

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to	EXECUTIVE COMMITTEE
Date	18TH MARCH 2013
Subject	AMENDMENT TO THE CONSTITUTION OF TAITH
Portfolio Holder(s)	COUNCILLOR BOB PARRY
Lead Officer(s)	DEWI R WILLIAMS
Contact Officer	DEWI R WILLIAMS
Nature and reason for reporting	
To gain Executive approval for a change to the Constitution of TAITH, the Transport consortium for North Wales.	

A – Introduction / Background / Issues
<p>The purpose of the report is to advise the Executive of proposed changes to the delivery of bus subsidy funding from the 1 April 2013, to highlight the implications of a budget cut in the available funding for bus subsidies and to seek approval for revised management arrangements linked to the delivery of a new bus funding scheme via the Regional Transport Consortia. The paper also seeks approval to change the Constitution of TAITH to allow the delivery of the new scheme in North Wales.</p> <p>There are two grant schemes currently provided in support of bus services by the Welsh Government. These are Bus Services Operators Grant (BSOG) and Local Transport Services Grant (LTSG). BOSG is provided directly to bus operators by the WG and takes the form of a subsidy for fuel usage. LTSG is provided to local authorities to support local bus networks and these are tendered by local authorities and procured from bus companies on a route by route basis. The total combined value of these grants in the 2011-12 financial year was £33 million. In January 2012 the Minister for Local Government and Communities announced a proposed budget reduction of between 25% and 27% to the two funding schemes.</p> <p>Subsequent to the announcement a transitional funding period whilst the grant was maintained was agreed by the Minister subject to a review of the future funding of bus services across Wales. It was finally confirmed for the remainder of the 2012-13 financial year that a cut of approximately 9.5% would apply, from 1 October 2012, which equates to a 20% cut in bus funding for the second half of the financial year. The Minister for Local Government and Communities also initiated a Funding Review, led by a steering group comprising the Welsh Government and the Regional Transport</p>

Consortia (RTCs), with significant input from the Confederation of Passenger Transport (CPT).

Driven by the Welsh Government's case for change, difficult decisions were embraced by the Steering Group and a report was sent to the Minister by the agreed date. The report has subsequently been approved by the Minister and a new scheme called Regional Transport Services Grant will be in place from the 1 April 2013. The key principles of the new arrangements are to be:

- Regional Transport Consortia will be responsible for administering the new Regional Transport Services Grant (RTSG) scheme, which will take over from BSOG and LTSG, from 1 April 2013:
- Consortia will develop a Regional Bus and Community Transport Network Strategy in 2013/14, setting out outcomes consistent with national and regional transport priorities;
- Consortia will monitor performance against outcomes, and publish results in their Annual Progress Report:
- Consortia will be responsible for administering the reimbursement paid to operators under the concessionary bus travel scheme in their area from 1 April 2013.
- The new scheme will have a total budget of £25m for the 2013-14 financial year.

Substantial work needs to be undertaken to ensure that the consortia, local authorities and operators are ready to operate the new system by 1 April. Plans for managing and resourcing these new responsibilities are being developed by a Task and Finish Group comprising of two senior Transport Officers seconded from Ynys Môn and Conwy.

B- Considerations

Issues remain to be addressed about the timing, resources and joint working arrangements, as the redirection and reduced level of funding will have a major impact on the commercial network and local authority supported services. Their apportionment will need to be determined and understood in advance of 1 April 2013. Substantial work needs to be undertaken to understand the current levels of BSOG support for commercial and supported services, to determine the actual levels of funding for the commercial mileage element of the new grant and funding levels available to local authorities for supported services. The degree of joint working with the Welsh Government needs to increase substantially to undertake this work in the time available.

To mitigate or at least reduce those risks, it has been agreed that the introduction of the new system can take place on a phased basis. For example the regionalisation of the LTSG can proceed as scheduled on 1 April 2013, whilst the changes to BSOG could be introduced over a 12 months period. This makes sense. It would allow sufficient time to fully understand and implement the administrative procedures necessary to undertake the proposed changes, allow the development and agreement of the quality outcomes of

the new scheme, and more importantly, ensure that the effects of the reduced funding levels, and the impact, specifically of BSOG on the commercial network, would be fully understood and taken into account when producing the Regional Bus and Community Transport Network Strategies.

There is a risk that the new proposals will have impacts on existing bus networks during the transition period. There will inevitably be a reduction in the number of commercial services operated across the region, which will place pressure on the supported network. The level of unhypothecated funding allocated by local authorities will also come under pressure as the impact of the changes and the reduced budget impact on networks. There will need to be a close working relationship between TAIH and the Local Authorities to manage the potential changes and minimise the impact as far as is possible.

The Consortia are not currently structured to manage the delivery of bus funding and neither is this role contained in the current remit for TAIH as defined by its Constitution. Local Authorities currently manage the delivery of LTSG but are not resourced to manage the delivery of BSOG which is currently managed by the Department for Transport. The following actions are proposed.

1. The current TAIH Constitution limits the role of TAIH to that set out by the aims and objectives set out on paragraphs 3.1 and 3.2 of the Constitution. It is proposed to amend the Constitution by the insertion of the additional objective below into paragraph 3.2.5 of the document.

To administer commission and deliver bus funding grants and bus network strategies for the region.

A revised draft version of the Constitution is available in the Members' Lounge with the proposed amendments shown in red. The current constitution is available on the Taith website http://www.taith.gov.uk/wp-content/uploads/2012/01/Taith_Constitution_2006.pdf The intention of the change is only to enable the delivery of the new scheme approved by the Minister to take place. Any additional changes to the role of TAIH would require the further approval of the partner authorities.

The current constitution also defines the TAIH area as excluding the Meirionnydd area of Gwynedd. As revenue budgets for bus services are difficult to disaggregate, a change will be needed to allow TAIH to deliver the bus funding changes in Meirionnydd, subject to Gwynedd agreeing this is the preferred approach. Revised working to allow this change to happen have been included in the draft TAIH Constitution document.

As implementation of the new scheme progresses alternative arrangements will need to be developed in partnership with authorities across North Wales to manage the future delivery of the new scheme.

C – Implications and Impacts		
1	Finance / Interim Head of Function (Resources) and Section 151 Officer	
2	Head of Function Legal & Administration / Monitoring Officer	
3	Human Resources	
4	Property Services (see notes – separate document)	
5	Information and Communications Technology (ICT)	
6	Equality (see notes – separate document)	
7	Anti-poverty and Social (see notes – separate document)	No Comments
8	Communication (see notes – separate document)	
9	Consultation (see notes – separate document)	
10	Economic	
11	Environmental (see notes – separate document)	
12	Crime and Disorder (see notes – separate document)	
13	Outcome Agreements	

Ch - Summary

Members are invited to:

1. Note the new arrangements for the delivery of bus funding that will be in place from the 1 April 2013 following the approval of the bus funding report by the Minister for Local Government and Communities.
2. Approve the proposed additional clause to be inserted into the TAITH Constitution to allow the delivery of the new scheme by the Consortium.
3. Note that further work will be progressed to identify new management arrangements for the delivery of the new scheme during the initial implementation and transitional period for Regional Transport Services Grant.

Financial Considerations

The paper gives an update on progress with the bus funding review that will have significant consequences for TAITH and the partner Local Authorities

There are significant financial consequences from the report, and there will be further work carried out to develop a full analysis of the issues.

Payment of future bus revenue grants to TAITH will have implications for TAITH and for the workload of the financial host authority (Flintshire County Council).

Payment of future bus revenue grants to consortia will have staffing implications.

The reduction in LTSG and BSOG will make it more difficult to achieve RTP objectives and may impact on the level and provision of bus services across North Wales.

D - Recommendation:

That the Committee approve the change to the Constitution of TAITH.

Name of author of report: Dewi R Williams

Job Title: Head of Service (Highways & Waste Management)

Date: 26th February 2013

Appendices:

Background papers

TAITH Constitution