



Report of the Cabinet Member for Environment & Infrastructure

Cabinet – 21 September 2023

Welsh Government Bus Transition Fund

Purpose:	To note and approve in retrospect the Council entering into Welsh Government Bus Transition Fund agreements and the entering into agreements with multiple bus operators in the region.
Policy Framework:	None
Consultation:	Access to Services, Finance, Legal.
Recommendation(s):	It is recommended that Cabinet: <ol style="list-style-type: none">1. Endorses and approves the decision of the Leader of the Council on 24th July 2023 authorising the Council to enter into the Welsh Government's Bus Transition Fund (BTF) agreements.2. Notes that the Council as regional lead authority has entered into BTF agreements with relevant bus operators, to secure (conditional) financial support for the bus sector and to establish a relationship with their constituent local authorities that ensures that the ongoing funding meets those authorities' priorities and is delivered on their behalf.
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1. Introduction

- 1.1 Welsh Government has been taking action to help bus operators in Wales, get through the inevitable uncertainty of the COVID-19 affected operating conditions and the further impact of driver costs due to on-going driver shortages across the industry and significant increases in fuel costs. The provision of this support has enabled bus operators to retain customers and a network of services which may otherwise have been lost or reduced significantly.
- 1.2 Previous funding has been delivered via the Bus Emergency Schemes. Welsh Government wish to continue to provide funding to bus operators in Wales under a new scheme called the Bus Transition Fund.

- 1.3 A new funding agreement is required with the Council and bus operators which allows continued funding of services under the Bus Transition Fund (BTF) and a transition back to commercial and local authority supported operation of services no later than 1st April 2024.
- 1.4 The Bus Emergency Scheme funding expired on 24th July 2023. The Bus Transition Funding started on 25th July 2023 and will continue under the terms of a new funding agreement which will end on 31st March 2024.
- 1.5 There was a delay in the final agreements being received from Welsh Government to meet the deadline of 24th July 2023. Therefore, it was signed under Council Constitution Part 3.1 – Scheme of Delegation (Responsibility of Functions), which states that the Leader may exercise Executive Functions himself or may otherwise make arrangements to delegate responsibility for their discharge. On 24th July 2023 the Leader of the Council approved the BTF agreements and authorised the Chief Legal Officer to execute the agreements on behalf of the Council, but with the intention that Cabinet’s retrospective approval would be sought.

2. The Bus Transition Fund agreement

- 2.1 The new BTF agreement with Welsh Government and bus operators places obligations on councils and bus operators to plan ahead for what services may look like in April 2024 when the Bus Transition Funding ends. There are specific obligations on bus operators to share information on services with financial penalties if they do not comply. Councils must set out an initial procurement programme for non-commercial services as soon as possible after Bus Transition Funding is introduced.
- 2.2 Swansea Council as a Lead Council for the region has signed 15 separate agreements i.e. one for each bus operator operating services in the region.
- 2.3 Welsh Government imposed a deadline for execution of the agreements of 24th July 2023 in readiness for the commencement of BTF funding on 25th July 2023. Each of the operators in the region has signed their individual agreements and these have been approved by the Council.
- 2.4 If the Council had not signed by the deadline, it could have jeopardised the release of funding to bus operators and councils in the region placing the Council at risk of claims for financial loss. There would also have been an adverse impact on the Council’s reputation.

3. Progress since signing the Bus Transition Fund agreement

- 3.1 Officers and local bus operators have discussed the BTF funding levels, and the bus operators have been asked to examine their future funding requirements in the light of the reduced funding allocation from Welsh Government. It is apparent that to ensure that the funding is not exceeded, and in anticipation of revenues not increasing further, the bus companies will need to reduce their operating costs.

- 3.2 The Council will work with the bus operators to minimise the impact of the service reductions, and all have been receptive to the Council's requests to examine ways in which the impacts on communities can be reduced.

4. Integrated Assessment Implications

- 4.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
 - Deliver better outcomes for those people who experience socioeconomic disadvantage.
 - Consider opportunities for people to use the Welsh language.
 - Treat the Welsh language no less favourably than English.
 - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.
- 4.2 The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.
- 4.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.
- 4.4 The outcomes of the IIA Screening (Appendix B) demonstrates that the approval of the Welsh Government's Bus Transition Fund results in minimal impacts at this stage. The IIA will be reviewed once funding arrangements are put in place.

5. Financial Implications

- 5.1 Bus Services Support Grant continues to be paid to the Council as the lead authority for the Region and this is distributed between the four local authorities to subsidise bus and community transport services in their area, and also to make payments directly to bus operators for mileage that they operate in the region.

- 5.2 Each Council continues to receive funding from Welsh Government to reimburse operators for carrying concessionary bus pass holders free of charge in their areas.
- 5.3 The Council will remain responsible for those services which it currently contracts directly with bus operators. Welsh Government has indicated that local authorities will need to consider planning for contingencies, such as if the BTF agreement is not signed by a bus operator or if the level of funding for BTF is reduced during the period of the agreement.
- 5.4 Swansea Council has not been allocated a specific sum of funding with regards to BTF. Instead £42m has been allocated by the Welsh Government across all regions of Wales and all regions have been asked to spend funds conservatively. As a result, Swansea Council will not be receiving a grant award offer in respect of BTF.

6. Legal Implications

- 6.1 The Council will need to comply with the terms and conditions contained within the Bus Transition Fund agreements entered into with Welsh Government and bus operators.

Background Papers: None

Appendices:

Appendix A - Integrated Impact Assessment