

CABINET

19 March 2024

Title: Allocation of Strategic CIL to BRL for Uber Board Thames Clipper services	
Report of the Cabinet Member for Regeneration and Economic Development	
Open Report	For Decision
Wards Affected: Barking Riverside	Key Decision: Yes
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Accountable Director: Rebecca Ellsmore, Strategic Head of Place and Development	
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Summary: This report sets out the proposal from BRL which seeks Strategic Community Infrastructure Levy (SCIL) funding to part fund increased Uber Boat by Thames Clipper services from Barking Riverside. Services currently operate a peak weekday service, and an all-day weekend service. Provision of SCIL funding from LBBD would enable BRL to enter into negotiations with other potential funding partners and would contribute to providing increased UBTC services to Barking Riverside.	
Recommendation(s) The Cabinet is recommended to: (i) Support the proposal for £450,000 to be allocated over 3 years to part fund extended services for Uber Boat by Thames Clipper (UBTC) services at Barking Riverside; (ii) Note the proposed draft letter of support to BRL setting out the in principle allocation of the funding, conditional on remaining funding being found by BRL; (iii) Delegate authority to the Strategic Director, Inclusive Growth to take any steps necessary to ensure compliance with the Subsidy Control Act 2022; and (iv) Delegate authority to the Strategic Director, Inclusive Growth, to execute all the agreements, contracts, and other documents on behalf of the Council in order to implement the allocation of SCIL funding.	

Reason(s)

The in principle allocation of funding to BRL will support increased UBTC services, providing improved transport accessibility and supporting growth in Barking Riverside and surrounding areas.

1. Introduction and Background

- 1.1. Following the approval by Cabinet of the governance procedure to allocate SCIL on 17 October 2023, Planning and Assurance and Be First have commenced the cycle of meetings with internal Council service providers, and external infrastructure providers, including the NHS, to discuss current and future infrastructure needs, and how SCIL will be allocated to projects moving forward.

2. Proposal

- 2.1. Barking Riverside Limited (BRL) have put forward a proposal for the allocation of SCIL to support increase UBTC services on weekdays¹, starting from Summer 2024. BRL have submitted a draft proposal (**Appendix 1**), setting out detail around the costs, anticipated benefits, and deliverability of the project.
 - 2.1.1. BRL have put forward a proposal for the in-principle allocation of £450,000 spread over three years to match fund all-day UBTC services. An all-day service is not commercially viable without a subsidy for at least the next 3 years.
 - 2.1.2. At this time, BRL are seeking in principle support for the project, which would enable them to engage in negotiations with UBTC and other potential funding partners and facilitate the commencement of services in Summer 2024. A letter of support has been drafted (**Appendix 2**).
 - 2.1.3. BRL will also seek funding from other parties, including private sector partners and local authorities that will also benefit from the increased services.
 - 2.1.4. BRL understand that if the funding allocation is approved by Cabinet, that the receipt of this funding would be conditional on them securing the remaining portion of funding from other partners.
- 2.2. UBTC are in the process of procuring three new boats in early 2024 and have advised that they would be able to change timetabling when the boats are acquired to provide hourly services to Barking Riverside during the off-peak if a financial contribution can be made. The new boats were originally planned to service parts of West London, however UBTC are amenable to providing the new boats in East London if BRL will contribute financially.
- 2.3. In 2022, LBBD contributed £600,000 in SCIL towards the pier and pontoon project at Barking Riverside, enabling the commencement of the UBTC services.

¹ Services have operated a peak weekday (half hourly services between 06:30am-11:00am and 5:15pm–11:45pm) and all-day weekend service (half hourly services between 08:10am – midnight) at Barking Riverside since April 2022.

- 2.4. There have been previous issues regarding the frequent cancellation of services and resulting impacts on patronage. BRL have provided recent cancellation data which shows that overall, in 2023, 2.4% of services were cancelled. BRL also noted that most cancellations are as a result of the closure of the Thames Barrier. BRL has requested that UBTC improve their communication with regards to the cancellation of services.
- 2.5. Eligibility and evaluation criteria have developed by LBB and Be First and endorsed by the Assets and Capital Board. The project is considered to be eligible against the eligibility criteria and has been assessed against the evaluation criteria.
- 2.6. The assessment of the project against the criteria outlines that there are significant anticipated benefits of the project. The provision of all day UBTC services would have significant benefits to the growing community in Barking Riverside, through providing improved transport connectivity and more reliable services. The project would further contribute to regeneration in the borough through providing better transport connections and improved access to opportunities for residents and businesses. Benefits of the proposal include:
- Residents and businesses of the borough will benefit from a better connected centre, and improved access to opportunity.
 - An improved experience for visitors and opportunity for day-trippers to reach Barking.
 - Incentives to home buyers, including plot developers offering season tickets on UBTC services.
 - Local businesses such as street food traders around the pier will benefit from increased footfall.
 - Supporting local schools by providing better service for trips to Woolwich and Greenwich in particular.
 - Improved accessibility to jobs and opportunities outside of the borough.
- 2.7. This assessment is included at **Appendix 3**.

3. Options Appraisal

- 3.1. There are two options to be considered:
- 3.1.1. **Option 1: Approve the conditional funding** – Approval of conditional funding and the issuing of a letter of conditional support would enable BRL to secure funding through other funding sources and would ultimately contribute to increased UBTC services to Barking Riverside, improving transport connectivity to the borough.
- 3.1.2. **Option 2: Do not approve conditional funding at this time** - UBTC have indicated that if BRL cannot confirm funding, the three new boats will be deployed in West London, and the opportunity to expand services in East London may be missed. BRL are working to short timeframes set by UBTC, and there is a perception that if the opportunity is missed in early 2024, it will be more difficult to change timetabling in the future to improve frequency of services to Barking Riverside.

4. Consultation

- 4.1.1. The proposal has been discussed and agreed with relevant service areas and Be First.
- 4.1.2. The proposal received support from Assets and Capital Board on 14 February 2024.

5. Financial Implications

Implications completed by: Alison Gebbett, Capital Accountant

- 5.1 The proposed allocation of £450k of SCIL funding towards an all-day UBTC service to Barking Riverside has been assessed against the eligibility criteria as set out in Appendix 3.
- 5.2 This SCIL allocation is part of a total amount required by UBTC of £1.026m, of which £500k is to be funded by BRL and the remainder to be sought from other external funding sources by BRL or further negotiated with UBTC. The letter at Appendix 2 requires confirmation of the other funding sources from BRL and a funding plan before the SCIL payment will be advanced. The project will also be monitored to ensure that the desired outcomes are delivered within the budgets and timescales set out.
- 5.3 There are sufficient available balances of SCIL to allocate £450k. This will be drawn down as £150k each year over a 3 year period following approval.

6. Legal Implications

Implications completed by: Dr Paul Feild Standards & Governance Principal Solicitor

- 6.1. This report seeks as its preferred option the making of a grant of £450,000 to be allocated to part fund extended services for Uber Boat by Thames Clipper (UBTC) services at Barking Riverside. This will be subject to the grant conditions satisfying the qualifying criteria for use of the Strategic Community Infrastructure Levy fund which will include a match funding requirement.
- 6.2. As the proposal is to support a scheme which would not be independently commercially viable being paid by a state body ie local government, it shall need to be compliant with the Subsidy Control Act 2022. A subsidy is where a public authority – for example central, devolved, or local government – provides support to an enterprise that gives them an economic advantage, meaning equivalent support could not have been obtained on commercial terms. The sum contemplated brings it within the Act. It is likely to fall within an exception as being of Public Economic Interest as supporting a strategic transport initiative. The guidance on the new regime states such a scheme may be a PEI if the service is provided for the benefit of the public; and the service would not be provided, or would not be provided on the terms required, by an enterprise under normal market conditions. It is recommended that consultation is carried out with the Government's Subsidy Control Advice Unit.

7. Other Implications

7.1. Risk Management

- 7.1.1. Be First and LBBB have undertaken a risk assessment of this project.
- 7.1.2. There is a risk that BRL are not able to secure funding from other funding partners, or that Uber Boats are unable to change timetabling as originally advised. To mitigate the risk of this, the receipt of funding is conditional on evidence of other funding sources being secured, and the funding can only be used for this project.
- 7.1.3. There is a further risk that BRL will seek further allocation of funding to support ongoing services, if patronage does not increase to the required amount to run the services without subsidy. To mitigate this risk, BRL will be advised through the letter of support that they are not be eligible to apply for additional CIL funding for the same project.
- 7.1.4. Legal review of the project identified the potential risk of subsidy control issues. An initial assessment has been undertaken, and it is considered that this doesn't present a risk, as it is understood that Uber Boats has exclusive access to one of the two berths at Barking Riverside Pier and has exclusivity on a scheduled service into London with a Right of First Refusal. However, consultation with the Subsidy Control Advice Unit will occur to confirm this, and a condition will be included within the letter of support that UBTC should satisfy themselves that this level of SCIL support is subsidy control compliant.

7.2. Contractual Issues

- 7.2.1. All legal documentation will be reviewed and agreed with LBBB Legal.

7.3. Corporate Policy, Customer and Equality Impact

- 7.3.1. This proposal aligns with and supports the overall vision and priorities for the Council set out in the Corporate Plan. CIL is an important source of funding to provide the infrastructure necessary to support the growth identified in the Council's Local Plan. The allocation of SCIL to this proposal will assist in managing the impacts of growth, through providing improved transport connectivity to Barking Riverside. An Equalities Impact Assessment Screening (**Appendix 4**) has been completed and the project was found to have a low risk, not requiring a full Equality Impact Assessment.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- Appendix 1 – UBTC proposal
- Appendix 2 – Draft letter of in-principle support for SCIL funding for UBTC
- Appendix 3 – Assessment against SCIL evaluation criteria
- Appendix 4 – Equality Impact Assessment Screening