

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4623
Author:	James David Howe
Department:	Growth and City Development
Contact:	James David Howe (Job Title: Principal Public Transport Officer, Email: james.howe@nottinghamcity.gov.uk, Phone: 0115 876 4676)
Subject:	Concessionary Fares Scheme reimbursement arrangements for 2022-23
Key Decision (decision valued at more than £1million):	Yes
Total Value:	Up to £8,100,000 (Type: Revenue)
Decision Being Taken:	To delegate authority to the Corporate Director of Growth & City Development, in consultation with the Leader of the Council and the Portfolio Holder for Highways, Transport & Cleansing Services, to agree concessions reimbursement and associated financial commitments for statutory and discretionary concessionary fare payments for 2022/23.
Reasons for the Decision(s)	Throughout the pandemic, the Government has provided bus service support grant funding to operators and local authorities, and in return has asked local transport authorities to additionally support operators by reimbursing them for free elderly and disabled person trips at pre-Covid levels, rather than on actual trips made. To transition across to reimbursing operators for actual trips made only, the Government advises local transport authorities to agree a reimbursement arrangement with operators from April 2022.
Briefing notes documents:	Decision Summary - Concessionary Fares Scheme reimbursement arrangements 2022-23 - v1.1.docx
Other Options Considered:	No other options are available for the national scheme as the provision of concessionary travel for elderly and disabled people is a statutory duty.

Background Papers:

Published Works:

Affected Wards:

Citywide

**Colleague / Councillor
Interests:**

Consultations:

Those not consulted are not directly affected by the decision.

**Crime and Disorder
Implications:**

This decision has no impact on Crime and Disorder.

Equality:

EIA not required. Reasons: No EIA is required as there are no changes to policy, function or service.

Decision Type:

Leader's Key Decision

Subject to Call In:

Yes

Call In Expiry date:

19/05/2022

Advice Sought:

Legal, Finance

A mandatory bus concession for older and disabled people has been in place since April 2001. The concession has been extended since its introduction and has further provided free off-peak local bus travel to eligible older and disabled people anywhere in England.

The mandatory bus concession is administered locally by Travel Concession Authorities (TCAs) of which Nottingham City Council is one.

TCAs are required to implement the mandatory travel concession as set out in the Transport Act 2000 as amended. TCAs are required to provide travel to concessionary passengers and in turn must therefore reimburse bus operators for all concessionary journeys starting within their boundaries.

In addition to the mandatory concession arrangements, TCAs are also permitted to offer discretionary travel concessions and Nottingham City Council offers 2 of these arrangements in the City.

DfT have provided guidance to the TCAs with respect to how to calculate the reimbursements (Concessionary travel for older and disabled people: guidance on reimbursing bus operators (England) Guidance for schemes commencing in April 2022).

The ordinary position pre-covid, is that reimbursements should leave operators 'no better and no worse off' in accordance with the Mandatory Travel Concession (England) Regulations 2011 and they should merely account for increased costs that operators have incurred so as to avoid the risk of such schemes providing hidden subsidies, which could be unlawful.

The DfT had however during covid asked TCAs to provide pre-covid support levels whilst the operators are recovering from the pandemic.

To give TCAs the ability and legal grounds to pay funding above the statutory minimum level, the DfT secured government approval to temporarily remove the requirement that travel concession arrangements should not aim to leave an operator financially better off as a result of the concession. The basis of this suspension is explained in the Covid-19 Recovery Guidance October 2021 and Alternative Covid-19 Recovery Strategy March 2022 paper and implemented by the associated Mandatory Travel Concession (England) Regulations 2021 (SI 205).

These Regulations have further been extended by the Mandatory Travel Concession (England) (Amendment) Regulations 202 (SI 284) to further extend the effect of the suspension until 5th April 2023 continuing to give TCAs the power to pay out funding above the statutory minimum level.

It is understood the the DfT have made it clear to TCAs under the Alternative Recovery guidance that they have the autonomy and flexibility to establish the right approach for its local area considering the local circumstances and the potential impacts of reverting to the original Recovery Strategy.

This decision seeks approval to agree the mechanism and process for reimbursement to operators for 2022-23. It is clear that there are a number of options available to the Council and such arrangement should be established by the decision makers in accordance with the Council's statutory duties and power and consideration of associated government guidance with specific application to the Council's local area.

Advice provided by Dionne Claire Screamon (Solicitor) on 20/04/2022.

Finance Advice:

As the council is a Travel Concession Authority (TCA), the Council has a Duty to provide Concessionary travel. Therefore this spend is required.

During the Pandemic, the government asked authorities to pay at pre-pandemic levels. The advice from government from April is to follow one of a variety of options to transition across to eventually paying operators for actual trips made.

The expected cost should be managed with the Concessionary Fares reimbursement budget which is £8.1m and therefore have no impact on the MTFP. This will be monitored by the service for any variance and reflected in the monthly forecast for the service.

Advice provided by Paul Rogers (Finance Business Partner) 31/03/2022 Advice provided by Paul Rogers (Commercial Finance Business Partner (G&D)) on 11/04/2022.

Signatures:

David Mellen (Leader/ PH Strategic Regeneration Communications)
SIGNED and Dated: 12/05/2022
Sajeeda Rose (Corporate Director of Growth & City Development)
SIGNED and Dated: 05/05/2022