



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER DECISION – HIGHWAYS ASSETS AND TRANSPORT

25 May 2022

Report of the Executive Director - Place

Acceptance of the Local Transport Fund Grant from the Department for Transport

1. Divisions Affected

1.1 Countywide.

2. Key Decision

2.1 This is a key decision because it is likely to result in the Council incurring expenditure which is, or savings which are significant having regard to the budget for the service or function concerned (this is currently defined as £500,000).

3. Purpose

3.1 To seek approval from the Cabinet Member to accept a Local Transport Fund (LTF) grant from the Department for Transport (DfT) for £1,040,961 which is provided under Section 31 of the Local Government Act, 2003. This funding is provided to English Local Transport Authorities (LTAs) for the provision of bus services which require local authority support, including tendered bus services and, for applicable areas, light rail/tram services (not relevant to Derbyshire). The funding is provided solely for these two transport services. LTAs will receive a single combined Grant for both transport modes, which LTAs will have autonomy over allocating.

4. Information and Analysis

- 4.1 The LTF grant allocated is to be effective from 6 April 2022 until 4 October 2022 and is a successor grant scheme to the Bus Recovery Grant (BRG) previously paid to LTAs, which ended on 5 April 2022. Both the BRG and its predecessor, the Covid-19 Bus Service Support Grant (CBSSG), were direct Government interventions to support the local bus sector during the Covid pandemic and the subsequent recovery period.
- 4.2 The local bus sector has been particularly adversely impacted by the Covid-19 pandemic, with patronage falling to record low levels when the messaging was “avoid use of public transport”. Government intervention was immediate and necessary at the start of the pandemic to sustain businesses that would otherwise have ceased trading and not been able to resume once restrictions were lifted. CBSSG and BRG grant funding has been used in Derbyshire to support local operators and cover their losses from reduced revenue caused by lower numbers travelling, as well as covering increases in costs for the council incurred as a result of the pandemic.
- 4.3 Government intended for the BRG scheme to act as a transition period to a point where bus passenger numbers had recovered sufficiently for Covid-19 financial support to end. However, issues such as the Omicron variant resulted in a slower passenger recovery than the BRG scheme anticipated. The LTF has therefore been subsequently developed as a further, but final, period of Government Covid-19 financial support for bus services in England.
- 4.4 At the current point in the Covid-19 recovery period, patronage levels are still recovering and have not yet reached pre-Covid levels. Local operators are reporting approximately 75-80% patronage levels, with concessionary passenger uptake remaining at a much lower level than this, some 50-60%.
- 4.5 As a condition of accepting the LTF funding, LTAs must undertake a network review along with bus operators. This review is underway in Derbyshire and is focused on producing a single review incorporating all supported bus services, plus those which are commercial, with the aim of producing a plan for the end of grant support and to ensure a viable and sustainable network.
- 4.6 The Grant provides funding in addition to, but not as a replacement of, any normal funding the LTA receives for the running of tendered bus

services or light rail/tram services. The Grant is provided for the following “Deliverables”:

a) Continued provision of socially necessary tendered bus (and light rail/tram services).

b) Development of local area network reviews.

4.7 The DfT’s Grant Determination letter was received 10 May 2022 and it requested an official acceptance of the offer of Grant to be received by 13 May 2022 to ensure payment. This was signed by the Executive Director – Place to ensure the Government deadline was achieved and funding secured.

5. Consultation

5.1 NA.

6. Alternative Options Considered

6.1 Not to accept the LTF grant from the DfT. This is not a viable option, as to refuse the funding will mean that local bus operators will not receive financial support for revenue reductions, and it will lead to the withdrawal of a significant number of local bus services in the County. Under Section 63(1) of the Transport Act 1985, the Council has a duty to consider socially necessary transport services, and to secure the provision of such public services as the council considers appropriate to meet any public transport requirements within the County.

7. Implications

7.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

8. Background Papers

8.1 None identified.

9. Appendices

9.1 Appendix 1 – Implications

9.2 Appendix 2 - Copy of grant letter.

10. Recommendations

That the Cabinet Member:

- a) Approves the acceptance of the Department for Transport grant offer for the Local Transport Fund of £1,040,961 for the provision of bus services which require local authority support, including tendered bus services.
- b) Authorises the retrospective acceptance of this Grant by the Department for Transport's deadline of 13 May 2022, made by the Executive Director – Place.
- c) Acknowledges that a Countywide network review is taking place and is a condition of this Grant receipt.

11. Reasons for Recommendations

- 11.1 The grant funding will ensure the viability of the local bus network in Derbyshire until the start of October 2022.
- 11.2 The grant funding will allow sufficient time and resource to allow a comprehensive network review to take place to plan for services from October 2022 onwards.

12. Is it necessary to waive the call in period?

- 12.1 No.

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Implications

Financial

1.1 There are no cost implications for the Council.

Legal

2.1 The Local Transport Fund (LTF) is provided under Section 31 of the Local Government Act, 2003. Funding is provided by the Department for Transport (DfT) on behalf of the Secretary of State in respect of socially necessary bus services.

2.2 In cases of special urgency, a key decision can be taken without the requisite notice having been given if the decision maker has obtained agreement from the Improvement and Scrutiny Committee Chairman (and in his/her absence the chairman of the Council or in her or his absence the vice-chairman of the Council) that the making of the decision is urgent and cannot reasonably be deferred. Councillor Steve Bull, Chair of the Improvement and Scrutiny Committee – Place has agreed that the decision is urgent and cannot reasonably be deferred and can be taken without the notice of key decision having first been published.

Human Resources

3.1 Not applicable.

Information Technology

4.1 Not applicable.

Equalities Impact

5.1 Not applicable.

Corporate objectives and priorities for change

6.1 The funding will help deliver the following Council Plan priorities: Resilient, Healthy and Safe Communities; High Performing, Value for Money and Resident-Focused Services; A Prosperous and Green Derbyshire.

- 6.2 In the Place Service Plan 2022-2023, the Council (must ensure) “..a *financially sustainable network of local bus services is maintained whilst post Covid-19 passenger recovery is realised*”. There are further references to implementing a review of the local bus network and developing emerging passenger opportunities.
- 6.3 The Council has also established an Enhanced Partnership with Derbyshire bus operators and established an ambitious and bold three year programme of Bus Service Improvement Plan (BSIP) interventions.

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

- 7.1 The funding will assist the Council in supporting and encouraging the use of public transport in Derbyshire by maintaining a viable network of services. This contributes to the Council's Climate Change Strategy.