# **Norfolk County Council**

# **Record of Individual Cabinet Member Decision**

Responsible Cabinet Member: Councillor Martin Wilby (Cabinet Member for Highways, Transport and Infrastructure)

#### Background and Purpose:

So far Norfolk has received £3.6m in payments from the Department for Transport (DfT) for Covid-19 Bus Services Support Grant (CBSSG). This covers the period from 17 March 2020 to 18 January 2021 and is government funding to support bus operators and community transport providers through the Covid-19 pandemic. We have distributed this to 11 local bus operators to support their subsidised services and to 6 community transport schemes.

Further financial support has been agreed by Ministers, paid in 8-weekly instalments, and each Local Transport Authority (LTA) is allocated an amount based on spend to date and their anticipated requirements. The next amount, for 19 January – 15 March 2021, is due to be paid on 28 May for distribution to affected operators.

The aim of this funding package is to ensure that passenger transport services continue to operate in the right places, and at the right levels, during the Covid-19 outbreak.

How we allocate our local authority CBSSG has been left for us to determine, as long as it is used to support passenger transport services. So far we have been allocating the funding as follows:

- To local bus operators based on the number of km they operate and at £1.25 per km (this methodology was agreed by a delegated decision in May 2020)
- To community transport operators based on their lost revenue from passengers no longer travelling
- To increase cleaning at major interchanges
- To provide Covid related information and marketing

We also have enough funding within our allocation to cover the costs of any replacement, temporary or additional passenger transport services we may need.

#### Decisions:

- 1) To continue to allocate all further receipts of CBSSG funding as follows:
  - At £1.25 per km for subsidised local bus services
  - To cover revenue loss on community transport services
  - To increase cleaning of public transport interchanges like Norwich bus station and the Park & Ride sites

- To provide Covid-related sig and	ns and marketing as necessary,			
2) Where necessary, use any available funding to provide replacement or temporary services, additional services or additional capacity, as these situations arise.				
Is it a key decision?	Νο			
Is it subject to call in? If Yes – Deadline for Call in	Yes Date: 4pm, Thursday 17 June 2021			
Impact of the Decision: As set out in the attached report				
Evidence and reason for the decision: As set out in the attached report				
Alternative options considered and rejected: As set out in the attached report				
Financial, Resource or other implications considered: As set out in the attached report				
<b>Record of any conflict of interest:</b> None				
Background Documents: 200409 Letter from Catriona Hende	erson CBSSG (002).pdf			
LTA CBSSG Restart allowable use	s.pdf			
Date of Decision:	9/6/2021			
Publication date of decision:	10/6/2021			
Signed by Cabinet member:				
I confirm that I have made the decision set out	on set out above, for the reasons also			
M. J. Willy Signed:				
Print name: Cllr Wilby				
Date: 09 June 2021				

## Accompanying Documents:

Once you have completed your internal department clearance process and obtained agreement of the Cabinet Member, send your completed decision notice together with the report and green form to <a href="mailto:committees@norfolk.gov.uk">committees@norfolk.gov.uk</a>

# **Individual Cabinet Member Decision Report**

Item No:

Decision making report title:	Covid-19 Bus Services Support Grant (CBSSG)
Responsible Cabinet Member:	Cllr Martin Wilby (Cabinet Member for Highways, Transport and Infrastructure)
Responsible Director:	Tom McCabe (Executive Director, Community and Environmental Services)
Is this a key decision?	Νο

# **Executive Summary**

As part of the Government's support to the bus industry during the Covid pandemic, Ministers agreed for a temporary grant to be introduced, the COVID-19 Bus Services Support Grant (CBSSG). There are two parts to this funding, one for local transport authorities and one for bus operators.

The funding for local transport authorities (LTA CBSSG) is to support those services which are subsidised by the local authority, where revenue on those services has significantly reduced.

So far Norfolk has received  $\pounds$ 3.6m for the period from 17 March 2020 – 18 January 2021 and we have distributed this to 11 local bus operators and 6 community transport schemes.

Further financial support has been agreed by Ministers, paid in 8-weekly instalments, and each LTA is allocated an amount based on spend to date and their anticipated requirements. The next amount, for 19 January – 15 March 2021, is due to be paid on 28 May for distribution to affected operators.

Ministers have agreed that this funding will continue until passenger transport services and patronage levels have recovered sufficiently, and we will get 2-weeks' notice of its cessation.

This paper sets out how we are proposing to allocate these further allocations of funding, to support local bus operations in Norfolk.

# **Recommendations:**

## 1) To continue to allocate all further receipts of CBSSG funding as follows:

- At £1.25 per km for subsidised local bus services
- To cover revenue loss on community transport services
- To increase cleaning of public transport interchanges like Norwich bus station and the Park & Ride sites
- To provide Covid-related signs and marketing as necessary, and
- 2) Where necessary, use any available funding to provide replacement or temporary services, additional services or additional capacity, as these situations arise.

# 1. Background and Purpose

- 1.1. Norfolk County Council has so far received £3.6m for the period from 17 March 2020 18 January 2021, to support operators of passenger transport services so that they can continue to deliver their subsidised local bus services and community transport services.
- 1.2. Separately to this, bus operators can also claim CBSSG direct from the Department for Transport (DfT) for their commercial local bus services.
- 1.3. The aim of this funding package is to ensure that passenger transport services continue to operate in the right places, and at the right levels, during the Covid-19 outbreak.
- 1.4. How the local authority CBSSG funding for Norfolk will be allocated is for the County Council to determine, as long as it is used to support public transport services.
- 1.5. The next amount of £703,285, for 19 January 15 March 2021, is due to be paid on 28 May for distribution to the operators. Further amounts will be paid in 8weekly instalments, and each LTA is allocated an amount based on spend to date and their anticipated requirements.
- 1.6. Ministers have agreed that this funding will continue until passenger transport services and patronage levels have recovered sufficiently, and we will get 2-weeks' notice of its cessation.
- 1.7. At the end of each 8-week period the DfT receive from us a report on how we have allocated the funding, to ensure it fits within their list of allowable uses and at the end of the funding period the Executive Director of CES and Chief Internal Auditor will be required to sign a declaration of proper use of the funding. An audit of our first allocations and distribution is currently being carried out.

## 2. Proposals

- 2.1. So far, we have been allocating the funding to local bus operators based on the weekly km that their subsidised services run. This methodology was agreed through a Cabinet Member delegated decision in May 2020 following receipt of the first tranche of funding. We have continued with this methodology for all subsequent allocations, giving £1.25 per km.
- 2.2. Since August, funding has also been given to operators of community transport operators, following a change in the list of allowable uses. This funding has been based on their reported loss of revenue from passengers who would normally use their service.

- 2.3. Also, since August we have been able to allocate funding towards cleaning of interchanges and Covid-related signage and marketing.
- 2.4. Funding is also available to cover any replacement or temporary services that we may need to ensure residents can make essential journeys, for example where a commercial operation has been withdrawn, to provide additional services where needed and additional capacity on busy routes, to ensure passengers can remain socially-distanced.
- 2.5. It is proposed that
  - 1) we continue to allocate all further receipts of funding as previously, i.e.
    - At £1.25 per km for subsidised local bus services
    - To cover revenue loss on community transport services
    - To increase cleaning of public transport interchanges like Norwich bus station and the Park & Ride sites
    - To provide Covid-related signs and marketing as necessary, and
  - 2) where necessary, we use any available funding to provide replacement or temporary services, additional services or additional capacity.

## 3. Impact of the Proposal

- 3.1. Allocating this funding to our operators will help to ensure that they can continue to operate and to be there for the long term. Currently they can only operate at reduced capacity due to social distancing and the pandemic means that people are not travelling as much, due to changed working patterns and for some a nervousness about using public transport, therefore the revenue received on services is much reduced.
- 3.2. Having funding available for temporary, replacement or additional services also means that we can ensure journeys are available for those who need them, particularly if travel patterns change or a commercial service is withdrawn.
- 3.3. The funding for marketing and information will ensure that we can continue our campaign to get people back onto public transport and to ensure we have adequate signage about how to use public transport safely.

# 4. Evidence and Reasons for Decision

- 4.1. Without this funding there is a real risk that the bus and community transport operators would not be able to continue to operate, putting service provision at risk and leading to significant extra funding having to be provided in the future.
- 4.2. The DfT have left it to local authorities to decide how best to use this funding, as they know the local market and situation the best. This way of allocating the funding covers the operators' lost revenue and additional costs from operating in a pandemic situation, gives flexibility on how we can support the need for any new or replacement services and also helps us ensure we are operating in a Covid-safe environment.

# 5. Alternative Options

- 5.1. We could allocate the funding based on lost revenue only, but this does not reflect the full impact of the losses for operators. This option was discounted as the bus operators need the maximum financial support in order to remain viable businesses for the future, and as well as lost revenue they also have other costs like increased cleaning.
- 5.2. Another option is to not allocate the funding to operators at all, but it would then just have to be given back to the DfT.

# 6. Financial Implications

6.1. There are no financial implications for NCC, as this is money received from central government and we will not allocate more than we have received.

## 7. Resource Implications

- 7.1. Staff: None
- 7.2. **Property:** None
- 7.3. **IT:** None

## 8. Other Implications

8.1. Legal Implications

None

8.2. Human Rights implications

None

#### 8.3. Equality Impact Assessment (EqIA) (this must be included)

Supporting local bus services and community transport is key to supporting all communities, including those with protected characteristics. This includes access to suppliers and services for vulnerable people and key workers to get to work. Bus services have remained operational, despite a lack of passengers and therefore revenue, in order to ensure that all who need to can travel, and this funding will help this to continue.

## 8.4. Health and Safety implications

None

8.5. Sustainability implications

None

8.6. Any other implications

None

9. Risk Implications/Assessment

9.1. There are no risks to consider

# **10.** Select Committee comments

10.1. N/A

# 11. Recommendations

- 11.1. **1. To continue to allocate all further receipts of CBSSG funding as follows:** 
  - At £1.25 per km for subsidised local bus services
  - To cover revenue loss on community transport services
  - To increase cleaning of public transport interchanges like Norwich bus station and the Park & Ride sites
  - To provide Covid-related signs and marketing as necessary, and
  - 2. where necessary, use any available funding to provide replacement or temporary services, additional services or additional capacity, as these situations arise.

# 12. Background Papers

- Letter from the DfT outlining the details of the CBSSG funding package 200409 Letter from Catriona Henderson CBSSG (002).pdf
- List of allowable uses LTA CBSSG Restart allowable uses.pdf

# **Officer Contact**

If you have any questions about matters contained in this paper, please get in touch with:

Officer name:	Niki Park	Tel No:	01603 224351
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Email address: niki.park@norfolk.gov.uk



If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

# ANNEX A – INDICATIVE LOCAL AUTHORITY FUNDING ALLOCATIONS

Local Authority	Funding per 4 weeks (£)	Funding per 12 weeks (£)
Bedford Borough Council	35,060	105,180
Blackburn with Darwen Borough Council	13,584	40,751
Blackpool Council	9,960	29,880
Bournemouth, Christchurch and Poole Council	35,400	106,201
Bracknell Forest Council	19,356	58,069
Brighton and Hove City Council	15,933	47,800
Buckinghamshire County Council	91,254	273,761
Cambridgeshire and Peterborough Combined Authority	91,824	275,472
Central Bedfordshire Council	36,922	110,765
Cheshire East Council	76,544	229,632
Cheshire West and Chester Council	55,897	167,690
City of York Council	19,990	59,970
Cornwall Council (including Isles of Scilly)	176,092	528,276
Cumbria County Council	91,039	273,117
Derby City Council	9,759	29,277
Derbyshire County Council	200,447	601,341
Devon County Council	235,794	707,381
Dorset Council	71,557	214,672
East Riding of Yorkshire Council	54,645	163,935
East Sussex County Council	63,478	190,434
Essex County Council	230,781	692,342
Gloucestershire County Council	153,568	460,704
Greater Manchester Combined Authority	380,285	1,140,855
Hampshire County Council	169,808	509,423
Herefordshire Council	58,618	175,855
Hertfordshire County Council	95,959	287,877
Hull City Council	44,668	134,005
Isle of Wight Council	13,567	40,702
Kent County Council	241,019	723,058
Lancashire County Council	179,774	539,321
Leicester City Council	19,985	59,954
Leicestershire County Council	133,143	399,428
Lincolnshire County Council	199,664	598,992
Liverpool City Region Combined Authority	266,399	799,197
Luton Borough Council	11,068	33,205
Medway Council	26,113	78,339
Milton Keynes Council	41,387	124,160
Norfolk County Council	219,448	658,344
North East Joint Transport Committee	347,906	1,043,719
North East Lincolnshire Council	22,344	67,031

North Lincolnshire Council	36,815	110,446
North Somerset Council	32,262	96,785
North Yorkshire County Council	181,115	543,346
Northamptonshire County Council	66,414	199,241
Nottingham City Council	55,333	165,998
Nottinghamshire County Council	155,144	465,432
Oxfordshire County Council	140,743	422,230
Plymouth City Council	32,852	98,557
Portsmouth City Council	13,108	39,325
Reading Borough Council	20,059	60,178
Royal Borough of Windsor and Maidenhead	19,834	59,501
Rutland County Council	13,899	41,697
Sheffield City Region Combined Authority	168,301	504,904
Shropshire Council	76,376	229,127
Slough Borough Council	18,953	56,859
Somerset County Council	105,980	317,941
Southampton City Council	13,329	39,988
Southend-on-Sea Borough Council	7,288	21,865
Staffordshire County Council	139,540	418,620
Stoke-on-Trent City Council	29,716	89,148
Suffolk County Council	138,904	416,713
Surrey County Council	160,726	482,179
Swindon Borough Council	22,785	68,354
Tees Valley Combined Authority	49,647	148,942
Telford and Wrekin Council	18,654	55,961
Thurrock Council	7,252	21,756
Torbay Council	7,015	21,044
Warrington Borough Council	16,105	48,314
Warwickshire County Council	119,520	358,560
West Berkshire Council	25,954	77,863
West Midlands Combined Authority	210,453	631,358
West of England Combined Authority	176,143	528,429
West Sussex County Council	91,652	274,957
West Yorkshire Combined Authority	259,866	779,597
Wiltshire Council	160,539	481,616
Wokingham Borough Council	11,408	34,224
Worcestershire County Council	112,143	336,428

## ANNEX B – DRAFT GRANT AWARD CONDITIONS

#### Local Transport Authority COVID-19 Bus Services Support Grant

- 1. The grant paid to each local transport authority under this determination may be used only for the purposes of supporting local bus services during the COVID-19 outbreak, which is a period of up to three months (12 weeks), subject to regular reviews.
- 2. The Chief Executive and Chief Internal Auditor of each of the recipient local transport authorities are required to sign and return to <u>CBSSG@dft.gov.uk</u> a declaration, to be received as soon as possible after the end of the COVID-19 outbreak, in the following terms:

"To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to COVID-19 Bus Services Support Grant for Local Transport Authorities 2020-21 have been complied with".

- 3. At the end of the CBSSG period, LTAs will be required to provide DfT, and publish on their websites, information on the services that the grant was used to support, with DfT to provide a template in due course. This will include:
  - Bus services supported, including the financial contribution
  - o Kilometres operated
  - Base line data of the above from 2019 calendar year at pre COVID-19 levels
- 4. DfT reserves the right to amend the information being requested from LTAs.
- 5. DfT reserves the right to use this information to inform the broader Government response to the COVID-19 outbreak.
- 6. If a local transport authority fails to comply with any of the conditions and requirements of the grant, the Minister may by notification in writing to the authority, require the repayment of the whole or any part of the grant.
- 7. Any sum notified by the Minister under paragraph 6 shall immediately become repayable to the Minister.
- The Greater Manchester Combined Authority (including Transport for Greater Manchester) is also subject to the commercial bus operator COVID-19 Bus Services Support Grant Terms and Conditions for the devolved commercial bus operator component of COVID-19 Bus Services Support Grant they receive directly from DfT.

LTA CBSSG Restart funding must be used in the following ways:

• For de-minimis service claims of £29,999 or more, irrespective of the size of the LTA's supported bus services budget.

LTA CBSSG Restart funding may be used in the following ways:

- To cover losses where an LTA, or a lower tier authority, takes the revenue risk on a tendered service;
- To cover losses where an operator takes the revenue risk on a tendered service;
- To clean bus shelters, stations, and interchanges;
- To provide COVID-19 related signage on bus shelters, at bus interchanges, and at bus stations;
- To provide additional tendered services, or to alter existing tendered services (e.g. for key workers or essential journeys);
- To provide a replacement service where a service has been withdrawn;
- To provide additional capacity on routes to maintain social distancing;
- To support community transport services that cannot claim CBSSG Restart funding;
- To provide COVID-19 related marketing for bus services; and
- To provide temporary bus services.

LTA CBSSG Restart funding cannot be used in the following ways:

- To support or provide school/college services. These services should be funded using the new grant funding from the Department for Education;
- To support closed services that are not open to the general public;
- To purchase, or to contribute to the purchase, of new vehicles;
- To purchase, or to contribute to the purchase, of ticket machines;
- To provide new infrastructure or equipment; and
- To cover operators' PPE, restart, and safe operating costs. These costs can be claimed from DfT either directly for operators with commercial services and operators with commercial and tendered services, and indirectly through LTAs for tendered service only operators (more information including forms for completion will be provided to LTAs to collate on behalf of DfT in due course).



Department for Transport Great Minster House 33 Horseferry Road London SW1P 4DR Tel: 0300 330 3000

Web site: www.gov.uk/dft

09 April 2020

To Local Transport Authority Transport Officers and Chief Executives

via email

Dear colleague,

#### **COVID-19 Bus Services Support Grant**

The Department has been engaging with bus trade organisations, operators and local transport authorities to monitor the impact of COVID-19 on the bus industry. Of particular concern, is the ability of bus operators to continue to run services due to the availability of drivers and other staff, as well as passengers' willingness to use the bus following the Government's advice for the public to avoid any non-essential travel and to work from home where possible.

As part of our continued support to the sector at this difficult time, Ministers have agreed for a temporary grant to be introduced, the COVID-19 Bus Services Support Grant (CBSSG). There are two parts to this funding, one for local transport authorities and one for bus operators.

#### CBSSG for local transport authorities (LTAs)

As per Stephen Fidler's letters of 25 March and 4 April 2020 to local transport authorities, the Department urged you to continue to pay bus and coach operators for tendered services, concessionary fares and home to school transport at the levels before any downturn in service provision or patronage, for at least the period of the outbreak. This is in line with the general advice from the Cabinet Office at

https://www.gov.uk/government/publications/procurement-policy-note-0220-supplier-reliefdue-to-covid-19

All the further measures we are offering to bus operators and LTAs are additional to these existing concessions and tendered service payments. Removal of these payments could undermine the service offered at this critical time.

For our part, we are continuing to pay commercial Bus Service Operators Grant (BSOG) to operators on the basis of estimated service levels before the outbreak. That includes BSOG incentive payments that we pay direct to operators running tendered services (such as for operating low carbon vehicles). In addition, the Department will continue to pay the £42 million of devolved BSOG to LTAs from April 2020.

The funding you provide to tendered bus services, including the devolved BSOG you use to support this, will be vital to ensuring that those services can continue to run where

necessary. The local transport authority element of CBSSG is being allocated to support local bus services such as tendered bus services that may be experiencing revenue shortfalls, and to help support any adjustments to services required by the authority following your discussions with operators. The aim is to ensure that local bus services continue to operate in the right places, and at the right times of day, during the COVID-19 outbreak.

You must check with operators to make clear which services (or parts of services) will attract LTA CBSSG funding and which ones the operator will be claiming separately from operator CBSSG (to avoid any double funding).

All operators who receive the bus operator element of CBSSG will be expected to make available sufficient capacity to run up to 50 per cent of normal service capacity. This is in part based on the assumption that operators continue to receive funding from the relevant local authority at pre-pandemic levels.

CBSSG will initially run for a period of up to three months (12 weeks). LTAs will receive monthly payments over the period of the scheme. Individual authority allocations have been calculated based on historic supported service mileage, with a top up for rural areas, as was done for the £30 million funding for supported bus services in 2020-21 as part of the Better Deal for Bus Users. LTA allocations are annexed to this letter.

CBSSG can only be spent on supporting bus services that have been affected by, or need to be adjusted because of, the impact of COVID-19. LTA CBSSG funding to operators should only cover the period from 17 March 2020. Any underspend will need to be returned to DfT. This is a condition of the provision of the funding to DfT by the Treasury so no flexibility is possible, even where other funding from DfT to the authority concerned is devolved. As noted above, we expect that this funding is used as additional support on top of normal funding for local bus services, not as a replacement of that funding. Even with your continued support, bus operators are experiencing significant operational losses.

#### CBSSG for bus operators

Separately, CBSSG will be provided direct to commercial bus operators. We have written to all operators as attached. Commercial CBSSG will be provided by the Department direct to operators to make available sufficient capacity to run up to 50% of scheduled commercial mileage. The CBSSG is designed to meet the costs of making this capacity available and will be paid for services run since the 17 March 2020. The funding paid by the Department to operators will, over time, be adjusted to reflect the actual level of service each operator is asked to provide.

We are funding operators to make available sufficient capacity to run between 40%-50% of scheduled commercial mileage for a typical non-school week excluding public holidays for the period of the scheme, which is a period of up to three months (12 weeks), subject to regular reviews.

If a LTA and operator jointly agree that capacity to provide a service level of less than 40% of scheduled commercial mileage is required, a joint letter justifying this position from the LTA and relevant operators must be sent to DfT. Operators will still receive CBSSG under these circumstances. In exceptional circumstances, if a LTA and operator jointly agree that capacity to provide a service level of greater than 50% of scheduled commercial mileage is required, CBSSG funding to cover this mileage may only be provided with prior written agreement of DfT, and the overall CBSSG funding will not exceed the overall funding envelope as a result.

Operators are required to take all possible steps to respond positively and quickly<sup>1</sup> to reasonable requests from LTAs to amend the services operated and the routes used by those services, hours of operation, vehicles used or levels of provision and to supply data on service usage and operations during the period of CBSSG receipt - including to ensure a joined-up cross-modal service offer and to support wider COVID-19 response efforts. Operators are required to demonstrate on request that initial and ongoing consultation with LTAs has taken place and that all possible steps have been taken where they have not responded positively or quickly to reasonable requests from LTAs. We would urge you to work closely with your local bus operators to make sure this happens.

A condition of the grant was that operators to accept English National Concessionary Travel Passes before 9.30am, on the basis that LTAs maintain concessionary travel reimbursement at pre-COVID levels. We have also asked operators to cooperate with LTAs in the development of additional concessions where these will be locally funded for the duration of the outbreak. Any new concessions need to be reported to DfT as part of the returns to ensure payments are calculated correctly.

The public are to be kept informed of service alterations in a timely fashion in line with any guidance to be issued by Transport Focus. DfT will ask operators to confirm how they are achieving this and LTAs should support them in this. Where emergency timetables are produced, they should be promoted at bus stops and on websites and any local public forums for key workers and essential travel.

LTAs can contact the Department at <u>CBSSG@dft.gov.uk</u> if they have any questions about the above.

#### Reconciliation

At the end of the CBSSG period, DfT will undertake a review of how the local transport authority element of CBSSG funding was used to support bus services during the outbreak.

As part of that review, LTAs will be expected to provide information to DfT, and publish on their websites to keep the public informed, on how they used their funding, including how much bus mileage was supported and on what routes.

The draft CBSSG grant details, including the terms and conditions, and indicative local transport authority funding allocations, are annexed to this letter. We will confirm these together with a formal grant letter shortly.

#### £30 million funding for supported bus services in 2020-21

The Department is allowing local transport authorities to use some, or all, of their funding allocations from the £30 million funding for supported bus services as part of the Better Deal for Bus Users to retain or restore bus services affected by the outbreak. Payments to LTAs who have submitted compliant statements of intent are due to be paid shortly. Any LTAs who wish to amend their submitted statements of intent may do so by contacting <u>betterdeal4buses@dft.gov.uk</u>, and LTAs who have not yet submitted a statement of intent should do so by 17:00 on 26 June 2020.

<sup>&</sup>lt;sup>1</sup> Subject to any necessary delays due to factors such as the terms and conditions of the Coronavirus Job Retention Scheme.

Yours faithfully,

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Catriona Henderson Deputy Director, Buses and Taxis Division, Department for Transport