

From: Mike Whiting, Cabinet Member for Planning, Highways, Transport and Waste

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To: Environment & Transport Cabinet Committee – 20 March 2018

Subject: Subsidised Bus Service – Proposed Delivery of Budget Reduction

Classification: Unrestricted

Past Pathway of Paper: N/A

Future Pathway of Paper: Environment & Transport Committee

Electoral Division: Operator proposals affect Sevenoaks and Thanet

Summary:

This paper sets out proposals for delivering the revised budget reduction in 2018/19 of £0.455m in respect of subsidised bus services.

Following constructive meetings with bus operators, proposals have been received which could deliver savings with minimum impact to service users, through commercial bus service provision already in place or with a revised commercial bus offering. This paper sets out proposals for delivering the revised budget reduction subject to public consultation.

It is proposed that three services operated by Stagecoach are withdrawn, mitigated by commercial network changes. One service operated by Go Coach will be revised.

In addition, planned contract tendering, delayed for April 2018 but now planned for September 2018, may deliver further savings.

Recommendation:

The Cabinet Committee is asked to endorse progressing to consultation on the proposed network changes.

1. Introduction

- 1.1 At the November meeting of this Cabinet Committee members considered proposals to reduce the budget for bus services by £4M over a two-year period.
- 1.2 As was recognised at the time, this level of reduction would have had a detrimental effect on the number of services/journeys supported and a significant consultation process was planned to commence in mid-January.

- 1.3 The Leader then asked for officers to reconsider the proposals, to delay the consultation process and to meet with the bus operators to consider alternative savings that could be delivered to SBS. This period also allowed the outcome of the Government settlement to be considered.
- 1.4 Following an improved settlement, the planned reduction in SBS of £4M has been reduced to £0.455m. This paper outlines proposals for how the saving could be delivered through network revisions proposed by operators following meetings with Kent County Council (KCC) and the approach to the re-tender of existing SBS, delayed from April 2018 to September 2018.

2. Proposed Network Revisions

- 2.1 Following the Leader's meetings with operators and an email from Public Transport to all SBS contractors requesting proposals for service changes which could produce SBS savings, a number of proposals were reviewed.
- 2.2 Proposals submitted were reviewed on the basis that any mitigation proposed, would provide 90% of current journey options or would not leave a community without a service. In addition, proposals could not impact on known school movements.
- 2.3 On this basis two proposals, one from Stagecoach and one from Go Coach have been taken forward.
- 2.4 The Stagecoach proposal relates to three SBS in the Thanet area:
 - 39: *Sherwood Gardens loop, Dumpton and Nixon Avenue*
 - 42: *Windermere Avenue/Rydal Avenue, Nethercourt*
 - 56: *St Peter's Road/Vicarage Street, St Peter's and Stone Road/Lanthorne Road/Knights Avenue, Broadstairs*
- 2.5 These services are all mirrored by existing commercial services, which could serve them with some network changes. This position arises as the services were previously provided as commercial competition to Stagecoach, and were only taken on by KCC as SBS when the then commercial competitor failed.
- 2.6 Stagecoach has undertaken to amend its current commercial network in the area to provide similar journey opportunities to the SBS albeit they may be perceived as less convenient by some service users.
- 2.7 The annual cost to budget of these SBS is £310K and they account for circa 180,000 annual journeys.
- 2.8 Go Coach have proposed revisions to service 404 from Edenbridge to Sevenoaks/Plaxtol to Borough Green. The proposal has two elements, the first is to take a current mainstream home to school transport contract and convert it to a school-focused commercial bus service. The second element is the refocusing of the current service 404 on Edenbridge to Sevenoaks, dropping Plaxtol to Borough Green which is already covered by another service and withdrawing the 'Wednesdays only' 405, again which has other service provision.

- 2.9 The Go Coach proposal improves the connectivity between Edenbridge and Sevenoaks for off peak bus users. Plaxtol residents remain served by alternative provision, focused on Tonbridge/Borough Green, not Sevenoaks. The 'Wednesday 405' users have access to a regular service to Swanley/Dartford. Therefore, it is concluded that the proposal includes suitable mitigations.
- 2.10 The Go Coach proposal would deliver a saving to both the SBS budget and Education's mainstream home to school transport budget. The annual saving to SBS would be circa £75K and to Education £35K.
- 2.11 There will be local consultation for each of the proposed changes. This consultation will focus on the scope of the change and the mitigation/alternative provision. Use will be made of maps and timetables to make it as easy as possible for users to understand the proposals and officers are working closely with the KCC consultation team. In addition, where necessary, public meetings will be supported by officers from Public Transport.
- 2.12 It is planned that the local consultation will commence in late April 2018 for 8 weeks. Feedback from the consultation will be reported to ETCC in July 2018 and subject to any revisions implementation will start from late September 2018.

3. SBS Tendering

- 3.1 Public Transport planned to re-tender a number of SBS and Mainstream (PSV) Home to school transport services that were due to expire in April 2018. These were delayed to take account of the wider discussions regarding SBS and hence contracts were extended.
- 3.2 These services will now be tendered alongside mainstream home to school transport contracts, as per the programme which was brought to ETCC on the 7th September 2016 and the key decision that followed.
- 3.3 In tendering as packages, the SBS are tendered as per the current specification, with operators able to submit variations which still meet the journey need.
- 3.4 Since 2016, all KCC PSV requirements have been tendered through a Dynamic Purchasing System which combines the requirement for Home to School and SBS work.
- 3.5 Combining this work has been shown to offer opportunities to make savings against current contract costs. Based on the previous tender round in September 2017, this tender round could deliver savings in the region of £35-£40K.

4. Financial Implications

- 4.1 Implementation of the operator proposals will deliver a full year saving of £385K to the base budget with a saving of £35K to Education. The local bus tendering, delayed from April 2018 to September 2018 could yield savings, in the region of £40K. In total these two areas of savings could deliver a full year budget saving of £425K.

- 4.2 Public Transport will seek further efficiencies within the SBS budget which do not impact the SBS delivered. Any short-term budget shortfall will be covered from the Public Transport Reserve.

5 Legal implications

- 5.1 The Transport Act 1985 requires that Local Transport Authorities (LTAs) consider the support of subsidised bus services. However, expenditure in this area is a discretionary activity with LTAs being under no obligation to provide subsidy for this purpose.
- 5.2 It is important to note that the proposed savings have not used KCC's adopted criteria for assessing routes. Rather the operators have provided options which deliver savings and appropriate mitigations whilst protecting journey opportunities.
- 5.3 Services carrying children with a statutory entitlement to free transport to school under the Education Act are unaffected by these proposals.
- 5.4 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. However, we are satisfied that the consultation process to be carried out and the related Equality Impact Assessment (EqIA) process will be sufficiently robust to ensure that the risk is mitigated.

6 Equalities implications

- 6.1 An initial EqIA screening covering the Stagecoach and Go Coach proposals has been undertaken.
- 6.2 Detailed EqIAs will be developed for each specific proposal and will be reviewed by the EqIA team before formal sign off.
- 6.3 Following the public consultation, the EqIA will be updated with necessary changes.

7 Other corporate implications

- 7.1 None.

8 Conclusions

- 8.1 The savings against the subsidised bus budget has been reduced £0.455M for 2018/19.
- 8.2 Meetings with operators have taken place to explore the opportunity to make these savings, whilst mitigating the impact on bus users, ensuring whole communities are not left without a service or known school flows are not served.
- 8.3 The operator proposals received provided sufficient mitigation, that in delivering a significant saving, journey opportunities are not lost, whole communities do not lose a bus service and known school flows are not affected.

- 8.4 Local consultation will be undertaken in late April 2018. Consultation documentation will be clear to ensure that the changes are understood.
- 8.5 In addition to the operator proposals, the delayed planned tendering from April 2018 to September 2018 is expected to deliver further savings.
- 8.6 If the combined annual saving does not meet the full budget reduction, the public transport team will find efficiencies to fill the gap, which will not affect SBS.
- 8.7 To cater for in year phasing, the use of the public transport reserve is proposed.
- 8.8 The proposed approach to delivering the budget reduction minimises the impact on communities through mitigations, will be supported by focused local consultation and is based on work with operators.

9. Recommendation(s):

- 9.1 The Cabinet Committee is asked to endorse progressing to consultation on the proposed network changes.

10. Background Documents

- 10.1 None.

11. Contact details

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