoring reports, or design/site inspection.
- Through outcomes of any other assurance activities or other relevant checks.

Following submission of a Project Adjustment Request (to be submitted using specified PAR form) the request will be assessed and categorised as Tier 1 (locally managed by LTA), Tier 2 (Programme Director approval), Tier 3 (Senior Responsible Owner approval) or Tier 4 (Ministerial approval), depending on the scale or significance of the request.

Tier 1 requests can be managed locally, but DfT must be informed through email notification to your Relationship Manager and the BSIP inbox, and in the quarterly monitoring report. LTAs have the authority to make adjustments within the following scope:

- Project name change
- Addition of a scheme, or movement of funding between schemes less than £10,000
- Funding changes between financial years less than £100,000
- Interim delivery milestones changing by 3 months or less from the original date set out in the BSIP funding table/EP but not impacting the overall completion of the scheme scope by the delivery date
- Minor changes to outcomes or outputs which have minimal impact on the overall result or design quality of the scheme.

All other changes must be requested from DfT through submission of a Project Adjustment Request. If you are in doubt, contact your Relationship Manager.

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### **Annex 3: Assurance, Monitoring and Evaluation**

An important aspect of the National Bus Strategy, and associated BSIP funding, is to build and share learning about 'what works' when implementing bus interventions.

Grant payments will be subject to the authority participating in data monitoring and reporting, and providing the Department for Transport, and its nominated partners (e.g. external contractors), with periodic data submissions.

Grant recipients will be required to submit monitoring data to the Department for Transport on a quarterly basis, in a specified format. The Department will request information across the following areas:

- Delivery Progress (including both spend and milestones)
- Delivery Confidence
- Risks and Issues
- Changes to the Programme
- Communications
- Impacts and outcomes

This information will include but may not be limited to:

- The list of schemes in Annex 1
- Details of key milestones and costs for each scheme
- High level KPIs for Bus Patronage, Reliability, Journey Time and Passenger Satisfaction, in line with the requirements set out in the National Bus Strategy. Further guidance on this will be shared shortly.

Grant recipients are required to support evaluation activity commissioned by the Department where requested by sharing data and relevant documents, information or insights via interviews, and offering feedback on materials shared by the evaluation team. The Department and evaluators will aim to be efficient and proportionate.

All data will be treated as potentially commercially confidential and will be aggregated and anonymised prior to any publication. Specific monitoring data requirements and any required data sharing agreements will follow shortly.

The Department may publish analysis based on the data reporting and shall consult with Grant Recipients in this case.

#### **Public reporting of progress**

It is important that the public can view and monitor how taxpayer funding is being spent. In addition to publishing 6-monthly data showing progress against your BSIP targets, we also expect you to publish a list of BSIP-funded schemes and progress against them. This should be updated on a 6-monthly basis.