

To: Folkestone & Hythe Joint Transportation Board

By: Kent County Council – Highways & Transportation

Date: 11<sup>th</sup> September 2023

Subject: Kent Enhanced Partnership (EP) and Bus Service Improvement Plan (BSIP) Update

Classification: Information Only

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**Summary:** This report provides a progress update on Kent's Bus Enhanced Partnership (EP), Bus Service Improvement Plan (BSIP) and related funding settlement from Government.

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## 1.0 Background

- 1.1 In March 2021 Government published a new National Bus Strategy (NBS) 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, 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 adjusted to £1.2bn, reflecting its use for existing commitments and expenditure linked to the Covid-19 pandemic.
- 1.3 In order to be able to access this funding and to protect existing funding streams, the NBS placed a number of requirements on Kent County Council (KCC) and operators. By the end of October 2021, KCC had to publish a Bus Service Improvement Plan (BSIP) and by April 2022, KCC and bus operators were required to form Enhanced Partnership Agreements (EPs) governing all bus services in the area and setting out commitments on KCC and operators.
- 1.4 In response to the strategy and to align with its ambitions KCC, in conjunction with operators, submitted its BSIP at the end of October 2021, with a total funding ask of £213m over a three-year period. The submission followed a public engagement exercise and engagement with District Councils through a nominated representative. KCC also worked with operators to introduce an EP for the County which came into effect from 1<sup>st</sup> April 2022. All documents can be found at [www.kent.gov.uk/busfuture](http://www.kent.gov.uk/busfuture)

- 1.5 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 which submitted a BSIP, only 31 received any allocation.
- 1.6 There were a number of conditions attached to the indicative funding allocation, 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 cost, driver shortages etc following the Covid- 19 pandemic.
- 1.7 Taking into account the above restrictions, KCC submitted a proposal to DfT for how the funding would be utilised in line with its BSIP. Following this engagement, no formal funding offer was received by KCC until February 2023. The delay was attributed to a wide financial review taking place across central Government.
- 1.8 In February 2023, KCC was formally offered two years worth of its allocation, on the condition that delivery for all initiatives took place within the 23/24 financial year, on an accelerated programme. KCC subsequently worked quickly with the DfT to agree a revised initiative programme which will see a range of capital and revenue initiatives delivered at a combined value of £18.9m. A formal decision was taken by the KCC Cabinet Member for Highways and Transport for the acceptance of the funding.

## **2.0 Formal Funding Allocation**

- 2.1 The formal receipt of Tranche 1 funding of £18.9m is a positive development for buses in Kent and will allow the delivery of a number of key initiatives to support the industry in 2023/24. It is important to note however that the use of the funding is very prescriptive and must be spent on an initiative list agreed through the accelerated award process with DfT.
- 2.2 As part of the award, the conditions attached to the indicative funding allocation (see 1.6) still apply, however KCC has negotiated some flexibility around the use of network and fares funding to help sustain services which meet certain criteria, should they be at risk following the end of Government covid support funding, anticipated to end later this calendar year.
- 2.3 After the award of the Tranche 1 funding DfT have since relaxed some of the terms and conditions applying to all LTAs with regards to how funding can be used to sustain existing services. KCC notes that whilst this offers some flexibility, the

sheer scale of change in the bus industry means that it is unviable to react to all commercial withdrawals or reductions in services. KCC is prioritising sustaining school transport services where possible and will be reviewing the financial viability of supporting any further services that may be at risk of withdrawal.

- 2.4 A summary of initiatives is included as Appendix A.
- 2.5 On the 21<sup>st</sup> June 2023, to coincide with the launch of one of the KCC BSIP initiatives, the “Big Free Bus Weekend” on the 24<sup>th</sup> & 25<sup>th</sup> June, the DfT publicly announced the allocation of £16.1m Tranche 2 funding for KCC for the year 2024/25. KCC is working with the DfT at pace to understand the possible uses of this funding and the acceptance will then be subject to a key decision process at KCC.
- 2.6 The DfT has written to LTA’s initially advising that further funding named the BSIP Plus (formerly known as the Local Transport Fund) will be made available in 2023/24 and 2024/25 to help fund the retention of existing services. KCC is working to understand the possibilities for this funding which will then be subject to formal acceptance.

### **3.0 Opportunities for Engagement**

- 3.1 As part of the establishment of its Enhanced Partnership Schemes, KCC has established a meeting hierarchy to ensure statutory compliance and to offer opportunities for engagement.
- 3.2. An Enhanced Partnership Board (EPB) is in operation which works to a formal process established by the DfT, has representation from both statutory partners (KCC and operators) and makes decisions on changes to content within Kent’s EPs.
- 3.3 Under the EPB are Enhanced Partnership Scheme Monitoring Groups (EPSMGs) which are in operation for each EP area – East Kent, West Kent and Kent Thameside. All Districts (through a representative nominated by the District concerned) in the relevant EP area are invited to these meetings. EPSMG meetings provide an opportunity for updates on the BSIP and for raising suggestions for new / changes to commitments in Kent’s EPs. The next EPSMG is anticipated to take place in Autumn 2023.
- 3.4 KCC and operators have also committed to supporting more localised dialogue with District Councils through District Focus Groups which we have suggested that Districts might want to form. The agenda, frequency, and formality of these are for Districts to determine but they are thought of as a forum to discuss local matters affecting bus, such as planning developments, parking issues and other operational matters. Folkestone & Hythe District Council (FHDC) have yet to formalise their District Focus Groups however KCC Public Transport have communicated their willingness to assist FHDC in establishing a focus group in the district.

## 4.0 Conclusion

4.1 This report is provided to Members for information.

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