



Officer Decision Record – Key Decision

Key decisions taken by an officer are subject to the 5 day call in period from circulation to Members, and therefore the decision will be released for implementation following the call-in period and no call in being received

1. Cabinet date and copy resolution this key decision relates to

Bus Network Review Cabinet Report

The COVID-19 pandemic has had a significant negative impact upon bus operators, bus passenger numbers and the Government has provided grants to support the sector through the pandemic. Direct financial support (e.g. Local Transport Funding) for the bus industry is expected to end from 31 March 2023 which has helped bus operators to maintain bus services following the COVID-19 pandemic. Stagecoach East Midlands have identified four bus services which they expect to be able to operate commercially in the long term, but they need financial support from 1 April 2023.

Link to Cabinet report; https://democracy.nelincs.gov.uk/wp-content/uploads/2022/06/5_Cabinet_report_Bus-Network_Review.pdf

Decision Notice Details;

Cabinet considered a report from the Portfolio Holder for Environment and Transport that seeks approval to realign £288,000 of Bus Service Improvement Plan (BSIP) Funding to secure four bus services and also sought approval to continue the delivery of the current Concessionary Fares scheme and to delegate approval to agree 2023/2024 Concessionary Fares Scheme reimbursement arrangements with bus operators. Cabinet approved the following;

1. That the Director for Economy, Environment and Infrastructure in consultation with the Portfolio Holder for Environment and Transport be authorised to realign £288,000 of Bus Service Improvement Plan Funding (BSIP) for the purposes set out in this report (Appendix B/ Option 2). The realignment of this external grant funding is subject to approval from the Department for Transport (DfT).

2. That if the negotiations to utilise DfT BSIP funding do not conclude successfully, Director for Economy, Environment and Infrastructure, in consultation with the Portfolio

Holder for Environment and Transport be authorised to approve the Traffic Commissioner Proformas which will allow the bus operator to register changes (identified in Appendix A) to bus services from 1 April 2023 due to their uncommercial nature. There is not currently sufficient budget to subsidise these services. Therefore, it is not recommended the local authority subsidises these bus services from existing North East Lincolnshire Council (NELC) budgets as this will create the risk of the local authority overspending on the overall available Transport budget in 2023/2024.

3. That the Director for Economy, Environment and Infrastructure, in consultation with the Portfolio Holder for Environment and Transport (subject to the acquiescence of the Section 151 Officer) be authorised to manage and make decisions on the 2023/2024 A1274 Transport budget (secure any bus services which are deemed socially necessary) and ensure decisions are made within the available budget.

4. That the continuation of the current, statutory minimum North East Lincolnshire Council Concessionary Fares Scheme (with existing non-statutory local enhancements) from 1 April 2023 to 31 March 2024 be approved.

5. That the Director for Economy, Environment and Infrastructure, in consultation with the Portfolio Holder for Environment and Transport be authorised to approve 2023/2024 Concessionary Fares Scheme reimbursement arrangements with bus operators.

6. That the Assistant Director Law and Governance (Monitoring Officer) be authorised to execute all documents in connection with the above.

Link to decision notice; <https://democracy.nelincs.gov.uk/wp-content/uploads/2022/06/10.-Decision-Notice-18th-January-2023.pdf>

2. Subject and details of the matter (to include reasons for the decision)

Background Information

North East Lincolnshire Council (NELC) has one local bus operator in North East Lincolnshire (Stagecoach East Midlands). Annually, the Council agrees Concessionary Fare reimbursement with Stagecoach East Midlands.

NELC Cabinet meeting – 18 January 2023

On the 18 January 2023 the Council's Cabinet approved;

*The continuation of the current, statutory minimum North East Lincolnshire Council Concessionary Fares Scheme (with existing non-statutory local enhancements) from 1 April 2023 to 31 March 2024.

*Cabinet also authorised the Executive Director for Environment, Economy and Resources, in consultation with the Portfolio Holder for Environment and Transport to approve 2023/2024 Concessionary Fares Scheme reimbursement arrangements with bus operators.

3. Decision being taken

That the Executive Director for resources and Place in consultation with the Portfolio Holder for Environment and Transport approves the Stagecoach East Midlands Concessionary Fares Reimbursement from 1 April 2023 until 31 March 2024.

4. Is it an Urgent Decision? If yes, specify the reasons for urgency. Urgent decisions will require sign off by the relevant scrutiny chair(s) as not subject to call in.

No.

5. Anticipated outcome(s)/benefits

Option 1 is the recommended option;

Option 1 – Maintain Stagecoach East Midlands pre-Covid level Concessionary Fare payments for the full duration of the 2023/24 financial year

The Department for Transport (DfT) are planning to lay a further Statutory Instrument, to allow Travel Concession Authorities (TCAs) to continue to reimburse bus operators at a rate higher than due in the 2023/2024 financial year, to support the bus sector whilst bus patronage continues to recover. It will ultimately be the choice of TCAs to determine the most appropriate method of continuing concessionary fares funding for the 2023/2024 financial year. However, it is the strong preference of DfT that concessionary reimbursement continues to be paid out at pre-covid levels.

On 19 August 2022, DfT wrote to local authorities and confirmed “if concessionary patronage does not increase, and the funding spent on local bus services declines, we have to be clear that Local Authorities should expect funding from the Revenue Support Grant to decrease in future Spending Reviews to reflect this position.” The letter also states “DfT will work with TCA’s and operators to identify what further measures can be taken to restore English National Concessionary Travel Scheme (ENCTS) patronage and payments to pre-Covid levels of funding”.

6. Details of any alternative options considered and rejected by the officer when making the decision (this should be similar to original cabinet decision)

Option 2 – Reimburse Stagecoach East Midlands based upon a tapered arrangement (e.g. 100% April to June, 90% July and August, 85% September and October, 80% November and December, 75% January and February and 70% March) followed by actual concessionary fare reimbursement)

Should the Council approve option 2 Stagecoach East Midlands may propose a number of service reductions (i.e. no evening or weekend bus services and reductions to service frequencies). This was provisionally discuss with Stagecoach at the Enhanced Bus Quality Partnership meeting on Friday 28th October 2022. This option is not recommended. Have we got this in writing from them/discussed this in detail?

Option 3 - Reimburse Stagecoach East Midlands based upon a percentage comparison against pre-COVID-19 mileage

This option would encourage Stagecoach East Midlands to operate 100% of pre-COVID-19 mileage. If Stagecoach East Midlands do not operate 100% of pre-COVID-19 mileage the Concessionary Fare payments are reflected accordingly. For example, if Stagecoach East Midlands operate 75% of pre-COVID 19 mileage, NELC would reimburse Stagecoach East Midlands 75% of the pre-COVID-19 Concessionary Fares reimbursement. This option would deviate from the DfT 2023/2024 Concessionary Fare guidance and it is not recommended.

7. Background documents considered (web links to be included and copies of documents provided for publishing)

18 January 2023 Cabinet Report;

https://democracy.nelincs.gov.uk/wp-content/uploads/2022/06/5.-Cabinet_report_Bus-Network_Review.pdf

8. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons

No.

9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)

N/A

10. Monitoring Officer Comments (Monitoring Officer or nominee)

The decision is consistent with the will of Cabinet and the delegations. The options are clearly set out and the recommended option and risk assessment are both reasoned and justified.

11. Section 151 Officer Comments (Deputy S151 Officer or nominee)

It is anticipated that the Stagecoach East Midlands Concessionary Fares Reimbursement will be funded from existing revenue budget provision.

12. Human Resource Comments (Head of People and Culture or nominee)

There are no direct HR implications

13. Risk Assessment (in accordance with the Report Writing Guide)

As the bus industry recovers from the impact of the COVID-19 pandemic, the proposed phased reduction of concessionary fare payments may lead bus operators to review local bus service provision especially if passenger numbers locally do not return to pre-Covid-19 levels. Should the need for service changes arise, it is expected local bus operators will discuss any proposals with NELC in advance of registering any changes. It should be noted, concessionary fare payments reimburse bus operators for carriage of eligible bus passengers to travel on locally registered bus services for free, concessionary fare reimbursement is not, and cannot be, bus service subsidy. The concessionary fares scheme contributes towards the social, economic and environmental well-being of the Borough, especially for older people and disabled, by encouraging use of sustainable modes of travel and increasing accessibility to health, education, employment, shopping and leisure.

14. Has the Cabinet Tracker been updated with details of this decision?

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15. Decision Maker(s):

Name: Carolina Borgstrom

Title: Director for Economy,
Environment and Infrastructure

Signed: REDACTED

Dated: 20/02/2023

16. Consultation carried out with Portfolio Holder(s):

Name: Cllr Stewart Swinburn

Title: Portfolio Holder for Environment
and Transport

Signed: REDACTED

Dated: 21st February 2023

17. If the decision is urgent then consultation should be carried out with the relevant Scrutiny Chair/Mayor/Deputy Mayor

Name:

Title:

Signed:

Dated:

Key Decisions are defined in the Constitution as:

A decision (whether taken collectively or individually by members) which is likely:

- (i) to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
- (ii) to be significant in terms of its effects on communities living or working in an area comprising two or more wards.

A decision will be considered financially significant if:

- (i) in the case of revenue expenditure, it results in the incurring of expenditure or making savings of £350,000 or greater;
- (ii) in the case of capital expenditure, the capital expenditure/savings are in excess of £350,000 or 20% of the total project cost, whichever is the greater

In determining whether a decision is significant in terms of its effect on an area comprising two or more wards, consideration shall be given to:

- (i) the number of residents/service users that will be affected in the wards concerned;
- (ii) the likely views of those affected (i.e. is the decision likely to result in substantial public interest)
- (iii) whether the decision may incur a significant social, economic or environmental risk.