

Background

In March 2021, the Government published its National Bus Strategy (NBS) for England entitled “*Bus Back Better*”. The strategy set out Government’s ambitious vision to improve bus services across England, focusing firstly on recovering from the impacts of the Covid-19 pandemic and secondly on building bus usage levels further.

In response to the strategy and in line with the requirements put on all Local Transport Authorities (LTAs) in England, KCC produced a Bus Service Improvement Plan (BSIP) which set out how Kent proposed to deliver the vision of *Bus Back Better* locally along with the funding requirement to do so. Kent requested funding totalling £213m across both Capital and Revenue spend areas with the full amount required to deliver all aspirations of the Plan.

Following the submission of its BSIP, KCC has worked with its local bus operators to deliver the second NBS requirement, the introduction of an Enhanced Partnership (EP). The EP is the legal mechanism through which the BSIP (or elements of it) will be delivered. Following the completion of all statutory processes, Kent’s EP came into effect from 1st April 2022. The first version of Kent’s EP contains only those measures and facilities which can be delivered with little or no funding, as at the time of commencement, KCC’s BSIP funding allocation was unknown.

On 4th April 2022, KCC received notification from the DfT of its indicative funding allocation.

Kent’s Funding Allocation and Next Steps

Kent has received a total indicative allocation of **£35.1m** for the full BSIP period – i.e. from 2022/23 to 2024/25. The funding is comprised of approximately **£24.1m** of Capital (e.g. for physical measures such as bus lanes and bus stops) and **£11m** of revenue (e.g. for new or enhanced services or fare initiatives).

Kent was one of only 31 LTAs to receive funding and has the 9th highest allocation in England. The funding received will not deliver Kent’s full BSIP ambitions, but is welcomed. There is now a need to prioritise areas of spend in order to provide the biggest benefits to the County’s bus services and travelling public.

It is important to note that there are a set of requirements and conditions attached to the funding which means that it cannot be used with full flexibility. KCC will now work to meet the Department for Transport’s (DfT’s) requirements for receiving its final

allocation and will subsequently reflect its funded BSIP interventions in a revised version of its EP.

Funding Conditions

The following conditions are attached to Kent's indicative BSIP allocation:

-There is no flexibility on the split of the allocation between revenue and capital spend. Funding must be spent in line with the separation detailed above and align closely with a defined (by DfT) spending profile across the BSIP period.

- The DfT wishes to see funding predominantly directed to initiatives which are aligned with national priorities. These are documented as:

- Capital spend: Bus Priority measures
- Revenue spend: New / improved services and fares initiatives

-After the above priorities are taken into account, and given the values they represent in Kent's BSIP (e.g. Kent's bus priority ask was £70m in isolation) there is limited funding available for wider BSIP initiatives.

- Funding cannot be utilised to support existing service levels and patterns.

- This means that funding cannot be used to help operators retain any commercial services which are proposed for withdrawal or reduction in the coming weeks / months.
- This also means that the funding cannot be utilised by KCC to tackle its current budget pressures and to prevent the need to proceed with proposals to withdraw a number of its subsidised bus contracts. The consultation on these withdrawals will continue and a decision subsequently made in line with the processes previously communicated.

Taking into account the requirement to also focus on fares initiatives within Kent's revenue allocation (£11m), the amount of funding which can be allocated to bus network improvements is limited. Funding conditions do allow LTAs to look to introduce new or improved services which build on the core network remaining once Covid support funding ends (i.e. from October 2022). KCC will seek to use this possibility to the fullest extent in order to provide mitigation for as many residents as possible who may be seeing a reduction or loss of service due to current pressures.