

ABERDEEN CITY COUNCIL

COMMITTEE	City Growth and Resources
DATE	25 August 2021
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Bus Partnership Fund Bid
REPORT NUMBER	COM/21/178
DIRECTOR	Gale Beattie
CHIEF OFFICER	David Dunne
REPORT AUTHOR	Joanna Murray
TERMS OF REFERENCE	3.2

1. PURPOSE OF REPORT

- 1.1 To advise the Committee of the success of the North East Bus Alliance Bid to the Scottish Government Bus Partnership Fund, and next steps.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Notes that £12,030,000 has been granted by Transport Scotland to Aberdeen City Council to work with partners in the North East Bus Alliance to develop and deliver the bus priority interventions through a series of workstreams and deliverables, as described in paragraph 3.2;
- 2.2 Acknowledge that this funding will support public transport in line with the Council's ambitious Net Zero Carbon plans for Aberdeen;
- 2.3 To note the current governance arrangements in place across the North East Bus Alliance, as outlined in paragraphs 3.8 and 3.9, and the comfort this will provide to the Council in the delivery of the approved programme;
- 2.4 Instruct the Chief Officer – Strategic Place Planning and Chief Officer – Capital to continue to work with partners to deliver the projects in accordance with the grant conditions; and
- 2.5 Instruct the Chief Officer – Strategic Place Planning to prepare quarterly Service Updates on the progress of the delivery of this grant.

3. BACKGROUND

3.1 Reference is made to the meeting of the City Growth and Resources Committee of 3 February 2021 wherein the Committee considered the report 'Bus Partnership Fund Bid – COM/21/021' and resolved:

- (i) to instruct the Chief Officer – Strategic Place Planning with the approval of the Convener of City Growth and Resources to submit a bid in line with Appendix 1 on behalf of the North East Bus Alliance, of which Aberdeen City Council is a partner;
- (ii) to note, that if successful, the funding will enable a step change in public transport, which will help support the Council's ambitious Net Zero Carbon plans for Aberdeen;
- (iii) to note that, if successful, Aberdeen City Council will be the lead and Accountable Officer for the North East Bus Alliance Fund; and
- (iv) to instruct the Chief Officer – Strategic Place Planning, to report back to this Committee on the success or otherwise of this bid, on any additional resource requirements to deliver a successful bid and, in consultation with the Chief Officer Governance and Chief Officer Finance, with recommendations for appropriate governance arrangements should the bid be successful, at its meeting on 10 August 2021;
- (v) to instruct the Chief Officer - Strategic Place Planning, that in the context of the corridor options within the bid terminating in the City Centre, and in light of the recommendations from Economic Policy Panel and ongoing transport projects, to seek to accelerate the City Centre elements of the bid. This should include any necessary enabling works for approved schemes, for example South College Street and Berryden, to help drive recovery, improve the transport system and ensure integration of current transport projects; and
- (vi) to instruct the Chief Officer - Strategic Place Planning, to explore options to improve access and integration of the Aberdeen bus station as part of the bid, to help improve the customer experience.

3.2 The North East Bus Alliance Bid (total £12,030,000) was submitted on 15 April 2021 and included the following:

- South College Street Improvements - £10,000,000
- Business Case Development - £1,400,000
 - City Centre
 - Ellon to Garthdee
 - Westhill To Aberdeen
 - Inverurie to Aberdeen
 - Stonehaven to Aberdeen
 - Aberdeen Rapid Transit including model for delivery
- Other - £630,000
 - Communications and Engagement
 - Programme Management
 - Contingency

3.3 This Council were formally notified of the success of the Partnership bid in the latter half of June 2021, confirming that up to £12,030,000 had been awarded,

the full amount that the Partnership had bid for. The Partnership were also commended on the high quality and strength of the bid. The Grant Award cover letter can be found at Appendix 1.

3.4 As with all grants, there are conditions that will need to be complied with in order to successfully reclaim eligible expenditure, and the following are some key conditions:

- Gateway reviews at key stages to release the next stage of funding e.g. a satisfactory gateway review on the outcomes of the STAG Appraisal stage prior to moving to Outline Business Case stage, and evidence of continued commitment from partners.
- Monthly monitoring reports including progress and actual spend.
- Funding is payable over the two financial years of 2021/22 and 2022/23, and by no later than 31 March 2023.
- Submission of a project plan and spend profile – this is currently being finalised and will reflect progress made on projects already started since the development of the bid.
- Quarterly grant claims, starting from end October 2021.
- Transport Scotland Change Control governance processes will require to be followed.
- No match funding is required but ‘match in kind’ is expected covering positive action to improve the bus offer and/or measures to dissuade car use e.g. parking restrictions. This could include the wider work of the Bus Partnership in implementing the Bus Action Plan for the North East, and the refresh of the City Centre Masterplan.
- Provision of further evidence that the South College Street improvements will enable further bus priority measures in the City Centre, and that partners will maximise the benefits of the infrastructure through ‘match in kind’.
- Demonstration of partnership strength and commitment, including working towards a Bus Service Improvement Partnership model.

3.5 All partners have reviewed the grant offer and associated conditions and confirmed that they will work with the Council to ensure compliance. The grant offer has been approved and signed in compliance with the Scheme of Governance.

3.6 The majority of the projects identified in paragraph 3.2 are already in progress and funded either by Nestrans or the General Fund Capital Programme. The grant offer letter was signed on 2nd August 2021 and therefore all eligible bus priority intervention measure expenditure as specified in the award from then to 31 March 2023 will be reclaimed from Transport Scotland in accordance with the grant conditions.

3.7 Resources

Internal and partner resources are already collaborating on the delivery of many of the projects and are deemed to be sufficient at this point in time to complete the programme of work referenced in the grant award, with some further consultancy support to be commissioned as required. If this changes there remains the ability to bring in additional resources to assist and this can be

reclaimed where it is directly involved in the delivery of the projects. However, for any subsequent bids considerable additional resources may be required for full business case development and delivery, and this in turn may amount to a significantly higher award if successful.

3.8 Governance

Existing governance arrangements have been discussed with partners and are considered to be appropriate for the current scale of grant, particularly given most projects have already been approved to progress. These existing governance arrangements include:

- Aberdeen City Council – committees as required and as per terms of reference, Capital Programme and Transportation Programme Board, Scheme of Governance
- Aberdeenshire Council - committees as required and as per terms of reference
- Nestrans Board – meets 6 times a year
- North East Bus Alliance Board – meets 4 times a year
- North East Bus Alliance Executive – meets 8 times a year
- Officer Working Group – currently meets fortnightly

3.9 Almost all of the projects have so far, or will be, commissioned by Aberdeen City Council and the Scheme of Governance and committee reporting requirements will continue to apply. However some projects may be commissioned by Nestrans and Aberdeenshire Council and they would require to comply with their own Scheme of Governance, once scoped in collaboration with partners. It is not envisaged that any subtle differences in their Schemes of Governance would undermine grant condition compliance. Any grant funds to go to Nestrans or Aberdeenshire Council will be through a separate grant letter obligating them to comply with the grant terms and conditions. It is also not anticipated that any projects would be undertaken by the bus operators for the purposes of this specific grant, although of course all partners will be working collaboratively on ‘match in kind’ as described above, adding value to the strategic objectives of the grant.

3.10 Elements of the programme connect into the City Centre, and a specific package of measures for the City Centre has been developed. Given the number of other projects focussed on the City Centre, for example the City Centre Masterplan Refresh, Low Emissions Zone and Sustainable Urban Mobility Plan, officers will ensure co-ordination of the projects to ensure seamless development and delivery going forwards to ensure the overall strategic objectives are achieved.

4. FINANCIAL IMPLICATIONS

4.1 The Bus Partnership Fund grant award is fully funded by Transport Scotland, and no match funding is required from the Council or other North East Bus Alliance partners.

- 4.2 The grant award is for the financial years of 2021/22 and 2022/23, with a completion dated of 31 March 2023. Financial profiling across financial years is to be developed in conjunction with Transport Scotland.
- 4.3 Aberdeen City Council is the designated lead authority and Accounting Officer for the grant and will reclaim eligible spend in accordance with the grant conditions.

5. LEGAL IMPLICATIONS

- 5.1 There are conditions associated with the grant that must be complied with in order to claim eligible spend. These have been reviewed with Legal Services in accordance with the Scheme of Governance prior to accepting and signing the grant award.

6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	<p>Delivery of public transport measures supports a number of the Council's strategic priorities, particularly in terms of a sustainable economy, a sustainable transport system, the continued health and prosperity of our citizens, reductions in carbon emissions and a high-quality environment.</p> <p>Failure to deliver public transport improvements where there is evidence of their effectiveness could undermine the Council's ability to realise these aspirations.</p>	M	Work with partners to deliver the projects within the grant award and continue to work in partnership to maximise 'match in kind' to add value to this grant in terms of meeting the strategic objectives of partners and Transport Scotland.
Compliance	There are conditions attached to the grant award that must be	M	Compliance with statutory processes, grant conditions and Scheme of Governance.

	adhered to in order to secure payment of eligible spend. Certain actions, such as the progression of TROs, may be subject to statutory objection.		Regular progress and spend reporting to Transport Scotland, Aberdeen City Council and the Capital and Transportation Programme Boards, and to the North East Bus Alliance Board.
Operational	There may be risks around the business cases and procurement of public transport measures proposed and these will be detailed and addressed as each project progresses.	L	Compliance with the Scheme of Governance and monitoring/ updating of project risk registers.
Financial	Risks around spend being ineligible or rejected, and therefore having to be absorbed by this Council and partners.	L	All partners have confirmed they have read and understood the grant conditions, and have confirmed they will work with this Council to ensure compliance. Expenditure on projects is likely to be by this Council and Nestrans, both of whom have rigorous internal governance procedures. Regular reporting to Transport Scotland and partners will also help to reduce this risk. Any grant funds to go to Nestrans or Aberdeenshire Council will be through a separate grant letter obligating them to comply with the grant terms and conditions.
Reputational	Failure to deliver in accordance with the grant conditions to help meet the Council's (and partners) strategic objectives undermines the Council's commitments to improving the lives of	M	Work with partners to deliver the projects within the grant award and continue to work in partnership to maximise 'match in kind' to add value to this grant in terms of meeting the strategic objectives of partners and Transport Scotland.

	those who live, work and visit Aberdeen.		
Environment / Climate	ACC's net zero vision and strategic infrastructure plan – energy transition: transport emissions are a significant contributor so increasing sustainable travel will be necessary to achieving this sector's required reduction.	M	Work with partners to deliver the projects within the grant award and continue to work in partnership to maximise 'match in kind' to add value to this grant in terms of meeting the strategic objectives of partners and Transport Scotland.

7. OUTCOMES

COUNCIL DELIVERY PLAN	
Aberdeen City Council Policy Statement	Impact of Report
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	The projects funded by this grant support the delivery of the following Stretch Outcomes: 2. 400 unemployed Aberdeen City residents supported into Fair Work by 2026 3. 500 Aberdeen City residents upskilled/ reskilled to enable them to move into, within and between economic opportunities as they arise by 2026. The development and delivery of active and sustainable travel infrastructure supports a range of economic policies and strategies that will benefit the economy and support access to key employment areas. There will also be employment opportunities during construction.
Prosperous People Stretch Outcomes	The projects funded by this grant support the delivery of the following Stretch Outcomes: 7. 95% of children living in our priority neighbourhoods will sustain a positive destination upon leaving school by 2026.

	<p>8. Child friendly city where all decisions which impact on children and young people are informed by them by 2026.</p> <p>11. Healthy life expectancy (time lived in good health) is five years longer by 2026.</p> <p>Active and sustainable travel are known to improve a number of health conditions, potentially increasing life expectancy. The projects funded by this grant include measures to support, encourage and increase active and sustainable travel thereby also producing less greenhouse gas emissions and improving air quality. There will be further opportunities for engagement through the development and design process and there will be employment opportunities during construction.</p>
Prosperous Place Stretch Outcomes	<p>The projects funded by this grant support the delivery of the following Stretch Outcomes:</p> <p>13. Addressing climate change by reducing Aberdeen's carbon emissions by at least 61% by 2026 and adapting to the impacts of our changing climate.</p> <p>14. Increase sustainable travel: 38% of people walking and 5% of people cycling as main mode of travel by 2026.</p> <p>The projects funded by this grant aim to increase active and sustainable travel which will contribute to reductions in carbon emissions and improvements in air quality.</p>
Regional and City Strategies	The projects funded by this grant support the Regional Transport Strategy, Strategic Development Plan, the Regional Economic Strategy, and locally the Local Transport Strategy, Aberdeen Active Travel Action Plan, Sustainable Urban Mobility Plan, Aberdeen City Centre Masterplan, LOIP, Air Quality Action Plan, Local Development Plan and Aberdeen Net Zero Vision.
UK and Scottish Legislative and Policy Programmes	The projects funded by this grant contribute towards the delivery of the Scottish Government's National Transport Strategy (NTS2) and Cleaner Air for Scotland 2.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	The projects funded by this grant will be/ are being undertaken in accordance with the Scottish Transport Appraisal Guidance which appraises impacts across a

	range of categories (Economy, Environment, Accessibility and Social Inclusion, Safety and Integration). Further detailed assessments will be undertaken through the development and design process, as appropriate.
Data Protection Impact Assessment	Not required

9. BACKGROUND PAPERS

[City Growth and Resources Committee 3 February 2021 Bus Partnership Fund Item 11.5](#)

[Bus Alliance Action Plan April 2021](#)

10. APPENDICES

Appendix 1 – Grant Award cover letter

11. REPORT AUTHOR CONTACT DETAILS

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