

Report of the Chief Executive

THE W3 BUS SERVICE

1 Purpose of report

The report provides an update on the Council's financial support for the W3 Bus Service.

2 Executive summary

In September 2012 members agreed to grant aid the W3 bus route to ensure services continued during "off peak" hours Resources Committee authorised funding for a period of 12 months to a maximum of £47,750.

Following investigation it was possible for the Council to secure some additional funding and in October 2013 the Chief Executive, in consultation with the Vice Chairman of Resources, took an urgent action decision to extend the grant for a further 3 months to 11th January 2014. This decision was reported to Resources Committee on 30th October 2013. Subsequent to this, notice was given to the bus company that the grant funding was likely to cease in January 2014. This report outlines the current position and recommends that no further grant funding can be provided.

3 Appendices

None.

4 Proposed action:

The committee is invited to RESOLVE:

- a) **that the grant funding to support the W3 Bus Service will cease with effect from 11th January 2014.**
- b) **to note that the Chief Executive will continue to discuss alternative arrangements with County Council colleagues on the basis that there is no cost to the Borough Council.**

5 Background and Discussion

- 5.1 The original grant funding was intended to provide room for a full assessment of the commercial viability of the off peak elements of the W3 service. This was time limited and has already been extended from 12 months to 15 months.
- 5.2 The total cost to the Borough Council has been around £60,000. This has been a significant investment to support this bus route and the local residents who have used it. However, the Council's financial position is such that it cannot continue grant funding the route indefinitely and of course this was never the intention.
- 5.3 The bus operator has confirmed that the off peak services and possibly the whole service will not be commercially viable without some grant funding or subsidy. The Chief Executive, the Deputy Leader of the Council and colleagues at NCC have held regular meetings to monitor use of the services. In fact one journey time has already been withdrawn (the 06.45am) as this was little used. This created a small saving on the grant funding.
- 5.4 A period of 8 weeks' notice was required to change the service and to protect the Council's position notice was given on 16th November 2013. This means that the grant funding will come to an end on 11th January 2014. Resources Committee could choose to extend the grant funding but this is not recommended.
- 5.5 As there is now an indication that even the peak part of the service has become an issue the County Council are exploring alternative options. The Chief Executive will continue to liaise with NCC on this.

6 Legal powers

Section 1 of the Localism Act 2011 (the general power of competence) gives local authorities the same power to act that an individual generally has. Accordingly, the Borough Council can make payments to the County Council to assist that authority in the performance of its functions – here the provision of subsidised bus services under section 63 of the Transport Act 1985, as amended.

7 Financial and value for money implications

- 7.1 These are referred to in the body of the report.
- 7.2 There is no further funding allocated for grant payments to support the W3 bus route.

8 Risk analysis

- 8.1 This was set out in detail in the previous report dated 19th September 2012.

8.2 Financial risk was reduced due to the availability of an alternative funding stream via Second Homes Funding held by the County Council on behalf of the Borough Council.

8.3 There is a risk that residents will be concerned about further changes to the service particularly if that results in a complete withdrawal of the route. However, it is considered that there is a low risk of reputational damage for the Council given the significant effort and expenditure made to support the service over the past 12 – 15 months.

9 Implications for resources

These remain minimal and involve some of the Chief Executive's time in convening a further meeting to consider any available future options.

10 Implications for stronger and safer communities

None specific to this decision.

11 Implications for equalities

There are no specific equalities implications although some groups in the community such as those wishing to access employment in the town, older people, people with disabilities, pregnant women and families with children could be adversely affected.

12 Author and contact officer

John T Campbell, Chief Executive

13 Consultees

Councillor Barry Graves
Liz Elliott, Head of Finance
Paula Whitworth, Corporate Communications Officer

14 Background papers

File notes and background papers are held by the Corporate Communications Officer, 01933 231836.

Report to Resources Committee 19th September 2012 – the W3 Bus Service.

