

From: David Brazier, Cabinet Member for Highways and Transportation

Phil Lightowler, Interim Director Transportation

To: **Environment and Transport Cabinet Committee – 18 February 2022**

Subject: **Supported Bus Services Public Consultation**

Key decision : **N/A**

Classification: **Unrestricted**

Past Pathway of Paper:

Future Pathway of Paper: Environment & Transport Committee –12 May 2022

Electoral Division: Countywide

Summary: The budget for supported bus services in 2021/22 was £6M net. For the financial year 2022/23 and to support the council achieve a balanced budget, the net budget for supported bus services is proposed to decrease by £2.2M. Accounting for planned inflation, the net budget for 22/23 will be £4.3M

To achieve the net budget will require a significant number of supported bus contracts to be reviewed for withdrawal, in excess of the £2.2M proposed saving, should this be approved as part of the Full County Council meeting in February 2022 when the budget is to be considered. Bus contracts have been reviewed using the KCC criteria.

It is proposed to run public consultation on the measures proposed from early February through March 2022, with implementation of contract termination from the end of July 2022 after appropriate notice has been given and due governance observed.

Recommendation:

The Cabinet Committee is asked to consider and support consultation on a range of measures (supported bus contract withdrawals) required to reduce KCC expenditure on supported bus services.

1. Introduction

1.1 From April 2022, the net budget for supported bus services is proposed to reduce to £4.3M, to support the council achieving a balanced budget in 2022/23. To deliver this requires a budget reduction of £2.2M and could lead to the withdrawal of 48 contracts.

1.2 This report provides the Environment and Transport Cabinet Committee with a proposal for a public consultation on a range of proposed changes to the supported bus service.

2. Body of the report

- 2.1 Since 2014/15 Public Transport have been working to reduce the cost of supported bus services in such a manner to minimise the impact on service users. They have reduced costs through a range of measures including; the continued migration of Kent Karrier contracts from commercial bus operators to Community Sector operation, commercialisation of previously tendered services, the retender and rationalisation of tendered services and a flexible approach to the use of Bus Service Operator Grant Funding received from Central Government.
- 2.2 In 2022/23 there is a proposed saving in the supported bus budget of £2.2M net. This reduction in budget will require the current number of contracts to be reduced including those providing Kent Karrier services.
- 2.3 There are currently 127 contracts supported by the council, including Kent Karrier. These contracts are a mix of support, involving funding for a whole service or just specific journeys, for example on specific days i.e Sundays.
- 2.4 The approach to identifying the contracts that are proposed to be withdrawn has been to firstly to identify the anticipated costs for those current contracts expiring in 22/23, to identify any service commitments taken on in 21/22 (to protect school routes) and to identify any services/contracts where external funding ie S106 has come to an end. This process forecast that for 22/23, we would require £7.6m to cover existing commitments. Using identified commitments, the reduction required to achieve the 22/23 net budget of £4.3m was determined as £3.3m. Using the KCC supported bus service criteria, officers have identified contracts to a value of £3.3M, which could be withdrawn.
- 2.5 The funding criteria prioritises services based on the day of the week they operate, journey purpose and the value for money, derived from a pound per passenger journey figure.

The criteria is shown below;

Priority	DAYS OF OPERATION	£ Per Passenger Journey
1	Any day of the week	Less than £3
2	Monday to Friday	Over £3
3	Monday to Friday	Over £5
4	Saturday	Over £3
5	Sunday and evening	Over £3
6	Saturday, Sunday & evening	Over £5
7	Any day	Over £7
8	Poorly performing contracts with very limited implications	Regardless of cost

- 2.6 Each contract has been assessed against the above criteria, using pre pandemic passenger data, to determine its priority and its value for money ie £ per passenger subsidy. Given the level of reduction, it has not been possible to protect all services, which may have school use.

- 2.7 The list of the contracts is shown in the appendix 1.
- 2.8 It is proposed to consult on the measures proposed from late February through April 2022, with any changes being implemented August 2022. The consultation material and process has been developed in conjunction with KCC's Consultations Team.
- 2.9 Posters and other consultation material will be posted on buses across the county and promotional postcards will be distributed to libraries, Gateways and other public facing buildings. The consultation will be hosted on KCC's engagement website.
- 2.10 We will also be undertaking a pro-active communication campaign, including press releases, social media and emails to stakeholders to ensure that people are aware of the consultation, the scope of the potential changes and how to respond to the consultation.

3. Financial Implications

- 3.1 From April 2022, assuming County Council approve the draft budget, the net budget for supported services will be £4.3M. The net budget for Subsidised Buses for 21/22 is £6M (£6.5M per the Budget Book but this figure includes Community Transport which is outside the scope of this review) so when combined with inflation of £500k and the proposed reduction of £2.2M, leads you to the proposed 22/23 budget of £4.3M.
- 3.2 As known commitments for 21/22 was £7.6M, the reduction to achieve the net budget in 22/23 is £3.3M.
- 3.3 Currently a number of students are provided with entitled free home to school transport on the affected contracts, and they will need to be provided with revised, potentially bespoke transport, at a higher cost to Children, Young People & Education (CYPE) directorate than currently. At this point in time, this cost cannot be quantified. There are currently 96 of these students.

4. Legal implications

- 4.1 The Transport Act 1985 requires Local Transport Authorities (LTAs) to consider the support of socially necessary bus services. However, expenditure in this area is a discretionary activity with LTAs being under no obligation to provide subsidy for this purpose.
- 4.2 Services carrying children with a statutory entitlement to free transport to school under the education act are unaffected by these proposals, as where required alternative provision will be provided, through dedicated contracted provision not open to the public.
- 4.3 A failure to manage the process of change robustly in terms of demonstrating a consideration of the implications carries a possible risk of decisions being subject to judicial review, however we will work closely with the Consultation Team to ensure that our approach is correct and consultation responses are fully considered.

4.4 Public Transport Team has developed a robust approach to development of EqlA, which has been reviewed previously.

5. Equalities implications

5.1 The overall process has been subject to an initial EqlA, this will be updated during the consultation process and individual EqlA for each contract withdrawal will be prepared.

5.2 The EqlA process has identified that there is a greater impact on; the elderly, disabled persons and disabled carers who are all identified groups within EqlA legislation.

6. Other corporate implications

6.1 None.

7. Timetable

7.1 The proposed timetable for the consultation process is;

- Late February 2022 Consultation launch
- Early April 2022 End of consultation period
- End April 2022 Conclude analysis of consultation and update EqlAs
- April 2022 ETCC recommendations taken for approval
- May 2022 Cabinet Member Decision
- Mid May 2022 Contract terminations issued
- Mid August 2022 Contracts withdrawn

7.2 The findings of the consultation and updated EqlA will be brought to Environment and Transport Cabinet Committee, with any refinements that Public Transport has had to make to its proposals.

8. Conclusions

8.1 For the financial year 22/23 and to support the council achieve a balanced budget, the net budget for supported bus services is proposed to to £4.3M, and to achieve this a net saving of £2.2M would need to be delivered.

8.3 This will require a significant number of supported bus contracts to be reviewed for withdrawal. Due to other routes/services taken back in-house during the year and as a result of re-tenders, to achieve this £2.2m net saving, routes totalling £3.3M would need to be withdrawn.

8.4 Bus contracts have been reviewed using the KCC criteria and where possible to protect any services with a schools element.

8.5 It is proposed to run public consultation on the measures proposed from early April through April 2022, with implementation of contract termination August 2022. Following consultation, a paper will be taken to Environment & Transport Cabinet Committee on 12th May 2022 in order to inform the key

decision that the Cabinet Member will then need to take prior to issuing contract termination notices to operators and commissioning alternative transport for any entitled children who may be affected.

9. Recommendation(s):

9.1 The Cabinet Committee is asked to consider and support consultation on a range of measures (bus service changes) required to reduce KCC expenditure on supported bus services.

10. Background Documents

10.1 Table of affected services

11. Contact details

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Appendix 1 – Contract/Service List

Service	Description	Days	Journeys	£ppj	Saving
Sevenoaks Kent Karrier	Sevenoaks area	Mon-Fri	794	£49.18	£39,045.00
South East Kent Karrier	Canterbury, Dover and Folkestone and Hythe	Mon-Fri	4,617	£40.06	£184,964.00
Maidstone Kent Karrier	Maidstone	Mon-Sat	2,804	£29.90	£83,853.00
59	Grafty Green to Maidstone	Mon-Fri	4,291	£3.67	£126,000.00
North West Kent Karrier	Dartford, Gravesham, North Sevenoaks	Mon-Sat	2,238	£28.79	£64,439.00
Sandwich Connect	Staple - Sandwich - Northbourne	Mon-Sat	1,981	£26.08	£51,657.50
Ashford Kent Karrier	Ashford	Mon-Fri	2,338	£25.29	£59,138.00
292/299	Tonbridge & Hawkhurst to Tenterden	Fri	595	£24.37	£14,498.68
Tonbridge & Malling Kent Karrier	Tonbridge & Malling area	Mon-Fri	1,136	£23.35	£26,524.00
24	Sandhurst to Maidstone	Tu	790	£19.58	£15,469.82
Tenterden Hopper Service	Tenterden and Surrounding Villages	Mon-Fri	3,066	£16.61	£50,934.00
Swale Kent Karrier	Swale	Mon-Fri	5,014	£16.20	£81,220.00
Tunbridge Wells Kent Karrier	Tunbridge Wells area	Mon-Fri	2,112	£13.64	£28,818.00
266	Kilndown to Maidstone	Tu	846	£13.19	£11,155.25
634	Studd Hill to Beltinge	Thu	1,151	£12.41	£14,281.06
293	Tunbridge Wells to Rye	Thu	1,354	£11.45	£15,498.62
255	Benenden to Tunbridge Wells	Wed, Fri, Sat	2,048	£11.25	£23,034.15
Detling Shopper	Detling to Maidstone	Mon-Fri	3,572	£10.49	£37,469.00
332	Deans Bottom - Stockbury - Yelsted - Sittingbourne Schools	SDO	4,182	£10.30	£43,055.00
6 / 645	Herne - Reculver C of E School	SDO	3,205	£8.63	£27,659.63
70/502	Leybourne to Borough Green	Mon-Fri	12,043	£5.14	£61,851.80
541/542/544	Dover - Deal - Sandwich - Canterbury	Mon-Sat	9,716	£8.36	£81,270.20
222	Wrotham to Tonbridge	SDO	4,887	£8.29	£40,500.97
E1	Edenbridge Town Circular	Mon-Sat	17,570	£8.05	£141,363.00
277	Henwood Green to Tunbridge Wells	Mon-Fri	800	£7.85	£6,281.04
433/489	New Ash Green to Gravesend & Bluewater	Su	6,076	£5.60	£34,005.00
X1/X2	Kings Hill to West Malling & Maidstone	Mon-Fri	64,148	£3.24	£207,721.00

360	Leysdown - Eastchurch - Minster - Sheerness - West Minster	Su	7,800	£4.07	£31,779.88
6	Pembury to Tunbridge Wells	Su	3,075	£3.80	£11,700.00
296	Paddock Wood to Tunbridge Wells	Mon,Thu, Sat	3,772	£6.82	£25,720.91
HC3	Dunton Green to Hugh Christie	SDO	6650	£6.57	£43,700.00
111	Folkestone - Ashford	Thu	2,045	£6.36	£13,007.69
60/61/61A	Dover Town Services	Mon-Sat	5,958	£5.62	£33,477.00
123	Ashford - Hothfield - Pluckley - Biddenden	Mon-Fri	15,386	£5.57	£85,627.37
5	Maidstone to Sandhurst	Mon-Sat	11,525	£5.17	£59,601.76
HS7/8	Egerton, Pluckley & Smeden to Homewood School.	SDO	24,043	£5.05	£121,450.00
662, 664, 666	Teynham - Faversham, Conyer - Lynsted, Faversham - Sheldwich	SDO	12,987	£4.78	£62,069.00
TW9	Langton Green to Tunbridge Wells	SDO	8,360	£4.57	£38,170.60
8, 9, 343, 344, 345	Sittingbourne Rurals	Mon-Sat	73,372	£4.28	£313,698.00
4	Edenbridge to Ide Hill	Mon-Fri	19,700	£4.15	£81,686.00
13 & 59	Grafty Green & Harrietsham to maidstone	Sat	5,195	£5.73	£0.00
58	Addington to Maidstone	Mon-Sat	21,782	£3.90	£84,915.95
17	Folkestone - Canterbury	Mon-Sat	12,217	£3.82	£46,613.10
954	Birchington to Sandwich Schools	SDO	12,467	£3.81	£47,500.00
90/61/61A	Aycliffe - Whitfield to Dover to Aycliffe	Su	2,769	£3.72	£10,296.00
474, 475	Greenhithe to Longfield	Mon-Sat	31,566	£3.64	£114,847.97
88	Maidstone to Kings Hill	Mon-Fri	8,505	£3.58	£30,444.39
208/209	East Peckham to Pembury	Mon-Sat	84,316	£2.17	£182,767.00