

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

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To: Environment and Transport Cabinet Committee – 8 Nov 2022

Subject: **Buses Update**

Key decision N/A

Classification: **Unrestricted**

**Past Pathway of Paper:** N/A

**Future Pathway of Paper:** N/A

**Electoral Division:** Countywide

**Summary:** Since the pandemic, the use of local bus services has not returned to levels seen pre pandemic. Use has at peak times returned to 80-90% of pre pandemic but off peak remains at circa 60%.

During and since the pandemic, Department for Transport (DfT) has provided financial support to the bus industry, both directly and through local authorities.

This funding was scheduled to come to an end in October 2022, with DfT encouraging operators to review the viability of their networks, with an aim to withdraw unviable services in October 2022.

The ending of funding comes at a time when the industry is facing a recruitment crisis and costs of operations have increased significantly.

The planned reduction in funding and the network review, has led to 100 changes to commercial services in Kent.

This paper outlines the changes and the work done by Public Transport, in protecting significant school links, until end July 2023.

**Recommendation:**

The Cabinet Committee is asked to note the report.

**1. Introduction**

1.1 This paper has been produced to provide members of this Cabinet Committee with an update on the changes to the commercial bus network of Kent, which have taken place over the period April to September.

- 1.2 The paper outlines the changes that have taken place, the background to these changes and the work completed by the Public Transport team in conjunction with Kent's operators to try to protect the most critical parts of the network.
- 1.3 The paper also acknowledges the challenges the commercial bus network will face in the coming months.

## **2. Background**

- 2.1 The Covid pandemic started to affect bus services from late February of 2020, as people became ill, started to work from home and eventually the country was forced into a number of national lockdowns, except for essential workers.
- 2.2 Demand for local bus services from late February declined and dropped to single figures during lockdown. During the lockdown periods, people were advised to avoid the use of public transport, a message which has impacted both bus and rail.
- 2.3 To ensure that bus services continued to operate during the lockdowns and to ensure services would be available on return to normal, national government provided funding to both commercial bus operators and local authorities. During the first part of the pandemic, this funding came in the form of the Covid Bus Services Support Grant (CBSSG). This funding for operators was linked to mileage and was designed to enable operators to provide "normal" levels of service despite significantly reduced levels of patronage and therefore revenue.
- 2.4 In the case of the funding provided to KCC, it enabled us to maintain our Kent Travel Saver payments at 100% pre pandemic levels, again supporting the commercial bus market. As the impacts of the pandemic reduced and focus turned to recovery, CBSSG was replaced by the Bus Recovery Grant (BRG). Once again, in terms of operators BRG were linked to the mileage operated and recovery in passenger use.
- 2.5 BRG had a finite life and was originally intended to come to an end in October 2022. At that point in time, post pandemic, it was expected that use of bus would have returned to near pre pandemic levels, if not already done so.
- 2.6 The reality is that use of local bus has not returned to pre pandemic levels. Use of bus at peak times, depending on route and operator is running at circa 80-95%, but in the off-peak it can be as low as 50%. Evenings and some Sunday services are badly affected. In Kent, the use of the elderly/disabled bus pass (ENCTS) has returned to circa 60% of pre pandemic levels. Kent Travel Saver (KTS) has returned to 90% of pre pandemic levels.
- 2.7 For 2022/23, payment for ENCTS moved from 100% pre pandemic level to a level reflecting use, with a floor of 70%. This process was defined by DfT, and the phasing of payments was spread until October 2022, with the expectation that operators would not be at the base. In respect of KTS, payments went to 90% of pre pandemic level for the 1<sup>st</sup> quarter of 22/23 and to actual from September 2022 i.e., reflecting only the use actually being made of Travel Saver passes.

- 2.8 Since Autumn of 2021, operators have found it a major challenge to recruit/retain drivers/engineers, labour costs have risen, and consumable costs have soared. Supply chain difficulties have added to the pressure in respect to consumables.
- 2.9 In April, the DfT announced that BRG would come to an end in October 2022 and that as part of the process, they encouraged operators to work with their Local Transport Authority to re-base their networks, reflecting new levels of demand and in doing so determine services that would be retained, those that were marginal and those that were not viable and would therefore be reduced or withdrawn. The outputs from these network reviews were submitted to the Department for Transport and resulted in the significant changes to bus services that, in Kent, we started to see from this point. The level of turmoil to the network is not restricted to Kent where the challenges affecting the industry is the same across the UK.
- 2.10 Reflecting the impact of the complete loss of funding, in August Government announced extended funding for Local Transport Authorities and Operators designed to support the continuation of services otherwise proposed for withdrawal. For operators, the DfT announced extension of the BRG until January 2023, with selected operators getting continued support until March 2023 (criteria not defined).
- 2.11 KCC were provided with £1.5m of Local Transport Funding (LTF), which we are allowed to use for short term support to the commercial bus market, to cover additional costs for any short-term bus support taken on or for promotion of the bus network to drive demand. This funding has been used to provide support to commercial operators, for overall network delivery, it enabled the pump priming of the Summer Reconnect program and it will cover the additional cost to the Kent Travel Saver budget, for additional costs incurred in providing additional capacity on the network or underwriting some school services for the current academic year.

### **3. Commercial Changes**

- 3.1 The full list of commercial changes are shown in appendix A together with updates which identify the instances where services have been retained or alternative solutions applied.
- 3.2 Not including changes linked to KCC Bus Subsidy withdrawals, over 100 service changes have been recorded. Working in conjunction with operators and using LTF, Public Transport have managed to secure some form of alternative provision in response to over 60 of these changes. The retention of a facility for all school children has been a priority and most areas who previously had a bus at school times continue to receive one. In some instances, the scarceness of drivers and funding has dictated that services are subject to change, and some are viewed as less desirable by users.
- 3.3 It should be noted that in the vast majority of instances, the funding available and the commitment of operators to retain services extends to the end of the current academic year only and Members should therefore be aware of the

prospect of the same and some additional services being exposed to withdrawal again in the future.

- 3.4 The most significant changes centre around Go Coach changes in Sevenoaks/Tonbridge & Malling, Stagecoach changes in Thanet/Dover/Canterbury and changes to services into Homewood School, Tenterden.

#### **4. Sevenoaks/T&M Changes**

- 4.1 The change in the Sevenoaks as, implemented by Go Coach, were undertaken in response to reduced demand, rising costs, the move to a sustainable network and in their case, a need to move depot from Otford to Swanley. This combination, saw them inform KCC that they would de-register a significant number of services, mostly school focused, which served Sevenoaks, Tonbridge, and Tunbridge Wells.
- 4.2 Initial indications were that the operator was not prepared to review its decisions, due to the depot move, although this position did change over time. Whilst Go Coach are the dominant operator in the Sevenoaks area, there are Arriva services, particularly trunk route 402 to Tonbridge/Tunbridge Wells.
- 4.3 Given the large number of users of the Kent Travel Saver and the impact that this could have on other services remaining, the Public Transport team secured the continued operation of a number of vehicles, to provide sufficient capacity to uplift current KTS users.
- 4.4 The focus was on those corridors, with large demand and where existing alternatives would be overwhelmed. Key corridors were Sevenoaks to Tonbridge/Tunbridge Wells. Services from Edenbridge/Kemsing to Sevenoaks. Wrotham to Tonbridge/Tunbridge Wells.
- 4.5 The Kent Travel Saver are funding these as additional capacity vehicles until the end of the academic year in July 2023. The operator has made a number of changes to these services, so that they replicate the services previously.
- 4.6 In respect of the withdrawn TW10/11/13, agreement was reached with Autocar, provider of the parallel service 222, to provide an additional 221 service, which would also serve Tunbridge Wells alongside Tonbridge. Services 221/222 to be operated by double decks, supplemented by the existing Reroute 233 service. These arrangements provide sufficient capacity, although the Public Transport team continue to work with Autocar to improve reliability of 221, which is currently affected by increased road congestion between Tonbridge and Tunbridge Wells.
- 4.7 It has not been possible to replace all the services that were withdrawn, as aside from Go Coach/Autocar, finding other operators prepared to provide replacement services was not possible.

#### **5. Thanet/Dover/Canterbury Changes**

- 5.1 Stagecoach made a number of changes from April to June, across the Canterbury/Thanet areas, aligning capacity with demand and in some cases removing some services that were no longer profitable to operate.
- 5.2 Appendix A shows the changes in detail and mitigations put in place, where possible.
- 5.3 During the same period, the Public Transport team worked closely with Stagecoach to protect the future of Dover depot and more importantly the network of services it provides. The depot, due to post pandemic demand, has become a significant concern to Stagecoach and without fundamental network change, including a reduction in vehicles operated, it would close.
- 5.4 Stagecoach have undertaken a major replanning of their commercial network in the Dover area, which will see reductions in frequency on a number of services and removal of others. In respect to 11 school services in the area, these have been secured until end of July 2023 due to Kent Travel Saver support.
- 5.5 The revised network will be implemented in late October 2022 and should return Dover to a sustainable position.
- 5.6 KCC will continue to work with Stagecoach to identify opportunities to make increased use of Dover depot, so that its future sustainability and that of the network are maintained.

## **6. Homewood School**

- 6.1 In respect to Homewood School, Hams proposed the de-registration of services 293, 294 and 295.
- 6.2 Continued operation was negotiated, through the use of existing entitled scholar traffic on this corridor.

## **7. Conclusion**

- 7.1 There has been significant change to the commercial bus network since April this year, which reflects the impacts on the bus network, as the country moves out of the pandemic. The use of bus, particularly in the off peak, has not returned to pre-pandemic levels, in some cases it is nearly half of the pre pandemic levels. Yet at the same time, the bus operating market is facing unprecedented challenges in recruitment of drivers/engineers, in the cost of consumables and in the supply of those consumables.
- 7.2 Where it has been possible to do so, the Public Transport team has secured services until the end July 2023 by use of KTS funding or by making use of the DfT LTF grant to provide overall support to an operator.
- 7.3 The Public Transport team continues to review the network regularly, talking to all operators, so that future challenges are firmly understood.
- 7.4 At this point in time, it is not possible to determine how the network will be maintained from end July 2023, as medium-term government support for the

commercial bus network is not in place, the continued market recovery over Winter will need to be monitored and KCC own budgetary position is not determined.

## **8. Recommendations:**

8.1 The Cabinet Committee is asked to note the report.

## **9. Background documents**

- Appendix A – Service Changes

## **10. Contact details**

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