

North Yorkshire Council

Environment Executive Members

23 June 2023

Local Transport Fund Grant Acceptance

Report of the Assistant Director, Integrated Passenger Transport, Countryside Access, Licensing and Harbours

1.0 PURPOSE OF REPORT

- 1.1 To recommend that the Executive Member for Highways and Transportation, following consultation with the Corporate Director of Environment, Corporate Director - Resources and the Assistant Chief Executive (Legal and Democratic Services) authorises the Corporate Director – Resources to accept the grant of £359,891.

2.0 BACKGROUND

- 2.1 Since early in the pandemic the Department for Transport (DfT) has been providing financial support to the public transport sector to mitigate against the reduced patronage levels as a result of the pandemic and ensure adequate service levels can be maintained. This has been in the form of funding direct to local bus service operators and funding to local authorities to distribute to bus operators who are operating supported bus services in the local authority area.

3.0 LOCAL TRANSPORT FUND GRANT

- 3.1 In May 2023, the Government announced further bus recovery funding to support the bus sector across England (outside London).
- 3.2 As part of the recovery funding package, commercial operators will be provided with funding to maintain service levels across their networks. In addition, an element of the recovery fund will be provided to Local Transport Authorities, in the form of the Local Transport Fund (LTF), to support tendered services.
- 3.3 As with bus sector funding provided previously, we have been allocated this funding to continue to support tendered services that serve communities for whom buses are vital in providing access to work, education and preventing isolation. This funding will enable us to continue to support socially necessary services which would otherwise not be provided.
- 3.4 On 1 June 2023 North Yorkshire Council received the letter attached at Appendix A which shows that we have been allocated a grant of £359,891 to support local bus services.
- 3.5 We must sign and return the LTF Grant Agreement attached at Appendix A, having regard to the Terms and Conditions, to accept the Council's funding allocation by 30 June 2023.

4.0 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Not accepting this grant would mean that funding for bus services wouldn't be received and some services would be withdrawn.

5.0 FINANCIAL IMPLICATIONS

- 5.1 The Council will receive £359,891 in revenue funding to manage and allocate within the guidelines of the Grant Determination Letter and its Terms and Conditions attached at Appendix A.
- 5.2 The funding will be made in one instalment and will be paid in arrears in July 2023.

6.0 LEGAL IMPLICATIONS

- 6.1 There are no legal implications arising from acceptance of the Grant, and receipt of the Grant does not contravene the Subsidy Control regime

7.0 EQUALITIES IMPLICATIONS

- 7.1 Consideration has been given to the potential for any adverse equality impacts arising from this decision (see Appendix B). The acceptance of the LTF grant will enable the release of £359,891 funding to the council to support local bus services.
- 7.2 Maintaining bus service levels will avoid any adverse impact to groups of people with protected characteristics.

8.0 CLIMATE CHANGE IMPLICATIONS

- 8.1 Accepting this grant will help maintain bus service levels. This will support travel by more sustainable means and reduce greenhouse gas emissions from transport by reducing private car journeys.
- 8.2 Consideration has been given to the potential for any adverse climate impacts arising from this decision and a Climate Change Impact Assessment (CCIA) screening has taken place. It is not felt appropriate to progress to a full CCIA (see Appendix C).

9.0 REASONS FOR RECOMMENDATIONS

- 9.1 Accepting this grant will enable the release of £359,891 bus recovery funding to the council to support the bus network.

10.0 RECOMMENDATION

- 10.1 That the Executive Member for Highways and Transportation, following consultation with the Corporate Director of Environment, Corporate Director - Resources and the Assistant Chief Executive (Legal and Democratic Services) authorises the Corporate Director – Resources to accept the grant of £359,891.

APPENDICES:

- Appendix A – Department for Transport LTF Grant Fund Agreement
Appendix B – Equalities Impact Assessment
Appendix C – Climate Change Impact Assessment

BACKGROUND DOCUMENTS: None

PAUL THOMPSON: Assistant Director – Integrated Passenger Transport, Countryside Access, Licensing and Harbours
Report author: Andrew Clarke, Public and Community Transport Manager

Local Transport Fund (LTF) Grant Agreement Letter: April-June 2023)



Department
for Transport

Deputy Director, Local Transport
Department for Transport
33 Horseferry Road
London
SW1P 4DR

Website: www.dft.gov.uk

26th May 2023

Dear Local Transport Authority

The Local Transport Fund (LTF) is provided under Section 31 of the Local Government Act, 2003. Funding is provided by the Department for Transport (DfT) on behalf of the Secretary of State in respect of socially necessary bus services.

Local Transport Fund

The Local Transport Fund (LTF) has been extended from 1 April 2023 to 30 June 2023. Previous LTF funding was provided to LTAs for the periods of 6 April 2022 – 4 October 2022, 5 October 2022 – 31 December 2022, and 1 January 2023 to 31 March 2023. The LTF is a successor grant scheme to the Bus Recovery Grant paid to local authorities (hereafter LTA BRG). The LTA BRG was in place between 1 September 2021 – 5 April 2022.

For the purposes of this grant agreement letter, definitions are provided in **Annex A**.

Payment

The Secretary of State, having obtained consent from the Treasury, has approved the LTF. One fixed amount of the overall Grant will be paid over the course of the funding period.

Deliverables

This funding is provided to Local Transport Authorities (LTAs) for the provision of bus services which require local authority support, including tendered bus services.

The Grant provides funding in addition to, but not as a replacement of, any normal funding the LTA receives for the running of tendered bus services. The Grant is provided for the following “Deliverables”:

- Continued provision of socially necessary tendered bus services. See **Annex A** ‘Network Provision’ section for details.

Further terms and conditions of funding, including data provision requirements, can be found in **Annex A**. Please note that these conditions are not legally binding.

This letter and its Annexes (the “Agreement”) sets out the terms and conditions of the Secretary of State’s offer of a Grant. If you wish to accept this offer of Grant (on the terms and conditions set out in this Agreement), please sign and return a copy of this Agreement to the Department at BRG@DfT.gov.uk by 30th June **2023**.

You can contact the Department at BRG@DfT.gov.uk if you have any questions about the above.

Yours faithfully,

Signed

Signed (Grant Recipient)

Matthew Crane, Deputy Director,
Bus Funding Division
Department for Transport

Print Name

Enclosed:

- **Annex A** – Terms and Conditions
- **Annex B** – Payment Breakdown

Annex A: Terms and Conditions

Definitions

In this Agreement, except where the context otherwise requires:

“Deliverables” means the requirements set out above and further below.

“Grant” means the amount up to and not exceeding the amount allocated to each Local Transport Authority, totalling **£30.7m** provided by the Secretary of State for the purpose of the Deliverables.

“Grant Recipient” means the LTA which, having accepted this offer of Grant, is responsible for receiving, expending and accounting for funds paid under it for the purposes of the Deliverables and for ensuring compliance with all the terms and conditions of this Agreement.

“Local Authority” means a Local Transport Authority in England, outside London.

“Service Providers” means those responsible for the delivery of bus services.

Purpose of the Grant

The purpose of the Grant is to allow the Grant Recipient to deliver the Deliverables set out in the ‘Deliverables’ section of this Agreement.

The Department reserves the right to amend these terms and conditions at its discretion.

Network Provision

Whilst in receipt of the LTF, LTAs must ensure their local transport network provision meets local needs. This process should have regard to the objectives of the National Bus Strategy and locally agreed Bus Service Improvement Plans.

Local network provision means socially necessary bus services but does not mandate a specific or minimum level.

Eligible use of funding

The LTF **can** be used:

- (a) For claims for tendered services procured by the LTA that are valued at £29,999 or more, irrespective of the size of the LTA’s supported bus services budget;
- (b) To cover losses where an LTA, or lower tier authority, takes the revenue risk on a tendered service;
- (c) To cover losses where an operator takes the revenue risk on a tendered service;
- (d) To ensure the provision of a replacement service where a commercial service has been withdrawn, subject to prior agreement with the Department;
- (e) To provide additional tendered services or to alter existing tendered services;
- (f) To support community transport services;
- (g) To provide bespoke support such as rates relief to individual bus operators where the LTA believes that additional support is required, and withdrawal of services by a specific operator would result in increased costs to the taxpayer.

The LTF **must not** be used for:

- (h) activities of a political or exclusively religious nature;
- (i) input VAT reclaimable by the Grant recipient from H.M. Revenue & Customs and for the avoidance of doubt any irrecoverable VAT associated with the scheme will be met with this Grant;
- (j) gifts;
- (k) entertaining;
- (l) statutory fines, criminal fines, or penalties.

Grant recipients and/or service providers are permitted to make an operating surplus whilst in receipt of LTF funding.

Grant recipients and/or service providers are permitted to make changes to their current fares and fare structures.

LTAs should work with operators to ensure that funding continues to be used efficiently.

LTAs/operators must clear any outstanding debts with the Department before accessing this Grant.

LTAs/operators must maintain and operate effective monitoring and financial management systems for the Deliverables to ensure that the application of the Grant for delivering the Deliverables can be clearly identified.

Data Provision

LTAs will be asked to provide DfT with information on the services that the Grant has been used to support. This will include:

- Bus services supported by the Grant, including the financial contribution (as appropriate);
- Frequency of service/service level or kilometres operated (as appropriate);
- Patronage levels on a monthly basis.

DfT will request this data, and any additional information that may be required by the Department on reasonable notice, toward the end of the LTF scheme.

DfT reserves the right to carry out an open book reconciliation exercise with operators should the Department need to seek clarity on the financial impact of the LTF as well as to assure future forecasts. Operators/ LTAs will be required to cooperate with the Department and its advisors, including all reasonable data requests, as part of any reconciliation exercise.

DfT reserves the right to amend the information being requested from operators.

DfT reserves the right to use this information to inform the broader Government local Public Transport policy.

All deadlines for data provision are final. Submissions after the deadline may result in no further funding being provided and will only be accepted in exceptional circumstances and at the discretion of the DfT.

Payment arrangements

Subject to the conditions set out in this Agreement the Secretary of State's funding will be paid by Grant to the Grant Recipient.

Payments will be made in one instalment, in arrears in July 2023.

The Grant Recipient/s are required to sign and return to the team leader of the Bus Recovery Division of the Department for Transport this Agreement.

If a Grant Recipient/s fails to comply with any of the conditions contained within this Agreement, the Minister of State may:

- a) reduce, suspend or withhold grant; or
- b) by notification in writing to the authority, require the repayment of the whole or any part of the grant.

Conflicts of interest and financial or other irregularities

Officers, members, and employees of the Grant Recipient must be careful to avoid conflicts of interest. The Grant Recipient must set up formal procedures to require all such persons to declare any personal or financial interest in any matter concerning the Deliverables and to be excluded from any discussion or decision-making relating to the matter concerned.

If the Grant Recipient has any grounds for suspecting financial irregularity in the use of any Grant paid under this Agreement, they must notify the Secretary of State immediately, explain what steps are being taken to investigate the suspicion, and keep the Secretary of State informed about the progress of the investigation. For these purposes "financial irregularity" includes fraud or other impropriety, mismanagement, and the use of the Grant for purposes other than the purposes of the Deliverables.

VAT

The Grant Recipient shall not charge the Secretary of State VAT in respect of any expenditure made to deliver the Deliverables as grants are outside the scope of VAT.

Escalation of disputes

In the event of a dispute about the Grant or the payment of the Grant, the matter will be referred to the Department's Deputy Director, Bus Recovery and the Grant Recipient's Chief Financial Officer who will work together to resolve the dispute.

Invoicing

Appropriate independent evidence, as reasonably specified by the Secretary of State, of the delivery of the Deliverables is required to support any Grant claimed via the invoicing process for the associated Deliverable. Invoicing will take place following completion of the Deliverables.

Appropriate independent evidence as reasonably specified by the Secretary of State will be sent with the invoice requesting payment linked to those Deliverables.

Compliance

The Grant Recipient will comply with all applicable procurement laws when procuring goods and services in connection with the grant and the Department shall not be liable for the LTA failure to comply with its obligations under any applicable procurement laws.

The Grant Recipient will ensure that its use of the funding complies with State Aid laws, the UK's international obligations in relation to subsidy control and any UK subsidy control legislation.

The Grant Recipient will maintain appropriate records of compliance with the relevant subsidy control regime and will take all reasonable steps to assist the Department to comply with the same and respond to any proceedings or investigation(s) into the use of the funding by any relevant court or tribunal of relevant jurisdiction or regulatory body.

The Grant Recipient acknowledges and represents that the funding is being awarded on the basis that the use of the grant will not affect trade in goods and electricity between Northern Ireland and the European Union and shall ensure that the funding is not used in way that affects any such trade.

The Secretary of State may require repayment of any of the grant already paid, together with interest from the date of payment, if the Secretary of State is required to do so as a result of a decision of the European Commission or the Court of Justice of the European Union by reason of a breach of State Aid Law through its application under Article 10 of the Northern Ireland Protocol and/or a decision of a court, tribunal or independent body or authority of competent jurisdiction by reason of breach of the UK's obligations under the Trade and Co-operation Agreement or the terms of any UK subsidy control legislation.

The Grant Recipient will ensure they comply with the 2010 Equality Act and the Public Sector Equality Duty. This includes considering impacts of the project on protected characteristic groups in the monitoring and evaluation stage.

Annex B - Payment Breakdown

The Department will pay an LTA's LTF allocation in arrears. This will be in July 2023. LTAs are required to return a signed Grant Agreement to the department to confirm that they will be using the funding as is set out in this document. A Senior Responsible Officer in an LTA will need to sign and return this form to the BRG inbox (BRG@dft.gov.uk) by the date set out by the Department at the issuance of this document.

Overall allocations can be found in Table i). The Department reserves the right to amend this allocation in the event a Grant Recipient or Service Provider fully suspends or significantly reduces their bus service before the beginning of the LTF start date or at any time within the period of funding.

The total allocation has been based on a calculation taking into consideration the following factors:

- the application of inflationary increases to local transport systems due to emerging cost pressures;
- estimated passenger demand recovery on local transport systems;
- local transport funding allocations under LTA BRG;
- size of the supported bus network in the LTA area.

N.B. Allocations for Greater Manchester Combined Authority and Transport for the West Midlands include devolved commercial funding due to unique funding arrangements.

Table i)

REGION	LOCAL TRANSPORT AUTHORITY	April- June 2023 LTF allocation
NORTH EAST	North East Joint Transport Committee	£1,359,683.11
	Tees Valley Combined Authority	£64,454.75
NORTH WEST	Blackburn and Darwen	£25,907.50
	Blackpool Council	£35,818.67
	Cheshire East Council	£198,286.68
	Cheshire West and Chester Council	£176,001.05
	Cumberland Council	£12,953.75
	Westmorland & Furness Council	£12,953.75
	Liverpool City Region Combined Authority	£1,103,420.63
	Warrington Borough Council	£55,812.53
	Greater Manchester Combined Authority	£5,776,488.13
Lancashire County Council	£646,439.79	
YORKSHIRE & HUMBER	East Riding of Yorkshire Council	£108,576.78
	Hull City Council	£66,504.55
	North East Lincolnshire Council	£25,907.50
	North Lincolnshire Council	£77,046.31
	North Yorkshire Council	£359,891.45

	City of York Council	£66,795.75
	South Yorkshire Mayoral Combined Authority (SYMCA)	£1,862,495.19
	West Yorkshire Combined Authority	£1,051,371.95
EAST MIDLANDS	Derby City Council	£25,907.50
	Derbyshire County Council	£539,373.94
	Leicester City Council	£127,326.04
	Leicestershire County Council	£348,211.83
	Lincolnshire County Council	£171,922.17
	North Northamptonshire	£34,936.26
	West Northamptonshire	£41,814.19
	Nottingham City Council	£81,457.33
	Nottinghamshire County Council	£237,784.22
	Rutland County Council	£31,156.36
WEST MIDLANDS	Herefordshire Council	£141,530.08
	Shropshire Council	£289,545.33
	Staffordshire County Council	£183,950.50
	Stoke-on-Trent City Council	£27,598.74
	Telford and Wrekin Council	£92,563.35
	Warwickshire County Council	£236,043.23
	Worcestershire County Council	£353,985.57
	West Midlands Combined Authority	£6,087,372.21
EAST OF ENGLAND	Bedford Borough Council	£72,032.69
	Cambridgeshire and Peterborough Combined Authority	£174,834.69
	Central Bedfordshire Council	£100,602.45
	Essex County Council	£740,843.10
	Hertfordshire County Council	£192,373.03
	Luton Borough Council	£25,907.50
	Norfolk County Council	£385,500.49
	Southend-on-Sea City Council	£25,907.50
	Suffolk County Council	£281,560.12
	Thurrock Council	£25,907.50
SOUTH EAST	Bracknell Forest Council	£70,208.29
	Brighton and Hove City Council	£62,047.43
	Buckinghamshire County Council	£214,622.91
	East Sussex County Council	£114,856.24
	Hampshire County Council	£461,992.38
	Isle of Wight Council	£25,907.50
	Kent County Council	£798,085.20
	Medway Council	£112,279.48
	Milton Keynes Council	£232,316.18
	Oxfordshire County Council	£49,585.92
	Portsmouth City Council	£25,907.50
	Reading Borough Council	£58,261.82
	Slough Borough Council	£37,101.09

	Southampton City Council	£79,759.87
	Surrey County Council	£650,137.83
	West Berkshire Council	£78,426.67
	West Sussex County Council	£240,237.66
	Royal Borough of Windsor and Maidenhead	£73,048.27
	Wokingham Borough Council	£67,070.89
SOUTH WEST	West of England Combined Authority	£515,459.25
	Bournemouth, Christchurch and Poole Council	£81,683.24
	Cornwall Council (including Isles of Scilly)	£723,521.86
	Devon County Council	£616,780.37
	Dorset Council	£95,298.15
	Gloucestershire County Council	£290,876.97
	Plymouth City Council	£47,725.24
	Somerset Council	£208,817.56
	Swindon Borough Council	£47,983.28
	Torbay Council	£25,907.50
	Wiltshire Council	£404,949.25
	North Somerset Council	£34,087.02

Initial equality impact assessment screening form This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.			
Directorate	Environment		
Service area	Integrated Passenger Transport		
Proposal being screened	Local Transport Fund (LTF) Grant		
Officer(s) carrying out screening	Andy Clarke		
What are you proposing to do?	Accept grant funding of £359,891 from Department for Transport.		
Why are you proposing this? What are the desired outcomes?	The acceptance of the LTF grant will enable the release of £359,891 funding to the council to support local bus services. Maintaining bus service levels will avoid any adverse impact to groups of people with protected characteristics.		
Does the proposal involve a significant commitment or removal of resources? Please give details.	no		
Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYCC's additional agreed characteristics As part of this assessment, please consider the following questions: <ul style="list-style-type: none"> To what extent is this service used by particular groups of people with protected characteristics? Does the proposal relate to functions that previous consultation has identified as important? Do different groups have different needs or experiences in the area the proposal relates to? <p>If for any characteristic it is considered that there is likely to be an adverse impact or you have ticked 'Don't know/no info available', then a full EIA should be carried out where this is proportionate. You are advised to speak to your Equality rep for advice if you are in any doubt.</p>			
Protected characteristic	Potential for adverse impact		Don't know/No info available
	Yes	No	
Age		X	
Disability		X	
Sex		X	
Race		X	
Sexual orientation		X	
Gender reassignment		X	
Religion or belief		X	
Pregnancy or maternity		X	
Marriage or civil partnership		X	
People in rural areas		X	
People on a low income		X	
Carer (unpaid family or friend)		X	
Does the proposal relate to an area where there are known inequalities/probable impacts (e.g. disabled people's access to public transport)? Please give details.	This grant will provide additional funding to support local bus services which are often relied on by older, disabled or lower income groups.		
Will the proposal have a significant effect on how other organisations operate? (e.g.	no		

partners, funding criteria, etc.). Do any of these organisations support people with protected characteristics? Please explain why you have reached this conclusion.			
Decision (Please tick one option)	EIA not relevant or proportionate:	✓	Continue to full EIA:
Reason for decision	Accepting this grant will provide additional funding for public transport. Maintaining bus service levels will help to avoid any adverse impact to groups of people with protected characteristics.		
Signed (Assistant Director or equivalent)	Paul Thompson		
Date	7/6/2023		

Initial Climate Change Impact Assessment (Form created August 2021)

The intention of this document is to help the council to gain an initial understanding of the impact of a project or decision on the environment. This document should be completed in consultation with the supporting guidance. Dependent on this initial assessment you may need to go on to complete a full Climate Change Impact Assessment. The final document will be published as part of the decision-making process.

If you have any additional queries, which are not covered by the guidance please email climatechange@northyorks.gov.uk

Title of proposal	Local Transport Fund Grant
Brief description of proposal	<p>In May 2023, the Government announced further bus recovery funding to support the bus sector across England (outside London). An element of the recovery fund will be provided to Local Transport Authorities, in the form of the Local Transport Fund (LTF), to support tendered services.</p> <p>North Yorkshire Council has been allocated a grant of £359,891 to support local bus services. We must sign and return the LTF Grant Agreement attached at Appendix A, having regard to the Terms and Conditions, to accept the Councils funding allocation by 30 June 2023.</p>
Directorate	Environment
Service area	IPT
Lead officer	Catherine Price
Names and roles of other people involved in carrying out the impact assessment	Andrew Clarke Public & Community Transport Manager

The chart below contains the main environmental factors to consider in your initial assessment – choose the appropriate option from the drop-down list for each one.

Remember to think about the following;

- Travel
- Construction
- Data storage
- Use of buildings
- Change of land use
- Opportunities for recycling and reuse

Environmental factor to consider	For the county council	For the county	Overall
Green House Gas emissions	No effect on emissions	Decreases emissions	Decreases emissions
Waste	No effect on waste	No effect on waste	No effect on waste
Water use	No effect on water usage	No effect on water usage	No effect on water usage
Pollution (air, land, water, noise, light)	No effect on pollution	No effect on pollution	No effect on pollution
Resilience to adverse weather/climate events (flooding, drought etc)	No effect on resilience	No effect on resilience	No effect on resilience
Ecological effects (biodiversity, loss of habitat etc)	No effect on ecology	No effect on ecology	No effect on ecology
Heritage and landscape	No effect on heritage and landscape	No effect on heritage and landscape	No effect on heritage and landscape

If any of these factors are likely to result in a negative or positive environmental impact then a full climate change impact assessment will be required. It is important that we capture information about both positive and negative impacts to aid the council in calculating its carbon footprint and environmental impact.

Decision (Please tick one option)	Full CCIA not relevant or proportionate:	√	Continue to full CCIA:	
Reason for decision	Accepting this grant will provide additional financial support for local bus services which encourage travel by more sustainable means and no climate impact is envisaged.			
Signed (Assistant Director or equivalent)	Paul Thompson, Integrated Passenger Transport, Countryside Access, Licensing and Harbours			
Date	07/06/2023			