



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

**REPORT TO CABINET MEMBER FOR HIGHWAYS, ASSETS AND
TRANSPORT**

17 January 2022

Report of the Executive Director - Place

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

(Cabinet Member for Highways, Assets and Transport)

1. Divisions Affected

1.1 County-wide.

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 note that the Cabinet Member approves the retrospective acceptance of a Local Transport Fund grant from the Department for Transport (DfT) for £520,480.50 (provided under Section 31 of the Local Government Act, 2003), taken by the Executive Director – Place in December 2022, in accordance with the Council's Constitution.

4. Information and Analysis

4.1 The Local Transport Fund (LTF) was effective from 5 October 2022

until 31 December 2022. This LTF funding is an extension of the LTF funding provided to Local Transport Authorities (LTAs) from 6 April 2022 – 4 October 2022. The LTF is a successor grant scheme to the Bus Recovery Grant (BRG) paid to local authorities (hereafter LTA BRG). The LTA BRG was in place between 1 September 2021 – 5 April 2022.

- 4.2 This funding is provided to English LTAs for the provision of bus services, adversely affected by Covid 19, which require local authority support, including tendered bus services and, for applicable areas, light rail/tram services (not relevant to Derbyshire).
- 4.3 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.
- 4.4 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. The Government’s Covid Bus Services Support Grant (CBSSG) and the Bus Recovery Grant (BRG) funding schemes have 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.
- 4.5 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.
- 4.6 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%.
- 4.7 Whilst in receipt of the LTF, LTAs must ensure their local transport network provision meets local needs. This process should have

regard to the objectives of the National Bus Strategy and locally agreed Bus Service Improvement Plans. Local network provision means socially necessary bus services but does not mandate a specific or minimum level.

- 4.8 The LTF 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.
- 4.9 The DfT’s Grant Determination letter was received on 5 December 2022 and the Department requested an acceptance of the offer of Grant to be received by 19 December 2022 to ensure payment. This was signed by the Executive Director – Place in consultation with the Cabinet Member for Highways, Assets and Transport to ensure the Government deadline was achieved and funding secured. Confirmation of the Council’s acceptance was emailed to the DfT’s BRG Team on 8 December 2022, on the basis that that formal approval from the Cabinet Member would be sought as soon as possible.

5. Consultation

- 5.1 Not applicable.

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 would mean that local bus operators would not receive financial support for revenue reductions, and it would 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 Cabinet Member approval was given on 25 May 2022 for acceptance of the initial LTF payment of £1,040,961 (Acceptance of the Local Transport Fund Grant from the Department for Transport Provided in Respect of Socially Necessary Bus Services (Decision Reference D449 refers)).
- 8.2 The CBSSG and BRG grant determination documents are held within the Local Bus Team.
- 8.3 Copy of grant letter.

9. Appendices

- 9.1 Appendix 1 – Implications.

10. Recommendation

That the Cabinet Member:

- a) Formally approves the acceptance of a Local Transport Fund grant from the Department for Transport (DfT) for £520,480.50 (provided under Section 31 of the Local Government Act, 2003.

11. Reasons for Recommendation

- 11.1 The grant funding will ensure the viability of the local bus network in Derbyshire until 31 March 2023.
- 11.2 The grant funding will allow sufficient time and resource to allow a comprehensive network review to be undertaken and to plan for services from April 2023 onwards.

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

- 12.1 No.

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Implications

Financial

- 1.1 In line with the Council's Financial Regulations this grant requires formal acceptance by Cabinet Member due to its amount (£0.520m).
- 1.2 The Department is dependent on this funding to cover costs in year as covered in an earlier report taken to the Cabinet Member - Highways Assets on Transport on 16 September 2022.

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.

Human Resources

- 3.1 None.

Information Technology

- 4.1 None.

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 with a confirmed award of £47m from the Government's National Bus Strategy initiative funding. Therefore it is important that the Council continues to support and sustain the existing bus network to further improve it, at the same time as taking full advantage of the BSIP opportunities for sustainable growth and enhancements that will seek to increase bus usage and address climate change targets.

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.