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**By:** John Burr, Director of Highways and Transportation

**To:** Bryan Sweetland, Cabinet Member for Environment, Highways & Waste

**Date:** 21 February 2012

**Subject:** Approval of criteria for prioritisation of Supported Bus Services

**Classification:** Unrestricted

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**Summary:** Kent County Council (KCC) currently commits around £7.6m (net) to supporting local bus services which are not provided commercially. These are largely catering for people living in rural areas and to enable services to operate in the evenings and at weekends.

On 22 November 2011 the Environmental, Highways & Waste Policy & Overview Scrutiny Committee recommended approval of new criteria by which KCC will prioritise spending on Supported Bus Services based on access to work, learning, healthcare and essential food shopping, days of operation and cost per passenger journey. The recommendations to the Cabinet Member were endorsed. They have also been considered by, and have the support of, the Finance Working Group to this Committee.

These criteria, if approved by the Cabinet Member, will be used to determine support in the event of a commercial bus service being deregistered, or notice being given by an operator of an existing subsidised bus service, in order to meet minimum social need, as well as to prioritise support should there be a reduction in KCC funding for bus services.

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## 1. Introduction

- (1) Kent County Council (KCC) currently commits around £7.6m annually to supporting local bus services. The budget is fully committed in the current financial year and is likely to come under increasing pressure over the coming years for the following reasons:
- Commercial service withdrawals - when a commercial bus service is withdrawn KCC has a duty to assess whether it should intervene and support the service;
  - Operator gives Contractual Notice to cease operation of a subsidised bus service – KCC could procure a replacement service but the cost may increase.
- (2) In addition, KCC could decide to vary the supported bus budget. If and when any of these circumstances arise, it is essential that there is a method through which bus services are prioritised for support. This paper sets out the proposed prioritisation approach that would be used for adding/removing services.

## 2. Proposed new criteria for support of bus services

- (1) Support will be considered for a bus service that is not commercially viable if its main purpose meets one or more of the following journey activities:
- Access to work
  - Access to learning
  - Access to healthcare
  - Access to food shopping

**KCC will provide for the minimum social need in this context.**

- (2) In order to apply these criteria, services are ranked in the following descending order from priority 1 to priority 8, and also with priority given to the lowest £ per passenger journey (ppj) cost within each priority band:

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

**3. Procedure to be followed in the event of commercial bus service being deregistered or Contractual Notice being given on a subsidised bus service:**

- (1) In either circumstance, KCC may undertake a costing exercise to assess the service according to the criteria set out above in order to meet minimum social need. This will therefore not always mean like for like replacement. Following a procurement process, if the service is in accordance with this policy and it is then likely to perform better than an existing supported service, KCC may intervene and fund the continued operation of the service in question. In such a circumstance, it is likely to be necessary to withdraw subsidy from other supported services to stay within budget.
- (2) This will be achieved by giving contractual notice on a sufficient number of the lowest priority supported bus services to remain within budget (prioritised as detailed above).
- (3) Operators and local members affected by the subsequent service withdrawals would then be given at least 90 days' notice of the intended withdrawals, and wherever possible arrangements will be made to amend either Kent Karrier or other community transport provision to meet the basic access needs of those passengers affected by the proposed withdrawal. Such withdrawals will be programmed to take effect on a quarterly basis, on 1<sup>st</sup> April, 1<sup>st</sup> July, 1<sup>st</sup> October and 1<sup>st</sup> January.
- (4) In order to structure withdrawals in this way, it will be necessary to include a contingency within the budget. This will cover the periods when KCC is supporting both the newly acquired services which have been deregistered and the subsidised services on which contractual notice would be given but which would still continue to operate until the next programmed date for withdrawals.

**4. Procedure to be followed in the event of bus service withdrawals due to budget reductions:**

- (1) If KCC withdraws funding from supported services due to a reduction in funding, a consultation would be undertaken on the affected route(s). This would consist of a media plan using the KCC website, District Council websites, on bus notices and direct contact with local Members, District and Parish Councils. There would also be an Equality Impact assessment (EIA) so as to ensure that any adversely affected groups (e.g. bus passengers with disabilities) were provided wherever reasonably practicable with a reasonable alternative.
- (2) Any decision to cease support for bus services, even those which were considered relatively straightforward, should not be taken lightly, but once made the decision should be maintained. Whilst passenger numbers are not substantial, services supported by

KCC carry a large proportion of elderly and disabled people as well as those who do not have alternative access to key services.

- (3) Wherever possible arrangements should be made to amend either Kent Karrier or other community transport provision to meet the basic access needs of those passengers affected by the proposed withdrawal.
- (4) Withdrawal of subsidised services should, wherever possible, be phased in accordance with the dates detailed above. However, such phasing of withdrawals of subsidised services might incur additional costs due to the extended time of operation of such contracts beyond the current expiry date of 31 March in any given year, and the contingency fund referred to above would accommodate these costs.

## **5. Recommendations**

**The Cabinet Member for Environment, Highways and Waste is recommended:**

- (1) To approve the processes outlined above to prioritise the support of bus services in the event of a commercial withdrawal by an operator, or Contractual Notice being given on a subsidised bus service, or a reduction in funding availability;**
- (2) To create a contingency of £50k from the existing supported bus budget to cover interim periods when KCC is supporting additional services.**

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