

CABINET

CYCLING DEMONSTRATION TOWN 18th MARCH 2008

Report of Corporate Director (Community Services)

PURPOSE OF REPORT				
To seek approval for the submission of a proposal to Cycling England to extend our Cycling Demonstration Town Project for a further three years.				
Key Decision	<input checked="" type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>	Referral from Cabinet Member
Date Included in Forward Plan	26 February 2008			
This report is public				

RECOMMENDATIONS OF COUNCILLOR EILEEN BLAMIRE

- (1) That Cabinet support the submission of a further proposal to Cycling England to extend our Cycling Demonstration Town Project for a further three years.
- (2) That if the proposal is agreed, then the current organisational arrangements for delivering the project, including delegated powers, be extended for a further three years.
- (3) That Cabinet authorise the Head of Financial Services to update the General Fund Capital Programme and General Fund Revenue Budget to reflect the expenditure and financing of the overall project subject to there being a nil impact on the Council's Capital and Revenue financial resources.

1.0 Information

- 1.1 In January 2008, the Transport Secretary announced that the Department for Transport had allocated a record £140 million to Cycling England to invest in cycling over the next three years.
- 1.2 On the 01 February, we received confirmation from Cycling England that they would commit to support the existing six Cycling Demonstration Towns for a further three years. This is subject to a number of conditions including:

- continued high level support and an ambitious strategy
- that the strategy for the next three years builds on what has already been achieved
- that we give greater weight to the health elements of our strategy
- continued support for Bikeability
- that our strategy focuses on permeability of the city centre to cyclists

1.3 The offer of future funding will be subject to our plans meeting these conditions. If successful, it is envisaged that the level of funding made available will be to the same level as in the last three years, i.e. £500,000 a year. The requirement for match funding would continue, but we believe that would be achievable through contributions from the Local Transport Plan (the County Council is our main partner in the project), developer contributions and grants from external organisations.

2.0 Details of Consultation

2.1 The proposal will be developed using advice from the CDT Steering Group and the technical advisors from Cycling England.

3.0 Options and Options Analysis (including risk assessment)

3.1 The options are:

- (i) to submit a proposal and accept an offer of funding based on that proposal
- (ii) to not submit a proposal and develop an exit strategy for the CDT project when funding runs out in the autumn of 2008.

3.2 The proposal would be developed with support from Cycling England so the risk of not meeting their conditions would be minimal. The greater risk is in not managing to deliver match funding but project stages would only be authorised once all the funding was in place for that stage.

5.0 Officer Preferred Option (and comments)

5.1 The officer preferred option is (i) to continue the existing project to support our Corporate Priorities.

6.0 Conclusion

6.1 We have an excellent opportunity to be able to continue this very successful, high profile project for a further three years and should submit a proposal for further funding.

RELATIONSHIP TO POLICY FRAMEWORK

The extension of the Cycling Demonstration Project will contribute to two of the medium term objections in Our Corporate Plan 2008/09

- 3 Make our district a cleaner and healthier place
- 6 Support sustainable communities and actions on climate change

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

The project will continue to have a positive impact on health and sustainability in our District

FINANCIAL IMPLICATIONS

The cost of the project is estimated to be £3,000,000 - half funded by the Department for Transport through Cycling England and half funded by established match funding. If approved the City Council's General Fund (GF) Capital Programme and GF Revenue Budget will need to be updated to reflect the additional £1.5M expenditure met 100% via Cycling England, split £1M Capital and £0.5M Revenue.

From a financial administration viewpoint this project is unusual, in that the arrangements for obtaining and evidencing match funding are less precisely defined by the funding body than is usually the case. Matters are further complicated by the split of the funding between revenue and capital. Together, these mean that there is a need to ensure that appropriate arrangements are in place to provide an equivalent level of assurance to that which would normally be driven by the funder's formal requirements.

Lancaster City Council will act as the accountable body for the project, and as such the necessary financial management arrangements will be put into place to ensure the proper financial management of the Cycling England grant. As with other projects funded in this way, the City Council will be expected to defray expenditure upfront and claim back the grant quarterly in arrears. No financial or contractual commitment shall be entered into for any route by the project until confirmation of all funding has been received.

Any future maintenance liability issues are being reviewed and funding will be identified prior to committing to any phase. These changes will be met by the existing budgets or reported on if necessary.

It is not anticipated that there will be any requirement for annual or final audits to be carried out on behalf of the funder as a result of carrying out this project, therefore there will be no additional audit costs falling on the Council's GF Revenue Budget. Instead, for each financial year of the project the Council must submit a statement of grant usage to the Secretary of State providing details of all eligible expenditure incurred, certified by the Head of Financial Services.

The VAT implications have been considered and it is not envisaged that this project will have any adverse effect on the Authority's ability to recover VAT in the normal manner, therefore there will be a nil impact on the Council's General Fund Revenue Budget.

The financial monitoring of the project will be included within the quarterly PRT corporate financial monitoring arrangements for the Authority. Engineers Team which now falls under Planning and Building Control Services will retain responsibility for the Capital budgetary control and monitoring. Economic Development will retain responsibility for the Revenue budgetary control and monitoring.

SECTION 151 OFFICER'S COMMENTS

The s151 officer has been consulted and has no further comments to add.

LEGAL IMPLICATIONS

There are no legal implications

MONITORING OFFICER'S COMMENTS

The Deputy Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

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