AGENDA

SELECT COMMITTEE - BUS TRANSPORT AND PUBLIC SUBSIDY

Tuesday, 18th October, 2016, at 10.00 am Ask for: **Denise Fitch/Gaetano Romagnuolo**

Darent Room, Sessions House, County Hall, Maidstone Telephone **03000 416090/ 416624**

Tea/Coffee will be available 15 minutes before the start of the meeting in the meeting room

Membership

Mr R A Marsh (Chairman), 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 and Mrs J Whittle

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

10.00 - 10.45 am - Keith Harrison, CEO, Action with Communities in Rural Kent (Pages 3 - 24)

11.00 - 11.45am - Dai Powell, CEO, and Julia Meek, Head of Business Development, both from HCT Group (Pages 25 - 44)

12.00 - 12.45am - Cllr Bernard Heyes and Chris Miller, Quality Bus Partnership - Ashford (Pages 45 - 48)

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Benjamin Watts
General Counsel (Interim)
03000 416814

Monday, 10 October 2016

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Bus Transport Select Committee

Biography

Keith Harrison

Chief Executive of Action with Communities in Rural Kent (ACRK)

Keith Harrison is the Chief Executive of Action with Communities in Rural Kent (ACRK), a charity created in 1923 that today provides information, training, project planning guidance, supply chain development and networking opportunities for between 400 and 500 community-led projects each year. Working principally in the field of rural community-led economic development, since 2011/12 ACRK's activities helped create or secure over 850 jobs, enabled development of over £23million of affordable housing and aided in the safe and legal operation of more than 500 enterprises (including over 300 of the county's village halls.)

Keith is a member both of the Defra-convened Rural Development Programme for England 2014-20 Monitoring Committee and the Department for Business, Energy & Industrial Strategy / Department for Work & Pensions-convened Growth Programme Board, and a Fellow of the Royal Society for the encouragement of Arts, Manufactures & Commerce (RSA.)

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Bus Transport Select Committee

Hearing 4

Tuesday 18 October 2016

Witness Guide for Members

Below are suggested themes and questions. They have been provided in advance to the witnesses to allow them to prepare for the types of issues that Members may be interested to explore. All Members are welcome to ask these questions or pose additional ones to the witnesses via the Committee Chairman.

Themes and Questions

Keith Harrison, Chief Executive of Action with Communities in Rural Kent (ACRK)

- Please introduce yourself and provide an outline of the roles and responsibilities of your post.
- Please discuss the main objectives and operations of Action with Communities in Rural Kent (ACRK).
- In your view, what are the opportunities and challenges associated with the former Commission for Rural Communities' concept of 'Access Poverty'?
- In your opinion, to what extent do local bus services contribute to the socio-economic wellbeing of rural communities?
- Please discuss the feasibility and effectiveness of alternative models of local bus transport delivery in Kent – if any (for example, with reference to the role of community transport, physical assets and social networks).
- In your view, what are the main challenges and opportunities associated with the Bus Services Bill, if any?
- What can KCC do, if anything, to promote improved bus transport in Kent?
- Are there any other issues that you would like to raise with the Committee?

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Department for Transport

Value for Money of Tendered Bus Services

Moving Britain Ahead

February 2016

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Contents

1. Executive summary

1.1 Local authorities are responsible for tendering local bus services. These services are unlikely to be commercially profitable and to run without local authority support. A route may be unprofitable if the costs of running it outweigh the commercial benefits. These routes are more likely to be in areas where population and demand are lower e.g. in rural areas. However tendered services can also exist in more urban areas as services with low occupancy on routes of socio-economic significance for the local community.

1.2 Local authority tendered bus services typically fall into one of two categories: day services that provide links to employment, education and local services; and evening and Sunday services which support shift workers as well as leisure travel. In both cases, insufficient demand and local geography combine to make these routes commercially unattractive.

1.3 This note presents an assessment of the value for money (VfM) of tendered services in England, excluding London.

1.4 The analysis is broken down by metropolitan and non-metropolitan areas.

1.5 The monetised benefits of tendered bus services include:

- benefit to passengers who are able to travel on the services and access work, leisure, education etc.,
- net profit to bus operators, which is made up of fare revenue and tendering subsidy, net of operating costs,
- net effect on road congestion from reduced car journeys and increased bus trips, and
- net effect of greenhouse gas emissions from reduced car journeys and increased bus trips.

1.6 The monetised costs are the local authority costs of tendered services.

1.7 For every £1 of local authority costs, we estimate that the benefits are £2. This is high value for money[1] and varies between metropolitan (£2.90 for every £1 of cost – high VfM) and non-metropolitan areas (£1.50 – medium VfM).

1.8 The operating cost data used in this analysis is likely to be an overestimate. We have included a sensitivity test, where operating costs are adjusted to reflect the lower cost of buses and equipment that may be used in tendered services. With this adjustment, the estimated benefit of tendered services in England (outside London) increases to £2.50 for every £1, which is high value for money. The benefit in metropolitan areas is £3.20 and in non-metropolitan areas it is £2.10 for every £1 spent, which is high value for money in both area types.

[1] Department for Transport (DfT), Value for Money Assessments. Available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/255126/value-for-money-external.pdf

1.9 The analysis does not capture the positive distributional impact of tendered bus services. People from more disadvantaged socio-economic groups are more likely to rely on bus transport due to lower car ownership[2] and lower average income.

1.10 Although tendered buses in non-metropolitan areas, especially rural parts, have lower occupancy due to higher car ownership, individuals in those areas without access to a car would be very isolated in the absence of a bus service. For those people the alternatives would be to walk, cycle, car share or use taxis; some of these might not be practical or simply too expensive. These individuals' loss of wellbeing in case tendered services are withdrawn has not been estimated in this analysis.

1.11 Further benefits from tendered services, which have not been estimated in this paper, could include:

- productivity benefits and tax receipts associated with the bus services that help people access better paid employment,
- greater local area spending from helping passenger access more markets, and
- cost savings to health authorities from improved access to preventative healthcare.

[2] DfT (2015) National Travel Survey 2014, statistics table nts0703

2. Value for money of tendered services

2.1 The Department for Transport (DfT) has undertaken an assessment of the value for money of tendered bus services in England outside of London[3]. Local authority tendered bus services typically fall into one of two categories: day services that provide links to employment, education and local services; and evening and Sunday services which support shift workers as well as leisure travel. In both cases, insufficient demand and local geography combine to make these routes commercially unattractive.

2.2 Early, late and Sunday services could potentially help shift and part time workers participate in the 24-hour economy whilst day services are able to help residents access local services such as healthcare. Tendered buses could also help maintain the independent living of elderly residents who are able to socialise and access local amenities using their concessionary travel bus pass.

2.3 Some assumptions have been made about the operating practices of bus operators and passenger behaviour.

2.4 The assessment considers local tendered bus services using the latest available data (mainly 2013/14).

2.5 There are uncertainties about some of the data inputs used in the analysis and sensitivity testing was used to estimate the effect on the value for money.

2.6 We acknowledge the possibility that some of these services could exist without tendered support. Although tendered services are highly likely to be commercially unviable, some bus operators could choose to run them in order to maintain a brand presence or consumer goodwill. Additionally, some tendered services play an important role in connecting passengers to the onward bus network and supporting demand more widely for bus operators. This would reduce the value for money of tendered bus services estimated in this paper.

Outline of costs and benefits

2.7 The cost-benefit analysis (CBA) of tendered bus services has been developed following principles from the Treasury's "Green Book"[4] and DfT's own guidance on transport scheme appraisal[5].

2.8 In line with those, all costs to government for procuring tendered services are treated as the costs of tender bus services, within the cost denominator.

2.9 The other costs captured in this analysis are those borne by society, such as fares and environmental damage from extra bus operation, and those borne by bus

[3] We have consulted the Urban Transport Group's (formerly Passenger Transport Executive Group) "The case for the Urban Bus" (2013) and members of the Association of Transport Coordinating Officers (ATCO) in establishing parts of the methodology in this paper.
[4] HM Treasury (2011) The Green Book: Appraisal and Evaluation in Central Government
[5] DfT (2014) Transport Appraisal Guidance TAG Unit A1.1 Cost-Benefit Analysis

operators - namely running costs[6]. They are treated as negative benefits (dis-benefits) in the benefits numerator of the CBA. This means that the analysis captures the net benefit to society obtained for each £1 of government expenditure.

2.10 The rationale behind government spending on tendered bus services is that demand on these routes is not sufficiently high, to allow bus operators to generate an adequate surplus. These services would require higher fares to run given the low patronage. However, if fares were increased, this would put some consumers off and even fewer passengers would be willing to travel, meaning the services are not self-sustaining. Despite this, there is sufficient demand for the service that the overall benefits from a social point of view are likely to outweigh the costs to operators and government. We find that tendered bus services have a positive net present value[7] (NPV) and a benefit to cost ratio (BCR) of 2.

2.11 Table 1 illustrates the types of benefits borne by society and bus operators, as well as the dis-benefits and costs to government.

2.12 The data sources for the analysis and explanation of the methodology are provided in the Annex.

Benefit	**Explanation**
User benefits	The monetised benefit of consumers paying less to travel than the maximum they would be willing to pay (consumer surplus). This category also includes social benefits such as socialisation, access to local services and wellbeing, as passengers' maximum willingness to pay for a fare is assumed to correspond to the benefit they would get from such activities.
Fare revenue Operating costs Subsidy payments to bus operators	Fare revenue is the sum of fare-box received by bus operators for providing the service. The operating costs to bus operators increase as a result of carrying passengers and are listed as a dis-benefit. Subsidy payments from government to bus operators are included as a benefit, however the administrative costs to local authorities in tendering services have been netted off.
Non-user benefits: Car decongestion Bus congestion	The availability of bus services means that some passengers switch from cars to buses, which reduces external costs of congestion, accidents, air quality problems and infrastructure degradation. Conversely the buses that carry these passengers create new congestion costs.

[6] We assume that all tendered bus services are tendered through minimum subsidy contract, whereby bus operators receive a fixed amount of subsidy, but they pay all running costs and collect the fare-box revenue. The subsidy makes the routes viable for operators as the fare-box revenue alone would not cover the running costs. In practice, bus services are also tendered through minimum cost contracts, whereby bus operators are paid a fixed amount aimed to cover the entire running costs of a service, as the local authority collects all fare-box revenue. However, we have assumed that all local authorities use minimum subsidy contracts because it is a more conservative approach - it does not take into account the revenue generated by local authorities when they collect fare-box from services let through a minimum cost contract. Incorporating local authority revenue receipts would reduce the cost to government of running tendered services, and increase the benefit to cost ratio of the analysis.

[7] Net present value is the net benefit of a scheme after all costs and dis-benefits are netted off. Costs and benefits occurring in the future are discounted, to reflect that consumers value the present more than the future and that the expected economic growth will make future monetised gains slightly less attractive, as incomes are expected to rise.

Benefit	Explanation
Carbon benefits	The net effect of reduced greenhouse gas pollution from car switching and increased pollution from trips made by individuals who would not have travelled in absence of the service.
Cost	**Explanation**
Cost of tendering services	The costs of running tendered services, including subsidies to bus operators and the administrative costs to local authorities.

Table 1 Tendered bus services costs and benefits explained

Results of the analysis

	Metropolitan areas	Non-metropolitan areas
Tendered service patronage	70 million	156 million
Total tender subsidy paid	£122 million	£195 million
Total tendered route length, million km	72 million km	229 million km
Operating costs per bus vehicle km[8]	£2.02	£1.86

Table 2 Tendered service patronage, tender subsidy and operating costs - metropolitan areas and non-metropolitan areas, 2013/14, England excluding London

Source: DfT Bus statistics tables bus0112, bus0205, bus0408[9]

2.13 Table 2 shows that in 2013/14, the total annual tender subsidy was lower (£122m) and fewer passengers were carried (70 million) in metropolitan, compared to non-metropolitan areas, where local authorities paid £195m in subsidy and carried 156 million passengers. Operating costs per bus vehicle kilometre were higher in metropolitan than in non-metropolitan areas, which could reflect metropolitan areas' more advanced on-board equipment, slightly newer buses and greater congestion that leads to lower fuel efficiency. Although running costs per vehicle kilometre are on average lower in non-metropolitan areas, longer average journeys lead to higher running costs per passenger.

£m	
Benefits (total)	**£677**
User benefits	£810
Non-user benefits	£14
Bus operator fare revenue	£239

[8] Operating costs are a combined average for commercial and tendered bus services, as data for tendered services alone is not available. This means operating costs are likely to be an overestimate. This is addressed later on in the paper. Additionally, the costs will vary between specific tendered services, depending on whether the service relies on greater utilisation of existing buses in the fleet such as in the case of an evening service or whether additional buses and staff have to be employed from scratch as with an all-day service.

[9] DfT Bus statistics tables can be accessed at https://www.gov.uk/government/collections/bus-statistics

£m	
Subsidy payment to bus operators	£233
Operating costs	-£606
Carbon	-£13
Costs to Government	**£333**
Net Present Value	£344
BCR	**2.0**

Table 3 Cost benefit analysis of tendered bus services – combined metropolitan and non-metropolitan areas[10]

Source: DfT analysis

2.14 Table 3 outlines the estimated value for money of tendered bus services. For every £1 of local authority costs, we estimate that the benefits are £2. This is high value for money[11].

2.15 Table 3 shows that there are significant benefits to users (£810m). Additionally, bus operators benefit from £239m in fare revenue and a further £233m in subsidy payments. The net effect of removing car congestion as passengers switch to buses, and the extra congestion from tendered bus services is estimated to be £14m (labelled as non-user benefits in Table 3).

2.16 Offsetting these benefits are £606m in bus operating costs and £13m net damage cost to the environment. Although the tendered bus services encourage some passengers to switch from cars to bus (thus helping the environment), the existence of these bus services creates a market for passengers who would not have otherwise travelled, and a number of new journeys are generated.

Comparison between metropolitan and non-metropolitan areas

£m	Metropolitan areas	Non-metropolitan areas
Benefits (total)	**£360**	**£317**
User benefits	£380	£430
Non-user benefits	-£4	£18
Bus operator fare revenue	£58	£181
Subsidy payment to bus operators	£88	£145
Operating costs	-£159	-£447

[10] The costs to government are based on the Net Public Transport Support for buses, reported in DfT statistics table bus0502. Due to the nature of the data collection, these figures contain some overheads and transfers within local authorities. We have made a conservative assumption that 30% of the reported cost to government is spent as overheads and transfers, meaning that only £233m of the £333m cost to government reaches bus operators in the form of tendered subsidy.

[11] DfT, Value for Money Assessments. Available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/255126/value-for-money-external.pdf

£m	Metropolitan areas	Non-metropolitan areas
Carbon benefits	-£3	-£10
Costs to Government	**£126**	**£207**
Net Present Value	**£234**	**£110**
BCR	**2.9**	**1.5**

Table 4 Cost benefit analysis of tendered bus services – by area type

Source: DfT analysis

2.17 As Table 4 shows, tendered services have a positive NPV of £344m per year with £234m of this being generated in metropolitan and £110m in non-metropolitan areas. The BCR varies between metropolitan (2.9 – high VfM) and non-metropolitan areas (1.5 – medium VfM). This is mainly due to a) the higher subsidy paid to non-metropolitan areas, as shown in Table 2, and b) the higher running costs per passenger of non-metropolitan area services. However, even in non-metropolitan areas tendered services represent a fairly good return for the taxpayer as they are medium value for money.

2.18 The analysis shows that the majority of user benefits are generated in non-metropolitan areas, as a result of the higher patronage there. These areas also generate the greatest level of greenhouse gas pollution, due to the longer trip lengths and higher demand.

2.19 It is important to note that in metropolitan areas the net effect of fare revenue, subsidies and operating costs is slightly negative (-£13m) compared to non-metropolitan areas where it is more significantly negative (-£121m). This should not be interpreted to indicate that bus operators make a loss on these services. However, the operating cost data used in this analysis is likely to be an overestimate[12]. Bus operators would expect to at least break even when running tendered services, so we have included a sensitivity test where operating costs are adjusted so bus operators make a small surplus (see Sensitivity testing section).

2.20 The NPV and BCR comparison between metropolitan areas and non-metropolitan areas needs to be made in the context of passengers' access to alternative modes of transport in those areas. Although the BCR of tendered services is medium VfM in non-metropolitan areas, the fact that a significant minority of people would be left with no viable transport alternatives without those services, could improve the value for money and strategic case for tendered bus services. In rural towns 15% of households do not own a car, a relatively large proportion, and this drops to 6% in rural villages and hamlets[13], which is not an insignificant proportion either. Tendered bus services are a very important lifeline to these communities and households without a car could face considerable difficulties without such services. For those households the alternatives would be to walk, cycle, car share or use taxis; some of these might not be practical or simply too expensive. These individuals' loss of

[12] Operating costs are an average of both commercial and tendered services. They are likely to be an overestimate for tendered services because bus operators might use older vehicles and spend less on extras for tendered service provision, as the routes they serve are not usually part of their flagship commercial offer.

[13] DfT (2015) National Travel Survey 2014, statistics table nts9902

wellbeing in case tendered services are withdrawn has not been estimated in this analysis.

2.21 The analysis does not capture the positive distributional impact of tendered bus services. As the lowest car ownership tends to be observed in the lowest income households[14], it is likely that the households which rely on tendered services also have smaller income on average. This makes tendered bus services yet more important for them as they have fewer viable options e.g. buying a car or using taxis if the bus links no longer served them.

2.22 There could be further benefits not included in the estimated costs and benefits above:

- productivity benefits and tax receipts associated with the bus services that help people access better paid employment,
- greater local area spending from helping passenger access more markets, and
- cost savings to health authorities from improved access to preventative healthcare[15].

Assumptions and uncertainties

2.23 The costs of operation are likely to be different from those estimated. It is uncertain how applicable the assumed costs might be to the operating conditions of tendered bus services and what surplus operators generate from running them. Given that operators require a subsidy in the form of a tender price to operate these services, it could be assumed that once it is taken away, services are likely to be withdrawn or fares to rise.

2.24 The variation in BCRs between metropolitan and non-metropolitan areas is mostly down to subsidy and running cost estimates. In practice, we might also expect the size of wider benefits to vary between metropolitan and non-metropolitan areas on a per-passenger basis. This is due to the network effects of greater transport connectivity and agglomeration of higher productivity organisations in metropolitan areas. The access to jobs and services is greater in metropolitan areas, potentially increasing the value per trip, although some of this is captured in the BCR through passengers' user benefits.

2.25 The user benefits have been calculated using evidence taken from research which covers both commercial and tendered services. This data might not be fully representative of passenger behaviour in the tendered market although it is uncertain whether as a result, benefits might be higher or lower.

2.26 Although tendered services are commercially unviable, there is a possibility that some might run commercially if government subsidy was removed. Although these services are likely to be loss-making and to tie up bus operator resources away from more profitable routes, there could be strategic reasons for operators to run them. Operators could choose to maintain customer goodwill or brand presence through such services.

[14] 47% of households the lowest income group did not have a car compared to 12% in the highest group and 24% in England. See DfT (2015) National Travel Survey 2014, statistics table nts0703

[15] Public transport offers access to healthcare and could lower health spending marginally, through the preventative role of health appointments as well as access to treatment. See Victoria Transport Policy Institute (2010) Evaluating Public Transportation Health Benefits and DfT (2013) Valuing the social impacts of public transport: final report.

2.27 If this is the case, the benefits of these services must be subtracted from the benefits of the central case, as they would still accrue in the absence of government subsidy. The costs for tendering such services remain, as government would be subsidising activity, some of which the private sector could provide itself. It has not been possible to quantify this effect due to a lack of evidence of how bus operators might behave if tendered services were withdrawn.

2.28 It is likely however that bus operators would not put a significant amount of tendered services into commercial operation if tendering was withdrawn. Table 5 shows that commercial network mileage only recovered to its pre-recession levels in 2012/13. Some 15 million kilometres of commercial mileage was added in 2013/14, compared to 21 million km of tendered services lost - some of this new commercial mileage could be recovering lost tendered routes. However, commercial mileage has only surpassed its 2007/08 levels for one year of available data. Thus, the recently added commercial mileage is more likely to be replacing commercial corridors lost during the weaker economic climate.

	million vehicle km		*percent*	*million vehicle km*		*percent*
Year	England excluding London	Change on previous year	Change relative to 2007/08	England excluding London	Change on previous year	Change relative to 2007/08
Commercial				**Tendered**		
2007/08	1,285	-	-	379	-	-
2008/09	1,272	-13	-1%	393	14	4%
2009/10	1,245	-27	-3%	396	3	4%
2010/11	1,251	6	-3%	389	-7	3%
2011/12	1,266	15	-1%	352	-37	-7%
2012/13	1,283	17	0%	322	-30	-15%
2013/14	1,298	15	1%	301	-21	-21%

Table 5: Comparison of commercial and tendered bus mileage

Source: DfT statistics table bus0201

Sensitivity testing

2.29 Given the uncertainty in the operating cost data, inputs sensitivity testing has been carried out to see how the BCR changes when bus operators break even or make a small surplus.

2.30 Lower operating costs (by -25%) were tested to reflect the generally “no-frills” vehicles and equipment used in tendered services. At this level the operating costs are approximately equal to the fare revenue and subsidy received by bus operators, with a small surplus as shown in Table 6.

£m	Lower operating costs (-25%)
Benefits (total)	**£829**
User benefits	£810
Non-user benefits	£15
Bus operator fare revenue	£239
Subsidy payment to bus operators	£233
Operating costs	-£455
Carbon benefits	-£13
Costs to Government	**£333**
Net Present Value	£496
BCR (England, excluding London)	**2.5**
BCR metropolitan areas	*3.2*
BCR non-metropolitan areas	*2.1*

Table 6 Lower operating costs sensitivity, combined metropolitan and non-metropolitan areas

Source: DfT analysis

2.31 With lower running costs, the BCRs increase to 3.2 in metropolitan and 2.1 in non-metropolitan areas respectively. This 25% lower level of operating costs also leads to a small surplus for bus operators when subtracting costs from fare revenue and subsidy receipts.

Conclusion

2.32 Tendered bus services provide a number of benefits to local communities and high value for money overall. They generate between £2 and £2.50[16] for every £1 of local authority spend.

2.33 These figures do not include wider benefits such as productivity gains in the economy, additional spending in local markets or health authority savings from improved access to healthcare and preventative treatment, enabled by bus transport.

2.34 Tendered services also provide a vital transport lifeline to some communities where no other low-cost or easily accessible transport alternatives exist. This is the case with rural services where although only a minority of households do not have access to a car, without their tendered local bus service those households could remain isolated.

2.35 In theory, some bus operators might choose to run specific tendered service routes commercially if local authorities stopped funding them. Such bus operators might be willing to sustain losses on those services in order to maintain brand presence, consumer goodwill or onward connections to the rest of their bus network. This would reduce the reported benefit of tendered services as some of the benefits would take place without government spending.

2.36 However, this is likely to be an exception as evidence on bus operator profitability suggests that although a number of operators might have healthy profits, some operate on low margins[17]. Profitability varies by individual area and the provision of services is likely to vary greatly, meaning the absence of tendered services can take away the guaranteed provision of bus services to communities where it plays an important socio-economic role.

2.37 Additionally, the commercial bus network only recovered to the 2007/08 levels in 2012/13. It is unlikely that recent commercial mileage recovery has picked up much of the tendered network as the latter are usually the most marginal if not wholly unprofitable routes. Bus operators are likely to prioritise recovering “prime” sections of the network lost during the recession or those borne out of changes to bus demand since then.

[16] The range is obtained from the figure presented in the initial cost-benefit analysis in Table 3 and the sensitivity for lower operating costs in Table 6.

[17] Evidence on bus profitability has been obtained from TAS Business Monitor available at http://www.tas-passtrans.co.uk/content/index.php (subscription based) and Competition Commission (2011) Local bus services market investigation.

Annex A: Technical annex

The value for money assessment was modelled using a number of data sources. This annex explains more of the CBA methodology.

This technical annex splits the benefits up between consumer, operator and non-user benefits of tendered services.

A.1 **User Benefits (Consumer Surplus)**

The consumer surplus represents the user benefits associated with local authority tendering. This is a measure of the difference between the fare consumers pay for bus services and the maximum they would have been inclined to pay. Consumers are assumed to be rational and to be able to estimate the potential benefit of a bus trip and weigh it up against the fare. The maximum they would be willing to pay for a fare is assumed to equal the maximum benefit to them from the journey. This includes social and economic benefits.

An exponential demand function has been used to calculate the consumer surplus:

$$Q = \alpha . e^{(\beta \times p)}$$

User benefit from tendered services is the net consumer surplus estimated from the market demand function above, minus the sum of all fares paid to bus operators. This is the net surplus between what a customer is willing to pay and what they end up paying for a service. The formula above can be rearranged to calculate the area under a curve which is equivalent to the user benefit:

$$Consumer\ surplus = \left(\frac{Q}{\beta}\right) \times \left(\ln\left(\frac{Q}{\alpha} - 1\right)\right) - (Q \times p \times \%\ fee\ paying)$$

Key:
Q = Demand for bus services (patronage)
p = Price of fare
α= Constant (base demand when price equals zero)
β = Price elasticity of demand (indicates the change in demand for a given change in price)

This model and the parameters α and β have been derived from TRL[18].

The price of fares has been assumed to be set at around £1.20 in metropolitan and around £1.70 in non-metropolitan areas, based on available evidence on fares, previously submitted to DfT by bus operators.

[18] TRL (2004) The Demand for Public Transport: A Practical Guide

The patronage has been obtained from DfT statistics table bus0112. Patronage figures are based on a 3-year average from the latest data to normalise variations in the data.

A.2 **Operator benefits**

We have assumed that bus services are tendered under a minimum subsidy contract. Under this contract model, the local authority pays bus operators a fixed amount for their services, whilst the bus operators bear the running costs and collect fare-box revenue. The subsidy helps the operators reach a sufficient surplus to make the tendered routes viable.

When operating tendered bus services, bus operators gain fare revenue and incur operating costs. The cost of running a bus service varies due to differences in operator, region and route-specific conditions. However, average operating costs per kilometre have been calculated for metropolitan areas (which exclude London) and non-metropolitan areas. Additionally, the tender subsidy payment to bus operators has been recorded as a benefit. Notably, the statistics published by DfT on the cost of tendered bus services[19] include some local authority overheads, and a small amount of other subsidies and transfers, which are not part of tendered services. Although appropriate as a measure of cost to government, these figures have been revised down to account for these overheads, using a factor of 30%.This is likely to be too high as a measure of the overheads incurred in tendering, but it provides a conservative estimate by decreasing the net subsidy that bus operators receive as a benefit.

In practice, some tendered service contracts are let through minimum cost contracts, where local authorities collect all the fare-box revenue, but contract values are higher in order to reimburse bus operators for all of their running costs. Assuming that some services are let through minimum cost contract would mean that the revenue from these services is recorded as a reduction in cost to government in the CBA, which would increase the BCR. Thus we have chosen to assume all tendered services are let using minimum subsidy contracts, in order to produce more conservative value for money estimates.

Formulas used:

Revenue gain = average fare * patronage
Operating costs = bus km * average operating cost
Subsidy payment to bus operators = cost to government of tendered bus services * 70% [subtracting 30% overheads from reported subsidy figures]

See A.1 for data sources on fares and patronage.

Bus kilometres have been obtained from DfT statistics table bus0205 and operating costs from DfT statistics table bus0408. Subsidy payments have been obtained from DfT statistics table bus0502 and figures are based on a 3-year average from the latest data to normalise variations in the data.

A.3 **Non-user benefits**

WebTAG provides values for the marginal economic cost of cars (MECC)[20] by congestion, infrastructure, accidents, local air quality noise, greenhouse gases and indirect taxation.

[19] DfT statistics table bus0502
[20] DfT(2015) WebTAG Databook: Unit A5.4

WebTAG breaks MECC down every 5 years, with values for 2010 and 2015. Greenhouse gases have been excluded from the overall MECC and the carbon impacts of tendered services have been calculated instead (see below).

The car to bus mileage diversion factor is assumed to be 31%[21], based on evidence from TRL.

Formula used:

MECC [reported per km of diverted car trip] * 31%[22] [car to bus mileage diversion factor] * total length of tendered service trips

A.4 **Carbon Benefits**

Carbon emissions were calculated through the change in bus and car kilometres, resulting from the introduction of tendered services. The reduction in car journeys is a result of modal shift from cars to buses due to tendered services. Due to modal shift, there will be a decrease in car kilometres whilst the tendered bus services will lead to an increase in bus kilometres. Changes in mileage were multiplied by the carbon values available from WebTAG[23].

[21] TRL et al (2004) The Demand for Public Transport: A Practical Guide
[22] TRL et al (2004) The Demand for Public Transport: A Practical Guide
[23] DfT (2015) WebTAG Databook: Unit 3.4

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Bus Transport Select Committee

Biography

Dai Powell, Chief Executive, HCT Group

Dai Powell is the Chief Executive of HCT Group - a large-scale, award-winning social enterprise in the transport industry, operating transport and training services from ten depots across London, Yorkshire, the southwest and the Channel Islands. Dai has been Chief Executive since 1993, leading the organisation as it has grown by more than a hundredfold – from a small community transport provider into a national social enterprise.

Dai won the 2015 Ernst and Young UK Social Entrepreneur of the Year award and the 2012 SEUK Social Enterprise Leader of the Year award and is a board member of Big Society Capital. He holds a Level 3 Vocational Certificate in the use of Industrial Explosives and an honorary PhD in Social Entrepreneurship from the University of Northampton. Dai was awarded an OBE in 2006 for services to disabled people."

Julia Meek, Head of Business Development, HCT Group

Julia leads business development for HCT, including working on innovation projects related to Total Transport, new procurement approaches and opportunities relating to the Bus Services Bill.

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Bus Transport Select Committee

Hearing 4

Tuesday 18 October 2016

Witness Guide for Members

Below are suggested themes and questions. They have been provided in advance to the witnesses to allow them to prepare for the types of issues that Members may be interested to explore. All Members are welcome to ask these questions or pose additional ones to the witnesses via the Committee Chairman.

Themes and Questions

Dai Powell, Chief Executive, HCT Group

Julia Meek, Head of Business Development, HCT Group

- Please introduce yourselves and provide an outline of the roles and responsibilities of your posts.

- Please provide an outline of the HCT Group in terms of its structure, objectives and main operations.

- Please provide an account of your work with regard to the States of Jersey's model of bus transport and of your experience of the franchising process.

- In your view, what are the main benefits and challenges associated with the Bus Services Bill?

- In your view, to what extent can different partnerships models, including current ones and those supported by the Bill, deliver efficient and effective bus service provision?

- In your opinion, what are the advantages and disadvantages – if any – associated with the franchising model advocated by the Bus Services Bill?

- What is the Total Transport model? What are the opportunities and challenges – if any – associated with this model of transport?

- What can KCC do, if anything, to improve bus transport in Kent?

- Are there any other issues that you would like to raise with the Committee?

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hct group

practical bus franchising
the Jersey model

working with our partners

www.hctgroup.org

States of Jersey

acknowledgements

HCT Group would like to thank Antoni Miziolek and Craig Miller at the Department for Infrastructure, States of Jersey, who both gave generously of their time and expertise during the research phase of this project – setting out their in-depth knowledge of the process Jersey followed.

We would also like to express our thanks to John Rogers and Tristen Dodd at the States of Jersey, who gave their kind permission for us to tell Jersey's story on their behalf.

introduction

The forthcoming Buses Bill is likely to introduce a range of new powers for Local Authorities to re-order how bus services are delivered in their communities. For those that choose to use these powers to their fullest extent and apply a franchised model, it will represent the most dramatic shift in how bus services are delivered since deregulation in 1985.

As a consequence, Local Authorities have already begun the process of weighing up these new powers, assessing both their desirability and their practicality. Will franchising allow them to grow ridership? How will the ability of operators to innovate be maintained? Will operators even compete for franchises? Will authorities need to develop 'TfL-style' teams to manage franchises? Will the costs of franchising outweigh the benefits? These are all legitimate concerns and the Authorities that we speak to are exploring them with due seriousness.

the challenge

With the exception of London and the TfL franchising system, there are few places in the UK for Authorities to look for direct examples of good practice. Whilst the TfL model has many advantages, the fact that it is unique in the UK makes it significantly more challenging for Authorities to gain the evidence they need to make informed decisions on the most appropriate course to chart.

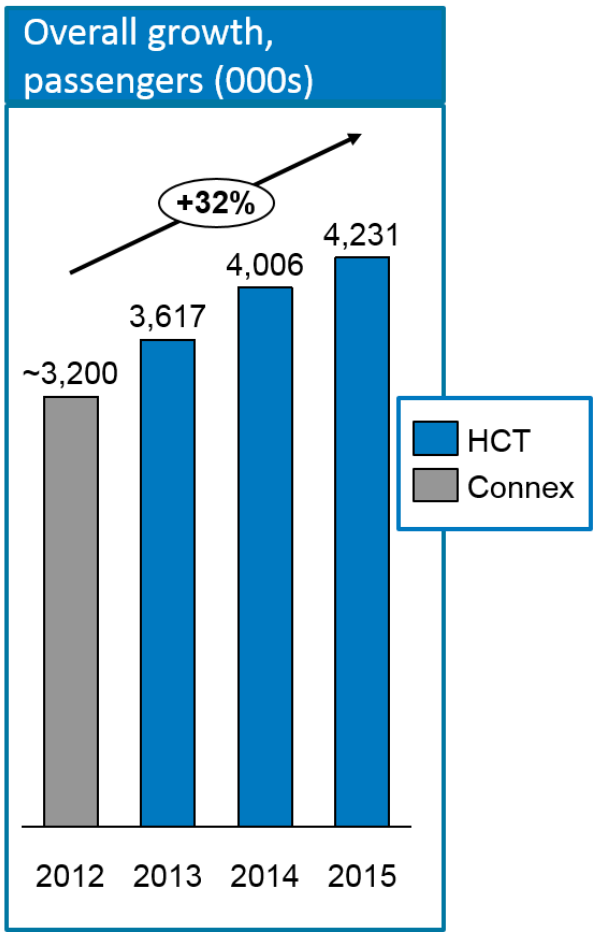
In addition, whilst some Authorities may consider the TfL system appropriate for their needs, for others it may prove too expensive or too difficult with their current levels of in-house expertise.

a new example

Jersey is the largest of the Channel Islands and a Crown Dependency, free to order its bus service as it sees fit. Jersey first regulated its bus service in 2002, so their Department for Infrastructure has close to 15 years' experience – both good and not so good – in this type of network-level contracting. Their direct experience of franchising has led them, over time, to develop a practical model that has proved an unqualified success.

Jersey's results with their procurement process have been impressive. Since the start of the new contract in 2013 – the first full application of the model – passenger ridership has increased by 32%, the levels of subsidy have reduced by £800k per year – on a service with a Peak Vehicle Requirement (PVR) of approximately 80, customer satisfaction has increased by 5%, five new routes have been introduced and frequencies have been improved on key corridors.

Jersey has also seen some progress on its strategic modal shift objectives – 57% of those who use the bus in peak time have access to a car but choose not to use it. All of this has been achieved without the Department for Infrastructure needing to add any additional management resource.



Ridership growth, Jersey 2012-15

about this publication

HCT Group is a social enterprise in the transport industry, safely providing over 20 million passenger trips on our buses every year. We deliver a range of transport services – from London red buses to social services transport, from school transport to Park and Ride, from community transport to education and training. We reinvest the profits from our commercial work into further transport services or projects in the communities we serve.

As a social enterprise, we share the values of our commissioning partners – and a part of what that involves is freely sharing our experience and expertise with Authorities. As franchising approaches in the UK, several Authorities have invited us to talk about what we think it might mean. HCT Group operates the bus service franchise in Jersey under its LibertyBus brand, so we have experience of working in a franchise environment. However, we think that our best answer is not to tell our own story, but to tell that of our Commissioner.

This publication will set out how Jersey used the power of franchising to reach its strategic goals of increased ridership, lower costs, modal shift, innovation and partnership-working with their operator.

To support us in this, our partners at the Department for Infrastructure have been kind enough to share with us the full process from their own perspective as Commissioners, providing a window into their reasoning and decision making. Our aim is not to prescribe the Jersey model as a panacea – each locality is different – but rather to present a new example, inspire debate and encourage innovation.

the Jersey journey

It's different in Jersey. This section will explore the background of the current bus services contract – what makes Jersey different, their experiences with de-regulated services and their first steps in contracting out their bus network.

Jersey – facts and figures

Jersey sits in the Bay of St Malo – just 19 miles from the French coast and 85 miles south of the English coast. With a population of 100,800[1] and dimensions of nine miles by five, it is the largest of the Channel Islands. Approximately one third of the population live in the capital, St Helier, with the most significant concentrations of population found along the south coast. Jersey's principal industry is financial services (42% of GVA) and has a GDP of £37,000 per capita (UK: £27,500[2]). This high level of economic development has implications for the bus service as there are currently almost as many cars (70,429[3]) as people.

As a British Crown Dependency, Jersey is self-governing and has its own financial and legal systems and its own courts of law. It has a States Assembly made up of 49 elected members and its Government is collectively known as the States of Jersey (or 'the States' for short). The brief for transport falls under the Department for Infrastructure, which is headed by a Minister.

a different model of regulation

For the greater part of its history, Jersey's bus service has been de-regulated. Operators competed against each other without any regulation at all until a fatal incident led to the introduction of bus and driver licencing in 1935. The bus service continued to develop as a commercial proposition, focussing heavily on the needs of the tourist economy. This included strongly seasonal timetables, making bus travel in winter much more difficult for the resident population.

The commercial service continued until the late 1990s. With demand in decline, commercial operators requested additional public subsidy to support both public and school services. Whilst the States of Jersey could agree with the necessity of subsidy to secure a network outside of the key corridors and a robust school service, no agreement could be reached on the extent of the subsidy. The States was left with no alternative but to put the network out to tender.

[1] www.gov.je
[2] www.ons.gov.uk
[3] Jersey 2011 Census, www.gov.je

the first contract

With the need to tender emerging as a last resort after negotiations broke down, the States had to act swiftly. The contract was let on a cost-plus basis where the States would keep the fare-box revenue and this would allow them to commission a more developed network over time. In 2002, Connex were awarded the bus contract on a competitively tendered basis for ten years, with the length of the contract set to ensure that their new operator could invest in new vehicles.

Cost-plus contracts have their strengths and weaknesses. They can be ideal for where the future is uncertain and the Commissioner wishes to have the easy freedom to assemble additional services or routes. However, they provide a mis-match of incentives to the operator:

- There is a strong disincentive to reduce unit costs through innovation – or to even have a close interest in cost control.
- There is no incentive whatsoever for the operator to deploy their entrepreneurial skills and experience in network design, scheduling, ticketing, marketing and so on – as the revenue earned from such innovation goes entirely to the Commissioner.

The first contract did act to secure a robust, reliable network and new vehicles for the service. However, there was a growing realisation at the States that the way the service had been contracted was not allowing them to take the network forward. The full public burden of delivering the bus service was on the States and the contract had not allowed the operator to use their skills in the service of the public.

a strategic approach

In 2010 the States launched its Sustainable Transport Policy. This new policy sought to address severe traffic congestion in Jersey. It called for, amongst a range of policy measures, a significant increase in bus ridership. This heightened the need for a change in the contract model as, under cost-plus, the additional mileage required would be financially prohibitive. The States were going to have to solve the problem in another way.

the Jersey process – before the start

The 2010 Sustainable Transport Policy had significantly raised the bar for what the bus service needed to achieve. Before the tendering process could begin, there was a clear articulation of what this 'raised bar' might look like in practice, what the lessons learned were from the previous contract and as a consequence, what the tendering process might look like.

what the States wanted

In order to achieve modal shift, the States set out to make Jersey's bus service a practical alternative to the car for the majority of Islanders 364 days of the year – a service for the public of the island which the visitor could use, rather than the other way around. There was a clear desire to increase ridership at the same time as reducing the overall level of subsidy.

learning the lessons

Achieving these goals – social and economic – would require a combination of the States thinking and acting strategically and the full power of a commercial operator's ability to innovate. In short, it was going to need a high-functioning partnership where both parties stood to benefit.

This would involve both sides sharing elements of risk, but also rewards. The method chosen for this was a minimum subsidy contract for a defined network, with the operator taking receipt of fares.

time

With the new contract due to start on 2 January 2013, the States gave themselves two full years, ensuring that they had time not only to run a comprehensive process but also time to give the successful operator the space to get all the new measures in place. One of the reasons the States chose an extended timeframe was their view that they needed to start at the very beginning – with an in-depth research phase.

committing resources

At the States, the day-to-day management of the Jersey bus contract falls to one member of staff with direct expertise in the PCV industry. The States knew that significant additional expert resources were required to manage the process if their goals were to be achieved.

For the length of the commissioning process, they appointed an experienced project manager with a proven track record in major procurement projects outside of transport, supported by a transport specialist consultant from Mott

Macdonald. They set a project budget of £150,000 (including staff), which is a not inconsiderable investment. However, they were able to translate that into an £800,000 annual saving on their subsidy with no additional ongoing management resources required.

a clear structure

To ensure the smooth operation of the project, the States put in place a structure to support, challenge and hold it to account. The project team reported to a project board consisting of senior civil servants who could ensure that work was on track. This in turn reported to a political steering group, chaired by the Minister and included elected representatives with a clear stake in the outcome. This group provided both a sounding board for new ideas as they emerged and a means of establishing political legitimacy for the actions of the project team.

the Jersey Process – step by step

With clear objectives for success and a project plan in place, Jersey ran a competitive tender process that sought to find a partner for their bus service.

discovery phase – with a twist

The project team began with an in-depth research and discovery phase, seeking to identify what it could learn about good practice in transport commissioning and strategic network development. This was conducted through interviews with a range of stakeholders – PTEs, Authorities, TfL, and a huge range of bus operators – large, small and international.

The discovery phase had a second, equally important objective. The project team knew that each research meeting with a stakeholder was also a sales meeting – promoting the opportunity that was coming up in Jersey, raising awareness and interest in the forthcoming tender. The combination of a discovery phase with a market development phase would prove instrumental in creating the competitive environment sought.

Expression of Interest

Through a combination of the work done to promote the tender and the fact that, despite protestations to the contrary, the bus industry is well equipped to respond to this kind of opportunity, Jersey received 22 Expressions of Interest in the contract.

Expressions of Interest came from all over the world. Four out of the UK 'big five' operators, European state-owned operators, Asian and Middle Eastern operators, smaller UK operators, local Jersey operators, the incumbent operator, private equity investors, global government contract specialists – even one of the UK's leading social enterprises… It was clear that Jersey would be able to run a highly competitive process.

PQQ – with a twist

All of those who expressed an interest were asked to submit a Pre-Qualification Questionnaire (PQQ). The PQQ asked respondents to provide standard information – financial details, organisational structures, operational capabilities. However, it also asked two more searching questions:

- Please provide an example of where you have driven change in a bus service.
- Tell us about a bus service that you provide of which you are particularly proud.

The reasons behind these additional questions were clear. It signalled to the market what success in Jersey would look like – and the kind of relationship the States wanted to have with their operator – one where both parties wanted the same things, which is the basis for a relationship based on trust. This provided an early method to differentiate between competitors.

The States received 11 completed PQQs. Interestingly, there was no particular pattern in which type of organisations pulled out at this stage – it represented a tithe of the categories set out above. Each of the 11 were invited to Jersey to discuss their PQQ. This not only allowed the operators to explore their standard information with the project team, but also to explore their answers to the two questions – almost their philosophy of providing a service to the public.

Seven out of 11 operators could demonstrate clearly how they had championed change and innovation to the benefit of the travelling public and also met the necessary financial criteria. Each of these seven was sent the full first-phase Invitation to Tender pack.

the first phase – a model network

At the heart of the first phase tender was the request to price a model network. The model network had been developed with Mott Macdonald and was intended to apply good practice to Jersey's status quo – the work had already identified operational efficiencies of around 12%. Whilst this would not be enough for States to be able to reach their ambitious targets, what it did do was provide a level playing field for all of the tenderers to price against. Those evaluating the tenders could see exactly how prices had been obtained, could explicitly compare one with another and could evaluate how operators had gone about their operational strategy.

The responses to the model network also enabled the States to develop a working picture of how much it might cost if they needed their operator to do more, in line with the States final goals of an all year round service.

the first phase –getting the incentives right

A mismatch of incentives between operator and contractor had been at the heart of first contract's issues. The States took the view that the best people to know what motivated operators were the operators themselves. The tender asked operators to set out an incentives plan that spoke to their own interest whilst responding to the States' strategic aspirations.

All responding operators suggested a programme of profit-share of one sort or another. If operator profits exceed a certain level, they are shared with the States for the explicit purpose of transport investment. This actively incentivises the States to be significantly pro-bus, investing in new roadside infrastructure, bus priority measures, curtailing town centre parking and so on. This then leads to greater operator profits, leading to a greater profit share for the States and round it goes – a virtuous circle.

The underpinning idea was to develop a partnership that both sides could really invest in, based on respect. A long-term bus operating contract is not a one-off transaction, it has to work for the life of the contract and both parties have to believe that it's equitable.

For the service to deliver on its objectives, the States aimed to commission a contract based on trust. It is not-straightforward to tender for abstract nouns, but nevertheless it was a theme throughout the process, from the initial PQQ to the full tender – and ensuring the incentives worked for both parties was a key element of this.

the first phase – a focus on quality

The States were clear from the start how the tender would be scored – 60% on quality, 40% on cost. Operators were free to propose their ideas and expertise on vehicle specifications, marketing and promotions, customer experience strategies and so on – areas where operators frequently excel.

the first phase – a detailed assessment

Five bidders submitted detailed first phase tenders based on the model network. Each was invited to Jersey to explore their proposal over the course of a full day. This would be both in terms of how they addressed the model network and their plans to improve quality. The idea was to enable the assessing panel to really understand what was being proposed, preventing any chance of miscommunication and to allow the bidders to show the thinking that had gone into their proposals.

unlocking innovation – the second phase

The challenge with relying on a model network is that whilst it gives a comparable pricing structure, it locks out the most important success factor of all – operator innovation in scheduling and network design. The States used the first phase to compare like with like – put simply: are they any good and can we afford them if they are? The idea was to use the first phase to select two finalists[4] for the next stage.

The second stage took off the restrictions of the model network, asking operators to apply their own expertise to propose a network and schedules that met the strategic objectives set out by the States – a year round network for modal shift. The only restrictions were the requirement to apply the costing model set out in the first phase.

The winning bidder was able to identify several measures that would strongly enhance the network and Jersey was able to commission a network that much more closely reflected their ideas and aspirations.

the result

The States awarded the contract in 2013 to HCT Group. The new service launched on schedule on 2 January 2013 under the LibertyBus brand – a brand chosen through a direct public poll (one of many operator-proposed innovations).

[4] In practice, the winning bidder was already sufficiently far ahead in terms of both price and quality that the second placed operator was asked to be a reserve only. The first placed bidder went onto the second phase alone.

the LibertyBus contract

The process has led to a contract that is the basis for a working partnership between the States and HCT Group. It has a variety of provisions in place to cement the partnership, incentivise both parties and provide protections for the community in the event of service failure.

The key principles of the contract are:

- A year round service
  To provide a practical all year around public and school bus service, reducing the extent of the historic winter reductions whilst ensuring capacity for visitors in summer. This required a new, higher capacity fleet.
- Shared incentives
  Risk is shared through a minimum subsidy contract (managing down-side risk to the States) with the operator keeping fare revenue (providing up-side incentive to the operator). The up-side is also shared after a certain point with a profit-share arrangement, incentivising the States to take positive, pro-bus steps. There are also financial penalties should the core service not be delivered to the agreed standard.
- No room for complacency
  The contract is a seven year term – sufficiently long to make a new fleet practical. However, incentives for contract extensions are in place in the form of three possible 'bankable' extensions. These are based on KPIs being achieved in the middle-late period of a contract (when complacency might set in), providing strong incentives for ongoing performance. The States also retained the discretion to agree extensions in the event that the operator was able to create a singular degree of value – acting as a further spur to innovation.
- Better tech
  The contract specifies the use of smart ticketing and trackable vehicles.
- Open data
  The States require full access to passenger data and transparent operating costs.
- No free rein
  The operator would deliver meaningful consultation with both the States and the public on routes and timetables. There is no 56 day notification period in Jersey – which has significant advantages in responding quickly to issues or opportunities. The function of a UK Traffic Commissioner in this regard is replaced by both the Commissioner and, more importantly, the travelling public.
- Part of the community
  There would be Island reinvestment in social/community transport[5].
- Failsafe
  The States retain step-in rights for fleet and equipment in the event of service or organisational failure, ensuring that the public are protected.

[5] Whilst this 'comes with' when commissioning a social enterprise, traditional operators can also make a difference in their communities through CSR-style initiatives.

- Facilities
  The States provide depot and terminus facilities free of charge.

- Final word
  Whilst we all know this can never be fully achieved, the aim of both parties is to leave the contract in a drawer and forget about it. True contracts are about partnerships.

conclusion: ongoing management

The process set out above may seem quite intensive, requiring a great deal of investment in time and resources – particularly for an operation that requires only 80 PVR. In all fairness, it *was* intensive and it *did* take resources – both for the States and the bidding operators. But the results speak for themselves.

Many Authorities are concerned that managing a franchised operation will be expensive and technically challenging, particularly when they look at the work in contract management performed by TfL. By putting in both the strategic thinking and the effort at the tendering stage, the States have shown that ongoing management can be delivered with existing resources. 'TfL' in Jersey is just one transport professional.

The shared incentives make the relationship one of partnership. The contract terms and the effective use of technology make the day-to-day contract management straightforward. The contract specifies open data as well as open book – the States have a login to our ticket machine and RTI software – they see the same data as we do and in real time. This means there are not two parties demanding reports from one another, but a team working on the same data to improve services and increase revenue.

We believe that the Jersey model is fundamentally scalable – in fact, it would almost certainly be more cost effective at a larger scale. As a consequence, we believe that sharing Jersey's story with Authorities as they consider the powers given by the Buses Bill is both timely and useful.

If you would like to talk with someone at HCT Group about our experience of the franchising process in Jersey – and how that might be applicable for Authorities in the UK, please feel to contact us on businessdevelopment@hctgroup.org.

About HCT Group

HCT Group is a social enterprise in the transport industry, safely providing over 20 million passenger trips on our buses every year. We deliver a range of transport services – from London red buses to social services transport, from school transport to Park and Ride, from community transport to education and training. We reinvest the profits from our commercial work into further transport services or projects in the communities we serve.

www.hctgroup.org

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Photography: © Colin Garnier

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Bus Transport Select Committee

Biography

Cllr Bernard Heyes, Ashford Borough Council

Bernard Heyes has been a Councillor of Ashford Borough Councillor since 2003. From 2003 to 2010 he was Chairman of Ashford Borough Council's Transport Forum, and was a member of Ashford's Joint Transportation Board 2003 to 2016 (Chairman from 2013 to 2014). Since 2013 Cllr Heyes has been a member of the Ashford's Quality Bus Partnership.

Chris Miller, Parking, Highways and Transportation Manager, Ashford Borough Council

Chris Miller joined Ashford Borough Council in March 2016. Prior to his current post at the Council as the Highways and Transportation Manager, he was a senior manager with B&Q and before this a police officer with Kent Police for almost 20 years.

Chris is also a strong advocate of removing unnecessary traffic from our roads and believes that the modal shift to sustainable transport is important. Chris is also involved with the Kent Active Travel programme.

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Bus Transport Select Committee

Hearing 4

Tuesday 18 October 2016

Witness Guide for Members

Below are suggested themes and questions. They have been provided in advance to the witnesses to allow them to prepare for the types of issues that Members may be interested to explore. All Members are welcome to ask these questions or pose additional ones to the witnesses via the Committee Chairman.

Themes and Questions

Cllr Bernard Heyes, Ashford Borough Council

Chris Miller, Parking, Highways and Transportation Manager, Ashford Borough Council

- Please introduce yourselves and provide an outline of the roles and responsibilities that your posts involve.
- Please provide a brief description of the structure and main operations of the Ashford Quality Bus Partnership.
- Please discuss the purpose and key achievement of the Partnership.
- What are the key challenges facing the Partnership, if any?
- What are the key objectives of the Partnership for the future?
- In your view, what are the main benefits and challenges associated with the Bus Services Bill?
- In your opinion, what are the main issues – if any – associated with bus transport in Kent?
- In your view, what – if anything – can KCC do to improve bus service provision across Kent?
- Are there any other issues that you would like to raise with the Committee?

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