

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: 01.10.20

Decision date: 19 October 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 each quarter) 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.
- This action 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 again stating that the CBSSG restart payments had been calculated on the basis that LTAs continue providing the reimbursement and contract payments. on 25 March 2020 urging them to continue to pay operators in this way – see background document.
- This is a decision taken under the Scheme of Delegations approved by the WECA Committee. 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 Q3 Oct – Dec, irrespective of whether journeys are taken.
- Pay **Community Transport** providers their expected grants for Q3 Oct - Dec.
- Pay operators for the **service contracts** in place, irrespective of whether these are operated, again for a limited period to end of Dec.
- 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 Q4 2020/21.

Consultation: The issue was included in the report on Transport Operations to the 9 September Transport Board and the 10 September meeting of the Directors of Infrastructure. Both meetings accepted the need for the payments to continue.

Officer making decision: Peter Mann

Position: Head of Strategic Transport Integration

Report / appendices / background documents: The Department for Transport has continued its CBSSG restart payments to Local Transport Authorities and to commercial bus operators on and the calculation of the payments have been made on the basis of the LTAs continuing this funding. The latest letter to this effect dated 14 August 2020 is attached.