

**OFFICER DECISION RECORD**

**Decision Title: Transport Operations – continuation of payments for concessionary fare reimbursement, supported bus service contracts and Community Transport grants**

**Decision reference number: 02.03.20**

**Decision date:** 20 March 2020

**Background / reason for decision:**

- Bus operators and transport providers are at real risk of going out of business before normality is resumed due to significantly reduced revenue income from fare box, grant awards, payments for contracted services and/or concessionary fare reimbursement for an extended period.
- Services may be reduced below an acceptable minimum level for the duration of the crisis potentially leaving some key workers unable to access work.
- Permanent loss of operators/providers would mean it would be virtually impossible to reinstate the full network coverage of bus operations and transport services after the Covid-19 crisis.
- Continuation of concessionary fare reimbursement and contracted service payments would cost no more than is currently budgeted within the Transport Levy (approx. £5m for these three elements for the Q1 period) but would provide immediate certainty of cash flow to all operators on a business as usual basis.
- In order to ensure the continued funding delivers appropriate services and support, a number of conditions have been devised which operators will be required to accept before the funding is released – see background document. These conditions align well with other Combined Authorities across the country.
- In parallel, WECA is offering all bus operators business advice to access to Government emergency loans and grant payments would assist in supporting businesses at a vulnerable time.
- These actions would provide reassurance that operators have the support from the Transport Authority for their long-term survival and future role in the region.
- The Department for Transport has been actively encouraging Local Transport Authorities to take this step and subsequently wrote to local authorities on 25 March 2020 urging them to continue to pay operators in this way – see background document.
- This is an emergency decision taken in light of the COVID-19 pandemic. The West of England Combined Authority constitution allows the Chief Executive of the Combined Authority, in cases of urgency or emergency, to take any decision on behalf of the Combined Authority (after consultation with the Mayor). This decision has been taken under this provision.

**Options considered:**

Option 1 – This is the option delivered through the decision set out in this decision record.

Option 2 - Only make payments for claims against actual travel – this is considered likely to leave operators/providers vulnerable to business failure.

Option 3 – Make targeted payments based on a judgement of vulnerability to failure – this is considered to risk challenge as financial information necessary to make such a decision is likely to be commercially sensitive and difficult to access in the time needed to ensure the decision has the desired effect.

**Decision:**

- Pay operators from the 2020/21 **concessionary travel** budget the same as they would have expected to receive for Q1 April – June, irrespective of whether journeys are taken.
- Pay **Community Transport** providers their expected grants for Q1 April - June.
- Pay operators for the **service contracts** in place, irrespective of whether these are operated, again for a limited period to end of June.
- Payments to be offered immediately to provide certainty of cash flow, subject to the acceptance of conditions set out in background document.
- Review further payment position ahead of Q2 2020/21.

**Consultation:** The option/decision set out was recommended by Peter Mann, Head of Strategic Transport Integration. The Combined Authority Mayor was consulted on 19 March 2020 and consulted Mayors, Leaders and unitary authority Chief Executive Officers on 20 March 2020 who were fully supportive of the decision.

**Officer making decision:** Patricia Greer

**Position:** Chief Executive

**Report / appendices / background documents:**

- a. Background document - Subsequent to the decision being made, the Department for Transport wrote to Local Authority Transport Officers on 25 March 2020 urging them to continue these payments. The letter is enclosed.
- b. Background document – Letter sent to operators.