



DERBY CITY COUNCIL

COUNCIL CABINET
12 JULY 2005

Report of the Director of Development
and Cultural Services

ITEM 31

Kickstart Bus Funding Bid

Need to consider if this is a key decision item

RECOMMENDATION

- 1.1 To retrospectively approve a joint bid to Department for Transport for Kickstart Bus Funding, made by Leicestershire County Council as lead authority.
- 1.2 To approve in principle the provision of revenue support of up to £50,000 per year from 2009/10 onwards to continue the service, subject to a review of the performance of the service at the end of the three year period.

SUPPORTING INFORMATION

- 2.1 The aim of Kickstart funding is to pump prime new services, or service improvements, with the objective of increasing bus patronage and developing bus services as an alternative to car use. Funding is available for a maximum of 3 years; the deadline for submission was 30th June.
- 2.2 We have been working with the 6 local authorities surrounding the airport, as well as Nottingham East Midlands Airport and East Midlands Development Agency, EMDA, over the last few months to investigate the possibilities of putting together a joint bid for Kickstart funding, centred around connecting the 3 cities of Derby, Leicester and Nottingham and the sub-regional centre of Loughborough to the airport with high quality and regular bus services. This is to support both access to jobs at the airport, as well as passenger access to flights. The bid is in line with the East Midlands Regional Spatial Strategy, EMDA's urban area action plan and the work that is being progressed by Leaders and Chief Executives at a 3 cities level.
- 2.3 Leicestershire County Council, in whose area the airport sits, will submit the bid as lead authority for around £900,000 worth of revenue support over the 3 year period 2006/07 to 2008/09. For Derby the bid will lead to at least an hourly service running 20 hours a day to NEMA and Loughborough, from 02:20 to 23:35. Between 7am and 7pm the service would be half hourly. The bid also includes for improvements to the existing Nottingham Skylink service and for a new direct Leicester service.
- 2.4 Within the 3 year period of the Kickstart funding there will be no requirement for revenue funding from the authority. NEMA itself will be providing revenue support of around £100,000 per year for the three years of the bid. There will be a need to

improve bus infrastructure along the route and to look at limited introduction of real time information points at strategic bus stops. It is proposed that this would be funded through Local Transport Plan capital with an estimated contribution of £30,000 in 2006/07 and £20,000 in 2007/08. It is anticipated that this would be accommodated within the LTP integrated transport block allocation.

- 2.5 Following the three-year period the patronage and revenue analysis shows that the service may still require a revenue contribution of around £100,000 per year, to support further patronage growth. It is anticipated to be commercial within 2-3 years of the end of the Kickstart bid. The airport have signalled their intention to support at least 50% of this funding. In discussions with the Leader and Chief Executive the City Council feels that it would be in position to signal its intent to fund up to £50,000 a year for the next 3 years. A letter of support signalling this intent has been submitted as part of the Kickstart bid.
- 2.6 This figure of support has been put forward on the basis that Nottingham City Council have been and continue to be committed to a revenue contribution of £50,000 per year towards the development of the Nottingham Skylink service and similarly Leicester City Council have also signalled their intent to provide an ongoing revenue contribution towards the Leicester service.
- 2.7 Although these levels of funding have been put forward in support of the bid, it should be stated that the services will be carefully monitored throughout the 3 year period and any actual levels of funding that are made after the 3 year period will need to have been fully reviewed to ensure that value for money for the subsidy level can be demonstrated.

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Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial

- 1.1 Improvements to the infra-structure along the route will cost £30,000 in 2006/07 and £20,000 in 2007/08. This will be funded from the Local Transport Plan block allocation.
- 1.2 There will be no revenue cost implications for the City Council during the period 2006/07 to 2008/09. Revenue support of up to £50,000 per year will be required to continue the service from 2009/10 onwards.

Legal

2. None.

Personnel

3. None.

Equalities impact

4. None.

Corporate objectives and priorities for change

5. This report accords with **improving customer service, in the city centre and locally** and a **shared commitment to regenerating our communities**.