

Committee report



Review of bus station charging structure for departures and parking

Committee Operations Committee

Date of meeting 9 November 2018

Date of report 22 October 2018

Report by Assistant Chief Executive

1. Object of report

The purpose of this report is to advise members of a review and evaluation undertaken of SPT's Bus Station Departure Charging policy; to provide details of established outcomes and present proposals for an alternative charging policy for consideration, recommending adoption in April 2019 in line with 2019/20 budget setting process.

2. Background

SPT owns and operates the following bus stations; Buchanan Bus Station, East Kilbride Bus Station, Hamilton Bus Station, Greenock Bus Station, Partick Bus Station and Govan Bus Station and further supports bus stations activities at Silverburn and Braehead Shopping Centres on behalf of Hammerson and INTU.

Whilst charges were last increased in 2015, the methodology used to differentiate the characteristics of charging levels between bus stations and type of departure remains unchanged for some time. SPT's current policy does not base its charges around the benefits of each facility and is instead constructed around peak/off peak charging with bulk discounts applied in a series of increments for heavy users. This makes the current pricing structure cumbersome for both SPT and operators, hard to interpret and difficult to implement digitally.

Therefore an all-encompassing review was considered to be appropriate to produce a revised Bus Station Departure Charging Policy which was fair across all bus operators, more streamlined to implement, and efficient for all stakeholders to operate. The objectives for reviewing the existing charging methodology was to maintain SPT's overall revenue from this source and to minimise the effect on individual bus operators. The proposed revenue budget for 2018/19 that was approved by the Strategy and Programmes Committee on 2 February 2018 sought agreement to increase bus station departure charges by 5% in 2019/20; however the implementation of this needs to be re-assessed in light of recommendations within this paper.

3. Established Position

SPT currently charges for departures and parking at all but 2 bus stations, Partick and Govan. Departure charges at Silverburn and Braehead Shopping Centres are set by the facility owners. Current departures are split into various types, namely, local, express, long distance and tours. At Buchanan bus station an agreement is in place with Scottish Citylink with regard to the occupation of head stances. Scottish Citylink pays SPT £0.150m annually for 42,000 head stance departures. Any departures over 42,000 are charged at the appropriate bus station rate. The agreement is due for review in 2020

The revenue captured by departure and parking charges in 2017/2018 was £1.100m, with a further £0.179m generated from the Scottish Citylink Head Stance Agreement. The total number of bus departures during 2017/2018 was 1,166,681. The revenue and number of bus departures from each bus station in 2017/2018 is detailed in the table below.

Bus Station	Number of departures	Departure Income	Parking Income	Total
Buchanan	504,449	£795,393	£87,094	£882,487
East Kilbride	237,815	£188,590	£1,092	£189,682
Hamilton	241,440	£161,991	£3,932	£165,923
Greenock	182,977	£41,344	£0	£41,344
Total	1,166,681	£1,187,317	£92,118	£1,279,435

It was recognised that the quality of each bus station would provide a suitable foundation on which to construct a more streamlined and effective pricing structure and therefore, each bus station has been graded in line with the quality of facilities offered. The facilities have been catalogued in terms of benefits to both the bus operator and the public. The detailed specification on each bus station can be found in Appendix 1. A summary of the grading per bus station can be seen below.

Bus Station	Buchanan	Hamilton	East Kilbride	Greenock	Partick	Govan
Grading based on facilities	1	2	3	4	4	4

The categorisation of each bus station gave the review team a sound basis for constructing a new pricing structure. The review team also benchmarked with other operators of bus stations in Scotland. It was clear from discussions with Edinburgh and Stirling bus stations that both have much simpler pricing structures that do not include bulk discounts and peak/off peak charges. Although not on the same scale as SPT's bigger bus stations, the charging policy applied at these bus stations supported the initial view that SPT should investigate a more streamlined approach.

4. Proposals

The grading of each bus station, based on the specification of each facility, has been used to create a revised pricing structure. The principle of the new policy is that bus stations classed at level one, in this case Buchanan Bus Station, offer the most comprehensive facilities and therefore attract the highest charge, with a percentage reduction filtered down through the bus station grades thereafter.

The revised pricing structure proposed at Appendix 2, has been tested against 2017/2018 usage levels and on this basis, would provide estimated revenue of £1.108m, an increase of £0.008m. Implementation of charging at Partick and Govan bus stations was considered as part of the review, however it was considered appropriate to leave these as charge free on the grounds of current usage.

Sensitivity analysis was used across all scenarios and while every attempt has been made to minimise the financial effect on any one bus operator, including removing bulk discounts and peak/off peak charging, it is impossible to negate all negative consequences. This is particularly the case in certain circumstances when an operator uses only one SPT bus station, for example Hamilton. Whilst these increases are recognised, departure charges have not been increased since April 2015 and it would be reasonable for bus operators to expect an increase in costs during this period reflecting the increased cost of providing facilities.

As bus station facilities are enhanced and modernised in the future, it is proposed that this is reflected within the pricing structure at the appropriate time. Also the implementation of a Low Emission Zone in Glasgow city centre will be considered when the impact on Buchanan bus station and bus operators is fully known. In addition to this, it is proposed that annual alterations are applied to pricing in line with August CPI (Consumer Price Index) which will be included in the proposed revenue budget paper each year.

As discussed above a head stance agreement is in place with Scottish Citylink at Buchanan bus station. It is proposed that the head stance agreement along with other agreements between SPT and Scottish Citylink at Buchanan bus station are reviewed in advance of 2020.

The proposed revised charges are shown in Appendix 2. All operators will be contacted on an individual basis with more details on the specific impact of the proposals to them

Also during the benchmarking review, it became apparent that bus stations in other areas have built into their pricing structure, penalty charges which are applied when operators fail to operate in line with bus station regulations. It is proposed that, moving forward, SPT consider the use of penalty charges and that any subsequent alterations are reflected within the Bus Station Licence Agreements to permit practical application. Digital technology and its potential to provide automation in this area will be evaluated, as will any unintended consequences.

5. Committee action

A complete review of SPT's Bus Station departure and parking charges has been undertaken on the basis that the existing charges are unbalanced and overly complicated. The outcomes of the review led to proposals for a revised charging regime.

The Committee is asked to consider the above report and appendices and are recommended to:

- Approve the implementation of a revised charging structure for departures and parking at SPT bus stations in April 2019;
- Approve the revised charging structure be included for approval in the proposed 2019/20 revenue budget to the Partnership;
- Approve annual increases in charges in line with CPI;

- Note that a review of all agreements with Scottish Citylink at Buchanan bus station will be undertaken in advance of the 2020 Agreement review.
- Note that consideration of implementing penalty charges at SPT bus stations to be reviewed for future financial years, and will be reported in more detail at a future Committee.

5. Consequences

Policy consequences	<i>None.</i>
Legal consequences	<i>None.</i>
Financial consequences	<i>As detailed in the report.</i>
Personnel consequences	<i>None.</i>
Equalities consequences	<i>None</i>
Risk consequences	<i>None.</i>

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	Grading Percentage compared with BBS	100%	60%	55%	15%	15%	15%
	Grading of bus station	1	2	3	4	4	4
Category	Type of facility	Buchanan	Hamilton	East Kilbride	Greenock	Partick	Govan
Facilities Operator	Parking - Layover	√	√	√	X	X	√
	Parking Overnight	√	X	X	X	X	X
	Driver Toilets	√	√	X	√	X	X
	Number of Stances	57	17	14	8	6	7
	Opening Hours	24 hours	24 hours	24 hours	24 hours	24 hours	24 hours
	Regulators coverage	6am- 11pm	7am - 6pm	9am - 5pm	9am - 5pm	X	X
	Driver Rest Area	24 hours	7am - 9pm	X	X	X	X
	Time on stance - Local	5 mins	3 mins	3 mins	3 mins	3 mins	3 mins
	Time on stance - Express	10 mins	5 mins	5 mins	3 mins	3 mins	3 mins
	Time on stance - Long Distance	20 mins	10 mins	10 mins	3 mins	3 mins	3 mins
	Time on stance - Tour	15 mins	10 mins	10 mins	3 mins	3 mins	3 mins
Facilities Customers	Other Transport modes in proximity	Taxi	Rail and Taxi	Taxi	N/A	Rail, Subway and Taxi	Subway
	Interchange - Bus Service type	Local, Express, Tours and LD	Local, Express, Tours and LD	Local, Express and Tours	Local and Express	Local	Local
	Interchange - Annual number of departures 2017-18	505,943	238,811	238,035	182,938	174,022	72,909
	Ticket Sales Office	Y - Citylink	McColls	Y - Saturday only	X	Y - Rail and Subway	Y - Subway
	Information Desk	Daily 7am to 7pm	X	Saturday only 9am - 5pm	X	X	X
	Enclosed waiting area	√	X	X	X	X	X
	Enclosed Stances	√	√	√	√	√	√
	Shops/Café in proximity	√	√	√	√	√	√
	Left Luggage / Lockers	√	X	X	X	X	X
	Toilets	√	√	X	X	X	X
General	SQP	Y - LEZ from Dec 18	N	N	Y	Y	Y
	Real time display	X	X	X	X	√	√
	Digital Displays	√	√	√	√	√	√
	Last Refurbished	1994	2013	2004	2011	2018	2016
	Security	24/7	Daily 1pm - 9pm	daily 12pm to 8pm	X	X	X
	CCTV - 24/7	√	√	√	√	√	√
	Cleaning	24/7	Mon - Sat	Mon - Sat	Mon - Sat	Daily	Daily
	Departures charges	√	√	√	√	X	X
	Annual Subsidy 2018/19	£868,169	£30,172	£93,335	£5,819	£35,016	£22,486
Status		Owned and operated by SPT	Owned and operated by SPT	Owned and operated by SPT	Owned and operated by SPT	Owned and operated by SPT	Owned and operated by SPT

	Current		Proposed	
	Standard Charge	Peak Charge (1630-1800 Mon-Sat)	Standard Charge	Peak Charge (1630-1800 Mon-Sat)
BUCHANAN BUS STATION				
Category A : Local Services				
Less than 8,450 departures per annum (less than 25 per day)	£1.10	£1.15	N/A	
Between 8,451 and 25,000 departures per annum (25-73 per day)	£1.02	£1.08	N/A	
Between 25,001 and 42,000 departures per annum (74-125 per day)	£0.97	£1.03	N/A	
Over 42,000 departures per annum (over 125 per day)	£0.85	£0.95	N/A	
Category A - Local Service Departure	N/A	N/A	£1.05	
Category B : Express Bus or Coach Services				
Less than 5,000 departures per annum	£3.20	£3.55	N/A	
Between 5,001 and 10,000 departures per annum	£2.80	£3.10	N/A	
Over 10,000 departures per annum	£2.50	£2.75	N/A	
Category B : Express Bus or Coach Services	N/A	N/A	£3.55	
Category C : Long Distance Coach Services				
Less than 5,000 departures per annum	£7.55	£8.30	N/A	
Between 5,001 and 10,000 departures per annum	£6.70	£7.40	N/A	
Over 10,000 departures per annum	£5.90	£6.45	N/A	
Category C : Long Distance Coach Services	N/A	N/A	£7.10	
Category D : Authorised Parking				
Parking per hour or part thereof	£1.80	-	£2.00	-
Overnight Parking From 23:00 – 06:00	£11.00	-	£12.00	-
Category E : Tours and Excursion Departures	£12.21	-	£12.00	-
Unauthorised Tours and Excursions Departures	£47.45	-	£50.00	-
EAST KILBRIDE BUS STATION				
Category A : Local Services	£0.90		£0.58	
Category B : Express Bus or Coach Services	£3.05		£1.95	
Category C : Long Distance Coach Services	£5.50		£3.91	
Category D : Authorised Parking Subject to SPT Rules Document		-		-
Parking Per Hour or Part Thereof	£1.75		£1.10	
Overnight Parking From 23:00 – 06:00	£10.50		£6.60	
Category E : Tours and Excursion Departures	£9.16	-	£6.60	-
Unauthorised Tours and Excursion Departures	£47.45		£50.00	
HAMILTON BUS STATION				
Category A : Local Services	£0.55		£0.63	
Category B : Express Bus or Coach Services	£3.05		£2.13	
Category C : Long Distance Coach Services	£3.50		£4.26	
Category D : Authorised Parking per Hour - Subject to SPT Rules Document	£1.75	-	£1.20	-
Category E : Tours and Excursion Departures	£7.12	-	£7.20	-
Unauthorised Tours and Excursion Departures	£47.45		£50.00	
GREENOCK BUS STATION				
Category A – Local Services	£0.25		£0.16	
Category B : Express Bus or Coach Services	£3.05		£0.53	
Category C : Long Distance Coach Services	£5.91		£1.07	
Category E : Tours and Excursion Departures	£9.16		£1.80	
Unauthorised Tours and Excursion Departures	£47.45		£50.00	
PARTICK BUS STATION - NO CHARGES				
GOVAN BUS STATION - NO CHARGES				

Note - Authorised duplicate departures will be charged at the appropriate rate.