



Strathclyde Bus Alliance - Proposal

Committee Strategy and Programmes

Date of meeting 20 May 2016

Date of report 25 April 2016

Report by Assistant Chief Executive (Operations)

1. Object of report

To recommend approval of a proposal to establish a Strathclyde Bus Alliance, whose membership would include SPT, councils, operators and other relevant parties, and whose key priority would be to arrest the decline in bus patronage in the west of Scotland.

2. Background

- 2.1 While bus remains the dominant public transport mode in Scotland with a market share of around 77%¹, the west of Scotland has seen a decline in bus patronage of 49 million passengers (22%) over the last 10 years (2004/5 – 2014/15)².
- 2.2 There is no single reason for this significant and worrying fall. The impact of the financial crisis of 2007-08, cheap car deals, out of town/internet shopping, easy access to free or low-cost parking, and the growth in rail patronage in Scotland over the same period (29m, 45%)³ will all have contributed to it. The shrinking of the bus network has also obviously played a major role – over the same 10 year period, bus kilometres have decreased by 24 million (15%)⁴.
- 2.3 Furthermore, there are other statistics which give grave cause for concern as to the future of the bus market: operating costs per passenger over the last 10 years have gone up by 35%⁵; the number of operators in the west of Scotland has reduced from around 120 five years ago to about 60 now; and, while 45% of operators revenue comes from central or local government subsidy⁶, all government support for bus services has decreased by 15% over the 5 years to 2014/15⁷. For comparison, 56.1% of the rail industry in Scotland's income comes from government sources.⁸
- 2.4 The impact of this for SPT has been that we now subsidise around 30% of services in whole or in part in the west of Scotland, subsidise around 7% of bus kilometres, and

¹ Source: National Transport Strategy, 2016.

² Source: Scottish Transport Statistics No. 34, 2015. Note that STS defines the region as 'South West and Strathclyde' and figures relate to the following council areas: East Ayrshire, East Dunbartonshire, East Renfrewshire, Inverclyde, Glasgow City, North Ayrshire, North Lanarkshire, Renfrewshire, South Ayrshire, South Lanarkshire, West Dunbartonshire and Dumfries & Galloway.

³ Source: Scottish Transport Statistics No. 34, 2015.

⁴ Source: Scottish Transport Statistics No. 34, 2015. Figures refer to 'South West and Strathclyde'.

⁵ Source: Scottish Transport Statistics No. 34, 2015. Operating costs per vehicle kilometre for local bus services.

⁶ Source: Scottish Transport Statistics No. 34, 2015.

⁷ Source: Scottish Transport Statistics No. 34, 2015. At 2014/15 prices.

⁸ Source: Office of Rail and Road: GB rail industry financial information 2014/15.

demand for new or extended services has never been higher. It is worth bearing in mind that SPT has sought to protect the budget for subsidising socially necessary bus services over the last 5 years and as members will be aware, SPT has undertaken a range of capital 'spend to save' initiatives such as buying and leasing buses for use on contracts to maximise the utilisation of this funding.

2.5 Notwithstanding the above, it is important to remember the vital role bus plays in UK society. A recent report by the Urban Transport Group⁹ noted the following:

- More people access high streets by bus than by any other mode in the UK, bringing a combined retail and leisure spend of £27.2bn;
- In British cities outside London, 77% of jobseekers do not have regular access to a car, van or motorbike;
- Public support for socially necessary bus services can generate benefit in excess of £3 for every £1 of public money spent;
- In UK metropolitan areas, bus networks generate an estimated £2.5bn in economic benefits against public funding of £0.5bn; and
- The best used bus services in urban centres may be reducing carbon emissions from road transport by 75% or more.

3. Outline of proposals

3.1 Members will be aware that SPT has always sought to take a positive, pro-active stance to improving the bus network in the west of Scotland. Be it through significant investment in bus infrastructure, continued support for socially necessary services, or innovations such as the first 5 Statutory Quality Partnerships in Scotland, Fastlink, the West of Scotland Community Transport Network or the 'Ten Point Plan', SPT has, where possible, sought to help those with a stake in the bus market – always with a focus on our key priority, the travelling public.

3.2 It is therefore appropriate that SPT seeks to lead the way in helping to address the current situation in the west of Scotland, which could possibly be described as experiencing market failure. To this end, SPT have therefore informally approached major operators in the area to seek their views on the establishment of a Strathclyde Bus Alliance (SBA), based on current Statutory Quality Partnership legislation, which would have two clear priorities:

- Arrest decline in bus patronage in the west of Scotland by 2020
- Achieve 3% year on year growth post-2020.

Further information on the proposed membership and initial key themes of the SBA is attached at Appendix 1; the key themes are noted below:

- Delivering a comprehensive network
- Maximising network performance and standards
- Integrating the network
- Promoting the network
- Ensuring a safe and secure network
- Delivering a greener network

⁹ The Urban Transport Group were formerly known as PTEG. The report is "Making the connections: The cross-sector benefits of supporting bus services", available at <http://www.urbantransportgroup.org/system/files/general-docs/10210%20Pteg%20Benefits%20of%20the%20bus%20web%20FINAL.pdf>

- 3.3 SPT acknowledge that achieving the priorities set out above will be very challenging, but would highlight that the current perilous state of the bus market in the west of Scotland needs a co-ordinated effort by all partners to fully address the reasons for such decline. The response from the majority of operators to SPT's approach has been very positive.

4. Conclusions

The decline in bus patronage in the west of Scotland over the last 10 years of 49 million passengers paints a bleak picture of a faltering market. Should the decline continue at a similar rate, the economic, social and environmental impacts for the region will be significant. It is for these reasons that SPT, as the Regional Transport Partnership for the west of Scotland, proposes the establishment of the Strathclyde Bus Alliance, tasked with firstly, arresting decline, and secondly, achieving growth. It is also worth emphasising that SPT will continue to seek to improve the bus market in the west of Scotland through the capital and revenue programme, and initiatives such as the Glasgow and Clyde Valley City Deal Strathclyde Bus Investment Programme. Members will be kept informed of the progress of the SBA through reports to future Committees.

5. Committee action

The Committee is recommended to:

- Note the contents of this report; and
- Approve the establishment of a Strathclyde Bus Alliance.

6. Consequences

Policy consequences	<i>The RTS has 'A step-change for bus services, standards and infrastructure' as a Strategic Priority. Should the decline of bus patronage continue, this would place delivery of this Priority at significant risk.</i>
Legal consequences	<i>None at present.</i>
Financial consequences	<i>Further decline in the bus market in the west of Scotland is likely to lead to increase pressures on SPT's budget.</i>
Personnel consequences	<i>None at present.</i>

Equalities consequences

Bus is a key public transport mode for addressing social exclusion.

Risk consequences

Significant, should bus patronage continue to fall.

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APPENDIX 1

Strathclyde Bus Alliance

Proposed Membership and Key Themes

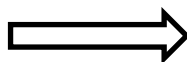
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Proposed Alliance Members

- Strathclyde Partnership for Transport (lead)
- First Glasgow
- McGills
- Stagecoach
- West Coast / Glasgow CityBus

Proposed Alliance Stakeholders

- SPT Councils -
 - Argyll and Bute (Helensburgh and Lomond area).
 - East Dunbartonshire
 - East Ayrshire
 - East Renfrewshire
 - Glasgow City
 - Inverclyde
 - North Ayrshire
 - North Lanarkshire
 - Renfrewshire
 - South Ayrshire
 - South Lanarkshire
 - West Dunbartonshire



Early engagement with SPT councils to include:

Roads / traffic management
Regeneration
Economic development
Planning
Parking
Emissions / Air Quality

- Traffic Commissioner for Scotland
- NHS boards
- Scottish Roadworks Commissioner
- Bus Users Scotland
- Police Scotland
- Transport Scotland
- ClydePlan
- Glasgow & Clyde Valley City Deal

Key themes

- Delivering a comprehensive network -
- Maximising network performance and standards
- Integrating the network
- Promoting the network
- Ensuring a safe and secure network
- Delivering a greener network

Key aim:

- Arrest decline in bus patronage by 2020
- Post-2020, 3% growth per annum.