

From: David Brazier, Cabinet Member for Highways and Transport
Simon Jones, Corporate Director, Growth, Environment and Transport

To: Environment and Transport Cabinet Committee – 18 January 2022

Subject: **National Bus Strategy and Kent Bus Service Improvement Plan – Status Update and implementation of Kent Enhanced Partnerships.**

Key decision: **21/00116**

Classification: **Unrestricted**

Past Pathway of Paper: N/A

Future Pathway of Paper: N/A

Electoral Division: Countywide

Summary: This report summarises progress made by KCC and Kent’s Bus Operators to meet the requirements of the National Bus Strategy. It advises on progress to date, the approach to Kent’s first Bus Service Improvement Plan and the necessary next steps to form Enhanced Partnership Agreements from April 2022.

Recommendation: The Environment and Transport Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Highways and Transport on the proposed decision to support the proposed next steps and specifically the Executive Decision to form Enhanced Partnership Schemes as shown at Appendix A.

1. Introduction

- 1.1 In March 2021, Government published a new National Bus Strategy which set out a blueprint for how Local Transport Authorities and Bus Operators should work together to recover from the impacts of the pandemic and then seek to improve all aspects of bus service provision inclusive of both service levels and extending to infrastructure, ticketing, innovation, information, vehicle, accessibility, and environmental considerations.
- 1.2 At the time of publication, Government stated that £3bn would be made available over three years to support the strategy although this figure has since been adjusted to £1.2bn reflecting existing commitments and expenditure.
- 1.3 In order to be able to access this funding and to protect existing funding streams, the National Bus Strategy placed a number of requirements on Local Transport Authorities and operators.

- By end of October 2021, Local Transport Authorities had to publish a Bus Service Improvement Plan (BSIP). The BSIP is a medium-term plan reviewed annually.
- By April 2022, Local Transport Authorities and Bus Operators have to form Enhanced Partnership Agreements governing all bus services in the Local Transport Authority area.

1.4 If KCC does not meet these requirements, existing funding of £7m is at risk.

1.5 Whilst, the focus of the National Bus Strategy and therefore, the resulting BSIPs is positive and ambitious, the bus industry is facing a very serious challenge in its efforts to recover from the pandemic. Use of buses in the off peak is approximately 30% down against pre-pandemic levels and support funding which is sustaining current levels of service is not secure beyond March 2022.

2. Kent Bus Service Improvement Plan

2.1 The Kent BSIP was published and submitted to Government in October 2021 after extensive engagement with the public, various stakeholders, and Bus Operators.

2.2 In keeping with the guidance, the Kent BSIP is an ambitious document which aims to protect current levels of provision and to then drive significant improvements across all areas of service provision in partnership with bus operators.

2.3 Alongside the BSIP, Local Transport Authorities were required to submit a supporting funding bid. Kent's overall funding bid, over the three years of National Bus Strategy funding is £213m (revenue and capital) of which £25m is required to sustain current service and ticketing offers.

2.4 The Kent BSIP identifies 47 initiatives for potential delivery, with associated funding requirements, which are summarised below:

Total number of Initiatives: 47	
Number requiring National Bus Strategy (NBS) Funding: 31	
Category	NBS Funding Requested
Network development	£56.75m
Fares and ticketing	£34.75m
Bus priority, infrastructure and Highways network maintenance	£86.68m
Environment and air quality	£16.5m
Innovation and digital accessibility	£16.28m
Public transport information	£1.19m
Total amount requested	£212.6m

2.5 At the time of submitting this report, the allocation of National Bus Strategy funding is not known. It is expected that Local Transport Authorities will be advised of this early in 2022. However, it is known that the £1.2bn National

Bus Strategy funding pot is oversubscribed by around £6bn. As such, Kent's allocation is likely to be significantly short of its £213m funding bid.

- 2.6 Additionally, there is no certainty whether prescriptions will be placed on spending priorities, nor the apportionment between revenue and capital.
- 2.7 This will generate a significant task in prioritising the BSIP initiatives for delivery. Public Transport Officers are therefore developing criteria to inform this approach for further engagement with stakeholders.

3. Enhanced Partnership Agreements

- 3.1 Enhanced Partnerships are a statutory provision made available to all Local Transport Authorities through the 2017 Buses Act.
- 3.2 An Enhanced Partnership consists of two distinct parts; a plan and a scheme. The Plan sets out the vision and the intentions of Local Transport Authorities and Operators, the areas identified for improvement and how the plan will be delivered.
- 3.3 The Scheme is the detailed part of the Enhanced Partnership and is binding on both KCC and the Bus Operators
- 3.4 In order to reflect differences in geography, demography, local conditions and the respective operating territories of Arriva and Stagecoach, Kent are proposing to form three Enhanced Partnerships covering; East Kent, West Kent, and Kent Thameside.
- 3.5 Local Transport Authorities must serve two 28-day notice periods to Bus Operators advising of the intention to form the Enhanced Partnership; making them available for review and objections including with identified statutory consultees; the Traffic Commissioner, Kent Police, all District Councils and Transport Focus (the recognised bus passenger representative group for the UK).
- 3.6 To meet the April 2022 deadline, the statutory notice was served on all Kent Bus Operators on 10th January triggering the first 28 days statutory notice period.
- 3.7 The timetable does not allow for any significant objection. If a significant objection was raised, KCC may fail to meet the deadline of adopting Enhanced Partnerships from April 2022.
- 3.8 The detailed and binding nature of the Enhanced Partnerships, the need to have them adopted by April 2022 and the absence of clarity about levels of National Bus Strategy funding generates a significant issue for Local Transport Authorities. The expectation is that Enhanced Partnerships commit Local Transport Authorities and Operators to improve service and provision standards but with many improvement measures requiring additional funding, it is not possible to commit to such improvement within the timescale demanded.

- 3.9 To navigate through this and ensure that KCC meets the statutory deadline, the intention is to form basic “Shell” Enhanced Partnerships for April 2022. This approach has been encouraged by the DfT, taking account of the lack of time available.
- 3.10 Whilst the EP plans can remain aspirational in scope, the scheme elements will reflect only current commitments and those that can be delivered at little or no cost to ensure that Local Transport Authorities and Operators do not make obligations that they cannot ultimately fulfil owing to an absence of National Bus Strategy funding.
- 3.11 Once funding and any funding requirements are known, the intention is, through further consultation evolve the initial “Shell” Enhanced Partnerships into more aspirational versions expected to be adopted during Summer 2022. These second-generation Enhanced Partnerships would include the additional obligations that KCC and Operators can commit to in light of the funding available.

4. Conclusion

- 4.1 The bus network in Kent and across the UK is facing a significant challenge to recover from the impacts of the pandemic. The commercial pressures on bus operators, KCC’s own funding position and the absence of security about Government continuity funding, means that there is an uncertainty about the ability to maintain service levels beyond April 2022.
- 4.2 The National Bus Strategy agenda represents a significant opportunity for KCC and Kent’s Bus Operators to secure the funding necessary to protect the current network and drive improvements to the Kent Bus network.
- 4.3 To date, KCC and Kent’s Bus Operators have met Government requirements set out in the National bus Strategy. The next requirement is to form and adopt Enhanced Partnership Agreements to be in place by April 2022.
- 4.4. Owing to the combination of factors described above, the first generation of Enhanced Partnerships will be shell agreements reflecting the current offer and more modest increases. These will be evolved to be more aspirational schemes when there is certainty about the funding.

5. Recommendation:

- 5.1 The Environment and Transport Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Highways and Transport on the proposed decision to support the proposed next steps and specifically the Executive Decision to form Enhanced Partnership Schemes as shown at Appendix A.

6. Background Documents

- Proposed Record of Decision

- The Kent Bus Service Improvement Plan (<https://letstalk.kent.gov.uk/busfuture>)
- Draft Kent Enhanced Partnership Agreements:
 - Enhanced Partnership Plan
 - Enhanced Partnership Scheme
- Equality Impact assessment: <https://democracy.kent.gov.uk/documents/s108614/EnhancedPartnershipEqIA.doc.pdf>

7. Lead Officers

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