

Executive Board – 18 October 2022

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| Subject: | Greater Nottingham Bus Service Improvement Plan and Programme 2022/23 – 2024/25 |
| Corporate Director(s)/Director(s): | Sajeeda Rose, Corporate Director, Development and Growth |
| Portfolio Holder(s): | Cllr Audra Wynter |
| Report author and contact details: | Richard Wellings, Principal Public Transport Officer richard.wellings@nottinghamcity.gov.uk |
| Other colleagues who have provided input: | |
| Subject to call-in: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Key Decision: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Criteria for Key Decision: | |
| (a) | <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision |
| and/or | |
| (b) | Significant impact on communities living or working in two or more wards in the City <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Type of expenditure: | <input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: |
| Total value of the decision: | £11.4m |
| Wards affected: | Citywide |
| Date of consultation with Portfolio Holder(s): | |
| Relevant Council Plan Key Outcome: | |
| Clean and Connected Communities | <input type="checkbox"/> |
| Keeping Nottingham Working | <input type="checkbox"/> |
| Carbon Neutral by 2028 | <input checked="" type="checkbox"/> |
| Safer Nottingham | <input type="checkbox"/> |
| Child-Friendly Nottingham | <input type="checkbox"/> |
| Healthy and Inclusive | <input type="checkbox"/> |
| Keeping Nottingham Moving | <input checked="" type="checkbox"/> |
| Improve the City Centre | <input type="checkbox"/> |
| Better Housing | <input type="checkbox"/> |
| Financial Stability | <input type="checkbox"/> |
| Serving People Well | <input type="checkbox"/> |
| Summary of issues (including benefits to citizens/service users): | |
| <p>Delivering high-quality, sustainable, green transport will enable Nottingham to become a resilient city that is able to cope with and tackle climate change. By improving the liveability of our local neighbourhoods and creating healthier streets that are co-designed with our communities, our residents, both young and old, will benefit from a smarter, cleaner, better connected, forward looking transport system that makes Nottingham a better place to live, work, play and invest.</p> <p>This £11.4m investment over the next three years will allow the Greater Nottingham public transport network and particularly the bus network that underpins it. To benefit from increases in bus reliability and journey time savings through the delivery of additional bus lane schemes, junction improvements and priority at traffic signals for late running buses. These measures will build on the programme of public transport improvements being delivered through the Transforming Cities Fund and will improve the passenger experience and deliver operational</p> | |

efficiencies for bus operators as the network continues to recover from the impact of the pandemic.

In addition to the investment in new bus infrastructure. A number of bus services that are at risk of withdrawal will be supported and enhanced to maintain attractive levels of frequency, open up new connectivity and return to higher levels of commerciality as new travel and work patterns continue to stabilise and consolidate as part of the recovery from the impact of the pandemic. Targeted fares support for Young People, the Disabled and the Unemployed will also be implemented to support access to jobs, education and healthcare.

Taken in tandem with separate funded plans to increase the number of zero emission electric buses operating in Greater Nottingham these plans will make a significant contribution to Nottingham's ambition to be Carbon Neutral by 2028 by encouraging modal shift and maximising the use and efficiency of bus services.

Does this report contain any information that is exempt from publication?

No

Recommendation(s):

- 1** To delegate authority to the Corporate Director for Growth and Development to accept up to £11.4m from Department for Transport's (DfT) Bus Service Improvement Plan (BSIP) fund when confirmed by Government and to enter into a grant agreement with DfT for receipt of the funding.
- 2** To note the finance and legal comments relating to the grant conditions including the ring fencing of existing budgets.
- 3** To delegate authority to the Corporate Director for Growth and Development in consultation with the section 151 officer to implement the Capital and Revenue programmes outlined in Enc 1. and Enc 4. Including any procurement as required in full compliance with Contract Procedure Rules and public procurement thresholds.
- 4** To grant award local bus operators using transport de minimis powers or tendered contracts to deliver the frequency enhancements and route extensions to the bus routes identified in Enc. 4 in partnership with Nottinghamshire County Council and to transfer any funds as necessary to and enter into any necessary agreements to reflect such arrangements with Nottinghamshire County Council for the routes identified.
- 5** Delegate authority to the Corporate Director for Growth and Development in consultation with the Section 151 Officers and Portfolio Holder for Transport to review and amend as necessary all grant agreements or contractual arrangements entered into with local bus operators or Nottinghamshire County Council on an ad-hoc basis in response to the market recovery of any supported services.

2. Reasons for recommendations

- 2.1 This funding provides a welcome boost as the public transport network continues to recover from the impact of the pandemic. Both in terms of mitigating the impact of changes to travel demand patterns created by flexible working and the 2 years of public health messaging that has advised the populace to avoid the use of public transport as part of the effort to control the transmission of Covid-19. It will help the network realign to the new levels of bus patronage which are currently in the region of 80-85% of the level of bus use before the pandemic hit and grow patronage going forward.
- 2.2 Reductions in patronage, combined with rising costs mean that bus operators need to do more with less and work harder to attract new / former passengers. Investment in infrastructure focused on improving priority for buses across the Greater Nottingham road network will deliver operational efficiencies which will

reduce costs and allow reinvestment back into fleet and technology, improve the passenger experience and advance transport decarbonisation - The delivery of attractive bus services and low carbon public transport directly supports Nottingham's ambition to be Carbon Neutral by 2028.

3. Background (including outcomes of consultation)

- 3.1 The development of the Bus Service Improvement Plan (BSIP) which has informed the priorities for both the capital and revenue schemes identified in this report was delivered following public consultation in partnership with Nottinghamshire County Council and liaison with local bus operators. Feedback from the public consultation was then used to identify areas of congestion and pinch-points that impact on bus reliability and extend journey times. This feedback was then translated into schemes that support government objectives around bus priority and take into account public views on the importance of reliable and punctual bus services, fares initiatives, ticketing improvements and bus route development to support better connectivity.
- 3.2 The bus priority schemes, which include new bus lanes will be subject to full public consultation in line with the statutory requirements for implementing new traffic regulation orders as will any schemes delivered under the bus operator pinch point package that seek to regulate parking and traffic in district centres to support access to and the efficiency of bus services.
- 3.3 At the feasibility and detailed design stage, schemes will be subject to traffic modelling to assess their impact on general traffic and reports summarise any issues presented to key stakeholders and the Joint Nottingham – Nottinghamshire Transport Delivery Board the overarching governance body for Greater Nottingham bus service improvement.
- 3.4 The BSIP funded capital and revenue schemes will be incorporated into the Greater Nottingham Enhanced Partnership Scheme, the new governance framework for local bus services, as part of our local transport authority commitments to local bus operators. Progress monitored by the Enhanced Partnership Board (made up operators and the local transport authority) and the Joint Nottingham-Nottinghamshire Transport Delivery Board.
- 3.5 Funding for the bus services identified in Enc.4 will be reviewed on an annual basis and tapered accordingly in response to changes to passenger levels.
- 3.6 Work has been completed with the bus operators to understand the direct and indirect costs of the bus services being bought. Conditions will be built into the any grant arrangements being entered in to that ensure when the supported services pass agreed thresholds and return to commerciality, financial support will be withdrawn.
- 3.7 Draw down of the BSIP funding is fully predicated on the condition that the local transport authority(s) will provide for buses from all sources, in each financial year of the BSIP, funding that is additional to previously planned for 2022/23 bus funding levels and that base funding for buses is not reduced.

4. Other options considered in making recommendations

- 4.1 Not accept the funding – This option was rejected due to the pivotal role the revenue support will have in maintaining a stable bus network with good levels of service over the next three years. This investment will be complemented by the capital infrastructure investment which will support journey reliability and punctuality across Greater Nottingham.

5. Consideration of Risk

- 5.1 The delivery of a fresh capital programme whilst delivery is still underway for a number of transport schemes in the Transforming Cities and Future Transport Zone programmes, raises concerns around the availability of internal project management and design and build resource which is already stretched. This can though be mitigated by going to market to procure external design, build and project management services and there are good quality council procurement frameworks available to allow this work to be commissioned and delivered at pace, mitigating this risk.
- 5.2 Global supply chain issues, the impact of Brexit, the energy crisis and instability in global commodity prices all feed into uncertainty around construction material costs and availability. The budgets identified for the individual schemes are felt to be sufficient to mitigate the cost risk and based on current construction programmes and technology projects, delays to materials and equipment are not expected to impact on the 2022/23-2024/25 delivery timescale. The capital schemes are also scalable, which provides further comfort that cost risks can be mitigated.

6. Finance colleague comments (including implications and value for money/VAT)

6.1 Revenue Commentary

6.1.1 This report proposes to accept 11.4m in funding from the Department for Transport's Bus Service Improvement Plan (BSIP) fund; Capital 7.86m and Revenue projects £3.5m. The £3.5m in revenue is split as follows Pre-930 Mobility Concession for City Residents £0.375m, Jobseekers Fare Scheme £0.07m, Youth Fares for all 21s and under £0.45m, Bus Network Development £2.6m.

6.1.2 This is supported as the funding would enable the maintenance of a stable bus network with good levels of service over the next three years. This investment would also be complemented by the capital infrastructure investment which will support journey reliability and punctuality across Greater Nottingham.

6.1.3 The Public Transport budget for 2022/23 outside of expenditure on concessionary fares was £4.63m, including a £0.8m contribution from the Workplace Parking Levy. In line with the conditions of DfT grant this budget would need to be ring-fenced for the duration of the Bus Service Improvement Plan Funding period from 2022/23 – 2024/25. *Members should be clear that this would limit discretion to offer up any of this budget towards future savings as part of the MTFP meaning that saving would need to be borne by other service areas of the Council.*

6.1.4 The additional requirement to provide for buses from all sources funding that is additional to that previously planned would be met through the £15.2m Zero Emission Bus Regional Areas electric bus programme and the associated match-funding provided by local bus operators.

By Paul Rogers, Commercial Business Partner (G&CD) and
Clive Heaphy, Section 151 Officer

6.2 Capital Commentary

6.2.1 This capital project has been endorsed by Capital Board, following formal approval the Capital Programme will be updated as detailed in appendix 1. All on-going

maintenance costs following the completion of the capital schemes are required to be managed within existing revenue / maintenance budgets.

- 6.2.2 The project is entirely funded from external grant with no match funding. The project manager is required to ensure grant conditions are met to reduce any risk of grant clawback, while managing the project budgets as detailed in appendix 1.

By Tom Straw, Senior Accountant (Capital Programmes)

7. **Legal colleague comments**

- 7.1 The proposals in this report seek to utilise government funding in delivery of the Bus Service Improvement Plan.
- 7.2 Use of the money should be in accordance with any grant conditions provided by DfT upon receipt of the funding, the conditions of which should be passed down with respect to onwards use of the funding with third parties.
- 7.3 The Council must ensure that in offering any support under the de-minimis provisions of the Transport Act, it must do so in line with the statutory requirements as well as the procurement thresholds. The provision of support under these provisions should only be made only to the extent required and compliantly permitted and the recommendation in the report to enable review and amendment should be appropriately utilised to manage the arrangements.
- 7.4 Provision of the funding otherwise should be in accordance with the Council's Contract Procedure Rules and Public Contracts Regulations 2015.
- 7.5 The Council should also ensure compliance with the Subsidy Control Regimes rules in provision of any grants, including where applicable, undertaking an assessment and application of the 7 Principles.
- 7.6 Appropriate grant agreements or contractual arrangements should be put in place to reflect the use of the funding, at all times ensuring compliance with the DfT's grant conditions and associated monitoring and reporting requirements.

Dionne Screamon, Senior Solicitor, Contracts and Commercial 20th September 2022.

8. **Other relevant comments**

Procurement Comments

All elements of the funding set out in this report will be spent in compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015.
Paul Ritchie, Procurement Category Manager, 21st September 2022.

9. **Crime and Disorder Implications (If Applicable)**

N/A

10. **Social value considerations (If Applicable)**

Key Performance Indicators (KPIs) in relation to any tender for the infrastructure projects will include targets in relation to local employment and expenditure, women in construction and training and apprenticeships. Once delivered we will also work with local bus operators to facilitate educational visits to depot for local schools and community groups.

11. Regard to the NHS Constitution (If Applicable)

N/A

12. Equality Impact Assessment (EIA)

12.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:
(Please explain why an EIA is not necessary)

Yes

Attached as Enc. 2, and due regard will be given to any implications identified in it.

13. Data Protection Impact Assessment (DPIA)

13.1 Has the data protection impact of the proposals in this report been assessed?

No

A DPIA is not required because:

None of the promoted schemes will require the storage or holding of personal data.

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

14. Carbon Impact Assessment (CIA)

14.1 Has the carbon impact of the proposals in this report been assessed?

No

A CIA is not required because:
(Please explain why a DPIA is not necessary)

Yes

Attached as Enc. 3, and due regard will be given to any implications identified in it.

15. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

N/A

16. Published documents referred to in this report

Greater Nottingham Bus Service Improvement Plan

Greater Nottingham Enhanced Partnership Plan and Scheme