

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

5182

Author:

Richard Wellings

Department:

Growth and City Development

Contact:

Richard Wellings

(Job Title: Principal Public Transport Officer, Email: richard.wellings@nottinghamcity.gov.uk, Phone: 64896)

Subject:

Public Transport Commuter Discount Ticket Scheme funded by Department for Transport Bus Service Improvement Plan (BSIP) Grant

Total Value:

£304,000 (Type: Revenue)

Decision Being Taken:

1. Delegate Authority to the Corporate Director of Growth and City Development to:
 - a. spend £304,000 of BSIP funding; and
 - b. enter an appropriate partnership agreement with local bus and tram operators and Nottinghamshire County Council to support the delivery of a public transport commuter 20% discount ticketing scheme in partnership with local bus and tram operators and Nottinghamshire County Council from the 1 October - 31 March 2025 available through employers salary sacrifice schemes and business to business sales.

2. To note that Spend Control approval has been agreed with the Section 151 Officer for the associated spend above (Ref 9227)

Reasons for the Decision(s)

Public transport partnership discussions with local bus and tram operators, Nottinghamshire County Council and other stakeholders have identified wide support for a 20% commuter discount scheme to be implemented on 12 month season tickets purchased via employer salary sacrifice schemes. A commuter discount ticketing scheme was not included in the original BSIP programme and this report seeks to secure approval to deliver this new ticketing scheme. The addition of a commuter discount scheme to the current BSIP programme has also been approved by the Department for Transport (DfT) through their change control process as there is some DfT BSIP grant funding capacity available to support the proposal, the DfT has approved the amendment to the BSIP scheme to accommodate Nottingham City Council's request. This report seeks to secure internal governance approval to deliver this new ticketing scheme. Spend Board Approval ID 9227 covers the expenditure outlined in this report.

The scheme will operate throughout the Greater Nottingham area, with the public transport operators able to offer a 20% discount on annual travel passes purchased by employers and made available to them through employers salary sacrifice schemes or other local arrangements. Public Transport operators will be able to fund the discount by means of a subsidy from the Council's as the Transport Authorities - the City Council's funding comprising 30% of the cost of the Nottingham City Transport and Robin Hood sales and 100% of the cost of Nottingham Express Transit sales, and Nottinghamshire County Council funding comprising the remaining 70% cost of Nottingham City Transport and Robin Hood Sales in Greater Nottingham alongside 100% of the cost all other bus operator sales namely trentbarton, CT4N, Vectare and Stagecoach. The scheme has a range of direct benefits for both citizens, public and private sector organisations and wider Nottingham City Council objectives. These include "cost of living" support for local commuters alongside support of employee recruitment and retention at local public / private sector organisations through more attractive staff benefits. This scheme will also help those organisations to successfully deliver sustainable staff travel plans and in some instances provide an additional incentive for employees to make the switch to public transport which will take pressure off the road network. Pressure will also be taken off limited parking facilities at some businesses and organisations and this scheme will also support the delivery of local strategies to address air quality, support transport decarbonisation and tackle congestion which impacts negatively on the local economy. This scheme will also support the financial sustainability of the commercial bus network, a key objective of the DfT's Bus Service Improvement Plan funding, by supporting the retention and recruitment of new passengers and encouraging growth in patronage. A stronger bus network means a reduced requirement for public sector investment to maintain essential bus services. A strong local bus sector is a desirable economic good in itself given that 2000+ individuals are employed in the industry locally and the agglomeration benefits that this provides to the local economy. A recent report by KPMG on the Economic Impact of Bus Services on the behalf of the Confederation of Passenger Transport highlighted that investment in bus services consistently delivers "High" Value for Money in line with Treasury guidance and that the contribution to GVA from bus commuter wages in the East Midlands Combined County Authority area is worth 1,800 (£m).

A subsidy control assessment has been completed for this scheme and concluded the subsidy is justified, as the scheme is designed to encourage the use of public transport, reduce reliance on private vehicles and support broader public policy goals. The subsidy is proportional, necessary, and aligns with sustainability and economic objectives. Provisions for transparency and accountability will ensure effective use of the funds and achievement of desired outcomes, with a structured review process to refine and assess the subsidies impact. The scheme will be monitored via the existing governance structures in place for the Greater Nottingham Bus Service Improvement Programme, through the partnership board. Scheme agreements will be put in place between Nottingham City Council, Nottinghamshire County Council and all participating public transport operators and includes provision to terminate the scheme early in the event that demand cannot be met by the allocated funds. The funding will be subject to the original BSIP Memorandum of Understanding a copy of which is appended to this report.

In terms of risk, the key risk to the delivery of this scheme is financial. But modelling has been undertaken to ensure that funding is sufficient to cover the uptake of the scheme based on intelligence on current commuter ticket scheme participation and a 10% increase in demand included. In the event that scheme is oversubscribed, there will be provision within the scheme agreement with local public transport operators to terminate it early to ensure that budget is not overspent.

Briefing notes documents: PH3 BSIP funding letter for Nottingham City.pdf, Greater Nottingham MoU.pdf

Other Options Considered: BSIP Revenue money, in the line with National Bus Strategy has a limited number of permitted uses. Namely, enhancement and protection of existing / new bus services and ticketing initiatives. A small number of bus services are being supported locally as part of the current programme but due to the recovery of network post pandemic there is not the business case or need to use this money to invest directly in the supporting the operational cost of any new/ existing bus services. A number of other ticketing scheme are already underway as part of the current programme including an U22s ticketing scheme and support for young carers and care leavers and there is no scope to extend these. As a result options to extend the existing programmes were rejected. Including a wider range of tickets in the discounted commuter ticket scheme was also considered. But this option was rejected due to the prohibitive cost in excess of £1,000,000.

Background Papers:

Unpublished background papers: Greater Nottingham MoU.pdf, PH3 BSIP funding letter for Nottingham City.pdf, Final - Commuter Discount EIA.docx

Published Works:

Affected Wards: Citywide

Colleague / Councillor Interests:

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

Crime and Disorder Implications: There are no Crime and Disorder implications in relation to this public transport ticketing initiative.

Equality: Please login to the system to view the EIA document: Final - Commuter Discount EIA (1).docx

Decision Type: Portfolio Holder

Subject to Call In: Yes

Call In Expiry date: 08/10/2024

Advice Sought: Legal, Finance, Procurement, Equality and Diversity

Commissioner Comments: The Commissioners are content with this decision

Legal Advice: Please see the attached note Advice provided by Richard Bines (Solicitor) on 29/07/2024.
Advice documents: SALARY~1.DOC

Finance Advice: The Decision for Nottingham City Council to implement and deliver, in partnership with Nottingham County Council a 20% commuter discount ticketing scheme for both Bus and Tram annual season tickets From 1st September 2024 to 31st March 2025 is supported. For Nottingham City Council the Scheme will be paid for out of £304,000 previously unallocated Bus Service Improvement Plan (BSIP) Revenue monies, Which has been approved by the grant provider, the Department of Transport though their change control process. As per the detail in the supplementary word file "20% Bus and Tram Commuter Scheme Briefing" operators will be re-imbursed on a monthly basis, With Nottingham City Council paying for 30% of the scheme and Nottingham County Council paying 70%. The Cost was modelled, based on previous years at £282,000 for Nottingham City Council. The difference leaves a contingency, and operators have been notified that Nottingham City Council will give one months' notice on discontinuation of the scheme, which may happen if funding is getting low. As the funding is received, the proposal will not add financial pressure to the MTFP and can be contained within Local Transport and is supported. This will be monitored by the service for any variance and reflected in the monthly forecast and budget for the service, While completing any reports to the funding body in a timely manner. Advice provided by Paul Rogers (Commercial Finance Business Partner (G&D)) on 26/07/2024.

Procurement Advice: This decision to Delegate Authority to the Corporate Director of Growth and City Development to:

- a. spend £304,000 of BSIP funding; and
- b. enter and appropriate partnership agreement with local bus and tram operators and Nottinghamshire County Council to support the delivery of a public transport commuter 20% discount ticketing scheme in partnership with local bus and tram operators and Nottinghamshire County Council from the 1 October - 31 March 2025 available through employers salary sacrifice schemes and business to business sales

raises no procurement concerns. Due to the nature of the decision, there is no involvement from Procurement Team and trust that relevant agreements will be put in place with each partnership. Advice provided by Louise Dobson (Lead Procurement Officer) on 16/08/2024.

Equality and Diversity Advice: The EIA has been reviewed. There are no impacts to any of the protected characteristics and I am therefore happy to sign off. Advice provided by Rosey Donovan (Equality and Employability Consultant) on 05/08/2024.

Signatures

Neghat Khan (Leader / Exec member, Strategic Regeneration)
SIGNED and Dated: 30/09/2024
Nicki Jenkins (Corporate Director of Growth and City Development)
SIGNED and Dated: 27/09/2024