

## Strategic Planning and Infrastructure Committee

7 December 2021

### Park & Ride Service

<b>Final Decision-Maker</b>	Strategic Planning and Infrastructure Committee
<b>Lead Head of Service</b>	Jeff Kitson, Parking Services Manager
<b>Lead Officer and Report Author</b>	Jeff Kitson, Parking Services Manager
<b>Classification</b>	Private.  The information contained within this report is considered exempt under the following paragraph of Part 1 of Schedule 12A to the Local Government Act 1972: - Paragraph 3 – Information relating to the financial or business affairs of any particular person.
<b>Wards affected</b>	All

### Executive Summary

Covid-19 has had an impact on the Park and Ride commercial service, with low patronage and reduced income recorded since bus services resumed after the second national pandemic lockdown.

Arriva have confirmed that that they are unable to sustain the current situation, as the long-term position is uncertain and heavily dependent on passenger recovery and the future levels of financial support from the Department for Transport which has led to serious concerns over viability of Park & Ride services.

As a result, Arriva have formally given notice under the terms of the commercial agreement to terminate Park and Ride services from both Wellington Street and London Road from Saturday 19 February 2022.

Arriva have approached the Council to fund any income shortfall up to the financial break-even point to enable Park and Ride services to continue beyond 19 February 2022.

### Purpose of Report

Decision

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**This report makes the following recommendations to this Committee:**

1. That temporary funding be agreed for 12 months to enable Arriva to reach financial break even estimated at £25,000 per quarter in 2022/23 to allow Park and Ride services to be maintained.
2. That if Arriva achieve financial break-even point through increased patronage or external funding within 12 months, the council will no longer subsidise the Park and Ride service and allow natural service growth to continue from that point under the current agreement arrangements.

<b>Timetable</b>	
<b><i>Meeting</i></b>	<b><i>Date</i></b>
Strategic Planning and Infrastructure Committee	7 December 2021

# Park & Ride Service

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	Impacts on the council's priorities of: <ul style="list-style-type: none"> <li>Embracing Growth and Enabling Infrastructure</li> </ul>	Jeff Kitson Parking Services Manager
<b>Cross Cutting Objectives</b>	The Local Plan commits to delivering modal choice through managing demand on the transport network, through enhanced public transport and the continued Park and Ride services and walking and cycling improvements. The report recommendation supports the Local Plan and Integrated Transport Strategy objectives.	Jeff Kitson Parking Services Manager
<b>Risk Management</b>	Refer to paragraph 5.1 of the report.	Jeff Kitson Parking Services Manager
<b>Financial</b>	Temporary funding estimated at £100,000 in 2022/23 can be provided by the council passporting Covid-19 recovery monies to the service, which would not be drawn from the council's own base budget resources.	Section 151 Officer
<b>Staffing</b>	Accepting the recommendations will result in no staffing implications. However, if Park and Ride services were to cease, Parking Services will be required to review staffing levels to ensure that maximum efficiency is maintained.	Jeff Kitson Parking Services Manager
<b>Privacy and Data Protection</b>	None identified.	Policy and Information Team
<b>Equalities</b>	An EqIA is not required but if service delivery changes in the future an EqIA should be considered.	Equalities and Communities Officer
<b>Public Health</b>	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Healthy Lifestyles Officer
<b>Crime and Disorder</b>	There are no crime and disorder implications.	Jeff Kitson Parking Services Manager

<b>Procurement</b>	It is our understanding that such a passporting of monies would not cause any procurement type complications, but this will be explored further post the report publication.	Director of Regeneration and Place & Section 151 Officer
<b>Biodiversity and Climate Change</b>	There are no direct implications on biodiversity and climate change.	Biodiversity and Climate Change Manager

## 2. INTRODUCTION AND BACKGROUND

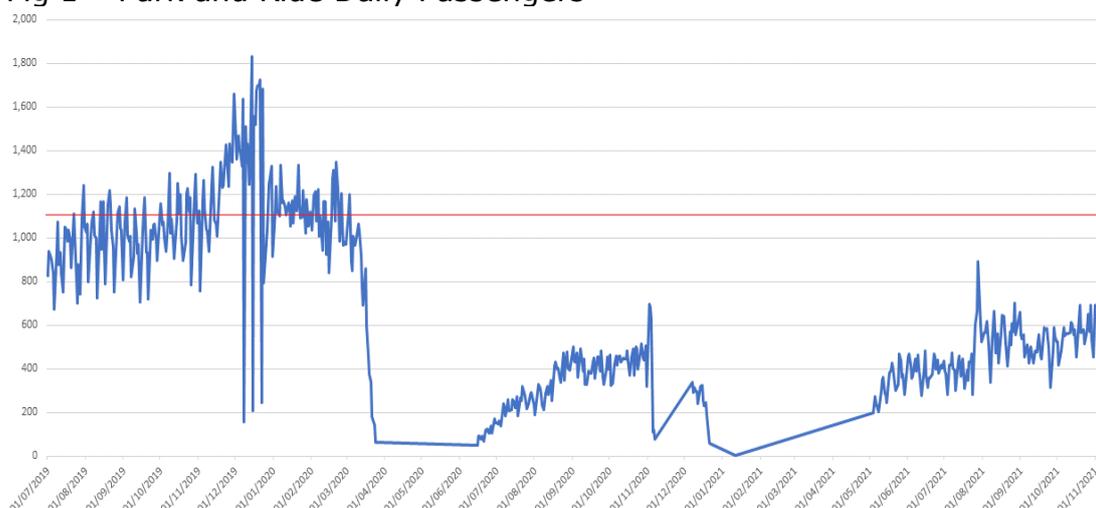
2.1 In 2019 Arriva begun operating the Park and Ride service as a commercial bus route following a decision by Strategic Planning and Infrastructure Committee on 6 November 2018 for:  
*A continuation of service from both sites facilitated in conjunction with commercial operators.*

2.2 The Park and Ride service operated well from the start of the new arrangements in July 2019 with average passenger numbers above Arriva’s break event point of 1100 passengers a day.

2.3 Performance between the two pandemic lockdowns brought passenger numbers down to around 400 a day and since May 2021 passenger numbers have remained very low, increasing steadily from 200 per day to 600 passengers by November 2021 (Fig 1).

2.4 This low patronage is despite free travel promotions and widespread advertising across all media channels by both Arriva and Maidstone Borough Council at the end of the second lockdown to stimulate patronage growth.

2.5 Fig 1 – Park and Ride Daily Passengers



2.6 Government funding through the Bus Recovery Grant (BRG) and continued reimbursements from Kent County Council through the England National Concessionary Travel Scheme (ENCTS) has allowed Arriva to recover some

if the shortfall, however the level of funding through the BRG and ENCTS remains uncertain from 1 April 2022 and potentially the Bus Recovery Grant may cease at the end of this financial year.

- 2.7 The Director of Regeneration and Place has approached Kent County Council and the Member of Parliament to establish if additional funding can be found to support the Park and Ride service.
- 2.8 Although passenger numbers are increasing with a further increased demand projected over the Christmas period, Arriva feel that it is unlikely that patronage levels seen pre covid will return due to changes in the way people now work and shop.
- 2.9 Therefore, Arriva have approached the council to fund any income shortfall up to their financial break-even point to enable Park and Ride services to continue.
- 2.10 Arriva estimate the shortfall to break-even point be around £25,000 per quarter in 2022/23, £17,500 per quarter 2023/24, and £11,250 2024/25.
- 2.11 Maidstone Borough Council already indirectly provide a subsidy to run the Park & Ride service by providing and maintaining the two Park and Ride sites and this is a cost to the council of £161,590 per annum.  
(Last financial year).
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|---------------------|---------|
| Staffing            | £40,330 |
| Controlled expenses | £61,180 |
| Rates               | £60,080 |
- 2.12 With the additional funding estimated at £100,000 from April for the full year, this will bring our total subsidy to around £260,000, a similar council subsidy to pre commercialisation arrangements.
- 2.13 Arriva have stated that they are unable to sustain the current situation and the long-term position is heavily dependent on passenger recovery and the future levels of financial support from the Department for Transport which has led to serious concerns over viability of Park & Ride services.
- 2.14 As a result, Arriva have formally given notice under the terms of the agreement to terminate Park and Ride services from both Willington Street and London Road from Saturday 19 February 2022.

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### **3. AVAILABLE OPTIONS**

#### Temporary funding

- 3.1 The Council has received external grant funding which is intended to help it address the costs of Covid-19 response and recovery. The potential shortfall faced by Arriva in 2022/23 clearly arises from Covid-19 and maintaining a Park and Ride service helps to enable recovery by enabling trips into the town. It is therefore appropriate to utilise this funding, subject to the usual authorisation processes. This will enable Arriva to

reach financial break even estimated at £25,000 per quarter in 2022/23 and allow Park and Ride services to be maintained, whilst close monitoring of passenger numbers and income will enable a better understanding of the longer-term position regarding service provision.

- 3.2 Once break-even point through increased patronage or external funding has been achieved, the council will no longer subsidise the service and allow natural service growth to continue from that point under the current agreement arrangements.
- 3.3 This option enables an uninterrupted continuation of Park and Ride services from both Willington Street and London Road and provides further opportunities to consider service provision once the full impact of Covid-19 on demand has been established.

Allow the Park and Ride service to cease on Saturday 19 February 2022

- 3.4 This option will provide an opportunity to focus on alternative sustainable means of travel to meet the council's wider air quality improvement aims and its declared climate change emergency and to meet the objectives of the Integrated Transport Strategy and the Local Plan.

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#### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 Although it is generally accepted that it is unlikely that patronage levels seen pre-Covid 19 will be achieved for some time if at all, due to changes in the way people now work and shop, it is important to consider that the passenger number trend is slowly increasing.
- 4.2 Arriva have confirmed that they remain committed to the Park and Ride service if they are able to reach their financial break event point as a minimum. However, a clearer picture of funding from the Bus Recovery Grant and the England National Concessionary Travel Scheme will not be available until April 2022.
- 4.3 Therefore, allowing the service to cease at this time may be considered premature, particularly as the Christmas demand and the impact this may have on the trend in passenger numbers has yet to be determined.
- 4.4 Temporary funding estimated at £25,000 per quarter in 2022/23 will allow services to be maintained whilst close monitoring of passenger numbers and income will enable a better understanding of the longer-term position.
- 4.5 Data on passenger numbers and quarterly financial data showing all income broken down by source (including any external funding), and expenditure, can be closely monitored by Maidstone borough council to identify the subsidy required to achieve financial break even.
- 4.6 If agreed, payments can be made from 1 April 2022 and invoiced quarterly in arrears to allow Arriva to continue operating at a minimum break-even

point. Once break-even point has been achieved through increased patronage or external funding, the council will no longer subsidise the service and allow natural service growth to continue from that point under the current agreement arrangements.

- 4.7 Temporary funding estimated at £100,000 in 2022/23 can be provided by the council passporting Covid-19 recovery monies to the service, which would not be drawn from the councils own base budget resources. Passporting such monies is not considered to fall within the scope of public sector procurement rules so these will not apply.
  - 4.8 It is recommended that temporary funding be agreed to a minimum period of 12 months with a further report to the Committee during quarter 4 2022/23 detailing service growth and subsidy to date.
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## **5. RISK**

- 5.1 Risks related to this matter were detailed in the Park and Ride Alternatives report which was presented to the Strategic Planning and Infrastructure Committee on 6 November 2018. Since that report the risks identified have not significantly changed.
  - 5.2 The Park and Ride service ceasing would undermine the Local Plan review in terms of non-delivery against the Integrated Transport Strategy objectives.
  - 5.3 Arriva may decide to cease the service and terminate Park and Ride services from both Willington Street and London Road from Saturday 19 February 2022 as set out in their formal notice, irrespective of temporary funding being agreed.
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## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 The Park and Ride Alternatives report was presented to the Strategic Planning and Infrastructure Committee on 6 November 2018, where Members resolved that:
  - The sites at Willington Street and London Road are retained for a use to honour the commitments made in the Local Plan and Integrated Transport Strategy.
  - A continuation of service from both sites is facilitated in conjunction with commercial operators, with regard to a competitive solution for the best utilisation of the car park.
  - Further investigation of additional multi-modal services is continued.

- The Director of Regeneration and Place uses his delegated authority in consultation with the Chairman and Vice-Chairman of the SPST Committee to implement the recommendations of the Committee.
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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 If the preferred option is agreed, then officers will engage with Arriva to secure Park and Ride services beyond 19 February 2022 and set up formal arrangements to review financial and passenger data quarterly to enable a further update to the Strategic Planning and Infrastructure Committee during quarter 4 2022/23.
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## **8. REPORT APPENDICES**

- None.
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## **9. BACKGROUND PAPERS**

- Park and Ride Alternatives report, Strategic Planning and Infrastructure Committee, 6 November 2018.