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Ask for: Emily Kennedy  
Date: 7 September 2023

Dear Member,

**ENVIRONMENT & TRANSPORT CABINET COMMITTEE - THURSDAY, 14 SEPTEMBER 2023**

I am now able to enclose, for consideration at next Thursday, 14 September 2023 meeting of the Environment & Transport Cabinet Committee, the following report.

**Agenda Item No**

14

**National Bus Strategy & Kent Bus Service Improvement Plan - Update (Pages 1 - 14)**

Yours sincerely,

A handwritten signature in black ink, appearing to read 'B. Watts', is written over a faint, illegible printed name.

Benjamin Watts  
General Counsel

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**From:** Neil Baker, Cabinet Member for Highways and Transport  
Simon Jones, Corporate Director – Growth, Environment and Transport

**To:** Environment and Transport Cabinet Committee – 14 September 2023

**Subject:** **National Bus Strategy & Kent Bus Service Improvement Plan – Update**

**Key decision:** **No**

**Classification:** **Unrestricted**

**Past Pathway of Paper:** None

**Future Pathway of Paper:** None

**Electoral Division:** Affects all divisions

**Summary:** This report provides an update on the National Bus Strategy (NBS) and Kent's Bus Service Improvement Plan (BSIP). It advises on the history of the NBS to date, provides a progress update on the BSIP delivery programme for the 2023/24 financial year and confirms that KCC is working with the Department for Transport (DfT) with respect to securing tranche 2 (2024-25) BSIP funding.

**Recommendation:**

The Environment and Transport Cabinet Committee is asked to note the contents of this report.

## **1. Introduction and Background to the National Bus Strategy**

- 1.1 In March 2021 Government published a new National Bus Strategy (NBS) for England, which set out a blueprint for the improvement of all aspects of bus service provision inclusive of both service levels themselves but also extending to infrastructure, ticketing, innovation, information, vehicle standards, accessibility and environmental considerations.
- 1.2 At the time of publication, Government stated that £3bn would be made available to support the strategy, although this figure was subsequently reduced to £1.2bn, reflecting the alternative use of an element of this funding for expenditure linked to the Covid-19 pandemic.
- 1.3 In order to have an opportunity to access this funding and also to protect existing funding streams (including Highways and Transportation), the NBS placed a number of requirements on Local Transport Authorities (LTAs) and bus operators. By the end of October 2021, LTAs had to publish a Bus Service Improvement Plan (BSIP) and by April 2022, LTAs and bus operators

were required to form Enhanced Partnerships (EPs) governing all bus services in their administrative areas. Government made it clear at the time of publication that existing and future funding streams could be jeopardised if LTAs and operators did not engage with the NBS process.

- 1.4 In response to the strategy and to align with Government's ambitions KCC, in conjunction with operators, submitted its BSIP at the end of October 2021, with a total funding ask of £213m. The funding request, which consisted of both revenue and capital elements, was anticipated to support a three year delivery programme consisting of a range of public transport initiatives. Kent's proposals were informed by a significant public engagement exercise conducted at pace and in partnership with KCC's Marketing and Resident Experience team. The public engagement exercise was complemented by a number of stakeholder groups, liaison with District Councils and Member focus sessions.
- 1.5 In line with the second NBS requirement, KCC also worked quickly with bus operators to introduce an Enhanced Partnership (EP) for the County, which came into effect from 1<sup>st</sup> April 2022. An EP is a statutory agreement between an LTA and local bus operators in its administrative area. It sets out how partners will work together through a set of commitments, in place for both KCC and local bus operators. Initially, Kent's EP was reflective of the fact that no news of its BSIP funding allocation had been received, therefore reflecting what was achievable within current Council budgets. Kent's EP documents can be found at [www.kent.gov.uk/busfuture](http://www.kent.gov.uk/busfuture)
- 1.6 On 4<sup>th</sup> April 2022, shortly after introducing its EP in line with Government guidance, KCC learnt that it had received an indicative allocation of £35.1m in response to its BSIP. Whilst the allocation was significantly less than the £213m requested and would not deliver the level of ambition contained within Kent's BSIP, wider context is important which showed that, of 79 LTAs whom submitted a BSIP, only 31 received any allocation. Kent's allocation was also the 9<sup>th</sup> highest in the UK.
- 1.7 Kent's initial indicative allocation, consisted of £24,159,744 capital and £10,910,395 revenue funding and came with a number of conditions, including:
  - A requirement that funding was directed to particular initiative areas – namely fares and new / enhanced services for revenue spend and bus priority measures for capital spend.
  - A requirement that funding could not be used to sustain existing unviable commercial or contracted services. This point is important given wider industry pressures where a number of services had become unviable following reduced patronage, increased parts costs, driver shortages etc following the Covid- 19 pandemic.
- 1.8 KCC was required to provide information on its planned use for the funding by the end of April 2022 and more detailed explanations of how the funding would be reflected in its established EP by the end June 2022, again

representing extremely tight turnaround periods. Taking into account the conditions set out in 1.7 but staying true to Kent's initial BSIP and also feedback obtained through engagement activity, KCC submitted its proposal in late June 2022.

## **2. BSIP – Tranche One Formal Funding Offer**

- 2.1 Following the above process, no formal funding offer of any kind was subsequently received from the DfT until early 2023. This delay was predominantly attributed to a wide financial review taking place across central Government departments. In February 2023, KCC was formally offered an accelerated 2-year funding proposal, on the condition that all funded initiatives were to be delivered and all funding spent in 2023/24 .
- 2.2 The delivery of a two year programme in a one year timeframe was not viable for a number of initiative areas and as such, KCC worked with the DfT to agree a revised programme that had a high possibility of delivery in 2023/24, covering a range of capital and revenue initiatives and at a combined value of £18.9m. As reported previously to this Cabinet Committee, a key decision (no 23/00027) was subsequently taken by the Cabinet Member for Highways and Transport for the acceptance of this funding. A Record of Decision report is attached as Appendix A.
- 2.3 Kent received this funding on 30<sup>th</sup> March 2023. Whilst the award is a positive development for buses in Kent, and is allowing the delivery of a number of key initiatives to support the industry in 2023/24, It is important to note that the use of the funding is very prescriptive and must be spent on an initiative list agreed through the award process with DfT.
- 2.4 As part of the award, the conditions attached to the indicative funding allocation (see 1.7) still apply, however KCC did successfully negotiate some flexibility around the use of network and fares funding which has enabled the authority to sustain some commercial services meeting certain criteria and to hold the cost of the Kent Travel Saver pass for the 2023/24 academic year.
- 2.5 A summary of the initiative delivery programme for 2023/24 agreed with the DfT is attached as Appendix B.
- 2.6 The delivery of the 2023/24 BSIP Programme presents a significant challenge for KCC, with all initiatives requiring delivery by March 2024, unless agreed otherwise with the DfT through a formal Project Adjustment Request (PAR).
- 2.7 It is important to note that the strategy and KCC's BSIP response has been rolled out at a time of significant turmoil for the bus industry. The industry continues to face a very serious challenge in its efforts to recover from the pandemic. As is the case across the country, a number of commercial bus services are continuing to face withdrawal or reduction as a result of this. The BSIP process is helping to address this situation to some extent, but current BSIP finance levels and conditions related to funding mean that solutions will not be possible for a number of these challenges.

### 3. 2023/24 BSIP Delivery Programme

- 3.1 Following the award and receipt of tranche one BSIP funding, KCC'S Public Transport department has worked quickly to establish a robust structure to support programme delivery for 2023/24. BSIP Delivery is being supported by teams across KCC Highways and Transportation, including the Major Capital Projects Team, the Traffic Management Team and the Highway Improvements Team. Liaison is also taking place across GET's Corporate Services as required, including with the Strategic Commissioning, Communications, and Finance teams. The GET Project Management Office (PMO) is also engaged with the delivery process.
- 3.2 Seven key delivery areas have been identified, under which funded BSIP initiatives sit. These include bus priority, highway interventions, network development, fares and ticketing, bus stop infrastructure, bus information and Mobility as a Service (MaaS). A project lead has been assigned to each delivery area. A BSIP Delivery Group meets regularly to review progress and to tackle key issues.
- 3.3 A BSIP Governance Board has been established which includes representation from all GET Business Partners and is in place to hold the delivery programme to account with respect to internal and DfT requirements.
- 3.4 Kent's Enhanced Partnership Board (EPB), established when Kent's EP was formed in April 2022 and chaired by the Deputy Cabinet Member for Highways and Transportation is being utilised to oversee the delivery of initiatives and to inform key detail.
- 3.5 KCC has also encouraged District Councils to establish their own Bus Focus Groups in order to provide an opportunity to input into the delivery process in key areas and to hear significant BSIP / EP updates. This builds on the early engagement activity linked to the formation of the BSIP.
- 3.6 Regular updates are being provided to the DfT on progress with respect to the 2023/24 delivery programme and a Project Adjustment Request (PAR) process is in place should any initiatives require variation with respect to financial allocations and/or timescales. KCC is likely to utilise this process for initiatives which are at risk of delivery against DfT's requirements.

### 4. 23/24 BSIP Programme – Initiative Area Summaries

With reference to Appendix B:

#### 4.1 Bus Priority:

Three bus priority schemes are being pursued under the 2023/24 BSIP delivery programme, as noted in key decision (no 23/00027):

- **Rennie Drive, Dartford:** The scheme will improve the Rennie Drive Fastrack junction to enable Fastrack vehicles to travel directly along the northern part of Rennie Drive, and vice versa, saving up to 2 minutes journey time per trip. This will be done by improving the

junction arrangement and signals of Rennie Drive and by providing a new southbound bus lane to reduce congestion issues associated with the Dartford Crossing and M25/J1A. The project is currently at detailed design stage with progression to construction then subject to a key decision process at KCC - anticipated in late autumn 2023.

- ***Pencester Road, Dover:*** This scheme will provide a contraflow bus lane in Pencester Road, Dover to ensure that the new Dover Fastrack service can truly serve the town centre. The scheme will also unlock improved connectivity between Dover Priory Station, Pencester Road and Dover Port where a new bus service link is proposed as a benefit from scheme delivery. A detailed design is currently being finalised with a view to moving to public consultation in September 2023. Progression to construction will then be subject to a key decision process at KCC – anticipated in late autumn 2023
- ***Superbus Scheme, Thanet:*** This scheme is proposed to see a package of multiple interventions targeting journey time improvements on the route of the Loop bus service in Thanet. The improvements, which are currently being modelled and designed, will be complemented by reciprocal operator investment in service levels, matching the aspirations of the superbus concept as described in the NBS. Further detail on these proposals will be confirmed once available.

4.1.1 The use of funding available for further bus priority feasibility works is currently under discussion.

#### 4.2 Highway Interventions:

4.2.1 KCC's Traffic Management team has held Punctuality Improvement Partnership (PIP) meetings with bus operators for some time now, in an effort to improve bus punctuality across the county. BSIP funding from 2023/24 is being utilised to deliver a range of minor highways improvements in problem areas identified by bus operators through the PIP, which was relaunched in January 2023. Schemes will involve measures such as junction corner protection, parking restrictions and small bus priority measures. A positive impact matrix is being used to prioritise sites raised by operators and each scheme will subsequently be taken forward in line with KCC's consultation, design and delivery procedures for Highway Improvement works.

4.2.2 BSIP 2023/24 funding is also being utilised to fund the installation of ANPR cameras at a number of bus gates across the county, identified as safety issues due to contraventions of restrictions. Devolved powers under the Traffic Management Act 2004, part 6 will be utilised by KCC to undertake enforcement, as advised previously to this Cabinet Committee. Schemes to be taken forward are currently being prioritised.

#### 4.3 Network Development:

4.3.1 KCC had identified £2.5m million for investment in network enhancements in its BSIP proposals under the £18.9m. Initial BSIP conditions dictated that

this funding could only be used for new and enhanced services but more recently, acknowledging the state of the bus industry, Government have provided greater flexibility to allow authorities to use their revenue funding to stabilise the network and protect services that are or were at risk of cancellation and are also making ongoing support funding available to authorities for this purpose.

- 4.3.2 It is, however, important to note that the use of funding in this area needs to demonstrate value for money and a reasonable prospect for the service becoming sustainable in its own right in the future and for this reason the use of funding to reinstate services previously funded by KCC would not be an appropriate use of BSIP funds.
- 4.3.3 Since the start of 2022, KCC has used Government funding in this area to fund 45 services that were identified by operators for cancellation and would otherwise have stopped operating. Protecting these and other services, nearly all of which enable children to get to school, remains our priority. The gross contract cost of protecting these services currently stands at £3.7m per annum and could continue to grow. Now that the network has reached a period of relative stability, a process to profile the cost of sustaining the current network against the overall funding available in this area is being completed and will inform what, if any, funding is available for service enhancements.
- 4.3.4 BSIP funding for 2023/24 is also being used to run a community transport grant scheme (anticipated to commence in autumn 2023) and to secure a network planning tool for KCC.

#### 4.4 Fares and Ticketing:

- 4.4.1 BSIP funding for 2023/24 has been utilised to secure a price freeze on the Kent Travel Saver (KTS) scheme for the 2023/24 academic year. The offer was confirmed in June 2023 through a key decision process at KCC – No 23/00053. The cost of applying this price freeze is significant, at approximately £2 – £2.5 million dependent on uptake levels. The cost relates not only to the 23/24 anticipated price increase (based on operator fare inflation) but also the impacts of 22/23 which saw a higher than budgeted increase come through following the conflict in Ukraine and as a result of increased inflation and bus industry pressures. Without this use of BSIP funding, the KTS pass would have otherwise increased by approximately £160 and the 16+ Travel Saver £150. The Kent Free Bus Weekend took place on 24<sup>th</sup> / 25<sup>th</sup> June 2023 to coincide with Visit Kent’s Big Weekend initiative. The offer saw free bus travel for all passengers across the whole weekend (up until 8pm) and saw an increase in passenger number of approximately 33% vs comparative levels.
- 4.4.2 Two further fares initiatives were run during summer 2023, including “All Day August” , allowing pre 0930 travel for Older and Disabled bus pass holders across the network and “Bus About Kent”, providing free travel across the summer holidays for families in receipt of free school meals and travelling in their family groups. The success of these initiatives will be reported in due



course. All fares initiatives have been designed to encourage greater bus use across the county.

- 4.4.3 A wider promotional campaign for buses is currently being developed and a ticket machine grant is also being progressed for SME operators, facilitating multi operator ticketing opportunities across the county in future years. A multi operator ticket for Swale was introduced in July 2023 following local network changes. All of these initiatives will also utilise 2023/24 BSIP funding.

#### 4.5 Bus Stop Infrastructure

- 4.5.1 The authority has the ambition to improve the availability of information to passengers waiting at bus stops through the provision of Real-Time Information. This was identified as a key request from passengers through public engagement activity during BSIP development. This 2023/24 BSIP funded project seeks to install information screens displaying real-time updates to potential passengers at key locations across the Kent network. A process is currently underway to sort existing marked bus stop locations in an order of priority to ensure that screens are allocated to points in the network that will have the largest benefit to users. Work is underway with the Strategic Commissioning team to secure a contract for the delivery of this work.

- 4.5.2 2023/24 BSIP funding is also being utilised to install QR codes at all of Kent's marked bus stops, linking to bus travel information at [kent.gov.uk](http://kent.gov.uk) – see 4.6. Work is underway with the Strategic Commissioning team to secure a contract for the delivery of this work. A roadworks planning tool is also being secured to assist operators in dealing with the impacts of road closures or restrictions across the county. The solution will tie in with the existing One.Network system utilised by Kent Highways.

#### 4.6 Bus Information

- 4.6.1 BSIP funding for 2023/24 is being utilised to deliver a passenger information portal containing an interactive map of Kent's buses along with journey planning functionality. The tool, which will also incorporate real time information, will be hosted by an external product provider and will link in to the public transport pages at [Kent.gov.uk](http://Kent.gov.uk). A commercial case for the commissioning of the product is in development.

- 4.6.2 Alongside the above, KCC's Public Transport department is working with KCC Digital Services to redesign / reorder bus content at [kent.gov.uk](http://kent.gov.uk). This will include the creation of a BSIP / EP page where latest project updates will be provided.

#### 4.7 Mobility as a Service

- 4.7.1 Mobility as a Service (MaaS) continues to progress through the governance process with a project working group now established and with the project scheduled to be presented to the GET Technology Group in September and the KCC Technology Board. The aim, subject to input from the working group and the boards is to have a tender going out in late November/early

December 2023. With a project delivery timeline, now looking to a roll out in June 2024.

## 5. Further BSIP Funding (Tranche Two):

- 5.1 On 21<sup>st</sup> June 2023 and as part of a Minister visit, the DfT announced that KCC was to receive the balance of its initial indicative BSIP allocation – representing an offer of approximately £16.1m for initiatives to be delivered in 2024/25. KCC is currently working with the DfT to understand the potential uses for this funding and to clarify the terms and conditions that will be associated with any award.
- 5.2 It is anticipated that a key decision will take place in Autumn 2023 concerning the potential acceptance of this further funding.

## 6. Summary

- 6.1 Following the award of tranche 1 BSIP funding (totalling £18.9m), KCC is working hard to deliver a programme of initiatives agreed with the DfT. The initiatives have already and will continue to deliver a number of benefits to the bus offering in Kent. The delivery programme is progressing positively with a PAR process likely to be utilised for any initiatives at risk of delivery with respect to DfT's Terms and Conditions (see appendix B)
- 6.2 It is important to clarify that a high proportion of BSIP funding is capital in nature, and that this combined with the terms & conditions of use mean that it is unable to solve a number of the commercial network issues currently being seen across the county. These issues are not linked to KCC supported services, but to the commercial bus market which makes up approximately 90% of the network in Kent, whereby operators are continuing to make changes to their services as they deal with financial pressures. KCC will continue to strive to use BSIP in a way that has the greatest benefit for the passenger, within the limitations in place.

**7. Recommendation:** The Environment and Transport Cabinet Committee is asked to note the contents of this report.

## 8. Appendices

- Appendix A – Record of Decision (no 23/00027)
- Appendix B – List of BSIP Initiatives 2023/24

### Background Documents

- The Kent Bus Service Improvement Plan
- Kent Enhanced Partnership Agreements
- BSIP Engagement Report: <https://letstalk.kent.gov.uk/busfuture>)

## 9. Lead Officers

Report Author: Dan Bruce, Enhanced Partnership and Infrastructure Manager Email : <a href="mailto:dan.bruce@kent.gov.uk">dan.bruce@kent.gov.uk</a>	Relevant Director: Haroon Chughtai - Director of Highways and Transport. Email : <a href="mailto:haroon.chughtai@kent.gov.uk">haroon.chughtai@kent.gov.uk</a>
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# KENT COUNTY COUNCIL –RECORD OF DECISION

**DECISION TO BE TAKEN BY:**

David Brazier, Cabinet Member for Highways & Transport

**DECISION NO:**

23/00027

**For publication**

**Key decision: YES**

**Subject Matter / Title of Decision:** Acceptance of Department for Transport (DfT) Bus Service Improvement Plan (BSIP) Funding for 23/24

**Decision:**

As Cabinet Member for Highways and Transport, I agree to accept the DfT BSIP offer of £18,985,735, for delivery of agreed initiatives, in the year 23/24. The funding is split, £12,454,840 capital and £6,530,895.

**Reason(s) for decision:**

Following negotiations with DfT in respect to the BSIP indicative funding, DfT confirmed that they could provide years 1 & 2 of this indicative funding, on the proviso that it was delivered in 23/24. Following submission of revised initiatives that can be delivered in a 12-month period, DfT have confirmed a funding offer of £18,985,735, which is split as £12,454,840 capital and £6,530,895 revenue. The decision is to enable the acceptance of this offer and for the funds to be released by DfT to KCC.

**Reason for Urgency;**

The notification of the award confirmation was issued 3 March. KCC had to accept the funding by 31 March 2023.

**Cabinet Committee recommendations and other consultation:**

The BSIP has previously been discussed by Members of the Environment and Transport Cabinet Committee at their meetings on 3 November 2021 and 18 January 2022.

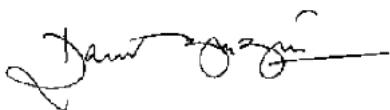
An All-Member Briefing was held on 17 March.

**Any alternatives considered and rejected:**

Not to accept the grant funding

**Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:**

None



23 March 2023

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signed

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date

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**APPENDIX B – Initiatives with Agreed BSIP Funding**

<b>Initiative Description</b>	<b>Initiative Type</b>	<b>Capital Budget</b>	<b>Revenue Budget</b>
Pencester Road, Dover – Contraflow bus lane	Bus priority	£3m	
Rennie Drive, Dartford – Bus Lane and prioritisation	Bus priority	£2m	
Superbus Scheme, Thanet – Supporting Loop service	Bus Priority	£2m	£300k
Bus Priority, feasibility studies for further schemes	Bus Priority	£500k	
Bus related highway Interventions to support bus reliability	Highway Interventions	£625k	
ANPR Camera enforcement at Bus Gates	Highway Interventions	£450k	
Introduction of a trial multi-operator ticketing scheme (for a small geographical area) using existing technology.	Fares and Ticketing		£100k
Funding for smaller operators to upgrade ticketing equipment to enable multi-operator ticketing.	Fares and Ticketing	£1.12m	£196k
Price freeze on Kent Traver Saver for 2023/24 academic year	Fares and Ticketing		£2.5m
Fares Initiatives to encourage bus use and promotional activity	Fares and Ticketing		£500k
Delivery of Mobility as a Service (MaaS) platform	MaaS	£1.45m	
Support for a Community Transport grant scheme	Network	£450k	
Network Planning Tool	Network		£50k

Network Interventions – to sustain services and deliver enhancements if funding permits	Network		£2.5m
Installation of QR codes at all marked bus stops, linking to public transport information at kent.gov.uk	Information		£325k
Delivery of real time information screens at key bus stops	Infrastructure	£662k	
Delivery of a countywide Passenger Information Portal with a journey planner, timetable database and online map	Infrastructure	£140k	£60k