

# Buses Select Committee



*Is the bus market working for Kent.*

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# How are buses regulated & de-regulated in the UK?

**So buses are regulated, Yes they are;**

- In that to operate a bus for hire and reward (private trips/coach holidays/local bus services) you need what is called a Public Service Vehicle (PSV) Operators Licence
- How your bus and coach is constructed is also regulated, from dimensions, to brakes, from door height size to engine emissions.
- If you provide a local bus service, your bus needs to meet the requirements of Public Service Vehicle Accessibility Regulations (PSVAR).
- Your drivers require a specific type of licence , known as category D.

# How are buses regulated & de-regulated in the UK?

## So buses are regulated, Yes they are;

- The working hours of your drivers are governed by two sets of distinct working time regulations, known as driver hours. One known as EU and one domestic regs.
- The transport manager has to hold an accredited qualification known as a Certificate of Professional Competence.
- The drivers also need to hold a CPC, for drivers, which is based on 5 days of training.
- If you operate a local bus service, you must register it, in a prescribed way and operate it in accordance with a performance criteria – The Traffic Commissioners.
- Regulations come from the UK and from the EU

# How are buses regulated & de-regulated in the UK?

## So what does de-regulated mean then

- From 1930 to 1985 the Area Traffic Commissioner regulated bus services, based on competition levels on a route, need, sustainability and proposed timetable. They had the power to determine route, timings, vehicle type and fares. They also enforced against poor performance and market abuses.
- Since 1985, as long as you hold a standard national PSV operators license, you can register a local bus service without any market oversight.

# How are buses regulated & de-regulated in the UK?

## So what is de-regulated mean then

- Comply with the registration process and you can run anywhere (subject to road laws), when you want, how you want.
- The only roads you can't use, are ones where a TRO prohibits a bus. Otherwise, anywhere, as long as you can get down it.
- You don't have to apply to the Traffic Commissioner for approval to raise your fares and submit your fare charts.
- The local authority has no right to determine your route, timetable, vehicle type, fares.
- The local authority must see a copy of your service registration, at time of application, but cannot object unless within very prescribed limits.

# Timeline of Regulation in the Bus Industry

1918-1930	De-regulated market for bus routes. Significant growth in operators, routes and competition
1920-1930	Three major operating groups become established, Tilling, National and BET.
1930	Road Traffic Act – creates a system of market regulation for bus services and creates the Traffic Commissioners.
1933	Bus companies in London and 30 miles around London nationalised into the London Transport Passenger Board.
1947	Government creates British Transport Commission and takes over Tilling and National Assets

# Timeline of Regulation in the Bus Industry

1962	British Transport Commission becomes Transport Holding Company.
1968	Transport Holding Company purchases bus companies of BET and creates National Bus Company
1968	National Bus Company is nationalised bus provider for England and Wales, outside municipal bus operators
1980	Coach services de-regulated
1985	System for local bus services de-regulated, National Bus Company disposed of by Govt and local authorities forced to divest of bus assets

# What Are Traffic Commissioners

- They manage the operator licensing system for both HGV and PSV.
- Appointed by the DfT, working through a Senior Traffic Commissioner, they are appointed to cover a defined geographical area.
- There is a TC for London and the S East
- They regulate the performance of local bus services, through a performance regime.
- Each local service, from a given timing point, should be no more than -1 and plus 5 minutes late.
- They have the ability to penalise operators for poor service performance, including fines, license reductions and operational stoppages (days not operating service).

# What Are Traffic Commissioners

- DVSA report operator non-compliance to the Traffic Commissioners.
- They carry out enforcement action through what is known as the Traffic Court or private hearings in chambers.
- Appearance at a traffic court (known as a public inquiry) is a serious matter for a bus operator.

# The role of the Driving and Vehicle Standards Agency (DVSA)

- Working to the Traffic Commissioners.
- They ensure that all PSV and goods vehicles are operated in line with all regulations, both driver, operating and vehicle roadworthiness.
- They manage the vehicle testing process for all vehicles, including operation of PSV/Goods Vehicle Testing Stations.
- Develop licensing policy.
- The UK regulatory body for construction and use regulations for buses and coaches.
- Have mobile inspectors covering Kent to check standards.
- Provide evidence in enforcement actions to the Traffic Commissioner.

# Public Service Vehicle Access Regulations (PSVAR)

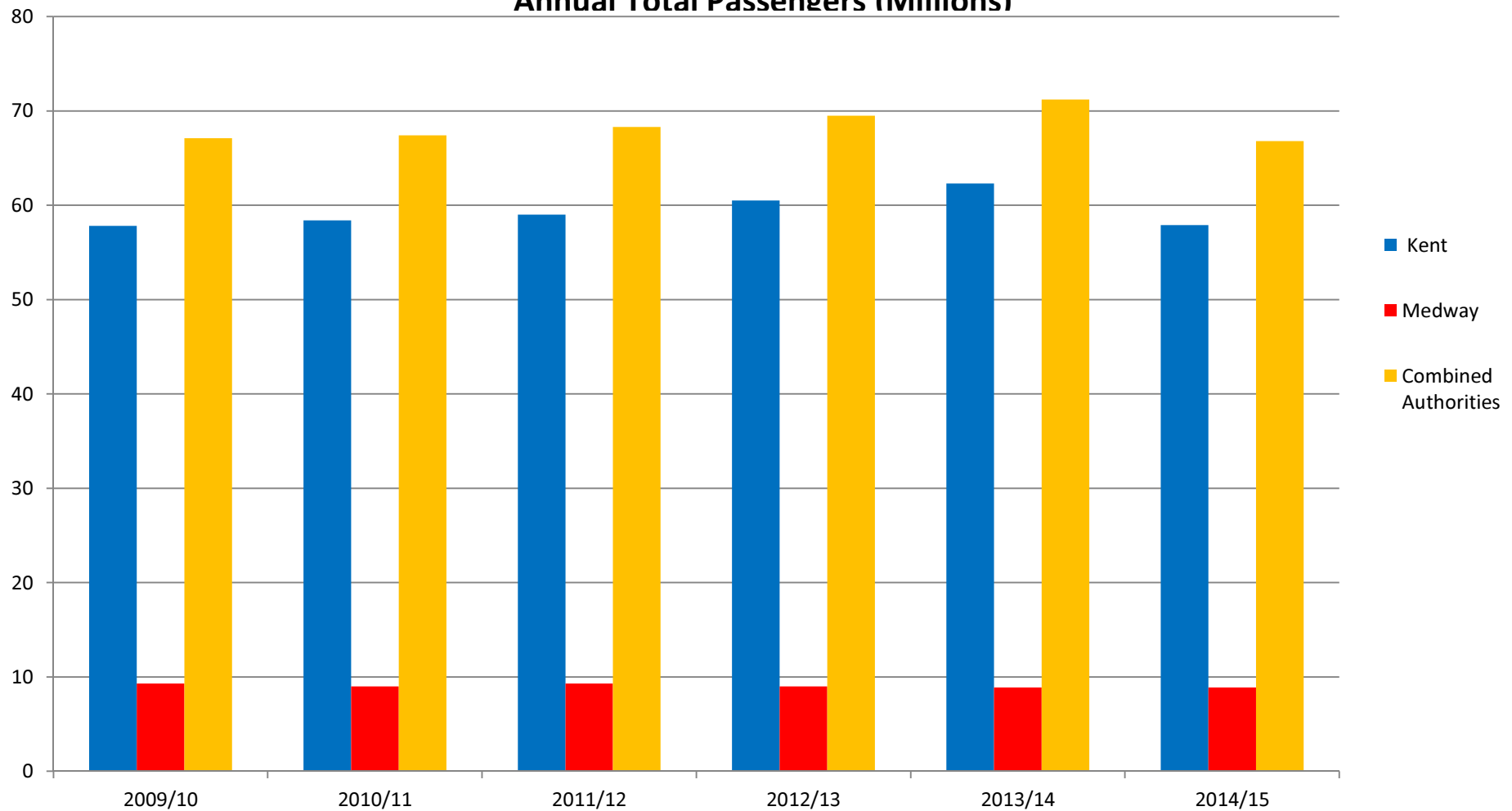
- The legislation that changed the provision of bus transport in the UK.
- Removed step entrance vehicles, changed the UK bus fleet to low floor, changed vehicle dimensions to enable accommodation of wheelchairs.
- Has enabled many with limited mobility to now make use of the bus.
- All single deck buses operating local bus services had to be PSVAR compliant by 1 Jan 2016.
- All double deck vehicles have to be compliant by 1 Jan 2017.
- All coaches have to be compliant for scheduled services by 1 Jan 2020
- The change in regulations has accelerated fleet replacement across UK fleets, since 2014.

# Kent Bus Network Overview

- Kent has a significant bus network.
- 97%, by mileage operated, is provided commercially.
- KCC supported services, provide the additional mileage, focused on social need.
- The Kent bus network sees extensive use and when combined with Medway, is the most used network outside of passenger transport authorities in the UK.
- Between 2009-2014 the network continued to see a growth in passenger numbers, although this has fallen back in the period 2014-to date.

# Kent Bus Network Overview

**Kent & Medway Bus Services**  
**Annual Total Passengers (Millions)**



# Kent Bus Network Overview

- There are 16 operators within Kent providing commercial services.
- The market is dominated by two main operators, Stagecoach through its East Kent subsidiary and Arriva, through what was Maidstone & District/London Country.
- 19 operators provided supported services to the Council.
- In addition 6 operators provide additional capacity services for YPTP travel. ACC are where KCC pay the operator for a second bus, as the service journey is full to capacity with YPTP holders.

# Kent Bus Network Overview

Where the Council plays a role in the bus market, aside from supported services, is in concessionary travel.

- English National Concessionary Travel (ENCTS) – the national scheme laid down by government for free travel for senior citizens and the disabled.
- Young Persons Travel Pass (YPTP) - subsidised travel for children in year groups 7-11.
- 16+ Travel card – subsidised travel for those attending sixth form, further education or on an apprenticeship.

# Kent Bus Network Overview

KCC are responsible for providing the roadside infrastructure to support bus services. This includes the provision of bus stops, bus bays, raised kerbs and roadside publicity.

A roadside infrastructure contract is in place to cater for this.

Travel information for Traveline is processed by KCC and this work is also delivered commercially for a number of other local authorities.

Development of bus services/infrastructure channelled through the Quality Bus Partnerships, of which there are 8 across the county.

# Kent Supported Services

- A requirement is placed upon the Council to consider the funding of bus services, which are de-registered/not operated as deemed not commercial, but which are deemed socially necessary.
- The requirement is to consider funding, there is no statutory requirement to provide funding.
- In the case of KCC, there is a policy/commitment in place to providing funding to support non commercial bus services, which are deemed socially necessary.

# Kent Supported Services

- Currently the Council funds 150 supported bus contracts & 11 Kent Karrier contracts, at an annual cost of £5.6M.
- The majority of these contracts are historical. At some point in the past, when a commercial service or journeys were withdrawn, a decision would have been taken to support them as they provide social need i.e.: key school transport.
- A small number of services have been established with external funding, which when exhausted, has requested the council to fund.
- A proportion of supported services will have been supported for an extended period, exceeding 5 years or more.

# Kent Supported Services

- A criteria was established in 2012 to determine how the Council would evaluate any withdrawn journeys/services for funding and for the management of the supported bus budget in constrained times.
- The criteria has been used by the Public Transport team in the past to identify those services which can no longer be supported, particularly where new demands have come along.
- The criteria establishes a cost per passenger regime and ranks supported services accordingly.

# KCC Support Service Criteria

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

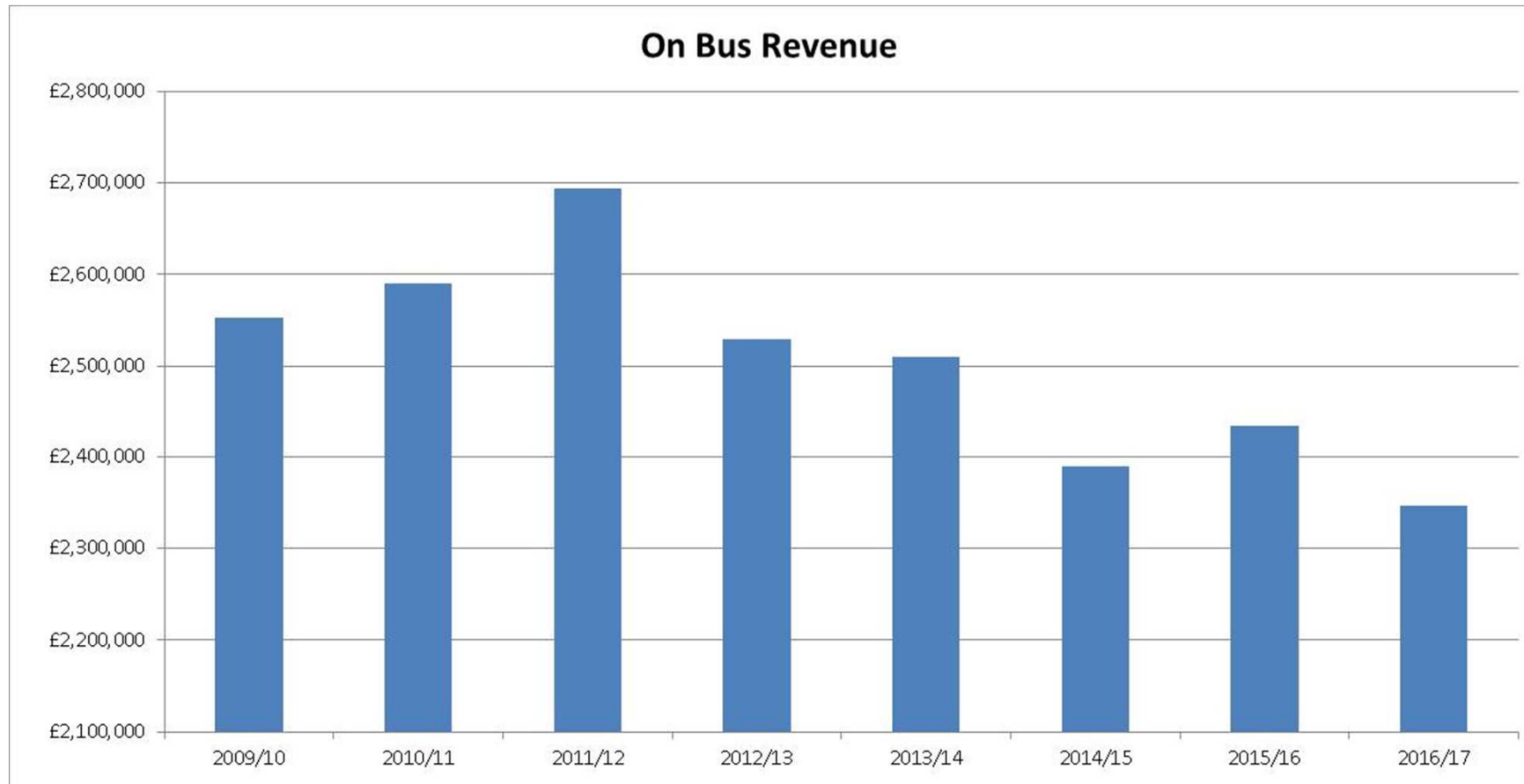
# Kent Supported Services

- 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:
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  - - Access to work
  - - Access to learning
  - - Access to healthcare
  - - Access to food shopping
  -
- (2) In order to consider these criteria, services are ranked in the following order of priority (1 being the highest):
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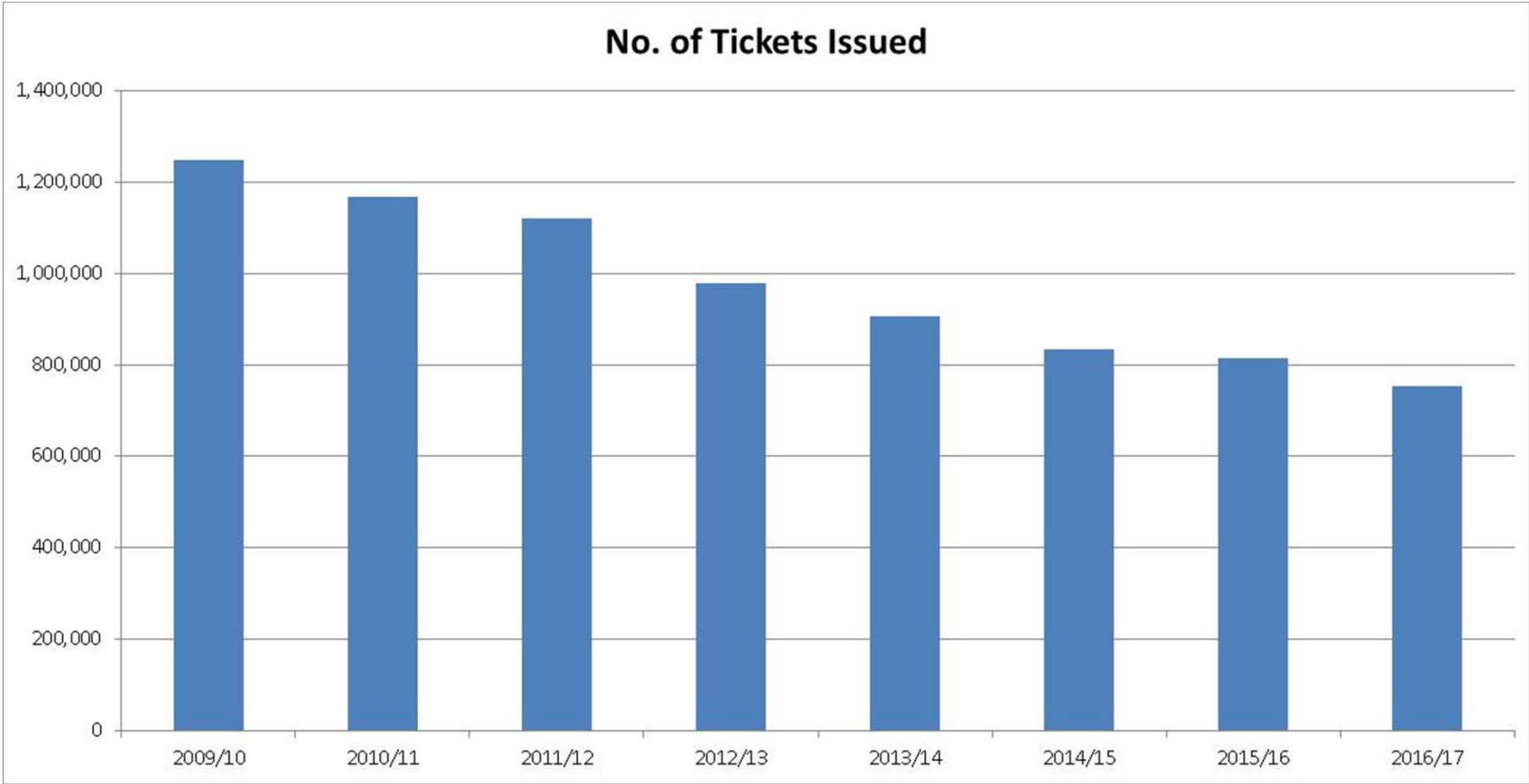
# Kent Supported Services

- Supported services are paid on the basis;
- Local bus contracts are based on an annual cost. Revenue paid on bus, through concessions goes to the operator.
- This ensures the cost is fixed regardless of the number of operating days within any financial year and there is no need for complicated revenue offset process..
- At tender stage, on-bus revenue/concessions data is provided to the bidders and their price should reflect this.
- Lowest economically advantageous price is the norm.
- However occasionally an operator may make an alternative bid, which either includes more journeys, more service cover or removes a subsidy elsewhere, in which case the lowest individual bid may not be selected.
- The payments are made every four weeks .
- Any failure to comply with the KCC Local Bus Contract can result in a financial deduction plus an admin charge which will be deducted from an operator four weekly payment.

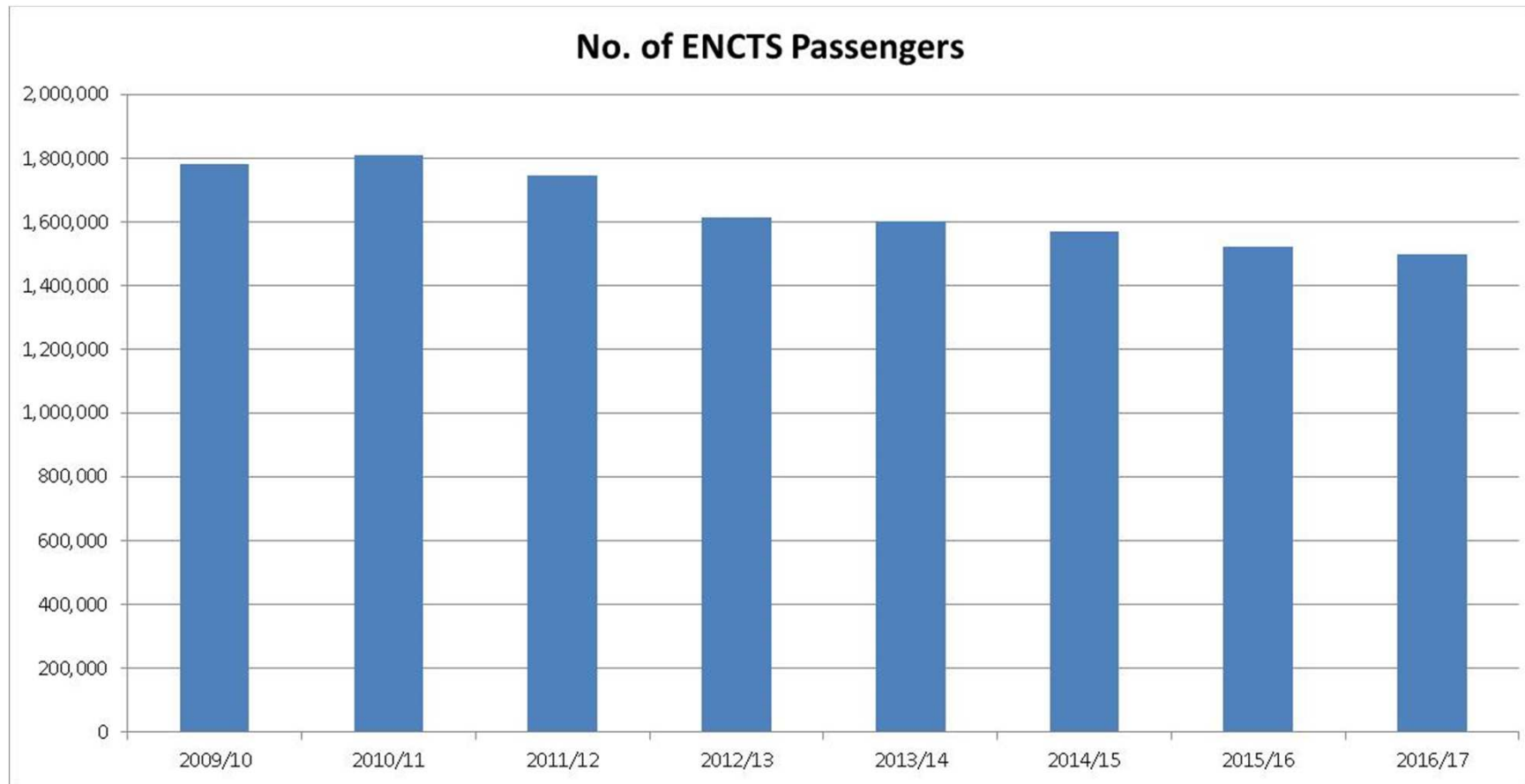
# Supported Services – On Bus Revenue



# Supported Services – Tickets Issued



# Supported Services - ENCTS



# Supported Services - YPTP



# Supported Services – 16 + Travel card



# Supported Services – Other Pre-paid



# Supported Services – Total Passengers



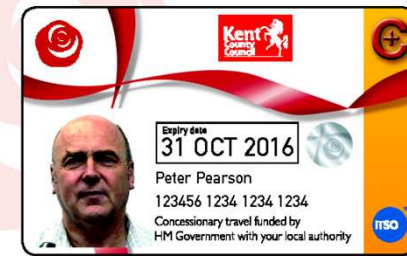
# English National Concessionary Travel Scheme (ENCTS)

- A national scheme for England and Wales.
- Minimum entitlement/service provision defined by the DfT.
- Eligibility criteria/process defined by DfT.
- Re-imburement to operators, governed by the Transport Act 1985 (Transport Act 2000) Concessionary Travel Act 2007, on the principal of “no better, now worse off”.

English National Concessionary Travel Scheme

## Disabled Person+Companion Bus Pass

Application Form



### ENCTS

Invicta House  
County Hall  
Maidstone  
Kent  
ME14 1XX

Telephone: 08458 247 802

Email: [buspass@kent.gov.uk](mailto:buspass@kent.gov.uk)

Web: [www.kent.gov.uk/buspass](http://www.kent.gov.uk/buspass)

### Other formats

This information is available in other formats, including **Braille, large print and audio tape** and in languages other than English.



# English National Concessionary Travel Scheme (ENCTS)

- Operators re-imburement linked to the recording of travel, through the ticket machines.
- All ENCTS passes are smart enabled and to the standard defined by DfT.
- Where a pass falls (start of journey), is the authority who pay – Brighton pay for a Kent pass presented on service 29 to Tunbridge Wells and Kent for a Brighton pass presented in Tunbridge Wells going to Brighton.
- In Kent in 15/16, 17.1M journeys were made.
- Based on actual travel value, this would cost £32.2M.
- Based on re-imburement model, cost to KCC was £16.7M
- So at an average cost of £0.975 per journey.
- Since 15/16 the trend in use of ENCTS has been falling in Kent and nationally. No underlying reason identified.

# ENCTS

- Scheme costs come from;
  - Re-imbursement to operators
  - Scheme management system (HOPS)
  - Card management services and card delivery
  - Consultancy support for scheme definition and management.
- Funding for ENCTS not ring fenced since 2009/2010 and a sum for the scheme is included in the general settlement.
- Funding for ENCTS therefore subject to same funding reduction since 2009/2010, which means that KCC budget is funding a significant proportion of the cost, potentially £6M plus.

# Young Persons Travel Pass (YPTP)

- Is a concessionary travel scheme, as defined under the 1985 Transport Act.
- Provides discounted travel for school children, not entitled to free school travel, on bus services in Kent.
- Travel available from 06.00 to 19.00 Monday to Friday and selected school holidays.
- Each pass holder, is provided with a smart enabled pass.



# Young Persons Travel Pass (YPTP)

- Re-imburement to operators is based on travel undertaken for 80% of all travel.
- The 20% covers daily payments to operators to provide additional capacity buses, where service levels are outstripped by demand.
- Re-imburement mechanism based on ENCTS, but uses different factors, as this is a peak travel scheme.
- The Council has been looking to reduce additional capacity costs, moving services to re-imburement



# Young Persons Travel Pass (YPTP)

- In the case of YPTP the subsidy is to the pass holder.
- Operator re-imburement, as it's a peak scheme, receive between 90-95% of the value of the average fare applying to their service.
- The level of subsidy per pass is the difference between cost to user and re-imburement costs/number of passes.
- At present average pass cost is in the £300-£350 band.



# Is the bus market working for Kent?

## Yes

- **In parts yes.**
- Certain areas of Kent receive good levels of commercial operation, high quality buses and customer service innovation.
- Yet other areas receive patchy service, poor vehicles, no innovation.
- There is wide discrepancy between the best operators and the worst.
- The Council doesn't support a disproportionate level of bus services in relation to commercial service.
- Has the Council had to invest in bus fleet, bus operations, bus depots and bus stations, no.

# Is the bus market working for Kent?

## No

- **In parts, no;**
- Service delivery is patchy, depending on your operator.
- The market does not allow operators to work closely together and to integrate.
- The market doesn't easily allow the introduction of smartcards.
- There is no requirement on operators to cross-subsidise rural or poorly used services.
- There is a lack of enforcement, as the DVSA has had to reduce enforcement activity to meet revised budgets.
- Investment by operators mixed, depending on the operator.
- No ability for communities to determine to operators, the shape, size and affordability of networks.

# The Future Challenges/Opportunities

- The continuing impact of congestion on bus services.
- The Buses Bill
  - Presently going through parliament
  - Improves the criteria for quality bus partnerships
  - Introduces a new enhanced partnership concept, not focused on infrastructure, but service delivery.
  - Will enable, in prescribed circumstances, for the de-regulated bus network to be cancelled and for a local authority to franchise a network.
  - Providing powers for local authorities to have more control than now over their bus networks.
  - Key caveats.

# The Future Challenges/Opportunities

- The continuing impact of congestion on bus services.
- Brexit
  - EU regulation on driving hours and emissions to be replaced.
  - Scope of any new regulations
  - Impact on staff recruitment, if immigration cut.
  - Period of uncertainty
- The move to electric/gas vehicles
  - The need to provide additional charging or gas stations
  - Improved air quality in Kent towns
  - Carbon reduction
  - Improved sustainability

# The Future Challenges/Opportunities

- The continuing impact of congestion on bus services.
- Demography
  - Increasing populations in key towns.
  - Changing service patterns.
  - Increased congestion in key areas, impacting service delivery
  - Increased demand for concessionary travel and the impact on budgets.
- Recruitment
  - Hard to recruit drivers
  - How to make the role attractive
- Development Funding
  - Ensuring that development funding is focused on the right public transport and provides sustainability.

# Any Questions.