

Decision- Maker: Director of Regeneration Enterprise and Skills	DATE 19 May 2021
TITLE: Extension of contract - Provision of Cycle Training Services (Contract Ref: SPS2055)	WARD (S) All
LEAD OFFICER: Assistant Director (Transport & Sustainability)	CABINET MEMBER: Environment, Sustainability and Transport
DECISION CLASSIFICATION: Key Non – exempt	IS THE FINAL DECISION ON THE RECOMMENDATIONS IN THIS REPORT TO BE MADE AT THIS MEETING? Yes

1. Decision Required

This report makes the following recommendations to the decision-maker:

- 1.1. Approve the extension of the Provision of Cycle Training Services contract (ref: SPS2055) between the Royal Borough of Greenwich and Cycle Confident Ltd (company number 06944710). The extension would be for a maximum period of one year, between 1 April 2021 and 31 March 2022, with a value of £130,000.00.
- 1.2. Note that, at the time of writing, the primary funding stream for the cycle training contract from Transport for London (TfL) 2021/22 Local Implementation (LIP) Plan Corridors & Neighbourhoods has not been confirmed for the full financial year, but that an interim LIP settlement has been agreed until 18 May 2021, with £13,800.00 for the school and adult cycle training programme allocated to the Council from the settlement. Further funding packages are subject to TfL negotiating a further settlement with the Department for Transport (DfT).

1.3. Approve the release of £12,934.36 of Section 106 receipts to spend on adult cycle training for residents of the developments specified in Appendix 4 to this report.

Agreed/Not Agreed:

Date:

Signed:

Pippa Hack, Director of Regeneration, Enterprise and Skills

2. Links to the Royal Greenwich high level objectives

2.1. This report relates to the Council's agreed high level objectives as follows:

- A Healthier Greenwich
- A Safer Greenwich
- A Great Place to Grow Up
- A Cleaner, Greener Greenwich
- A Great Place to Be

3. Purpose of Report and Executive Summary

3.1. The report states why the contract extension will continue to provide best value to the Council's cycle training programme.

3.2. Key performance indicators (KPIs) and deliverables of the existing contract demonstrate how the Council has achieved value for money through the existing tender process and the supplier's ongoing delivery. This will be expanded upon in Section 4 below.

4. Introduction and Background

4.1. In 2014, the Royal Borough of Greenwich adopted a Cycling Strategy, the key objectives of which were to get more people cycling, more often and

even more safely. The target of a 5% mode share of all journeys being made by cycle by 2025/26 could be achieved through a combination of more and better cycle routes, and more and safer cycling.

- 4.2. Cycle training plays a pivotal role in supporting more and safer cycling, by helping to give new and existing cyclists the confidence and wherewithal to make journeys by bike in real-road conditions.
- 4.3. In December 2017 the Royal Borough invited cycle training providers to tender for the Provision of Cycle Training Services contract (ref: SPS2055), to deliver cycle training to children and adults throughout the borough for a period of three years, with the option to extend by a further year and by another year subject to key performance indicators being met.
- 4.4. The contract was tendered in line with the Public Contract Regulations 2015, for a total value of £650,000.00 over a maximum period of five years.
- 4.5. The contract was awarded to Cycle Confident Ltd in May 2018. Cycle Confident's bid scored second on quality and third on price, giving them the most economically advantageous score of the four bidders involved in the tender process.
- 4.6. The Award Report (CON1015) for the Provision of Cycle Training Services, agreed by the Director of Regeneration, Enterprise and Skills, is provided in Appendix I.
- 4.7. The KPIs associated with this contract are the total number of children and adults trained across different delivery streams.
- 4.8. A summary of the KPIs and deliverables from the two previous complete financial years, namely 2018/19 and 2019/20, is provided in Table I below.

Deliverable	2018/19		2019/20	
	Target	Actual	Target	Actual
Minimum number of adults attending 1:1/group sessions	400	751	400	1227
Minimum number of	1250	1688	1250	1553

children trained at L1 Bikeability (off-road)				
Minimum number of children trained at L2/3 Bikeability (on-road)	625	1390	625	731
Minimum number of trainees receiving family cycle skills sessions	40	73	40	186
Minimum number of professional drivers receiving Safe Urban Driving training	25	37	25	30

Table 1: Cycle training deliverables 2018/19 and 2019/20 shown as training targets and actual numbers trained

- 4.9. To date, the value of work done by Cycle Confident is £429,658.13, as shown in the spreadsheet provided in Appendix 2.
- 4.10. Funding for the cycle training programme is primarily secured through TfL's annual LIP funding under the Reducing Road Danger package. The Royal Borough secured its full formula allocation of £130,000.00 in FY2018/19 and FY2019/20.
- 4.11. The COVID-19 outbreak in March 2020 led to the suspension of both the Royal Borough's LIP programme and associated funding, and the delivery of cycle training sessions from March – August 2020. As conditions began to allow the gradual reintroduction of services, TfL granted all London boroughs interim cycle training funding of £60,000.00 between August 2020 and March 2021 in two separate periods (Period 1: August – November 2020; Period 2: December 2020 – March 2021). KPIs for sessions delivered and trainees trained for this stream are separate to that of the core cycle

training contract, and funding for Period 2 was only released upon evidence of KPIs for Period 1.

- 4.12. The latest available monitoring data for the interim cycle training programme (August 2020 – February 2021) is provided in Appendix 3. Due to the KPIs differing to that of the core contract, this should be used for reference of successful delivery rather than judging performance against the Provision of Cycle Training Services contract.
- 4.13. The Royal Borough has received LIP funding of £13,800.00 as an interim allocation until 18 May 2021 under the current funding settlement between TfL and the DfT. Though there is some uncertainty beyond this period, the programme developed to support the Council's Form A submission to TfL for the LIP Corridors & Neighbourhoods 2021/22 financial year had a £100,000.00 allocation towards cycle training. It is therefore likely that the Council will receive additional funding for cycle training in the 2021/22 financial year.
- 4.14. The Royal Borough has requested to carry over £9,300.00 of the £60,000.00 interim cycle training funding owing to the suspension of cycle training in December 2020 following the government's announcement of a further national lockdown. TfL has indicated that carry-over funding must be committed by 31 July 2021.
- 4.15. Officers have also identified £12,934.36 of Section 106 receipts that could be spent on adult cycle training in specified developments within the borough, with an expected spend date of September 2021. The Section 106 drawdown form, which appends the breakdown of S106 receipts totalling £12,934.36 that are proposed to be used for adult cycle training, is provided in Appendix 4.
- 4.16. Under the terms of the relevant S106 Agreements listed within Appendix 4, the majority of the S106 receipts cannot be 'pooled' for spending on adult cycle training, and expenditure of each S106 contribution is restricted to cycle training for the adult residents of the development for which that S106 contribution was paid, with only two of the paid S106 contributions being capable of being applied to adult cycle training for residents borough-wide. Compliance with this spending restriction will be secured by ring-fencing each S106 receipt for spending in relation to its associated development, promoting the adult cycling training service to residents within the developments listed in Appendix 4, and monitoring the uptake

of bookings with the borough's cycle training provider, Cycle Confident. Bookings for adult cycle training will be checked against a list of postcodes relating to each development, and any adult sessions that match the development restriction criteria will be billed against the relevant S106 sum ring-fenced for expenditure on the associated development, rather than from the borough-wide adult cycle training programme from TfL's LIP Corridors and Neighbourhoods funding.

4.17. The total funding from S106 allocations of £12,934.36 identified in Appendix 4, with an anticipated spend date of September 2021, is highly unlikely to be spent in full before 18 May 2021.

4.18. Total funds for cycle training services to date are therefore £36,034.36, subject to the approval outlined in Section 1.3 of this report.

5. Available Options

5.1. **Option 1: Do nothing**

The Council could decide to do nothing, and not extend the cycle training contract. This would result in delivery of the service being abandoned. This would not help the Royal Borough work towards any of the high-level objectives listed in Section 2, nor would it contribute towards more and safer cycling as set out in the Council's Cycling Strategy. It would also result in the full underspend of the current LIP Corridors and Neighbourhoods funding for cycle training of £13,800.00 and additional interim carry over funding of £9,300.00, which the Council would need to return to TfL, along with any future anticipated LIP settlements for cycle training that could not be delivered.

5.2. **Option 2: Do not extend the existing contract and re-procure the service**

The Council could choose not to extend the existing contract, and re-procure the cycle training service. This may result in a more economically advantageous bidder delivering cycle training for the Royal Borough. However, researching the market, drafting the tender specifications, evaluating bids and awarding a new contract is likely to take several months which would result in an interim period with no cycle training delivery and severely risk the total underspend of existing funding secured through the interim LIP settlement and carry over funding from the interim cycle training settlement in December 2020, with commitment deadlines of 18

May and 31 July 2021 respectively. The lack of delivery as a result of the time taken to re-procure the service would also have a proportionally greater impact on the Council's progress towards its high-level objectives and the Cycling Strategy targets because it would coincide with the warmer months, traditionally the busiest time of year for cycle training.

5.3. **Option 3: Extend the existing contract with Cycle Confident**

The Council could trigger the one-year contract extension option and appoint Cycle Confident as cycle training provider for a further year, between 1 April 2021 and 31 March 2022. This would guarantee continuity of the cycle training services for the borough's residents for another year and continue to deliver the best value for money to the Council.

6. Preferred Option

6.1. The preferred option is **Option 3: extend the existing contract with Cycle Confident**

7. Reasons for Recommendations

7.1. Cycle Confident have demonstrated that they can deliver the KPIs associated with this contract in each of the past two full financial years. They have also delivered interim targets in full, satisfying TfL funders to release the full amount of interim funding to the Council, as outlined in Section 4.11.

7.2. If the contract is varied by £130,000.00 and funding secured to the full amount during the 21/22 financial year from various sources, the total value of work done by Cycle Confident would be £559,658.13. This would still fall within the total contract value of £650,000.00.

7.3. More cycling infrastructure and Low Traffic Neighbourhoods are scheduled for implementation as experimental schemes in the Royal Borough in Summer 2021. Moreover, boroughs in outer London have seen the highest rises in cycling since the start of the COVID-19 pandemic, so it is vital that the Royal Borough supports its residents to cycle more often and more safely in the current climate.

- 7.4. Continuity with the same training provider is vital in offering a high-quality level of service for those wishing to start cycling, or become more confident cyclists, in the current climate. The Council can expect significant delays to service delivery and a missed opportunity for residents wishing to travel more safely if it decides to either re-procure or not to extend the contract, as set out in Sections 5.1 and 5.2.
- 7.5. There is no guarantee of work arising from the cycle training contract in the event of funding for the services not being provided.
- 7.6. Section 4.14 of this report states that the £9,300.00 carried over funding can be committed until 31 July 2021. Similarly, as referred to in Section 4.17 of this report, the Section 106 funding identified in Appendix 4 of this report has an anticipated spend date of September 2021. It is therefore recommended that the contract is extended beyond 18 May 2021 to aid delivery of training with this funding, even in the event of no additional LIP funding being secured by any future settlements between TfL and the DfT.

8. Consultation Results

- 8.1. No formal consultation has been carried out, nor deemed necessary, to inform the proposals described in this report.

9. Cross-Cutting Issues and Implications

Issue	Implications	Sign-off
Legal including Human Rights Act	<p><i>The Director of Regeneration, Enterprise and Skills, as Chief Officer, is requested to approve the contract extension with Cycle Confident Limited (company number 06944710) for a period of one year from 1 April 2021 and 31 March 2022, for a cost of £130,000.</i></p> <p><i>The contract commenced in 2017 for a period of 3 years with an option to extend by a further year, with a total estimated contract value of £650,000.</i></p>	<p><i>Mohammed Patel, Contracts Lawyer 07/05/2021</i></p>

	<p><i>Compliance with Contract Standing Orders (CSOs) and Public Contract Regulations 2015 (PCRs)</i></p> <p>CSO 28.1 states that no variation may be made until approved by the Chief Officer if it would:</p> <ul style="list-style-type: none"> • extend the contract period by 50% or by more than 3 calendar months whichever is greater. <p>Based on the above, the contract extension is for a period more than three calendar months (one year). Therefore, this variation passes the threshold in CSO 28.1 and must be approved by the Chief Officer.</p> <p>According to CSO 28.5, the Chief Officer will keep a record of all variations and summarise them in a report every 3 months to Cabinet and to Overview and Scrutiny Committee.</p> <p>CSO 2.1 requires that the procurement must comply the Public Contracts Regulations 2015. The initial contract value was £650,000 and according to this report, this variation will increase the total value of the work undertaken so far to £559,658.13. As the variation does not increase the overall value of the contract, there is no requirement for a fresh tender process as per Regulation 72 of the PCR or a further notice under FTS.</p> <p><i>Best Value</i></p>	
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Under the Local Government Act 1999 the Council is required to achieve best value in the exercise of its functions. In reaching a decision, the Chief Officer must take into account the reasons for the award of this contract as set out in the body of Report and the Council's fiduciary duty to achieve Best Value.

Spending of Section 106 funds

The report also asks the Director to approve the release of £12,934.32 of S106 receipts on adult cycle training for residents of the developments listed within Appendix 4.

The Director of Regeneration, Enterprise and Skills has the Chief Officer authority to decide on the spending of the S106 monies under Part 3, Schedule B of the Council's Constitution which delegates 'all development control and planning matters', as specified in Schedule 1 of the Functions Regulations (which includes the power to enter into Section 106 agreements) "except for those matters reserved for decision by Member level bodies". This is not a decision reserved for a Member level body.

The terms of the relevant Section 106 Agreements listed within Appendix 4 to this report have been reviewed. Provided that the expenditure complies with paragraph 4.16 of this report, it is confirmed that the proposed expenditure would be consistent with the purposes for which the contributions were made. As at the date of these comments, the

	<p>expenditure deadlines for such S106 receipts have not yet expired.</p> <p>Human Rights Under the Human Rights Act 1998 local authorities have a duty to promote and protect human rights. The award of this contract does not have legal implications under the Human Rights Act 1998.</p> <p>Consult with Legal Services The report author should consult with the Legal Department regarding the drafting and execution of the variation to this contract.</p>	
<p>Finance and other resources</p>	<p>This report requests the decision maker to approve the extension of the Provision of Cycle Training Services contract (ref: SPS2055) between the Royal Borough of Greenwich and Cycle Confident Ltd, and to note that the primary funding from TFL LIP has not been confirmed.</p> <p>The extension would be for a maximum period of one year, between 1 April 2021 and 31 March 2022, at the value of £122,234.32 of which £100,000 has been requested from TfL, £12, 934.32 from S106 and £9,300 carry over from interim cycle training.</p> <p>There is no commitment with Cycle confident ltd to carry out the training, if funding becomes unavailable.</p>	<p>Wunmi Akintelure</p> <p>Accountancy Business Change Deputy Officer 26/03/2021</p>

Equalities	The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no apparent equality impact on end users.	Tim Le Rougetel, Acting Principal Transport Planner (Walking & Cycling), 15/03/2021
Climate change	This report supports the continued delivery of cycle training services which contribute towards residents making more journeys by sustainable modes, supporting the Carbon Neutral Plan target of a 45% reduction in private car use by 2030 and the associated air quality and climate change benefits of such a reduction.	Tim Le Rougetel, Acting Principal Transport Planner (Walking & Cycling), 15/03/2021
Procurement & Social Value	The decision recommended in this paper to vary the existing contract is in line with the provisions of the contract. Social value promised in the contract will be monitored and reported on during the life of the contract.	Pius Appiah Senior Procurement Business Partner 26/03/2021
Health and wellbeing	The continued provision of cycle training will enable people to make healthier lifestyle choices. It will enable residents to feel more confident cycling around the borough and beyond, embedding active travel into daily routines and helping people achieve the Chief Medical Officer's recommended daily targets of 2 x 10 minutes of physical activity.	Tim Le Rougetel, Acting Principal Transport Planner (Walking & Cycling), 15/03/2021

10. Report Appendices

10.1. The following documents are to be published with and form part of the report:

- Appendix I: Award Report for cycle training contract

- Appendix 2: Purchase orders raised with Cycle Confident (May 2018 – February 2021)
- Appendix 3: Monitoring data for cycle training during COVID-19 pandemic (August 2020 – February 2021)
- Appendix 4: Section 106 cycle training contributions drawdown form

11. Background Papers

- Royal Greenwich Cycling Strategy and Action Plan (2014)

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