



Cyngor Castell-nedd Port Talbot  
Neath Port Talbot Council

## **NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

### **Environment, Regeneration and Streetscene Cabinet Board**

#### **Report of the Director of Environment and Regeneration, Nicola Pearce**

#### **Matter for Decision.**

**Wards Affected:** All Wards.

#### **Acceptance of Welsh Government Bus Transition Fund**

##### **Purpose of the Report:**

To seek Members approval to accept the Bus Transition Fund offered by Welsh Government to provide immediate financial support to bus operators in NPT and other Local Authorities in the South West Wales Region.

##### **Executive Summary:**

The Bus Emergency Scheme (BES) introduced by Welsh Government (WG) during the pandemic to financially support bus operators has been extended until 24th July 2023.

Thereafter WG have introduced a Bus Transition Fund (BTF) to replace BES and continue to provide financial support to bus operators and protect the majority of bus services across Wales.

WG advised Local Authorities via a letter dated 14th June, ( Appendix 2) that bus operators are required to give 28 days' notice to deregister a service, WG need to ensure that funding relating to

routes in NPT has been considered and agreed by Council or delegated decision making powers before 26 June 2023.

As a result of the urgent timescale and the need to accept this funding, delegated authority is sought for the Director of Environment and Regeneration to accept the Bus Transition Funding by way of urgency action.

### **Background:**

BES was introduced by the WG when the pandemic hit in March 2020. The public were advised not to travel and hence the bus operators' income revenue ceased.

As patronage slowly returned, BES has evolved to BES3 and ceased on 31st March 2023, however the patronage has not returned to pre pandemic levels due to factors such as home working, home shopping, parcel deliveries and the elderly not venturing out as often.

Following lobbying by Local Authorities in Wales, bus operators and partners, additional BES transitional funding was allocated to maintain services in their current form until 30th June 2023.

The scheme has since been extended again to 24th July 2023 to ensure that pupils and students can use local bus services to attend school until the end of the school year.

Welsh Government have announced that they need to transition away from an emergency style funding and have introduced "The Bus Transition Fund from the 24<sup>th</sup> July 2023 until the end of the financial year (31<sup>st</sup> March 2024). A grant agreement will therefore be provided to local authorities to provide such funding, on terms and conditions that will be shared with local authorities shortly.

Despite no official settlement confirmed. According to the Deputy Minister's press announcement. The Bus Transition Fund is worth

£46,000,000 in total for the 2023/2024 financial year. Officers estimate £4,000,000 allocated to Welsh Government's Traws Cymru Network leaving £42,000,000 for the rest of Wales.

Again, despite no official settlement confirmed. Officers estimate a share of £10,830,000 will be allocated to the South West Wales Region for the 2023/2024 financial year. Officers have calculated that NPT would receive approximately £3,465,600 for routes operated in the County Borough.

Officers estimate that this funding is not enough to cover the funding required in its entirety and regionally could be short by up to £2,972,000 to maintain the existing local bus network throughout the region in its current form.

There are potentially other income streams such as concessionary fares increase and reconciliation of 22/23 BES accounts that could reduce the shortfall considerably. The reconciliation process is currently being undertaken by City and County of Swansea (C&C of S) as the lead authority for the administration of BES.

C&C of S are also awaiting confirmation from WG whether any shortfall from 22/23 funding can be carried over into 23/24 and also the actual funding available between April and 24<sup>th</sup> July 2023.

This report by no means supports or accepts any service cuts. This report only confirms that the Council accepts the funding currently available as determined by WG in order to protect the services in the short term and that further discussions continue and the appropriate funding is available to protect all services at current levels.

Accordingly, there are a number of options open to local authorities:

**Option 1 - Not accept the level of funding available and renegotiate the funding value.**

There are no terms and conditions to the offer as yet, the repercussions of not accepting the offer of funding has not been made clear in the Minister's letter.

However if the funding on offer is not accepted then there is a real possibility that the majority of bus services will be unsustainable. Due to the very short time scale there is no time to negotiate with the WG.

### **Option 2 – Accept the level of funding estimated and continue to lobby WG.**

Representatives of Local Authorities and the Region have expressed significant concerns over the level of funding and have written to the Deputy Minister for Climate change (Appendix 3) however recognise that there is no realistic alternative option but to accept the funding level determined by WG in order to protect the majority of services in the short term and continue to lobby WG.

Accordingly, it recommended that Option 2 be pursued and that the Council accept the level of funding that is now estimated, whilst at the same time lobbying of WG continues. This will ensure the protection of the majority of services in the short term.

### **Financial Impacts:**

No implications. The Council is dependent on WG funding to continue with service provision.

### **Integrated Impact Assessment:**

A first stage Impact Assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the

Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016. The first stage assessment, attached at Appendix 1, has indicated that a more in-depth assessment is not required

**Valleys Communities Impacts:**

A significant proportion of subsidised services serve valley communities. The acceptance of this funding will ensure that in the short term the majority of arrangements can continue.

**Workforce Impacts:**

No implications

**Legal Impacts:**

It is anticipated that the acceptance of any funding will be subject to terms and conditions and officers will undertake a detailed review of such conditions on receipt to ensure the interests of the Council are protected

**Risk Management Impacts:**

By accepting the funding value on offer there is a risk that some local bus services may not be sustainable, however not accepting the funding on offer will result in the majority of local bus services being terminated.

**Consultation:**

There is no requirement for external consultation on this item.

**Recommendations:**

It is recommended that having due regard to the integrated impact screening assessment, delegated authority be granted to the Director

of Environment and Regeneration to accept the Bus Transition Funding determined by WG for the financial year 2023/24 and continue to lobby WG for additional funding to maintain services.

**Reasons for Proposed Decision:**

Representatives of Local Authorities and the Region have expressed significant concerns over the level of funding and have written to the Deputy Minister for Climate change (Appendix 3) however recognise that there is no realistic alternative option but to accept the funding level determined by WG in order to protect the majority of services in the short term and continue to lobby WG.

**Implementation of Decision:**

The decision is an urgent one for immediate implementation, subject to the consent of the relevant Scrutiny Chair (and is therefore not subject to the call-in procedure.)

**Appendices:**

Appendix 1 – Integrated Impact Screening Assessment

Appendix 2 - Letter from Region to Deputy Minister for Climate change, highlighting concerns over funding arrangements


Appendix 3 - . Deputy Minister for Climate Change’s letter to Local Authorities outlining changes by 26<sup>th</sup> June 2023.

**List of Background Papers:**

None

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