

From: Michael Jennings <jenningsm.sc@arriva.co.uk>

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To: William Cornall <WilliamCornall@Maidstone.gov.uk>; David Burton (Cllr) <DavidBurton@maidstone.gov.uk>; Jeff Kitson <JeffKitson@Maidstone.gov.uk>

Subject: Park & Ride - Arriva & MBC

Hi,

Thanks for the call last week.

I've attached the charts I shared last week on the call with you. The first shows the daily number of passenger journeys on Maidstone Park and Ride from the start of the current contract until 10th January 2022. Broadly, during Covid, the figure peaked in November 2021 at about half of Pre Covid daily passenger journeys, and in January 2022 this has fallen further to about a third of Pre Covid numbers. The second shows a snapshot between November 2019, November 2021 and January 2022 and how this translates to average passengers per journey.

Going forward there is huge uncertainty in terms of revenue and cost projections for bus services. This is driven by a few factors :-

1. Post Covid passenger recovery rates and timescales
2. Bus Recovery Grant (BRG) funding from DfT is due to end in April 2022 and no replacement has been announced yet by DfT
3. Concessionary scheme funding from KCC at the current rate is due to start reducing from April 2022, and the details of this are yet to be finalised
4. Costbase pressures on driver and fuel costs are uncertain but are tracking at a higher rate than can be covered through fare increases.

The combination of the above makes accurate financial projecting very difficult. However, I would put a rough figure of about £170k pa on the shortfall we would expect on the Park and Ride for the financial year from April 2022. There is a large margin of uncertainty around this figure, and the actual figure could easily be more towards £200k, depending on how the next 15 months pans out. However, whilst there is short term uncertainty, it is around the scale of the shortfall rather than if whether there will be a shortfall or not. I think with a high degree of certainty, I can say that there will be a shortfall from April 2022.

In terms of the long term, I was asked if I thought that the Park and Ride would need financial support indefinitely. Unfortunately I think that it would certainly need long term support and I think it's very unlikely that Maidstone Park and Ride could be commercially viable without support within the next 5-10 years. I think this for the following reasons:-

1. Work habits have undoubtedly changed through Covid, and I do not foresee a return to Pre Covid patterns, meaning that fewer people will be travelling into Maidstone town centre, and when they do I think they are less likely to use Park and Ride for the few days that they do travel. This ultimately reduces demand for Park and Ride services, not just in Maidstone, but nationally.
2. I do not believe that Retail footfall is likely to return to pre Covid levels, through a combination of a changing town centre retail landscape and the wider acceptance of more localised shopping and online shopping. Again, this reduces demand for Park and Ride services.
3. Pre Covid, Maidstone Park and Ride service was just at break even. This means that as a minimum, patronage needs to return to pre Covid levels. I think this is very unlikely, both for the reasons outlined above but also because I think a reasonable number of former bus passengers are still very hesitant to return to using buses on safety grounds, and I think sadly that this hesitancy will be permanent for some.

With regards to everything I've written in this email, and on the attached documents, I am happy for these to be shared and made public.

If there's anything I've not covered or questions I've not answered, please let me know and I'll get back to you.

I think in summary, where we are with Maidstone Park and Ride is very unfortunate, but it is a high profile casualty of the impacts of Covid and the changes that Covid will have on our society going forward. Despite all of the efforts of those involved, unfortunately there is not enough we can do to make it work. When Covid first appeared and we entered the first lockdown, many thought that it was a small blip, following which everything would return to normal, but nearing two years later, the longer Covid has persisted, the more impact it has had on how we live our lives, and the numbers using Park and Ride services are just one of many manifestations of this. If I could see a way of making it work, I would be enthusiastically presenting this to MBC, but I just think the shortfall is too big, and not one that we can close through either revenue growth or operational cost savings.

Regards
Michael

Michael Jennings

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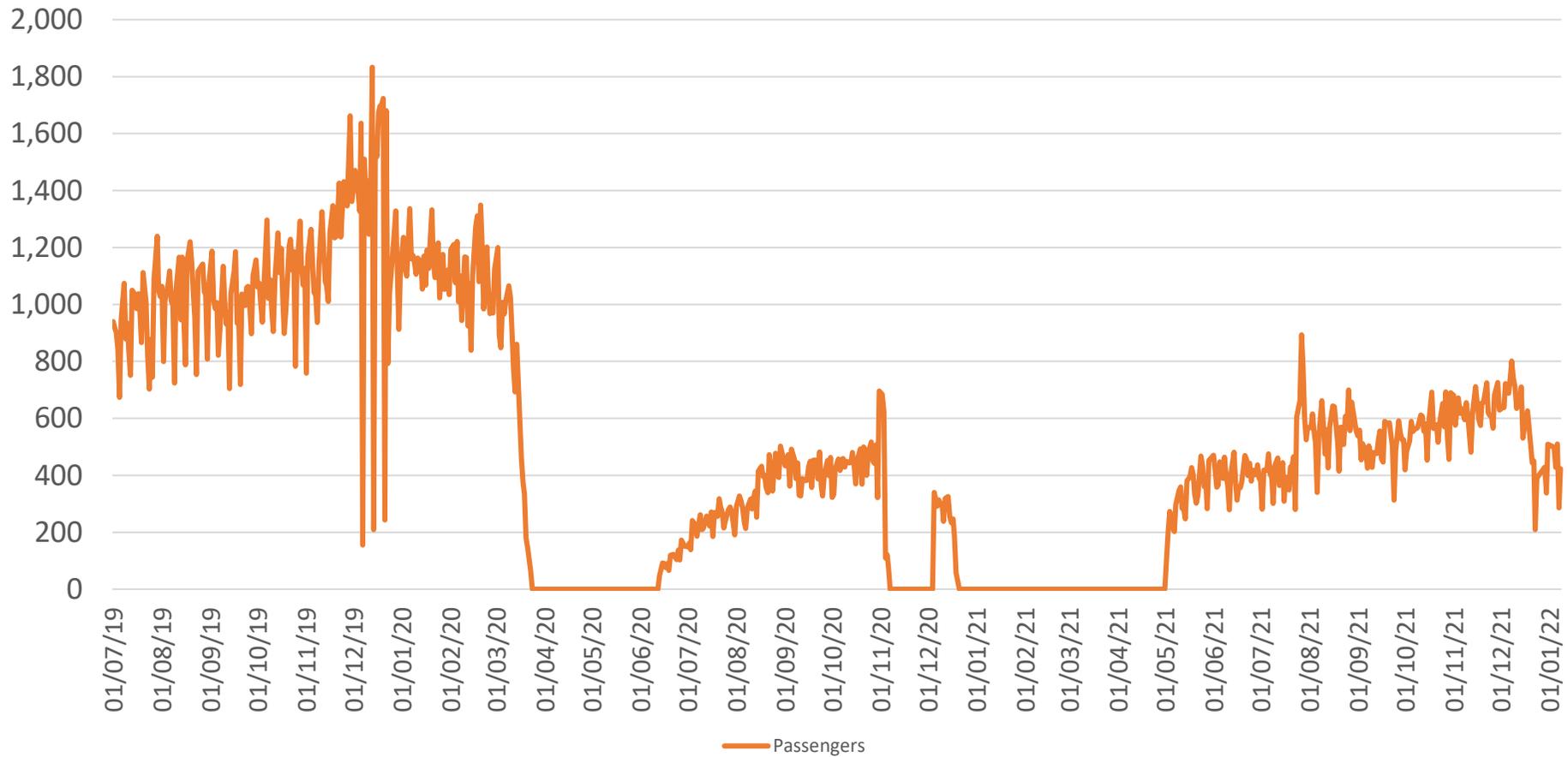
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Daily Passengers – Maidstone Park and Ride



Passengers per journey

