

## KENT COUNTY COUNCIL

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### SELECT COMMITTEE - BUS TRANSPORT AND PUBLIC SUBSIDY

MINUTES of a meeting of the Select Committee - Bus Transport and Public Subsidy held in the Darent Room, Sessions House, County Hall, Maidstone on Tuesday, 27 September 2016.

PRESENT: Mr M Baldock, Mr A H T Bowles, Mr C W Caller, Mr I S Chittenden, Mr M J Harrison, Mr G Lymer, Mr B E MacDowall, Mr R A Marsh and Mrs J Whittle

ALSO PRESENT: Mr M A C Balfour and Mr P Lightowler

IN ATTENDANCE: Ms D Fitch (Democratic Services Manager (Council)), Mr G Romagnuolo (Research Officer - Overview and Scrutiny) and Ms L Adam (Scrutiny Research Officer)

### UNRESTRICTED ITEMS

#### **3. 1. Minutes**

*(Item 1)*

(1) RESOLVED that the Minutes of the meeting held on 15 July are correctly recorded and signed by the Chairman subject to the amendment of 'none' to 'non' in paragraph 2.3.

#### **4. Phil Lightowler - Head of Public Transport, Kent County Council**

*(Item 2)*

*Phil Lightowler (Head of Public Transport, Kent County Council) was in attendance for this item.*

The Chairman welcomed Mr Lightowler to the Committee. Mr Lightowler began by giving a presentation (attached as a [supplement](#) to the Agenda pack) about bus regulation and deregulation, the Kent Bus Network and English National Concessionary Bus Travel Scheme (ENCBTS).

Mr Lightowler explained that a Public Service Vehicle (PSV) Operators Licence was required to run a bus or coach for hire and reward. He stated that buses had to meet the requirements of the Construction and Use Regulations and the Public Service Vehicle Accessibility Regulations (PSVAR). In addition all drivers were required to hold a Category D licence to drive vehicles with over 16 seats.

Mr Lightowler noted that driver working hours were governed by EU and domestic regulations. As part of the Operators' Licence, Transport Managers were required to hold the accredited Certificate of Professional Competence (CPC). Drivers were also required to hold the CPC which could be obtained following five days of training.

Mr Lightowler stated the operators of local bus services were also required to register with the Traffic Commissioners. He reported that between 1930 – 1985 the Area

Traffic Commissioner acted a market regulator; they regulated bus services, based on competition levels on a route, need, sustainability and proposed timetable. The Traffic Commissioners also had the power to determine route, timings, vehicle type and fares. He noted that since 1985 operators have been able to register a local bus service with a PSV Operators' Licence without any market oversight.

**Q – If two operators are providing the same route, does the Traffic Commissioner have any powers to intervene?**

A – Mr Lightowler explained that Traffic Commissioners were only allowed to intervene if there was a bus war such as blocking or agitation between drivers. He noted that the Traffic Commissioner had intervened, following extreme circumstances at Manchester Piccadilly, and introduced prescribed directions such as the number of buses per stop. He stated that bus operators were able to provide bus services on any roads except those prohibited by the Traffic Regulation Orders. He highlighted that bus operators had to provide KCC with a copy of its service registration but KCC was not able to determine the route, timetable, vehicle type or fares.

**Q – If a bus operator implements a new route which goes down a road which has never had a bus stop, who is responsible for the new bus stop?**

Mr Lightowler explained that KCC was responsible for the installation of new bus stops. He noted that bus stops would only be installed if it was considered to be a long term route and following the completion of public consultation and appropriate risk assessments.

**Q – Can KCC decide where buses stop?**

A – Mr Lightowler explained that KCC was only notified by the bus operators of the stops when they registered a route.

Mr Lightowler resumed his presentation about the Kent Bus Network and English National Concessionary Travel Scheme (ENCTS). He stated that 97% of bus services in Kent, by mileage, were provided commercially. The remaining services were supported by KCC. He reported that the Kent & Medway Bus Network was the most used network with 68 million passengers in 2014/15.

Mr Lightowler stated that there were 16 operators within Kent providing commercial services; the market was dominated by two main providers, Stagecoach, through its East Kent subsidiary, and Arriva. He noted that 19 operators provided supported services to KCC. He explained that six operators provided additional capacity services for Young Persons Travel Pass travel; additional capacity services were paid for by KCC to bus operators to provide a second bus when the normal service journeys were full with Young Persons Travel Pass holders.

Mr Lightowler explained that the English National Concessionary Travel Scheme (ENCTS) was a national scheme which KCC provided on behalf of the Department for Transport. He noted that KCC was responsible for providing the roadside infrastructure to support bus services such as bus stops, bus bays, raised kerbs and roadside publicity. He stated that the travel information for Traveline was processed by KCC.

**Q – How does the bursary provided to schools and colleges to support 16+ Travel Card work?**

A – Mr Lightowler explained that bursary element was paid directly to the school or college. He noted that some schools had their own scheme to support parents to pay for the 16+ Travel Card. He was not able to provide detailed figures about the bursary but undertook to liaise with colleagues in Education to provide the Select Committee with this information.

**Q – How much of the bursary was spent by schools and colleges?**

A – Mr Lightowler undertook to liaise with colleagues in Education to provide the Select Committee with information about how much of the bursary was spent by schools and colleges and what role schools and colleges played in supporting 16+ travel.

**Q – How is reimbursement for English National Concessionary Travel Scheme (ENCTS) calculated as passengers using their ENCTS cards are not required to touch out when alighting from the bus?**

A – Mr Lightowler explained that Anne Clark, who was employed by KCC as a consultant to work out the formula for reimbursement, would be providing the Committee with a full briefing as part of their evidence gathering.

**Q – Why does KCC, and not the bus operators, pay for additional buses when the normal bus is overcapacity?**

A - Mr Lightowler gave an example of a company providing a double decker bus which had reached standing capacity and was full three stops before the school which prevented 12 YPTP holders travelling to school. He explained that the reimbursement to the bus company, for the 12 YPTP holders, would not cover the bus company's costs and they would therefore not fund the additional bus capacity. He noted that if the bus was overcapacity by 30 – 40 YPTP holders, the bus company may consider paying for an additional bus.

A Member requested that Scott Bagshaw (Head of Admissions and Transport) be invited as a witness to the Committee.

**Q – Can you provide the Committee with three or four detailed case studies about the provision of additional buses for YPTP holders?**

A – Mr Lightowler undertook to provide the Committee with a list of all the overcapacity vehicles. He noted that overcapacity was a particular problem in Tonbridge, Tunbridge Wells, Maidstone, Rochester and Sittingbourne. He suggested that this could be a potential area of questioning for the bus operators when they attended before the Select Committee.

**Q – How can KCC encourage schools to utilise their minibuses to transport children to/from school?**

Mr Lightowler explained that this was an area of work which KCC had carried out with SEN schools but not mainstream schools. He thought it was a good idea and undertook to take the idea away. He noted that some schools were very proactive and some were not.

**Q – Why does KCC not record the length of journey for ENCTS holders for reimbursement purposes?**

A – Mr Lightowler explained that the minimum entitlement for the ENCTS was set by the Department for Transport. He noted that reimbursement to operators was governed by the Transport Act 1985, the Transport Act 2000 and the Concessionary Travel Act 2007 on the principal of ‘no better, no worse off’.

He stated that the criteria for reimbursement was set by the Department of Transport and was out of KCC’s control. He noted that operators could appeal to the Secretary of State for Transport if they believed that they were worse off as a result of reimbursement. He reported that all passes were smart chipped and were presented to a card reader when a passenger started their journey.

Mr Lightowler reported that 17.1 million journeys were made in Kent in 2015/16 which cost £32.3 million in actual travel value and the cost to KCC through reimbursement was £16.7 million; an average journey cost £0.975.

**Q – Does KCC pay for bus shelters?**

Mr Lightowler explained that KCC was not responsible for shelters; KCC provided the metal post and timetable display. He noted that a scheme had been implemented in Maidstone where the advertising revenue paid for the cost of a shelter and maintenance and such schemes were common across the UK and in Kent.

**Q – Is KCC getting the best value for money under ENCTS reimbursement?**

Mr Lightowler explained that the formula for ENCTS reimbursement was specified as part of the regulations and used nationally including in London. He stated that the formula did not work out best value for money.

**Q – If the number of ENCTS journey decreased, would the cost to KCC through reimbursement also decrease?**

Mr Lightowler said yes and explained that scheme management system, HOPs, was directly linked the ENCTS cards to usage. The formula used for ENCTS reimbursement ensured that operators were ‘no better, no worse off’ against a base line data.

**Q - If a bus operator makes changes to a timetable which results in the service being poorly used and the operator threatens to pull the service, what action can KCC take?**

Mr Lightowler explained that KCC could be made aware of changes to a timetable with little advanced notice or late notice. He noted that journey times were increasing due to congestion which had resulted in timetable changes. He stated that if a bus operator was insistent in pulling a service, his team at KCC would step in and make arrangements to ensure the service continued to be provided.

**Q – Does KCC lose money through the ENCTS?**

Mr Lightowler explained that the ENCTS funding was ring-fenced up until 2010 and was now part of KCC’s general settlement. He noted that the gap between the funding provided and the cost to KCC was £6 – 7 million. He stated that operators felt

that they had lost out as part of the ENCTS and would welcome the reintroduction of half fares.

**Q – In one word, when KCC provided additional capacity or socially necessary buses, was KCC able to collect the revenue from the journey?**

Mr Lightowler said no but stated it required further explanation.

The meeting adjourned at 11:05 and reconvened at 11:20.

**Q – Is there a definition of “socially necessary” in relation to KCC funding of bus services which are de-registered/not operated as they are deemed not commercial?**

Mr Lightowler confirmed that there was no legal definition of “socially necessary”, it was a matter for Member’s to decide whether a service was “socially necessary” factors that had been taken into account by Members were whether the service was used by school children or provided access to a hospital.

**Q – Do any bus companies see “socially necessary” as part of their operation planning?**

Mr Lightowler stated that he believed that some bus companies did whether a service was socially necessary into account but not all companies did. A number of companies did try to retain services that did not perform well for as long as possible. There were a number of operators across the County who did not take social necessity into consideration.

**Q – When there was a new development and there is a requirement to provide a bus service for e.g. 5 years at the end of that time this service can just be stopped. Comments please?**

Mr Lightowler explained that bus services funded via Section 106 agreements were put into place by KCC but when the funding ran out the service often disappeared. A number of years ago the funding went between the operator and the developer in order to provide a more sustainable solution. His team looked to take s106 funding in and to make sure that it was well spent, including using monies to fund the travel plan and ensure that the bus service was sustainable.

**Q – What data is available on bus usage to support the cutting of a service?**

Mr Lightowler confirmed that KCC had an extensive database and he would discuss with Mr Romagnuolo the most effective way of sharing this information with the Committee.

**Q – Is it possible to have information on how many bus journeys are supported by KCC? Also how does this tie in with the revenue taken by bus companies on bus journeys supported by KCC?**

Mr Lightowler explained that KCC went out to tender for supported bus services and asked for a fixed price to supply the service for a 4 year period. KCC fixed the price paid for the service so that the cost was known for a 4 year period.

**Q – What is the average cost per passenger of the supported bus service?**

Mr Lightowler stated that the subsidy per passenger varied per contract. He offered to supply the Committee with a list of the contracts and the level of subsidy per passenger varied between £1 and £10+He undertook to provide the Committee with a breakdown of the figures in the presentation chart(s)

**Q - With the number of people needing to travel by bus is it possible for us to balance the books? As there are only two major bus operators in Kent what can we do to shake up the market and get a better deal for Kent residents?**

Mr Lightowler explained that when bus services were de-regulated there was an aspiration that this would lead to a lot of new bus operators. However, what happened was that a lot of the network was sold and therefore the bus network size remained as it was. Although, in Kent there were some new operators for example NuVenture and Go Coach, the market was dominated by two major operators, Stagecoach and Arriva.

**Q – Have we considered an in-house provision?**

Mr Lightowler stated that an in-house provision would need to be provided via commercial services – in the past the use of commercial services had been as a market moderator but eventually the effect of this was that the other operators reduced prices and so commercial services could not win contracts and the unit was closed down.

**Q – Do the graphs on supported bus services include or exclude the income from passes (young persons, 16+ and concessionary passes)?**

Mr Lightowler undertook to check and to provide this information.

**Q – In relation to the Buses Bill will it allow local authorities to franchise a bus network? How can we facilitate more competition?**

Mr Lightowler explained that the Buses Bill was due to be passed in March 2017 – in its current form it would enable areas who wished to franchise to turn off the de-regulated market but this would 1) need to be self-sustaining financially 2) and any local authority can go to the Secretary of State for Transport with a proposed scheme. Taking Kent as an example, if KCC decided to franchise part of its bus network, it would be necessary to carry out an appraisal in accordance with the system prescribed by Government and ask the Secretary of State for Franchising powers.

**Q – In order to give us a picture of where we are at the moment we need to know the state of the market so can we have simple graphs showing:**

- 1) bus revenue v no. of passengers carried
- 2) total number of passengers per journey against those traveling on subsidised buses.
- 3) Average no. of passengers per journey over past 10 years against seat capacity.

Mr Lightowler undertook to supply this information and to meet again with the Committee if required.

**Q – Parts of the County have a good bus service but in other parts of the County the service is patchy how can we insure investment in a good bus service across the County?**

Mr Lightowler explained that the competition commission did not allow bus companies to come together and co-operate over services. There was no requirement on operators to cross subsidise services. Investment by operators was mixed. KCC's investment on behalf of its communities was not defined and the KCC did not have effective tools.

Mr Lightowler gave the example of the two major bus operators in Kent, one had put 30 new buses into the County the other had not put any new buses/investment into its Kent services.

Mr Lightowler confirmed that he made KCC's position clear to operators regarding investing in services. Some operators were investing in good services and he wished that this was more consistent. He strongly believed that operators should invest in their services but he had no powers to compel them to do so.

**Q – Regarding the introduction of the “smart card” why did some operators not wish to participate?**

Mr Lightowler stated that the smart card had been launched by KCC rather than the bus operators, one of the operators was going to introduce their own smart card next year but the invitation to participate in KCC's smart card scheme would remain open.

**Q – Do we look at examples from other countries such as Norway, who have zoning systems for charging for bus journeys in a similar way to our underground zones?**

Mr Lightowler explained that most European bus networks were franchised or state operated and therefore supported by public funding. The UK ran a deregulated market.

**Q – In relation to a zoning system, an example is the inefficient one way system in Dover, many buses converge, would it be possible to have the buses going around the one way system and have a hop on hop off system?**

Mr Lightowler stated that he had mentioned this to the Managing Directors of Stagecoach and Arriva as this was within their control not the County Council's. He re-affirmed that the UK was different to the continent. The key difference was the approach at national level.

**Q – In relation to smart cards can you give us an indication of what we are getting for our money?**

Mr Lightowler explained that there were standards around smart cards. In terms of KCC's scheme, it would have been easy to have said when Arriva did not wish to be involved because they had their own smart card project, that we would not bother. We did not allow that to happen, our smart card lets KCC understand how to run a

smart card scheme, e.g. the costs, how it works in practise etc. He was sure that Arriva would have their own card in future. In relation to using this for a hop on and hop off service like the oyster system, he stated that he would like to see a “check in/check out” system in the UK.

The Chairman stated that a list of the questions asked by the Committee during this session would be supplied for Mr Lightowler so that he could provide more detailed responses to the Committee as necessary.

The Committee thanked Mr Lightowler for this presentation and for answering their questions.

## **5. Matthew Balfour - Cabinet Member for Environment and Transport** *(Item 3)*

The Committee welcomed Mr Balfour to the meeting and invited him to answer questions from Members.

Mr Balfour stated that the Committee was a useful vehicle and he hoped that there would be recommendations on a better way to use the Kent pound to provide transport for the people of Kent. He was not convinced about the County Council entering into the bus market but, it would be up to the Committee to try to convince him if that is what they concluded. He would welcome a recommendation relating to Community Bus Services such as the one between Wormshill and Sittingbourne.

**Q – What is the situation regarding Members using their Community Grant a support a community bus service. Surely it is not possible to provide year on year funding from a Members grant?**

Mr Balfour reminded the Committee that the Members Grant scheme criteria were determined by KCC Members.

**Q – If Members Community Grants continue to be cut year on year we may have to look at another way of funding Community Buses?**

Mr Balfour reminded Members that it was in the County Council’s gift to decide how Kent could do this. The Committee could consider how to do this e.g it could recommend putting money into Community Bus schemes, this would be a budget issue rather than a Member Grant issue. It might be better to for example provide a community with a bus to operate and to subsidise it from the Council. However, KCC was dealing with increasing pressures on its budget so money spent on community buses would need to be taken from another part of the budget.

**Q – In relation to the recent consultation on KCC Funded Bus Services, there were only 454 responses, please comment on this level of response.**

Mr Balfour explained that this consultation was aimed at users of specific services and not all Kent residents.

**Q – As the Cabinet Member you know where the complaints about bus services are coming from and the key issues. At the current level of provision what are we getting right, what needs to be improved and how can this be achieved?**

Mr Balfour replied that a lot of the complaints were specific, for example bad provision relation to school buses. This type of issue about school buses seem to be raised at the start of the school year and the issues often arose due to KCC receiving inaccurate information from schools on required bus capacity, this was usually resolved in the early weeks of the school year.

Mr Balfour also said that changes made to bus routes particularly KCC subsidised bus routes produce letters of concern. A bus may be taken away but often it was not a KCC bus route. Mr Lightowler and his team dealt with these matters and he would expect them to involve the local member(s) to consider providing other provision but he would not want this to add to the budget cost.

Mr Balfour suggested that one way that the service could be improved would be for the Select Committee to drill down to the pertinent points and produce a good report. He expressed the view that KCC should do more in relation to community bus provision and stop buses that were not well used. He gave the example of a bus in a village in his areas which was only used by 2 people once a week, when the service was stopped the 2 users did not complain as they were able to use the Kent Karrier provision instead but there was a complaint received from someone who didn't use the service.

**Q - Some buses go to a village 5 days a week to pick up one or 2 people, it might be possible to reduce this service to 2 days a week and to provide a service to another village(s) on the other 3 days, do you agree?**

Mr Lightowler explained that these contracts were historic and there was no practical reason why these couldn't be re-tendered, with different days per village but this was a matter for Members. If these contracts were re-tendered there would also be the opportunity to change the criteria.

**Q - In relation to smart cards, is there not a risk that there will end up being a number of different smart card schemes in Kent which would make them less attractive to users?**

Mr Balfour stated that it had been a great feat to get 7 bus companies to agree to a single scheme. He applauded the companies that had joined the scheme and hoped that Arriva would get a system that use the Kent smart card.

**Q – Designers tell bus companies what style of buses they can have and they are predominately large buses, in town centres we put in bus lanes which cause problems, surely a lot of problems could be solved by bus companies using smaller buses?**

Mr Balfour replied that larger buses were needed at the beginning and end of the school/working day, if companies had double decker buses which they did not use during the off peak then this would have a high capital cost, it would be better to have fewer bigger buses than more smaller buses.

**Q – Why are buses getting larger, some are too large to go down certain streets?**

Mr Lightowler explained that buses had to be DDA compliant and therefore they needed to be wider and lower in order to facilitate wheelchair accessibility. Seating capacity in the lower deck was therefore lost to provide space for wheelchairs and using double decker's replaced the lost seating capacity. Wheelchair users and people who took buggies on buses appreciated these being facilitated. Buses were required to be DDA compliant by January 2017. On a positive note being able to get wheelchairs and buggies onto buses enabled people in rural and other areas to use buses who were able to do so before.

**Q – Bus and Rail services to not work together to provide a connected travel service for passengers, as the Cabinet Member when rail franchises come up for renewal can you make representations to encourage rail operators to work with bus operators**

Mr Balfour agreed that the point made regarding the opportunity provided when rail franchises were up for renewal was very important

**Q – What is the benefit of the smart card scheme for residents?**

Mr Lightowler replied that initially the smart card scheme would have no financial benefit to the user, but there were advantages such as occupiers of new developments could be given a smart card when they moved in to encourage them to use the bus service. Parents could give their children a pre-loaded smart card so that their child would always be able to use a bus if necessary. Once a card was registered it was possible to opt for auto top up which would be more convenient than having to have change to pay for the bus journey. Also the operators could add more products to the card, such as weekly or monthly tickets.

Mr Balfour added that the newly launched smart card was a starting point which could be built upon. Ultimately it might be possible to persuade operators to provide a discount for using the card. He welcomed suggestions from the Select Committee on the use of the smart card.

The Chairman thanked Mr Balfour for attending the meeting.

