



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

Thursday, 14 July 2022

Report of the Executive Director - Place

**Bus Service Improvement Plan – Acceptance of Funding and Approval
of Delegated Powers to Agree Bespoke Variations
(Cabinet Member for Highways, Assets and Transport)**

1. Divisions Affected

1.1 County-wide.

2. Key Decision

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) and/or it is likely to be significant in terms of its effect on communities living or working in an area comprising two or more electoral areas in the County.

3. Purpose

3.1 This report seeks approval to delegate decisions to alter and vary the Enhanced Partnership Plan and the Enhanced Partnership Scheme to align with the Bus Service Improvement Plan funding in anticipation of funding from the Department for Transport.

3.2 This report also seeks approval to delegate the decision, in accordance with the Council's Standing Orders, to accept the final funding award from the Department for Transport.

4. Information and Analysis

- 4.1 The Enhanced Partnership for Derbyshire has been prepared in accordance with Section 138 of the Transport Act 2000, and guidance by the Department for Transport (DfT).
- 4.2 The DfT requires each Enhanced Partnership (EP) to be jointly run by a board that represents the Local Transport Authority, local bus operators, and other stakeholders, and be led by an independent chairperson. The Derbyshire EP Board structure is in place and is governed by an agreed Terms of Reference. The EP Board is supported by a Wider Stakeholder Group, which involves representatives from interested bodies including district/borough councils, the Peak District National Park, adjacent transport authorities, and community groups.
- 4.3 The EP comprises two key documents, the Enhanced Partnership Plan (EPP), and the Enhanced Partnership Scheme (EPS). These documents, which outline the commitments of the Council and Qualifying Bus Operators, were agreed in principle by Cabinet on 10 March 2022 (Minute No. 64/22 refers), the final wording approved on 29 March 2022 under Delegated Powers, and came into effect from 31 March 2022. This date was the original target date set by the DfT, which the Council was keen to meet to demonstrate reliability in delivery. In meeting the deadline, it necessitated conditions to be applied to the commitments of the EPP and EPS linked to, and dependent upon, the original Bus Service Improvement Plan (BSIP) funding request of £105m (over 5 years). However, as the indicative award is now £47m (over 3 years), the commitments need to be scaled back accordingly and aligned with the funding being offered.
- 4.4 The EPS allows for “Bespoke Variation Arrangements”, which is permitted under legislation, and includes alterations to the “Made” EPP and EPS, provided the changes are jointly agreed between the affected bus operators and the Council. Simplistically, changes can be agreed to the EPS when the Council and 50% of the operators of “Qualifying Local Services” support the change. If notice of a request for change is tabled, there are five working days to call a meeting of the EP Board, during which time the Council attendees need to reach an agreed position. For information, there are six representatives from the Council on the EP Board, including the Cabinet Member for Highways and Transport, the Support Cabinet Member, the Executive Director – Place, and three senior officers. To enable these short timescales to be met delegated powers need to be in place.
- 4.5 Although the EP Board has powers to implement Bespoke Variations, significant and strategic powers remain the responsibility of Cabinet.

The Council's powers are granted under The Transport Act 2000 and include the authority to postpone all or part of the Enhanced Partnership (Section 138 I) and Revoke the Enhanced Partnership (Section 138 O). These decisions are of strategic importance, and do not fall within the Bespoke Variation Arrangements.

- 4.6 On 4 April 2022, the DfT informed the Council of an indicative award of £47m BSIP funding, comprising both revenue and capital funding, subject to receipt of further details. This funding offer was just under half of the original funding bid for. Cabinet delegated authority to accept this funding on 10 March 2022.
- 4.7 At the time of this report, the final amount has yet to be confirmed by the DfT, indeed it may be July or August 2022 before it is known. Therefore, to avoid delay in accepting the final funding settlement and commencing the programme, approval is sought for delegated approval to be granted to the Executive Director – Place, in consultation with the Cabinet Member - Highways, Assets and Transport. If the final award is confirmed at the time of this meeting, Cabinet will be updated verbally.
- 4.8 Now it is clearer what is and is not being funded by DfT, it is necessary to make variations to the EPP and EPS to confirm the measures to be delivered and to remove any obligations which remain unfunded. However, this can only be completed once the DfT confirms the final funding allocation. Delaying making the variations will delay drawdown of the funding as the DfT has advised the EPP and EPS variations must be in place first. Therefore, the approval of this delegation to be used alongside the Bespoke Variation Arrangements, will minimise delays in accessing the funding and in turn delivery of benefits to bus users.
- 4.9 Looking forward, it is also possible that the EPP and EPS will need further variation. Examples of Variations permissible under the Bespoke Variation Arrangements include changes in specification, or alterations to the timescales for the delivery of obligations of either the Council or Bus Operators.
- 4.10 To allow Cabinet to focus on strategic decisions and the EP Board to make required changes, this report proposes that Cabinet retain the power to extend the Partnership's lifespan, or to unilaterally terminate the Partnership. For operational continuity, it is proposed to delegate approval to the Executive Director – Place, in consultation with the Cabinet Member – Highways, Assets and Transport (both of whom sit on the EP Board) and allow them to make changes for and on behalf of the Council.

5. Consultation

- 5.1 Wider stakeholder consultation was undertaken on the drafting of the original Enhanced Partnership. The EP Board will consider when variations proposed to the Enhanced Partnership warrant further consultation either with the Wider Stakeholder Group or more widely.

6. Alternative Options Considered

- 6.1 The alternative to granting delegated powers is to retain decision making with Cabinet, however, this does not meet the timescales set out in the EPS and it is likely to slow down the work of the Partnership and delivery of the BSIP.
- 6.2 Not delegating approval to accept the final funding allocation from the DfT may jeopardise the grant award and delay the commencement of work schemes. This may have a detrimental impact on the overall programme, which is already challenging as the period of delivery has reduced to three years, backdated from April 2022 to 31 March 2025.

7. Implications

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

8. Background Papers

- 8.1 Cabinet Report: Approval to Make the Enhanced Partnership for Bus Services in Derbyshire and to Accept Bus Service Improvement Plan Funding: 10 March 2022 (Minute No. 64/22).
- 8.2 Cabinet Member Decision – Highways, Assets and Transport report: Approval to Make the Enhanced Partnership for Bus Services in Derbyshire and to Accept Bus Service Improvement Plan Funding (Cabinet Member for Highways, Assets and Transport) 29 March 2022 (Decision Reference. D449).
- 8.3 The Enhanced Partnership Plan and Scheme can be viewed on the following links:
- [Derbyshire EPP 29.03.22 - final.pdf \(derbysbus.info\)](#)
 - [Derbyshire EPS 29.03.22 - final.pdf \(derbysbus.info\)](#)

9. Appendices

- 9.1 Appendix 1 – Implications.

9.2 Appendix 2 - Summary of the anticipated changes to be made to the Enhanced Partnership Scheme, subject to the final decision on the BSIP funding by DfT, and approval to vary the Enhanced Partnership Scheme taken using the Bespoke Variation arrangements set out in the Enhanced Partnership Scheme and permitted under Section 138E of the Transport Act 2000.

10. Recommendations

That Cabinet:

- a) Authorises the Executive Director - Place, in consultation with the Cabinet Member - Highways Assets and Transport, delegated powers to:
 - i. Agree the Council's position on the final wording of amendments to the Enhanced Partnership Scheme to align with the final Bus Service Improvement Plan funding decision of the Department for Transport and agree these (or variations thereto) with bus operators, in line with the Bespoke Variation Arrangements within the Enhanced Partnership Scheme.
 - ii. Agree the Council's position on any future changes to the Enhanced Partnership Scheme in line with the Bespoke Variation Arrangements within the Enhanced Partnership Scheme.
 - iii. Accept the final funding allocation from the DfT for the Bus Service Improvement Plan and Schemes, in line with the Grant Determination letter issued by the DfT at the time of award.
- b) Retains powers to Extend, Vary (under Section 138 K) or Revoke (under Section 138 O) the Enhanced Partnership.

11. Reason for Recommendations

11.1 Granting delegated powers allows the Council to respond to Enhanced Partnership operational and delivery matters in a timely fashion and in line with the agreed EPS Bespoke Variation Arrangements whilst retaining strategic changes for Cabinet.

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

12.1 No.

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Implications

Financial

- 1.1 To implement the measures set out in the BSIP, the Council had anticipated that the funding requirement from the DfT would be £105m over the initial five years of the programme starting from 2022-23. DfT provisionally indicated in its letter of 4 April 2022, it is prepared to award £47m over this year and the next two financial years, subject to further details being submitted by a final deadline of 30 June 2022. After this date, it is anticipated that final confirmation will be announced.
- 1.2 The Enhanced Partnership allows the Council to lock in minimum standards from most local bus operators in return for the investment being made by both the Council and Government.

Legal

- 2.1 The Enhanced Partnership Plan and Scheme, were prepared and “Made” in accordance with the legal requirement of The Transport Act 2000. The Derbyshire Enhanced Partnership Plan and Scheme included the option of Bespoke Variation Arrangements, as permitted under Section 138 E of the Transport Act 2000. This allows changes to be made quicker and more efficiently.
- 2.2 The Transport Act 2000 also provides the Council with further powers to Postpone all or parts of the Enhanced Partnership (Section 138 I), make variations (Section 138 K) and powers to revoke the Enhanced Partnership (Section 138 O).

Human Resources

- 3.1 None.

Information Technology

- 4.1 The BSIP proposals include provision for a significant expansion in the number of bus stops with Real Time Information displays and the wider availability of integrated tickets, valid for use on any operator, or service. These would be progressed through existing agreements.

Equalities Impact

- 5.1 Bus services are particularly important to a range of disadvantaged groups, such as young people, older people, women and those from

economically deprived communities, all of which make a higher proportion of their journeys by bus than the population as a whole.

- 5.2 The ability to vary the EP and the measures associated with the BSIP will protect and, where funding allows, enhance the quality of bus services available and will contribute towards the wider levelling up agenda across all communities and ambitions for driving 'good growth'. The recommendations set out in this report will minimise delays in drawing down funding and delivery of improvements to benefit bus users.

Corporate objectives and priorities for change

- 6.1 This proposal 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. Specifically, creation of an Enhanced Partnership will also enable the delivery of Place Directorate priorities around sustainable transport and travel.
- 6.2 The main aim of the BSIP and EP is to generate additional use of bus services and in turn encourage modal shift away from the private car. If this happens it will have a positive impact on the Council's wider environmental sustainability objectives and support the targets set in the Climate Change Strategy: Achieving Net Zero. Specific measures such as introducing low emissions buses is a key element of the BSIP proposals with the number of vehicles with Euro 6 or better emissions standards forming one of the targets progresses is monitored against.

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

- 7.1 None.

Part A - Amendments to the Enhanced Partnership Scheme

The following sets out the likely changes to the EPS, subject to DfT's final funding decision and the Enhanced Partnership Board approval to vary.

Section	Changes to make
Specific interventions (linked to BSIP funding)	Remove funding conditionality text, and better define funded interventions. Remove those not funded. Mindful that the EP is 5 years with extensions, where BSIP funding is for 3 years and is revenue, then actions may require end dates (e.g. marketing)
Other funding and investment commitments	Changes – BSIP and LTP funding can be confirmed (or otherwise – see above) and Table 3.2 amended.
Obligations on bus operators	Additional text added linked to use of BSIP funding, e.g. obligation to accept young people/job seeker discounted products. Where DfT are funding BSIP investments, that reduce operator cost, DfT are expecting the saving to be reinvested into the BSIP via the EP. Changes needed to remove unfunded BSIP actions to reduce bus emissions.
Level of detail	Measures, baseline and targets to be added. This is currently under discussion with bus operator partners.