

From: Neil Baker, Cabinet Member for Highways and Transport  
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To: Environment and Transport Cabinet Committee – 7 March 2024

Subject: **Update on the Future of the Gravesend to Tilbury Ferry Service**

Classification: **Unrestricted**

**Electoral Division:** Countywide

**Summary:** The Gravesend to Tilbury Passenger Ferry service operates with subsidy which has historically been provided jointly by Kent County Council and Thurrock Council. In October 2023, Thurrock Council advised KCC that it could no longer contribute towards the subsidy requirement. This demanded the suspension of a tender process aiming to secure a long-term contract. Since November the service has been subsidised by KCC alone. Owing to doubts over KCC's ability to commit to meeting the full subsidy cost alone on an ongoing basis, the Council has conducted public consultation to support the consideration of a possible key decision around KCC's subsidy to the ferry given that this alone would not maintain the service. In January 2024, Thurrock Council advised KCC that it had identified funding that would enable them to reintroduce their contribution to the subsidy based upon expected subsidy costs for twelve months from April 24. Since January KCC has been exploring options that would ensure continuity of the service in the shorter term and allow more time to identify longer term solutions.

**Recommendation:** Members are asked to note and make comment on the report.

## 1. Introduction

- 1.1 The financial support of public transport services is a discretionary activity with the obligation on Local Transport Authorities to consider funding (but not to actually fund) passenger transport.
- 1.2 There is a history of a passenger ferry service operating on the River Thames between Gravesend and Tilbury dating back hundreds of years. Following the collapse of the then operator in 2000, the Gravesend to Tilbury passenger ferry has required subsidy to support its operation as the value of the passenger fares alone are not sufficient to cover the costs of operation.
- 1.3 Since 2000, the subsidy required to support the service has been met jointly by KCC and Thurrock Council who share the subsidy cost on a 50/50 basis. KCC fund the service from the budget for the Support of Socially Necessary bus services. The Council does this as other forms of public transport and other journey solutions are more lengthily and less cost effective than the ferry which offers a reliable five-minute crossing between Gravesend and Tilbury. The service therefore fulfils a similar role to a subsidised bus service in supporting access to employment, education and other key services as well as supporting the Town Centres and the local economy.

- 1.4 The service operates every 30 minutes on Mondays to Saturdays between 0540 and 1900. Over 100,000 passenger journeys per annum are made on the service meaning that the contract has represented good value for money when assessed in terms of a subsidy per passenger journey made.
- 1.5 In October 2023, as part of negotiations around a short-term extension to the service contract, Thurrock Council advised KCC that it could not continue to meet its proportion of the subsidy requirement. To support continuity of service ensuring that passengers did not experience a sudden stopping of the service and to allow time to consider the future of the service and options for it to continue, since November 2023 KCC have been meeting the subsidy cost in full i.e. without any contribution from Thurrock. In the absence of having funding that would support a new long-term contract, a procurement process that commenced in 2023 had to be abandoned while the funding position was fully understood.
- 1.6 As part of that process and to ensure that any decisions were made with a full understanding of how the service is used and the impact of its stopping, between 8<sup>th</sup> January and 4<sup>th</sup> February KCC ran a full public consultation asking users to identify how they use the service and what the impacts would be should it cease to operate.
- 1.7 At the end of January 2023, Thurrock Council advised KCC that it had identified funding that would allow them to contribute to the subsidy cost again in 2024/25. Since then, KCC officers have been working to explore options for a short term (one year) contract that would enable the service to continue until March 2025 and allow time to plan a solution and the identification of other funding partners that would secure the service in the longer term.
- 1.8 This report identifies the current status of efforts to secure service continuity and identifies the financial and other considerations and the outcome of the consultation exercise that provide further understanding about how the service is used and of its value to users and the wider community.

## **2. The Service and how it is funded**

- 2.1 The Gravesend to Tilbury Ferry service operates six days per week on Mondays to Saturdays and runs between 0540 in the morning and 1900. The service offers a journey every 30 minutes and provides a reliable five-minute crossing between Town Pier in Gravesend and the Port of Tilbury Landing stage from where there is access to the local Towns and connections for onward travel options.
- 2.2 Alternative public and private transport options are less convenient by comparison involving the use of multiple bus and rail services or travel by private car. Alternative options are more expensive, lengthily and time consuming and would also be less reliable owing to the variable travel times relating to the QEQM crossing. As a consequence the ferry service is well used and in 2022/23 107,000 journeys were made by a combination of regular users travelling to work and school and other users traveling to visit the local Town where they can access key services or to visit friends and family.

2.3 However, despite good levels of use, since 2000, the Ferry Service has required subsidy to support its operation as the passenger revenue alone is not sufficient to cover the costs of operation. The table shown in 2.4 below is derived from the current contract and identifies the annualised costs of running the service against the passenger revenue that the service is likely to attract, the difference being the current subsidy requirement paid by the Councils.

2.4

	<b>Annualised Costs</b>
<b>Contract cost</b>	<b>£440k</b>
<b>Passenger revenue contribution</b>	<b>£230k</b>
<b>NET subsidy requirement</b>	<b>£210k</b>

2.5 Since 2000 the service has operated under a subsidy contract which has been held and led by KCC but with the NET subsidy requirement being met on a 50/50 basis by KCC and Thurrock Council. In October 2023, Thurrock Council advised KCC that it could no longer contribute to the costs of the service and since that date, KCC have been meeting the subsidy requirement in full i.e. without a contribution from Thurrock.

2.6 In January 2024, following the commencement of the public consultation and having abandoned a procurement process designed to secure a new long-term contract, Thurrock Council advised KCC that it had identified funding that at current subsidy levels would enable them to contribute 50% of the NET requirement for 12 months from April 2024 to March 2025.

**3. Public Consultation**

3.1 To ensure that the Councils fully understood the value of the ferry service, how, by whom and for what purpose it was used and the possible impacts that would be experienced by users should it cease, between 8<sup>th</sup> January and 4<sup>th</sup> February, KCC ran a full public consultation exercise.

3.2 The consultation invited users, residents and other stakeholders to provide views on the future of the ferry service. Feedback was captured via a consultation questionnaire which was available on the KCC engagement website. To raise awareness of the consultation and encourage participation, KCC; issued media releases, sent emails to identified stakeholders and local councils, displayed and distributed posters on the vessel and through local Councils, local libraries and tourist information centres and conducted a social media campaign. As a consequence, 890 responses were received which is considered to be a good return and provides a good assurance about public awareness and provides a sound basis on which to base decisions.

- 3.3 An Equality Impact Assessment was completed and was included as part of the consultation exercise based on passenger data and an existing understanding of the service, its users and the journeys being made. This was updated in light of the consultation responses.
- 3.4 A copy of the full consultation report and the updated Equalities Impact Assessment are included as appendices to this report but an executive summary of the results and understanding follows in 3.5 to 3.11
- 3.5 58% of consultees answering were from Kent residents or Kent-based stakeholders against 25% of consultees who are Thurrock residents or Thurrock-based stakeholders with 17% indicating they are neither of these and are primarily based in other areas of Essex. However, it is believed that the comparative response rates have been in part influenced by greater promotional activity on the Kent side. Previous passenger surveys and data suggests that actually around 60% of passengers originate on the Thurrock side of the river.
- 3.6 The majority of consultees (91%) taking part in the consultation indicated they, or the person they are responding on behalf of, use the Gravesend to Tilbury Ferry Service. Just over a third (35%) indicated they would have no alternative way to travel if the Gravesend to Tilbury Ferry Service were to stop. Of the alternatives posed, consultees are most likely to drive themselves instead (35%), use alternative public transport (23%) or rely on friends/family/neighbours for lifts (12%). 5% indicated they would travel by taxi.
- 3.7 A range of potential impacts were expressed by consultees when asked how the service stopping would affect them. The most common fell into three key concerns - impact on journeys, socialising and reaching specific destinations:
- Journeys – would take longer (26% of consultees commenting), roads would be busier / already congested around Dartford Tunnel (20%), journey would cost more (17%)
  - Socialising – would impact social life / visiting family and friends (23%), would impact use for leisure / day trips / visiting attractions (18%)
  - Reaching specific destinations – wouldn't be able to visit Gravesend / restrict access – 22%, wouldn't be able to get to work / would have to change jobs / could lose job – 18%, would not be able to get to school / children attend Gravesend Grammar school (7%).
- 3.8 Consultees were asked to indicate how often they use the service for specific purposes. A table of outcomes is shown in 3.9 and identifies that the largest groups of regular users are those using the service for the purposes of getting to school and college and those travelling to and from work. There are notable levels of use for the purposes of; attending healthcare, completing essential shopping and visiting / caring for friends but a larger proportion of these journeys are less frequently made.

3.9

SUPPORTING DATA TABLE	Daily	Frequently	Less frequently	Now and again
To get to and from school / college / university	13%	12%	17%	58%
To get to and from work	27%	19%	12%	43%
To get to and from doctors, hospital and other healthcare appointments	6%	6%	17%	70%
To do essential food shopping	4%	17%	26%	53%
To get to and from leisure and social activities	2%	9%	27%	62%
To care for a friend or relative	6%	20%	24%	50%

3.10 Equality Impact Assessment feedback focuses on how loss of the service adversely affects specific groups:

- Those who don't own a car / don't drive (23%)
- The elderly (17%)
- Residents with a disability, limited mobility and wheelchair users (17%)
- People on low incomes who can't afford other modes of transport (15%)
- School children getting to schools (12%)
- Workers (12%)

3.11 Outside of the consultation platform, KCC have also received representations from; Gravesham Borough Council, Adam Holloway MP, Port of London Authority, the Chartered Institute for Logistics and Transport, KCC and District Members, the Thames Crossing Action Group and the Port of Tilbury all of whom have raised concerns about the impact of the service ceasing and urging KCC to find a way to maintain it.

**4. Current status and future Options**

4.1 In light of Thurrock advising that it was removing its financial contribution and therefore the absence of the full subsidy requirement, a procurement process that commenced in early 2023 had to be abandoned. To ensure service continuity and that users did not suffer the service ceasing at short notice, a short-term extension to the subsidy contract was agreed with the current provider, Jetstream. This contract covers the period from November 2023 until end of March 2024.

4.2 Following Thurrock advising that they have identified funding that would enable them to reintroduce their subsidy from April 24, KCC has been seeking to secure an arrangement that would enable the service to continue for twelve months from April 2024 until end of March 2025.

4.3 Unfortunately, Jetstream have declined the offer of a further extension owing to concerns about the impacts of ongoing uncertainty about the long-term future of the service.

4.4 There are a limited number of prospective providers for the service and the most recent and previous tender exercises has only ever attracted two submissions; from Jetstream and one other provider. In light of Jetstream being unable to agree to an extension to the contract, KCC has held a series of discussions with the other tenderer with a view to exploring the potential for them to assume operation of the service from April 24.

- 4.5 Unfortunately, the other operator is not in a position to mobilise the operation at short notice and is therefore unable to consider providing the service from April.
- 4.6 It is clear that the financial context affecting both KCC and Thurrock Council means that for the service to have a more assured, long-term future then a different approach and / or attracting some other funding partners will be necessary.
- 4.7 In light of the concern over the immediate future of the service, KCC has held positive conversations with the Thames Estuary Growth Board, Gravesham Borough Council and the Lower Thames Crossing Group. Whilst at the moment there are no direct offers of funding support, these and other parties have all expressed a desire and a willingness to engage positively in exploring a longer-term solution for the ferry.
- 4.8 It is therefore proposed to protect the KCC subsidy identified for the service covering 2024/25 such that if a solution for a short-term contract becomes available then this could be mobilised as soon as possible.
- 4.9 Conversations with other stakeholders and interested parties remain ongoing and will continue with a view to identifying funding and other solutions that could ensure the future of the service through a longer-term subsidy contract.
- 4.10 However, in the absence of a provider / solution for a new short-term contract, the service will currently cease at the end of the current contract on 31<sup>st</sup> March 2024.

## **5. Financial Implications**

- 5.1 KCC has identified a budget that would enable the Council to maintain its 50% contribution to NET subsidy requirements which is estimated as £105k per annum. Should there not be a solution that would support the service continuing then this funding would be saved.

## **6. Legal implications**

- 6.1 The financial support of public transport services is a discretionary activity with the only obligation on Local Transport Authorities to consider funding (but not to actually fund) passenger transport.
- 6.2 There are no journeys completed on the ferry that KCC has a legal duty to provide. Notably, there is no regular use by Kent scholars and none that have a legal entitlement to free transport to school.
- 6.3 The service would cease following full Governance, a Public Consultation and having completed an Equalities Impact Assessment so full and proper process has been followed.

## 7. Equalities implications

- 7.1 An Equalities Impact Assessment was completed prior to the consultation which also asked for feedback on Equality Impacts. The EqIA was updated in light of the consultation responses and is included as an appendix to this report.
- 7.2 The cessation of any service will have negative impacts for all users and in this instance there is little by means of mitigation that can be provided. The outcomes of the consultation re-enforce an understanding of greater impacts for users / responders from the protected groups of; Age (the elderly and the young), those with a disability and those with Carer responsibilities.

## 8. Other corporate implications

- 8.1 None.

## 9. Timetable

- 9.1 The proposed timetable for this proposal is;

- w/c 11<sup>th</sup> March                      Public advice of outcome.
- 30<sup>th</sup> March                              Last day of operation
- 1<sup>st</sup> April                                  First day of no operation.

## 10. Recommendation(s):

- 10.1                      Members are asked to note and make comment on the report.

## 11. Background Documents

- Appendix A – full consultation report produced by Lake Market Research
- Appendix B – Updated Equality Impact Assessment

## 12. Contact details

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