

From: Matthew Balfour, Cabinet Member for Environment & Transportation
Barbara Cooper, Corporate Director for Growth, Environment and Transport

To: Environment & Transportation Cabinet Committee – 11 March 2016

Subject: **Decision No: 1600027 - KCC Bus Funding Review - Proceed to Public Consultation on Proposed Service Changes**

Classification: **Unrestricted**

Past Pathway of Paper: N/A

Future Pathway of Paper: N/A

Electoral Division: Countywide

Summary: From April 2016, the budget for socially necessary bus services will reduce from £6.6m to £5.6m. This follows a previous reduction of £0.75m from 2015/16.

Public Transport have identified £0.26m of services, which will remain unchanged and be returned to commercial bus operation in April 16 and these have been agreed with the relevant operators. Furthermore, efficiency savings of £0.32m have been identified, which can be delivered in 2016/17.

This means that in the financial year 2016/17 a further £0.4m of savings from this budget needs to be found.

A range of service changes have been intelligently developed with the bus operators and are considered to be relatively low impact.

It is proposed to run public consultation on the measures proposed from 21 March until 15 May with changes being implemented in August/September 2016.

Recommendation:

Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Environment & Transport on the proposed decision to approve consultation on a range of measures (bus service changes) required to reduce KCC expenditure on supported bus services as attached at Appendix A

1. Introduction

1.1 From April 2016, the budget for socially necessary bus services will reduce from £6.5m to £5.6m. This follows a previous reduction of £0.75m from 2015/16.

1.2 This means that in the financial year 2016/17 £1m needs to be saved from the supported bus budget. Of this saving, £0.68m has been identified and is

in the process of being implemented. A further £0.4m of savings from this budget needs to be found.

1.3 This paper outlines proposals to consult and to review of the EqIA.

2. The Report

2.1 Since 2014/15 Public Transport have been working to reduce the cost of supported services, with the least impact on service users. They have reduced costs through a range of measures including; the continued migration of Kent Karrier contracts from commercial bus operators to Community Sector operation, commercialisation of previously tendered services, the retender and rationalisation of tendered services and a flexible approach to the use of Bus Service Operator Grant Funding received from Central Government.

2.2 To deliver the £0.4m saving in 2016/17, Public Transport has worked closely with its bus operator partners to identify services/journeys which could be returned to commercial operation by these operators, if the operator was allowed to make changes to the current provision. These changes are shown in appendix B. The changes include the re-timing of journeys, journey amalgamations, journey withdrawals, routes covered by other services and changes in operating day. The measures have been drawn up based on operator advice and review of passenger data.

2.3 The changes take account of KCC's criteria for the support of bus services and of Equality Impact Assessments that have been completed and will be updated throughout the consultation process.

2.4 In developing these proposals the intention by Public Transport has been to protect users as much as possible, based on user data and surveys. The consultation will enable the public to review the proposals, provide feedback and so enable Public Transport to refine the proposals if appropriate. Based on the data it has reviewed, Public Transport believe the changes will have a low impact, however as stated the public consultation will test this view.

2.5 It is proposed to consult on the measures proposed from 21 March until 15 May with changes being implemented in August/September 2016. The consultation process/package of materials has been developed in conjunction with the KCC Consultations Team. Posters/consultation materials will be posted on buses across the county, including distribution of postcards to enable people to respond to the consultation. The consultation will also be available for review on the KCC website. We will also be undertaking a proactive communication strategy through the press to ensure that people are aware of the changes, the scope of the changes and how to respond to the consultation.

2.6 Our press strategy will be critical, as we want to ensure that the public are not alarmed or led to believe that there are whole service withdrawals, as this is not the case. These changes are not bus service cuts, but revisions to existing journeys/services which allows them to be operated commercially once again.

3. Financial Implications

- 3.1 From April 2016, the budget for socially necessary bus services will reduce from £6.6m to £5.6m. This follows a previous reduction of £0.75m from 2015/16.
- 3.2 This means that in the financial year 2016/17, a further £0.4m of savings from this budget needs to be found. As identified above, all zero implication opportunities to save funding have now been exhausted and it is therefore necessary to reduce some service levels. .

4. Legal implications

- 4.1 The Transport Act 1985 requires Local Transport Authorities (LTA) to consider the support of socially necessary bus services. However, expenditure in this area is a discretionary activity with LTA's being under no obligation to provide subsidy for this purpose.
- 4.2 Services carrying children with a statutory entitlement to free transport to school under the education act are unaffected by these proposals.
- 4.3 A failure to manage the process of change robustly in terms of demonstrating a consideration of the implications carries a possible risk of decisions being subject to judicial review. .
- 4.4 The Public Transport Team has sought advice from other authorities and is satisfied that the proposed consultation and related EqIA processes, developed with KCC Equalities Team ensure that the authority is not exposed in this respect.

5. Equalities implications

- 5.1 The overall process and the individual service changes have been subject to full EqIA's which will be updated following the consultation process and is being completed with the KCC Equalities team.
- 5.2 The EqIA process has identified that there is a greater impact on; the elderly, disabled persons and disabled carers who are all identified groups within EqIA legislation. However, the approach proposed seeks to mitigate this impact as far as is possible and the Equalities team have verified that the process is robust in EqIA terms.

6. Timetable

- 6.1 The proposed timetable for the consultation process is;
- 21/03/16 Consultation Launch
 - 15/05/16 End of consultation period
 - 05/06/16 Conclude analysis of Consultation and update EQIAs
 - 08/07/16 Proposed changes reported to Environment & Transport Cabinet committee
 - July 16 Renegotiate contracts with bus operators

- Aug/Sep 16 Service changes introduced

6.2 The review of the consultation will be brought to Environment & Transport Cabinet Committee, together with any proposals.

7. Conclusions

- 7.1 To date, approximately £1.3m of savings have been achieved without any noticeable impact on the public. However to achieve the 2016/17 budget for supported services Public Transport has identified a package of service measures, which if they can be returned to commercial operation, will deliver this saving to KCC. In returning these services to commercial bus operation, bus operators wish to make revisions to the provision in place and hence the need to consult with the public.
- 7.2 The reductions proposed have been intelligently identified taking account of KCC's own criteria for the support of public bus services and of Equalities considerations. They are considered to be relatively low impact.
- 7.3 The consultation and EqlA process needs to be properly managed in order to negate any risk of legal challenge.

8. Recommendation(s):

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| 8.1 Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Environment & Transport on the proposed decision to approve consultation on a range of measures (bus service changes) required to reduce KCC expenditure on supported bus services as attached at Appendix A |
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9. Background Documents

- 9.1 Draft consultation document – 'Review of KCC funded bus services' Table of affected services

10. Contact details

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