

CYNGOR SIR POWYS COUNTY COUNCIL

**County Council
23rd January 2020**

REPORT AUTHOR: County Councillor Aled Davies, Portfolio Holder for Finance, Countryside and Transport

SUBJECT: Question from County Councillor Les Skilton

I understand Powys received a grant of about £3 million from the Welsh Government.

Part of this grant was used to purchase 20 new buses for operators within Powys for public transport.

Can the portfolio holder inform me and members have Powys purchased second-hand buses from some of these operators? Could you please confirm if this is correct and why?

Response

The Council was awarded Transport Grant funding provided by the Welsh Government to purchase buses that are provided as part of the local bus service contract that exists between suppliers and the Council to provide services on behalf of the Council. The contract allows for the Supplier or the Council to provide the vehicles, and the Council opted to purchase vehicles. The reason for this is because this reduces the revenue contribution the Council makes to the Contractor to provide the service. The buses are, and remain the property of, the Council throughout the duration of the contract. At the end of the contract, they will be disposed of by the Council and any money achieved by their disposal will be returned to the Council. The buses are operated by the successful bus companies that successfully bid to operate the contract(s).

The vehicles purchased by the Council were the same vehicles that the contractors had ordered when the contracts were awarded in July 2018 – so in effect the Council paid for the vehicles rather than the Contractor. Where operators had ordered their vehicle and had not received them, the Council secured the funding against other company assets until the vehicles had been delivered. Where the Contractor had already received the vehicles and they were being used to perform the contract, the Council simply paid for them (instead of the Contractor). In all cases, the operator is the legal ‘Registered Keeper’ of the vehicles, but the vehicles are owned by the Council.