

HAMPSHIRE COUNTY COUNCIL

Officer Decision Report

Decision Maker:	Director of Economy, Transport and Environment
Date:	26th May 2020
Title:	Covid-19 Bus Services Support Grant

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Purpose of this Report

1. The purpose of this report is to seek approval from the Director of Economy, Transport and Environment for a proposed methodology for both allocating and making payments of the Government's COVID-19 Bus Services Support Grant to local bus operators.

Recommendation(s)

2. That the Director of Economy, Transport and Environment approves the methodology set out within this report for allocating the COVID-19 Bus Services Support Grant ("the CBSSG").
3. That the Director of Economy, Transport and Environment gives authority to spend and enter into grant agreements (in consultation with the Head of Legal Services) with qualifying local bus operators in Hampshire in accordance with the approved methodology up to a value of £509,423 to be funded from the CBSSG

Executive Summary

4. This report seeks to set out the background of the Department for Transport's COVID-19 Bus Services Support Grant and propose a methodology for both allocating and making payments of the grant.
5. The grant enables supported local bus services in Hampshire to continue operating during a time when passenger numbers are in unprecedented decline so that passengers in Hampshire are able to make their essential journeys to access employment, retail and health services.

6. Usage of local bus services is estimated to be down by approximately 90% due to the Government's advice for the public to avoid any non-essential travel and to work from home where possible.
7. The provision of the Grant will help to compensate local bus operators for some or all of the shortfall in revenue on subsidised services they have experienced as a result of this decline in passenger numbers.

Contextual Information

8. The Department for Transport (DfT) has engaged with bus trade organisations, operators, and local transport authorities to monitor the impact of COVID-19 on the bus industry.
9. 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 direction to the public to avoid any non-essential travel and to work from home where possible.
10. As part of DfT's continued support to the sector at this difficult time, Ministers agreed for a temporary grant to be introduced, the COVID-19 Bus Services Support Grant. There are two parts to this funding, one for local transport authorities and one for bus operators.
11. £509,423 of CBSSG has been allocated to Hampshire County Council as local transport authority for Hampshire. This allocation was calculated using historic supported service mileage, with a top up for rural areas, as was done for the £709,912 funding for supported bus services which was awarded to the County Council in 2020-21 as part of the Better Deal for Bus Users.
12. The £509,423 CBSSG is to support qualifying bus services contracted by Hampshire County Council experiencing revenue shortfalls, and to help support any adjustments to services required by the authority following discussions with local bus operators.
13. The overall aim of this grant is to ensure that qualifying local bus services continue to operate in the right places, and at the right times of day, during the COVID-19 outbreak.
14. The grant funding will initially run for a period of up to twelve weeks between the dates of 17 March and 8 June 2020. Hampshire County Council will receive monthly payments over the period of the scheme.

15. 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. This means that only services that have been operated during the period stated in (14) above are eligible to receive an allocation of this grant funding.
16. The CBSSG is a further measure in addition to the general advice issued by the Cabinet Office, which urged Local Authorities 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 additional fund is targeted at replacing lost passenger fares revenue on subsidised bus services.
17. Hampshire County Council has complied with the approach outlined in (16) above throughout the outbreak to date and will continue to make the above payments in accordance with Government guidance.

CBSSG Allocation

18. It is proposed that the allocation of this grant should be calculated using the following methodology;
 - Identify the percentage each eligible contract (those which operated within the period) makes up of the total spent on eligible services per annum.
 - Apply this percentage to the £509,423 CBSSG to calculate an allocation per contract.
19. Where a local bus operator has not operated a service throughout the whole 12 week grant period, it is proposed that an adjustment should be made to ensure they receive payment for the number of days they operated a service for.
20. A small scale informal consultation has been carried out with the local bus operators who provide the majority of the authorities' contracted services to ensure that this methodology is fit for purpose, and the proposed approach was supported.

CBSSG payments for local bus operators

21. All operators who operate subsidised services on behalf of the County Council will receive a sum, derived by applying the formula at para 18. Indicative allocations are currently being refined. In simple terms, the

higher the current contract spend with each operator, the larger the proportion of the fund they will qualify to claim.

22. For simplicity, it is proposed that Hampshire County Council makes one grant payment in full to each qualifying operator to cover the 12-week period.
23. In order to apply for the grant, it is proposed that qualifying local bus operators are advised of their provisional ceiling allocation which will be the maximum they are able to claim for this period. Operators will also be advised of the total fund limit for all such grants of £509,423, beyond which the County Council will supply no further grant under this scheme.
24. It is proposed that they will complete a simple form providing the supporting information required in order to receive the CBSSG payment and to ensure Hampshire County Council is compliant with the process set out by the DfT. This will include but not be limited to the forecasted revenue shortfall and number of supported bus miles over the period.
25. The latter will be reconciled with the actual supported bus mileage carried out at the end of the funding period.
26. Where a local bus operator forecasts a shortfall in revenue *less than* their allocation, it is proposed that a payment is made for the forecasted shortfall and their remaining allocation be added to a funding pool for appeals.
27. Where a local bus operator forecasts a shortfall in revenue *greater than* their allocation, it is proposed that a straight-forward appeals process is put in place.
28. In order to successfully appeal, it is proposed that local bus operators satisfactorily demonstrate that their revenue shortfall is *greater than* their allocation of CBSSG. If this is proven to be the case, then it is proposed that an additional grant payment is made from the pooled fund for appeals, provided there is sufficient funding in this pool.
29. If there is any remaining grant funding after this process has been completed, it is proposed that local bus operators are able to bid for additional grant funding providing that their bid meets the criteria of the CBSSG set by the DfT as set out in 12 and 13 of this report. It is proposed that these will be assessed on a case by basis.
30. It is anticipated that following the appeals process, there will not be a significant amount of grant funding remaining to be utilised as set out in (28) above.

Consultation and Equalities

31. As previously alluded above, an informal small-scale consultation has been carried out with the operators whose contracts make up approximately 85% of Hampshire County Council's total spend on local bus.
32. The outcome of this consultation has led to the development of the appeals process as set out in this report.

Conclusions

33. That by approving the recommendations set out in this report, the Director for Economy, Transport and Environment will be supporting the Bus Industry in Hampshire to ensure that as the County moves into the recovery phase of the Covid 19 pandemic, essential journeys can continue to be made by those who rely on local bus services.
34. By providing vital support to the bus industry at this time, the Council is honouring the long history of positive and productive partnership working between local bus operators and Hampshire County Council.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	Yes
OR	
This proposal does not link to the Strategic Plan but, nevertheless, requires a decision because:	

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents	
The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)	
<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

The decision will enable the provision of funds to bus operators to sustain local bus services during the Covid 19 crisis and recovery period. This will benefit all Hampshire residents, especially women and older and younger people, who are statistically more likely to use local bus services.