
**PROPOSED EUROPEAN FUNDING BID UNDER THE NORTH WEST EUROPE
INTERREG PROGRAMME**

Responsible Cabinet Member - Councillor David Lyonette, Transport Portfolio

Responsible Director – Richard Alty, Assistant Chief Executive (Regeneration)

Purpose of Report

1. To advise Cabinet Members of an opportunity to participate in a trans-national Interreg project and to seek approval to be a partner in a bid for Interreg funding.

Information and Analysis

2. In December 2007 officers were approached by Tees Valley Joint Strategy Unit who had been contacted as part of a North West Europe-wide search for possible partners in a trans-national transport-related project.
3. Consultants appointed by the City of Eindhoven were seeking partners for a project called “Building Advanced Public Transport Systems” (BAPTS).
4. The project is being developed under the North West Europe Interreg IVB programme, a programme aimed at trans-national cooperation and development in the field of transport.
5. Officers from Darlington Council, accompanied by a representative from the Tees Valley Joint Strategy Unit attended a meeting in London to meet with the consultant (Rupprecht Consult) and the lead officer from the City of Eindhoven in order to discuss Darlington’s potential to participate in the BAPTS project.
6. Darlington officers presented details of the Local Motion strategy and discussed the possibility of developing a series of interrelated transport marketing projects which could potentially be Darlington’s contribution to the proposed BAPTS project.
7. Both the consultant and lead partner were impressed with Darlington’s track-record and proposals and encouraged officers to submit a transport-marketing focused bid, based on Local Motion.
8. A meeting of all partners was held in Brussels on 30 and 31 January 2008 at which each partner presented details on the city or town that they represent as well as outlines of individual project ideas for possible inclusion in the BAPTS bid.
9. One of the obligations of being involved in the BAPTS partnership is that each partner must contribute to at least two work packages within the proposed BAPTS programme. The

Local Motion activities fall under work package three (Integrated marketing approaches) and project proposals are aimed at both sustaining and further developing Local Motion.

10. It is also proposed that Darlington submits projects under work package two, which relates to Integrated Planning Systems, and work package four, which relates to use of Information and Communication Technology (ICT).
11. The proposed project under work package 2 focuses on enhancing the Local Development Framework (LDF) by better use of the travel and traffic data. This will also enable Single Programme Funding for the Connections Study to be used as match funding.
12. Projects proposed under work package 5 are to develop a Smart card system for use on public transport and potentially for other applications such as entrance to car sharing car parking spaces and secure cycle parking. They would also include the installation of real time public transport information at key origin points, for example work places, health and leisure facilities. Sources of match funding include existing projects funded through the Local Transport Plan and, with respect to the Smart card proposal, potentially funding from Arriva North East.
13. It is proposed that Darlington's BAPTS funding will be used to help sustain activities aimed at helping to tackle traffic congestion through promoting sustainable travel (ie building on the success of Local Motion), to add value to work taking place on developing the LDF and support the increased use of ICT in improving the travel experience for public transport users.

Funding Proposal

14. The overall estimated projects costs are Eu2.0m which based on an exchange rate of 1.5 euros to the pound equates approximately to £1.39m. The offer of funding would be in euros, with the current exchange rate being Eu1.34 to £1. This is a prudent approach allowing for a contingency of up to a 12 % adverse change in the exchange rate.

Risk Analysis

15. The lead partner will be the City of Eindhoven who has appointed the consultants on an "at-risk" basis. Should the project not be approved, Eindhoven alone will bear the project development costs. Should the project be approved, City of Eindhoven will act as the accountable body and be responsible for submitting the ERDF claims. As a partner in the project, Darlington will be required to sign a partnership agreement and comply with ERDF rules. However, being a partner does not involve anywhere near the level of risk of being an accountable body with the only loss being the investment of staff time and travel in investigating the feasibility and developing the bid.
16. There are a number of risks of being involved with a trans-national project, once approved. The most significant of the risks is that the Council incurs costs and spends money on a project, which is subsequently found either to be ineligible, or for which payment is not subsequently received from the accountable body. The Council has experience of the financial and operational management arrangements specific to previous ERDF projects but this would be a first experience of trans-national operations. The key will be to ensure that robust and compliant systems and procedures are established from the outset. An auditor

will also be appointed at the outset to ensure that the Council's procedures, systems, records and project activity meet ERDF requirements and to check each claim prior to submission to Eindhoven. There will also be expert support from Tees Valley Joint Strategy Unit.

17. 54.5% of the funding (£757K at current exchange rates of 1.34 Euros to the pound) will need to be from Darlington Council/partners. Existing secured funds include staff time, Single Programme, Cycling England, Local Motion (2008/9) and Local Transport Plan funding totalling approximately £575k over the period 2008-2011. Other sources of match funding are also being investigated. Should the funding not be secured, the project would either be scaled back or, if necessary, closed early.
18. Approximately a further £200k is required as match. When a partner is identified in the bid as a match funder, the funding will only be included if the partner has confirmed the funding. Should the additional match funding not be secured, the project would either be scaled back or, if necessary, closed early. Other funding we are seeking to secure includes a substantial contribution from Arriva North East towards the implementation of real time public transport information and travel marketing, and smaller elements of funding towards cycle parking through developer contributions.
19. The BAPTS project may not be approved in June 2008 – if the project is not approved, then there is an opportunity to re-submit the project for consideration in September 2008. If the project fails at both attempts, the lead partner will lose its investment but there will be no cost to DBC.
20. There is a need to participate in trans-national information and knowledge sharing. The information and knowledge sharing is an obligation fundamental to the delivery of the BAPTS project. This means that over the three-year programme period each of the 9 BAPTS partners will be expected to host a two-day partnership meeting. Each meeting will take the same format, with one day comprising a study tour and/or seminar and one day where all partners meet to discuss programme management. It is hoped that the cost of hosting an event will come out of the Accountable Body central budget but there is a possibility that the cost may be borne by the host town, this will be resolved as part of the bidding process and may form part of the additional (unsecured) funds. Darlington will be expected to host one partnership meeting and attend 8, of which one will be Southend in England, one in Dublin and the remainder on mainland Europe being: Luxembourg, Lille, Nantes, Frankfurt, Bielefeld and Liege.
21. There is also potential for exchange of staff and secondments within the BAPTS partnership. It is not proposed that Darlington participates in a staff exchange or secondment scheme.

Legal Implications

22. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

23. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Financial Considerations

24. The proposal is to use staff funded through core budgets as well as a mix of already secured funding from the Single Programme, Cycling England, Local Motion (Sustainable travel town) and the Local Transport Plan as match for the Interreg funding. The Interreg funding will be used to sustain and develop specific elements of the activity of the Local Motion project, help develop partnerships both locally and trans-nationally and fund additional 'added – value' activities including enhancement to the LDF development work and the increased use of ICT in improving the travel experience for public transport users.
25. There is an element of as yet unsecured funding, including funding from partners such as Arriva North East. Activity will only be included in the bid if the match funding has either been secured or if there is an eligible core budget to be used as match. In the case of partner contributions, only confirmed contributions will be included in the bid.

Conclusion

26. Darlington Borough Council has an opportunity to participate in a trans-national project in an area in which Darlington has extensive experience and a demonstrable track-record. Darlington's status and credentials as a cycling and sustainable transport demonstration town, combined with a reputation for delivering sustainable transport projects and successfully influencing changes to people's travel behaviour leaves Darlington well-placed to participate in this Interreg transport project. There is an opportunity to move from being a nationally to an internationally recognised lead in sustainable transport, planning and policy. The sustaining and further development of the activities of the Local Motion Team, combined with the enhanced Local Development Framework activity, will also make a tangible contribution to the Sustainable Community Strategy and Corporate Plan.

Council Policy Framework

27. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

Decision Deadline

28. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

Recommendation

29. It is recommended that the Assistant Chief Executive (Regeneration) be given delegated powers to pursue submission of an Interreg bid, in consultation with the Cabinet Member for Transport.

Reasons

30. The recommendation is supported by the following reasons:

- (a) To enhance the economic, environmental and social well-being of the Borough.
- (b) To sustain and enhance the work of the nationally-recognised, groundbreaking work of the Local Motion team.
- (c) To promote sustainable development and transport, contributing to the “Greener Darlington” outcomes in the draft sustainable community strategy.

Richard Alty
Assistant Chief Executive (Regeneration)

Background Papers

- (i) Project Outline for a Project Application for the Interreg IVB North West Europe Cooperation Area.

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