

**URGENT ITEM: BUS EMERGENCY SCHEME PHASE 2 (BES 2)**

This item has been brought forward for determination by Cabinet on 21 January 2021. It was unavailable prior to publication of the Committee agenda but its consideration by scrutiny is considered as essential in the decision making process.

**Purpose of report**

1. To advise Members of the proposed BES 2 arrangements formalising Welsh Government's commitment to support the recovery of bus services following the impact of Covid-19.

**Structure of the Papers**

2. Attached to this cover report are the following papers for preparation:

**Appendix A:** Cabinet Report: Bus Emergency Scheme (BES) – request to all Councils to sign up to the BES 2 scheme, *to which the following appendices are attached:*

**Appendix 1:** BES 2 Briefing Document for Local Authorities.

**Appendix 2:** Proposed BES 2 Agreement.

**Scope of the Scrutiny**

3. The Terms of Reference for the Policy Review & Performance Scrutiny Committee confer responsibility for scrutiny of the implementation of the Council's financial controls and administration, including corporate grants. In addition to scrutinise the impact of partnerships with, and resources and services

provided by, external organisations including the Welsh Government(WG) and joint local government services on the effectiveness of Council service delivery.

4. At their meeting on 21 January 2021, the Cabinet will consider a report that sets out the wider context, background, and reasons for the BES2. The report seeks the agreement of Cardiff Council to sign up to BES2, with delegated authority to appropriate Cabinet Members and Directors to determine and approve the final terms of the BES 2 Agreement and the Umbrella Partnership Agreement. It also seeks agreement to give the Lead Local Authority (currently proposed to be Monmouthshire County Council) approval to sign the BES 2 agreement on Cardiff Council's behalf. Further it proposes delegated power to Cabinet Members and Directors to conclude all ancillary matters, including any back to back agreements that may be required with the Lead Local Authority.

## **Background**

5. The report attached at **Appendix A** explains the context bus operators are working within (*points 2-8*), plummeting passenger numbers due to Covid-19 and increasing costs due to social distancing and additional cleansing. It states that two issues need addressing:
  - i. short term survival of operators and
  - ii. longer term reform of the sector.
6. WG believes that these two issues can be linked. *'In the short term, the funding being provided to keep operators afloat is therefore being provided with a number of conditions attached. These are to incentivise operators to engage in planned changes that are in line with their longer-term ambitions for reform'.*(Appendix A point 6)
7. To this end Leaders have agreed to establish a WLGA Bus Member Group, with a focus on the longer-term proposals to reform the sector's operations

## Issues identified in the Cabinet Report

8. Local Authorities are requested to sign up to the principle of the BES2 agreement and to the relationship with their Lead Authority. In agreeing to sign up to BES2 they will retain legal responsibilities for bus services and therefore remain central to determining which local services receive this support.
9. In short the key features of BES 2 are:
  - A maximum term until 31<sup>st</sup> July 2022, or until operators enter into an embedded partnership agreement;
  - The development and delivery of a Reference Network, intended to provide a range of benefits to communities; multi-operator ticketing; and operator sign-up to an Economic Contract at the heart of WG's Economic Action Plan (and its principles of fair work, health, decarbonisation, skills and learning etc);
  - Long term co-operation and co-ordination across Transport for Wales (TFW), LAs and operators by entering into partnerships with a clear set of obligations and shared standards;
  - One agreement per operator in each of the regions, signed by Welsh Government, TFW, a lead authority and the operator; and
  - Operators will be allowed to make a (capped) profit on services. This has not been possible under emergency funding to date.
10. Importantly the report states that up to this point there has not been Local Member consultation on the BES 2 agreement. However, any need for significant changes to the design of the bus network will involve Local Member consultation.

## Proposed Recommendations to Cabinet

The report recommends that Cabinet:

11. note the principles of the BES 2 agreement (**Appendix 2**) to secure (conditional) financial support for the bus sector and to establish a relationship with their regional lead authority and signatory, that ensures that the ongoing emergency funding meets the authority's priorities and is delivered on its behalf.

12. delegate authority for the Director of Planning, Transport and Environment, subject in consultation with the Cabinet Member Strategic Planning and Transport, Cabinet Member Finance, Modernisation & Performance, s.151 Officer and Director of Governance and Legal Services to:

- determine and approve the final terms of the BES 2 Agreement and the Umbrella Partnership Agreement (as both are currently in draft form);
- give the Lead Local Authority (currently proposed to be Monmouthshire County Council) approval to sign the BES 2 agreement on Cardiff Council's behalf ;and
- to deal with all ancillary matters relating thereto including any back to back agreement that may be required with the Lead Local Authority.

13. note that there will be further reports on bus reform proposals relating to the future management of bus services in the Region and Wales.

### **Way Forward**

14. In attendance for this item will be :

- Councillor Caro Wild, Cabinet Member, Cabinet Member for Strategic Planning & Transport;
- Andrew Gregory, Director of Planning, Transportation & Environment;
- Jason Dixon, Operational Manager, Transport, Development & Network Management; and
- John Gibson Principal Engineer, Public Transport.

The witness team has been invited to brief Members on the proposal and address Members questions.

### **Legal Implications**

15. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b)

comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

### **Financial Implications**

16. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

### **Recommendation**

17. The Committee is recommended to note the urgent item and consider whether it wishes to forward any concerns, observations or recommendations to the Cabinet Member for Strategic Planning & Transport to inform Cabinet's discussion on 21<sup>st</sup> January 2021.

**DAVINA FIORE**

**Director of Governance & Legal Services**

**18 January 2021**