

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4646
Author:	Martin Williams
Department:	Growth and City Development
Contact:	Martin Williams (Job Title: Commercial And Governance Manager, Email: martin.williams@nottinghamcity.gov.uk, Phone: 01158764226)
Subject:	Local Transport Fund
Key Decision (decision valued at more than £1million):	Yes
Key Decision (decision affects 2 or more wards):	Yes
Total Value:	£3.457 Million (Type: Revenue)
Decision Being Taken:	<ol style="list-style-type: none">1) To accept £3.457m grant funding from the Department of Transport (DfT) to support the continued operation of tendered bus services and the tram service, as a result of reduced patronage due to the coronavirus pandemic.2) To agree allocations of funding between the various services and pass the money on as detailed in the report.3) To delegate authority to the Director of Growth and City Development to determine how the contingency is allocated.4) To transfer the grant money allocated directly for the Tram to Tramlink.

Reasons for the Decision(s) Public transport patronage has significantly reduced during the pandemic, with the DfT providing funding support since March 2020 to ensure services continue to operate. The latest funding package, the Local Transport Fund (LTF), has recently been announced for the period 6 April 2022 to 4 October 2022. This funding is ring fenced and can only be used to continue to support tendered bus services and tram services so it can only be passed through in accordance with the grant conditions and requirements imposed by DfT.

The City Council has been allocated £3,457,028, including an allocation of £3.3 million made available for the tram service, although DfT have indicating that this funding is not ring fenced between the various different public transport modes and should be allocated by the Council but solely for these purposes. Funding that the Council allocate to the tram will be transferred directly to Tramlink, the tram concessionaire, in line with the grant conditions set out by DfT to continue to support the operation of the tram service in the wake of the pandemic

To ensure a comprehensive network is maintained that citizens have access to a public transport service near where they live, it is proposed to allocate the LTF funding as follows;

£3,097,028 to be paid to Tramlink to support the continuation of the tram service post pandemic.
£262,000 to be used to support the tendered bus services
£100,000 to be held in a contingency and allocated later during the funding period.

Other Options Considered: The LTF funding is essential to maintain public transport access to jobs and amenities while the sector recovers from the pandemic. and as such, the option of not accepting the LTF funding was rejected and the money can only be used for these purposes and to these operators as directed by the DfT.

Background Papers: None

Published Works: None

Affected Wards: Citywide

Colleague / Councillor Interests: None

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications: There are no crime and disorder implications resulting from the decision

Equality: EIA not required. Reasons: This decision does not set out proposals for change to a policy , service or function

Decision Type: Leader's Key Decision

Subject to Call In: Yes

Call In Expiry date: 17/06/2022

Advice Sought: Legal, Finance

Legal Advice:

This report seeks authority to accept money allocated from the DfT for the most part to support the continued operation of the tram and to support the costs associated with reduced patronage on the tendered bus services.

Only money received from the DfT will be passed onto Tramlink and so there is no commitment to Tramlink until the DfT have provided it to the Council.

The money received from DfT can only be used for these purposes and so upon receipt, the money will be transferred directly to Tramlink to support their continued operation as the sole tram operator, which has incurred reduced patronage numbers following the impact of the pandemic.

The money being provided by the DfT is moving from emergency grant funding to recovery funding in line with the Governments recovery road map.

The Council must ensure that the grant is provided to Tramlink in accordance with the terms set out within the DfT grant funding letter to the Council as a direct pass through. Appropriate documentation should be put in place to reflect the grant arrangements. Advice provided by Dionne Claire Screamore (Solicitor) on 07/06/2022.

Finance Advice:

Nottingham City Council is required to ensure citizens have access to a public transport service near where they live. The Local Transport Fund grant of £3,457,028 will help support Public Transport through the recovery from the pandemic. The funding period covered by this grant is 6th April 2022 to 4th October 2022.

The Local Transport Fund will be split as follows: £3,097,028 paid to Tramlink, the tram concessionaire, in line with the grant conditions set out by DfT; £262,000 support for tendered bus services, and; £100,000 to be held in a contingency fund to be allocated later during the funding period. These amounts are not ring fenced by DfT, and the budget can be used as required.

This grant and its conditions will be added to the Grants Register.

As the Local Transport fund grant will support the MTFP position of Public Transport through the recovery phase, this will be monitored by the service for any variance and reflected in the monthly forecast for the service. The service is responsible for ensuring that the grant conditions are met and will monitor accordingly.

Advice provided by Paul Rogers (Commercial Finance Business Partner (G&D)) on 31/05/2022.

Signatures:

David Mellen (Leader/ PH Strategic Regeneration Communications)

SIGNED and Dated: 10/06/2022

Sajeeda Rose (Corporate Director of Growth & City Development)

SIGNED and Dated: 09/06/2022