

## **Proposed Decision for the Cabinet Portfolio Holder for Transport and Highways**

### **Proposed Better Bus Area Fund Bid: Service X14 (Stratford-upon-Avon - Warwick - Kenilworth - Coventry - Nuneaton - Hinckley)**

#### **Recommendation**

That the Cabinet Portfolio Holder endorses the submission of the Better Bus Area Fund bid to the DfT in respect of Service X14.

#### **1.0 Key Issues**

- 1.1 In December 2011, the Department for Transport invited local authorities to submit bids for a new £50 million Better Bus Areas Fund initiative, which is aimed at encouraging local authorities to work in partnership with bus operators to increase passenger numbers.
- 1.2 Warwickshire County Council officers are working in partnership with Stagecoach Midlands to submit a bid based on a partnership approach in relation to a new Service X14 (Stratford-upon-Avon - Warwick - Kenilworth - Coventry - Nuneaton - Hinckley). This would meet the bid objectives set by the DfT in relation to promoting economic growth and reducing carbon emissions.
- 1.3 Halcrow have been commissioned to develop our bid document (no more than 20 pages) to be submitted to the DfT.
- 1.4 Cabinet Portfolio Holder support and approval must be obtained in respect of a bid for external funding.

#### **2.0 Proposal**

- 2.1 The proposed Service X14 timetable requires a total of four double-decker buses to operate. As their contribution towards the scheme, Stagecoach Midlands would be willing to fund the cost of two of the buses.
- 2.2 The County Council can bid for up to £5million, which can be a mixture of capital and revenue funding. It is anticipated that our bid would cover the following:-
  - The capital cost of 2 no. new low floor double-decker buses;
  - Revenue support to operate Service X14 over a 2 year period (2012-13 to 2013-14); and
  - Staff, Marketing and Passenger Survey Costs.

- 2.3 The total amount of grant sought is £1,231,723 (£380,000 capital / £851,723 revenue). The partnership contribution from Stagecoach Midlands has reduced the amount of capital funding required.
- 2.4 The County Council contribution towards the scheme is commissioning Halcrow to develop the bid and also allocating officer time.
- 2.5 County Council officers are minded that the authority would own the two buses funded by the DfT for the lifetime of the project, and thereafter, Stagecoach Midlands could have the option to purchase them at their residual value. In these circumstances, the amount by which the vehicles depreciate over the lifetime of the project would act as a contribution towards the cost of the scheme. Alternatively, the buses could continue to be owned by the County Council and operate on the Service X14.
- 2.6 The Department for Transport plans to award funding at the end of March 2012.
- 2.7 If our bid is successful, County Council officers will manage both the delivery and operation of the scheme. This includes responsibility for the management of the capital and revenue grant provided by the DfT and also the actual bus contract with Stagecoach Midlands in relation to the operation of Service X14.
- 2.8 If our bid is successful, the partnership would work towards ensuring that as much as possible of the proposed Service X14 bus service route is operated on a commercial basis after the funding expires at the end of 2013-14. In the future it may also be possible to extend the fast link through to Leicester.

### **3.0 Timescales associated with the decision/Next steps**

- 3.1 The deadline for Better Bus Areas Fund bid submissions was Friday 24 February 2012. This report seeks endorsement of the submission being submitted to the DfT on 24 February 2012.

### **Background Papers**

1. None

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