



## Scottish Government Consultation on Local Bus Services in Scotland - Improving the Framework for Delivery – SPT response

**Committee** Strategy and Programmes

**Date of meeting** 24 November 2017

**Date of report** 24 October 2017

### Report by Assistant Chief Executive (Operations)

#### 1. Object of report

To recommend approval of the proposed SPT response to the Scottish Government consultation<sup>1</sup> on Local Bus Services in Scotland - Improving the Framework for Delivery. SPT's draft response is attached at Appendix 1 and the closing date for the consultation is 5 December 2017.

#### 2. Background

2.1 Members will be aware that for many years SPT has been a strong advocate for change to the Scottish bus delivery framework, primarily through our 'Ten Point Plan' for bus<sup>2</sup> and our more recent proposal for the Strathclyde Bus Alliance<sup>3</sup>. In the consultation document, the Scottish Government state that they believe the legislative framework for bus needs to be improved in light of decreasing patronage and service cuts. The consultation covers various issues including partnership working, local franchising, bus services being run directly by a transport authority, information and open data.

#### 3. Outline of proposals

The draft response is attached at Appendix 1. The key points of SPT's proposed response are noted below:

- SPT believes true and meaningful partnership working must form the heart of any new legislative provision to address the decline in the bus market of the west of Scotland. This means new arrangements must have the flexibility to reflect local and/or regional circumstances; must enable new partnerships/alliances to accommodate membership by organisations across the broad spectrum of society – community, business, planning, others; must be accountable, through established transport authority governance procedures, and to the Traffic Commissioner; have the power and 'teeth' to deliver; be empowered to establish their own 'voting' procedures, while also respecting the role of the transport authority; and last but not least, have the ability to access appropriate levels of

<sup>1</sup> The consultation paper can be accessed at: <https://www.transport.gov.scot/consultations/>

<sup>2</sup> [http://www.spt.co.uk/documents/latest/sp280314\\_agenda7.pdf](http://www.spt.co.uk/documents/latest/sp280314_agenda7.pdf)

<sup>3</sup> <http://www.spt.co.uk/documents/rtp091216agenda11.pdf>

new funding to deliver the change required. SPT believes that our proposal for the Strathclyde Bus Alliance should form the model for any future changes to the Scottish bus delivery framework. Whilst acknowledging this is a bus consultation there needs to be a wider connection to the entire transport network e.g. competition ultimately for road space affects not only other users such as active travel but also freight. There are clearly significant benefits to the passenger where competing modes work in a more integrated manner and this is particularly true for bus and rail interchange.

- SPT is the only transport authority in Scotland to have established statutory Quality Partnerships (sQPs), and while these have most certainly made the situation in their areas 'less worse' to some extent (and noting that there have been some positive improvements), these have not delivered the step-change required or, more strategically, a modal shift away from the private car.
- SPT therefore supports the replacement of sQPs with a new model, but have a range of concerns regarding the Service Improvement Partnership (SIP) model proposed by the Scottish Government, including, for example, there being too many opportunities in the development process for operators to 'veto' a SIP.
- SPT supports the principle of franchising being available should it be necessary, the potential legal challenges considered prior and importantly that funding is confirmed, e.g. in context of public transport authority being the 'operator of last resort' if network or operator fails.
- Current legislative provision to establish Quality Contracts is unworkable and needs replaced.
- Consent to consider franchising should be a matter for the transport authority to decide, potentially through their strategy e.g. in west of Scotland, the Regional Transport Strategy.
- SPT does not support the need for an independent auditor for assessing business cases for franchising – this could be done through the transport authority's own publicly accountable governance processes, and Scottish Government guidance on the legal frameworks applicable.
- SPT does not support the need to gain separate, external 'approval' for franchising – this will be the responsibility of the transport authority, again through its own governance processes.
- SPT supports the principle of a transport authority being able to operate their own bus services should circumstances require it, the legal framework has been addressed in legislation via the transport bill, and new funding is made available. It is worth noting that in the west of Scotland, this would constitute SPT as the public transport authority; as Transport Scotland consultation document notes, SPT is already permitted to directly operate bus services.
- SPT supports the proposal for "open data" from bus operators on routes, timetables, punctuality, and fares for information and planning purposes. We suggest this is extended to bus services and patronage data, including at individual stop/stage level, and revenue/costs, again for planning purposes.
- SPT highlights the significant opportunities that exist through a '*de minimis*' approach to procuring bus services.

#### 4. Conclusions

This should be viewed as a difficult time for transport in Scotland, brought about to address the alarming decline in bus use and to tackle the growing number of car journeys, and this consultation (and others which are the subject of a separate report to this Committee) and a range of other initiatives, such as the new National Transport Strategy (NTS2) currently in

development, the Enterprise and Skills Review, and the Planning Review, all of which are likely to have significant impacts on transport in some form or another.

It is essential that SPT, as the biggest Regional Transport Partnership and transport authority in Scotland, engages in a clear, consistent and co-ordinated way on each of these strands, always with the benefit to the people and communities of the west of Scotland at the heart of our views. Officers will continue to engage with the Scottish Government and other partners on each of these workstreams and keep the Partnership updated on developments and progress.

## 5. Committee action

The Committee is recommended to approve the draft response attached at Appendix 1.

## 6. Consequences

Policy consequences	<i>In line with the RTS.</i>
Legal consequences	<i>None at present.</i>
Financial consequences	<i>None at present.</i>
Personnel consequences	<i>None at present.</i>
Equalities consequences	<i>The outcomes of each of the consultations could have an impact on a range of equalities groups.</i>
Risk consequences	<i>None at present.</i>

**Name** Eric Stewart  
**Title** Assistant Chief Executive  
(Operations)

**Name** Gordon MacLennan  
**Title** Chief Executive

For further information, please contact *Bruce Kiloh, Head of Policy and Planning* on 0141 333 3740.

## **APPENDIX 1**

### **Transport Scotland Consultation Local Bus Services in Scotland – Improving the Framework for Delivery**

#### **SPT response – DRAFT**

#### **Partnership**

*Q1. Do you think that legislation (either via the existing sQP model or another) is required to secure the benefits of partnership working? Yes/No?*

SPT response: Yes.

*Please explain your answer to this question.*

SPT response:

At the outset, it is worth highlighting that it could be argued that the need to legislate to stimulate any market is regrettable. Healthy markets often need checks and balances brought about by legislation and other means to ensure a level playing field for competition, for health and safety reasons, for regulatory purposes, and others, and that is understandable. Where there is evidence that a market is on an apparently consistent downward trend – as could be argued in the west of Scotland bus market where patronage is in steep decline - relying on legislation to stimulate growth or arrest this decline is a worrying situation. This in turn raises the wider question of what kind of market bus should aspire to be, but that is perhaps a deeper issue which would require a more fundamental and wider ranging review.

SPT believes true and meaningful partnership working must form the heart of any new legislative provision to address the decline in the bus market of the west of Scotland. This means new arrangements must have the flexibility to reflect local and/or regional circumstances; must enable new partnerships/alliances to accommodate membership by organisations across the broad spectrum of society – community, business, planning, others; must be accountable, through established transport authority governance procedures, and to the Traffic Commissioner; have the power and ‘teeth’ to deliver; be empowered to establish their own ‘voting’ procedures, while also respecting the role of the transport authority; and last but not least, have the ability to access appropriate levels of new funding to deliver the change required. SPT believes that our proposal for the Strathclyde Bus Alliance should form the model for any future changes to the Scottish bus delivery framework.

In response to Q1, given the range of public and private sector interests in the bus market (there are currently 53 bus operators in the west of Scotland) and who may have conflicting agendas, it is both appropriate and necessary that any formal

agreements backed by statute can be created and put in place. Legal agreements necessitate a robust level of scrutiny and assessment that, by their very nature, voluntary agreements do not. Should there be disagreement within a partnership, legal agreements also provide an agreed basis to work from in conflict resolution.

Notwithstanding the above, the current legislative framework for bus in Scotland has not, in the west of Scotland at least, delivered the step-change improvements expected or required. Having said that, it is worth highlighting that the statutory Quality Partnerships (sQPs) 'made' in the west of Scotland – the only ones in the country as a whole - may not have stimulated the bus market as much as would have been envisaged but they have certainly made it 'less worse' in certain places and/or for periods of time by slowing decline. So while the bus market may not have seen long-term, sustainable growth as the outcome, it is undeniable that the west of Scotland sQPs have succeeded in improving the quality of the bus 'offer' to the public.

In conclusion, SPT believe the case for legislation with regard to the west of Scotland bus market is strong and undeniable, provided the right framework and mechanisms are available to partners, and are effective enough to deliver the necessary improvements for passengers.

Notwithstanding this however, and while appreciative of the timebound restrictions of the parliamentary process for new legislation, we believe it would be more appropriate and in line with logical process for any new transport-related Bill to be presented following the completion of the new National Transport Strategy (NTS2), in order to take the provisions of the new strategy into account.

*Q2. Do you feel that statutory Quality Partnerships as defined in the Transport (Scotland) Act 2001 provide the right framework for partnership working? Yes/No?*

SPT response: No.

*Please explain your answer to this question.*

SPT's response derives from the experience of being the only transport authority in Scotland with direct knowledge of developing and making an sQP, which in itself speaks volumes about making the current legislation work in practice.

The reality is that, despite enormous effort and significant resource, trying to get all parties – transport authority, local authority, operators – to agree to an sQP of sufficient scale to adequately deal with issues identified proved very challenging and ultimately, futile. This in turn necessitated the diminution of an sQP to, in essence, a position of compromise. In the end, it could be said that sQPs were unworkable; partners realised the reality of delivering an ambitious sQP was beyond them, opted for a compromise, and ended up with a sub-optimal outcome that did not deal with

problems sufficiently. A final point to note is that, perhaps contrary to accepted belief, operators were not the problem in delivering effective sQPs; their aspirations were sufficiently high.

There were, however, some positives to take from the sQP experience – as noted above, their achievements on the whole made the market ‘less worse’ and in some cases, arguably delivered improvements. Good examples would be Paisley town centre, Glasgow Streamline and Fastlink.

Fundamentally though, the key issue faced by sQPs was getting partners to deliver. A general inability to do so perhaps reflect a deeper apprehension about tackling a whole range of issues: overreliance on cars, failures in planning, place-making, public realm, integration, over-provision of parking, and not dealing with congestion are just some of these. There is also perhaps a lack of understanding or appreciation of the importance of bus in today’s society from a social, economic and environmental perspective. These are core issues which require greater focus and attention, and we believe addressing them should be a key outcome of this consultation.

In summary, ambitious but workable new forms of partnership are essential if the bus market is to survive its decline, and the experiences noted above must be borne in mind in the development of any new such partnerships.

*Q 3. Do you agree with our proposals for Service Improvement Partnerships as outlined in pages 32-35? Yes/No?*

SPT response: No

*Please explain your answer to this question.*

SPT has long advocated effective change in the policy and delivery framework for bus in Scotland through the ‘Ten Point Plan’ and more recently, our proposal for the Strathclyde Bus Alliance.

We strongly support the need for change, but do not believe that Service Improvement Partnerships (SIPs), in their current proposed form, will deliver the level of change needed to stimulate the bus market.

We very much welcome the fact that the proposed SIPs would be based on the Enhanced Quality Partnerships (EQPs) of the Bus Services Act 2017, and indeed hope that they could be even more progressive than EQPs. We would advise though that in order to more appropriately reflect the partnership approach at the heart of any new model, the term ‘Bus Alliance’ (BA) should be used instead of ‘Service Improvement Partnership’.

SPT is supportive of the proposal to extend the range of standards beyond those of an sQP to include setting service frequencies and maximum fares. We are also very supportive of the commitment to making any new arrangements genuine partnerships in development and delivery.

Regarding the process for establishing a SIP, SPT supports the proposed first step of a review of the bus service network being undertaken which would in turn form the basis of the SIP, and that this is done in partnership between the transport authority and operators. However, in an area such as Strathclyde where there are 53 bus operators, we would expect the transport authority (SPT) to take the lead in this as we are the 'independent party' who would work in the interests of all, especially passengers. It is essential that the role of the transport authority is recognised and given sufficient status in order to make effective decisions which are in the interests of all, particularly the travelling public.

Moreover, we believe that the review of the bus network should be extended to "transport network" in order to take a truly integrated and co-ordinated approach to transport planning and delivery in the area concerned. Again, transport authorities such as SPT are ideally placed to take the lead in this.

Taking the above proposal further, it is worth highlighting that the relevant Regional (or dependent on area, Local) Transport Strategy is the ideal vehicle for such a review, as it already has statutory powers, is enshrined in legislation and is ultimately approved by Scottish Ministers. Indeed, the requirements of such a review – or "Improvement Plan" – as noted in section 5.28 could be undertaken within the auspices of an RTS. In essence, a transport authority, having undertaken due process and consultation in developing an RTS, should be able to mandate the introduction of an Improvement Plan and Scheme.

We welcome the proposal that, once the review or "Improvement Plan" is complete, the transport authority and operators work in partnership to identify how issues identified should be addressed through an "Improvement Scheme", and broadly agree with the scope of a Scheme as outlined in sections 5.30-5.32. We would however highlight that similar to how the Scheme would 'require' a transport authority to undertake specified actions, the Scheme should also be allowed to 'require' an operator to do the same.

SPT agrees with the proposals regarding requesting information from operators and the flexibility of a Scheme as outlined in sections 5.33-5.34.

We do, however have significant concerns about some of the proposals put forward in sections 5.35-5.39 ("Voting Mechanism and Consultation"). Firstly, regarding the proposal of operators being able to 'express a view' when a Plan and Scheme are drafted does not seem to take account of the fact that operators would have been involved in both the Plan and Scheme development as outlined in previous sections

(5.27, 5.29). This proposal and that of the transport authority only being able to progress the Plan and Scheme if there were 'sufficient support' from operators appears to give operators a 'veto' or 'final say' on a Plan and Scheme despite having been involved in their development. This is an unworkable situation and, as noted earlier, the transport authority must be allowed to do its job, have appropriate powers, take the lead, make decisions and move forward. A SIP which requires 'full' consensus is destined to fail; this simply will not happen.

Looking at the west of Scotland, if SPT were to progress a SIP and continually have to check that operators were content with proposals while working in fear that one operator disagreeing would stop the SIP, this would be a wholly unacceptable situation that is not in the best interests of the public.

We also have concerns about the next stage of the process, where if a Plan and/or Scheme have 'support' from operators, the transport authority may then be allowed to initiate a consultation. Again, this is an unworkable proposition that does not recognise the role of or give sufficient weight to the transport authority. This, and the next stage where, after consultation, the transport authority 'makes' the Plan and Scheme, subject to "sufficient support from operators" would appear to give operators yet another chance to 'veto', which again, is unacceptable.

Regarding consultation, it is worth highlighting that it is expected that a key component of our Strathclyde Bus Alliance proposal will be to create a formally constituted community engagement panel with an appropriate range of representatives from across the west of Scotland, and a clear remit. The model being considered is similar in style to London TravelWatch.

The proposal as outlined provides at least 3 opportunities for operator(s) to 'veto' a SIP for any reason at any time, without need for explanation. This scenario is wholly unacceptable, unworkable, and would be a retrograde step to a position which would be far weaker than current legislative provisions.

In addition to a greater recognition of the powers and publicly accountable decision-making responsibilities of a transport authority, the integrity and validity of consultation/engagement/co-design must be acknowledged. Unfortunately, the process as outlined could lead to the situation where a SIP has the support of the transport authority, the public, other stakeholders (Councils, NHS, Chambers of Commerce, and others) but is halted by an operator for commercial reasons without explanation. This is fundamentally wrong, is not what our failing bus market needs in future to arrest decline and generate growth, is not in the best interests of the 'public purse', and, crucially, not in the interests of the public and passengers.

Finally in relation to this section, we believe that, contrary to Transport Scotland's desire for the new partnership system to not be "overly bureaucratic", the proposed 'Voting Mechanism and Consultation' approach as outlined has the potential to



create significant additional bureaucracy, confusion, and ultimately wasted effort; a system which would not work in the public interest and is simply unworkable.

SPT has attached our proposal (Appendix 1.1) for the Strathclyde Bus Alliance (SBA) to our response. We believe this model, given legislative backing, would deliver far greater improvements than the SIP model. As can be seen, our SBA model has a far wider remit, covering issues such as a combined authority approach to ensuring transport is considered earlier (at site selection stage) in the development management process through improved and mandatory transport assessments.

*Q 4. If a new form of statutory Partnership is introduced, do you agree that statutory Quality Partnerships as defined in the Transport (Scotland) Act 2001 should be replaced (i.e. they would no longer be available as a tool for LTAs)? Yes/No? Please explain your answer to this question.*

SPT response: Yes.

While we are supportive of this, we agree with Transport Scotland that those sQPs currently in place should be allowed to run their course, unless it makes sense to utilise any effective new legislation arising from this consultation.

SPT is firmly of the view that there is little point in progressing legislative change to the framework for bus service delivery in Scotland if current mechanisms are allowed to continue. Both sQPs and Quality Contracts have been available for use for many years yet these have been options rarely, if at all, considered (the SPT area sQPs being the exceptions). The proposals in the consultation for SIPs, local franchising and municipal bus companies should be the successor arrangements for sQPs / QCs, provided they are developed further to be more effective.

## **Local Franchising**

*Q 5. Do you think that transport authorities should have the power to franchise bus services (either via Quality Contract or another system)? Yes/No? Please explain your answer to this question.*

SPT response: Yes.

It may be worth considering that an interim step between 'partnership' and 'franchising' might be the Public Transport Authority being able to exercise 'powers of direction'. Sometimes very simple changes could be made to services and routes to enable them to better meet public need, but are not made voluntarily by operators due to operational efficiency or expediency; 'powers of direction' could be a very useful tool in this regard.

Before considering the concept of franchising, it is worth highlighting that such an intervention would not be necessary if transport authorities were actually allowed to do their job i.e. plan the transport network. Any new Scottish Transport Act needs to further empower and enable a transport authority to have formal powers and statutory responsibilities in planning the transport network, which others must then work towards. Where the commercial transport market provides a solution in line with the transport authority's plans (e.g. Regional Transport Strategy), that is good; if not, the authority should have a mandate to look at other options e.g. SIP, franchising.

For too long now, public authorities committed to improving the transport network have had to rely on goodwill to deliver goals - for example, 'integration' between modes. This will only happen if we make it happen, and this must be through empowering the transport authority to do so.

SPT believe that any new bus delivery framework in Scotland must be sequential in nature, i.e. voluntary partnerships considered first, potentially the 'powers of direction' step mentioned above, then 'SIP', then franchising/authority run bus services.

With regard to funding, the hard reality is that too little has gone into the bus market over recent years; this despite the fact that bus is by far the biggest public transport mode in Scotland, carrying four times as many passengers as rail. Current funding in reality only allows transport authorities to 'react' to what is happening in the bus market, and is not at a level where they would have the ability to 'plan' it. In this regard, it may be worth considering some form of future intervention similar to the previous Bus Route Development Grant (BRDG), which provided funding to the network through the transport authority.

Specifically in regard to franchising, a scenario where, for whatever reason (such as major operator failure), a bus network is wholly or substantially removed and thousands of passengers are left without a service, and there is no commercial willingness to provide a solution, having no provision for a responsible authority to step in and provide that service even on a temporary basis is wholly unacceptable. So for this reason alone, having a legislative option to franchise a bus network is essential.

However, across the entire spectrum of franchising options, it is difficult to imagine how any option could be assembled without appropriate funding in place. Moreover, clarity on the realities and financial risks to public authorities of franchising a bus network need to be made clear to those considering such an option – the most obvious of these is in relation to funding and taking the revenue risk.

On a more local level, there may be scenarios where current service provision in an area is deemed unsatisfactory, perhaps in terms of areas served or at particular times of day (evenings, for example). Presently, the solution to such scenarios is sub

optimal: either the transport authority (without any legislative backing) attempts to convince a commercial operator to provide a service, or that authority attempts to subsidise the service, often impossible due to costs or budgetary constraints. Having the 'threat' of (and easier route to) franchising could go a long way in resolving this.

*Q6. Do you think that the existing Quality Contracts require change to make franchising a more viable option? Yes/No? Please explain your answer to this question.*

SPT response: Yes.

SPT believes that the current legislative provision for Quality Contracts requires more than just change; it needs completely replaced. Our views on the current QC mechanism are referred to in the consultation document – that QCs in their current form are unworkable – and we therefore welcome such proposals as Transport Scotland's desire (section 5.68) to simplify the justification for considering any future franchise option.

*Q 7. Considering the information on our proposal on pages 38-42,  
a) Do you think that there should be any consent mechanism for an authority to begin the process of assessment for franchising? Yes/No? Please explain your answer to this question.*

SPT response: Yes.

SPT is firmly in agreement with the statement in section 5.67: "[Transport Scotland] think that the ability to consider any of the options for improving bus services in their area should apply to all transport authorities where they think it will to any extent deliver their policies". Building on this, it is worth noting that Scotland has a wide range of often very different bus markets facing very different futures. The most obvious example is comparing the west and east of Scotland's central belt: In the west, bus patronage has declined by 56million over the last 10 years, and the market is served by 53 bus operators (who are not, it is worth noting, evenly spread across the region); in the east, bus patronage has increased over the same period (although now appears to be levelling out), and is served by one main operator and a handful of smaller operators.

In determining how to address the future of their bus market, the local/regional transport authority is best placed to take the lead on this, and it is vital that there are as many 'tools in the box' as possible for them to deal with issues effectively. It is therefore essential that that 'toolbox' contains an option to franchise should circumstances require it.

However, to ensure buy-in and certainty from the outset of any option appraisal that may include franchising, it is essential that a transport authority has a definable

mandate or has received consent to pursue a franchise option. This would ensure that authority has demonstrated awareness of the benefits/disbenefits of such an option, as referred to in section 5.70.

SPT believes the most effective way of achieving this mandate or consent is through the transport authority's Local/Regional Transport Strategy (and potentially through undertaking a 'BA review' as we outline in response to Q13). For example, in the case of an RTS, this is a statutory document as defined by the Transport (Scotland) Act 2005 which is subject to a rigorous development process and wide consultation, and is ultimately approved by Scottish Ministers. Should the relevant PTA choose to clearly define the criteria in which it will consider a franchising option within an RTS, and this receives support through consultation, then this would be a clear mandate to pursue such an option.

*7b) Do you think that there should be a requirement for independent audit of the business case for franchising? Yes/No? Please explain your answer to this question.*

SPT response: No.

RTPs such as SPT are already subject to significant scrutiny and audit through established governance structures. SPT Partnership Board decisions can be scrutinised by the SPT Audit and Standards Committee which can challenge decisions made. SPT believes that a transport authority, who wishes to pursue franchising and has reassurances about funding being in place, is best placed to be able to make the decision about the most appropriate option to take forward. This resonates with Transport Scotland's view at section 5.67 which we referred to earlier.

*7c) Do you think that there should be an approval process beyond that of the transport authority itself, before franchising can take place? Yes/No? Please explain your answer to this question, including (if yes) what kind of approval process.*

SPT response: No.

Further to our answer to Q7a, SPT believes that if the development process, option appraisal/business case for a franchise is done effectively, appropriately, proportionately and transparently, and there is funding in place, then there would be no further requirement for approval to franchise beyond that of the transport authority itself, especially if the sequential approach we suggest is adopted, meaning the rigorous SIP process would already have been completed. This again resonates with Transport Scotland's comment at section 5.67.

It is worth remembering that transport authorities like SPT are democratically accountable public bodies with established governance procedures and a range of legislative requirements and responsibilities to fulfil. This makes them ideal vehicles for the consideration and approval to franchise.

## Transport Authority Run Bus Services

*8 (a) Do you think that transport authorities (including 'model III' RTPs) should be able to directly run bus services? Yes/No? Please explain your answer to this question.*

SPT response: Yes.

We believe it is essential that SPT retains the powers to run bus services – for example, in the circumstances outlined in our response to Q8(b) - as a 'model III' RTP.

It is SPT's firm view that consideration of PTAs running their own bus services, or indeed franchising – again, if funding is in place - should not find itself in competition with established, well run and efficient commercial bus services delivered under the direction of the 1985 Transport Act which facilitated 'deregulation'. Where it is clear and evident (identified through the LTS/RTS or the 'BA review' process we refer to in response to Q13) that the public are not receiving an adequate bus service, then PTAs running their own bus services should be considered as an option.

As the consultation notes, SPT already has the right to run bus services should we wish to or should our councils wish us to do so. While this is not an option we have been required to pursue previously, we remain ready to take action in that regard should circumstances make it necessary.

Similar to our answers to earlier questions, the ability to run a bus service ensures that we stand ready as the 'operator of last resort' should there be a major or catastrophic failure in the west of Scotland bus market.

*8 (b) Please describe the circumstances in which this might be appropriate.*

Below are some examples where, if funding is available, SPT may consider it appropriate to operate a bus service:

- Catastrophic market or operator failure.
- If, through some new form of partnership such as the Strathclyde Bus Alliance, SPT directly operated the "socially necessary" bus network while the commercial network was run by operators.
- Where it can be demonstrated that best value for the public purse would be achieved if an arms-length organisation ran a socially necessary bus service rather than accepting a tender from private operator.
- Where a market in a particular area and/or at a particular time was deemed insufficient for the local community or economy, and there was no interest from private operators in running a service – an example would be the Public Social Partnership developed by SPT currently providing a service in rural Ayrshire.
- To provide interchange connections between transport modes.

*8 (c) What, if any, safeguards do you think should be put in place to ensure that no operator has an unfair advantage in a deregulated market? Please explain your answer to this question.*

SPT response:

For clarity, SPTs interpretation of the above question is that the operator in question is a 'transport authority bus service operator' and therefore our response is from that perspective.

As is outlined in the consultation document, the bus market has been deregulated across the UK outside London for more than 30 years. This would seem more than sufficient time for decision-makers to assess whether the deregulated market has appropriate checks and balances in place to ensure no operator has an unfair advantage, and then to act on that assessment.

We note Transport Scotland's comments at sections 5.102 and 5.103, and agree with the principle of them, but would highlight that, if a transport authority must prepare a business case to enter the bus market as an operator, and that business case examines whether this intervention would distort competition or give an operator unfair advantage, that should provide sufficient reassurance regarding any concerns about market distortion.

*8 (d) What, if any, checks and balances do you think should be put in place for a transport authority looking to set up an arms' length company to run buses? Please explain your answer to this question.*

SPT response:

It is worth highlighting that there is already a range of legislation in place which any public body considering setting up an arms-length organisation must consider and adhere to prior to establishment of that organisation.

Similar to our responses on local franchising, SPT believes that any checks and balances should be considered as part of the development process (for example, criteria could include targets set for the franchise e.g. relating to patronage) for a proposal to set up a transport authority's arms-length bus company. Above all though, best value, and whether the proposal is in the public interest, should guide decision-makers on the benefits / disbenefits of setting up such a company (again a good example here would be the Public Social Partnership developed by SPT working with the Third Sector to operate a service in rural Ayrshire). In any event, any bus operation whether municipally owned or operated or privately operated, must continue to be subject to current regulatory provisions (on safety, driver competency, Protection of Vulnerable Groups, vehicle standards, etc.) and there should be no dilution in that regard as a result of any new legislation.

**NOTE: Questions 9(a) to 9 (d) – see responses to Q8.**

## **Open Data**

*10. Do you agree with our proposals to require the operators of local services to release open data on routes, timetables, punctuality and fares in a specified format? Yes/No? Please explain your answer to this question.*

SPT response: Yes.

SPT is very supportive of Transport Scotland's proposals regarding open data. We believe there are significant public interest benefits in requiring operators to release open data on routes, timetables, punctuality, and fares, including:

- Much improved travel information for the public, comparable with other modes such as rail.
- Vital for traffic control systems for bus priority measures that support network reliability.
- For management of any disruption on the transport network.
- Stimulating third party development of digital journey planners (e.g. smartphone apps).
- Better, and more, data for use in transport planning analysis and project development.

SPT has developed and is further enhancing a suite of digital products which will be able to extract RTPI, route, fares and timetable information for utilisation by and dissemination to a range of media in both digital and 'hard copy' form.

Fares, timetable and route performance (punctuality, reliability) is vital in ongoing collective efforts to encourage greater public transport (specifically, bus) use.

We further believe that detailed bus service and stop patronage data should similarly be made available for transport planning purposes. At present this data is not released and can severely restrict effective transport planning and project development, which again is not in the public interest.

*11 (a) Do you think that data provided by operators should be stored in a central data hub? Yes/No? Please explain your answer to this question.*

SPT response: No.

Given that the bus registration process must go through the responsible transport authority (in our area, SPT), with data then passed to Traveline Scotland, it could be considered that they are the appropriate independent body which could host a central hub. The data should be made available online through some form of data portal.

*Q 11 (b) if you do not support the use of a central data hub how do you think data should be stored/ made available?*

SPT response: See response to 11(a).

12. Do you support proposals for transport authorities to have the power to obtain, information about revenue and patronage of services being deregistered, and where appropriate disclose this as part of a tendering process? Yes/No? Please explain your answer to this question.

SPT response: Yes.

This proposal would allow transport authorities such as SPT to ensure, if the deregistered commercial service is proposed to be replaced by a supported (subsidised) service, that best value is achieved for the public purse. In this regard, it should be noted that information on both revenue and costs is needed. The information required may also relate to only part of a route or individual journey. It would also assist in more effective transport planning.

In addition, the sharing of data would be central to the success of *de minimis* tendering which requires an 'open book' approach.

### **Other**

13. Please provide any other comments or proposals around the regulation of bus services in Scotland that were not covered in the above questions.

SPT has attended both of the consultation events held by Transport Scotland in regard to this consultation. Discussion at these has highlighted the potential benefits of utilising a *de minimis* approach with regard to bus service procurement. SPT is very supportive of this and believe it should be a key outcome of this consultation and be a core part of the new Scottish Transport Act. The utilisation of *de minimis* within the realms of 'best value' has the potential to result in significant financial and time savings in the procurement of supported bus and school contract services. There is further useful information on *de minimis* in the DfT's Guidance on Tendering of Road Passenger Transport contracts. Central to the success of any *de minimis* intervention is an 'open book' approach to dialogue between private and public sector, and therefore this must be a prerequisite of any change to processes.

SPT has developed a 'Tender Assessment Model' which assists in the prediction of anticipated costs of future bus service tenders. This could be a useful tool in a *de minimis* style process and SPT would be happy to discuss enabling wider access to this model with Scottish Government if such processes are to be pursued.

On a more strategic note, such changes to the procurement process for bus services must take into account wider legislative provisions such as the Community Empowerment Act 2015 e.g. in relation to participatory budgeting.

With regard to SIPs, or as we believe they should be called, 'Bus Alliances' (BAs), we believe there is a case that these be made mandatory across Scotland i.e. in all cases a Public Transport Authority is requested to undertake a review to establish whether a BA in their respective area or areas is needed. This would establish the adequacy of existing public transport provision and determine the status of bus



service provision considered against the respective 'Guideline Criteria for Supporting Socially Necessary Bus Services' within their local or regional areas.

The preparation for a BA should identify existing bus services, assess whether they are meeting the needs of local communities and providing adequate access to health, employment and educational services. This should highlight any service gaps or where the policies defined within the respective RTS or LTS and Guideline Criteria are not being met.

Further, any new legislation should preclude consideration of franchise arrangements, or consideration of establishing municipally-operated bus operations unless a BA has been implemented and has either not met the intended outcomes or there was no existing infrastructure or service operators which could deliver expected outcomes.

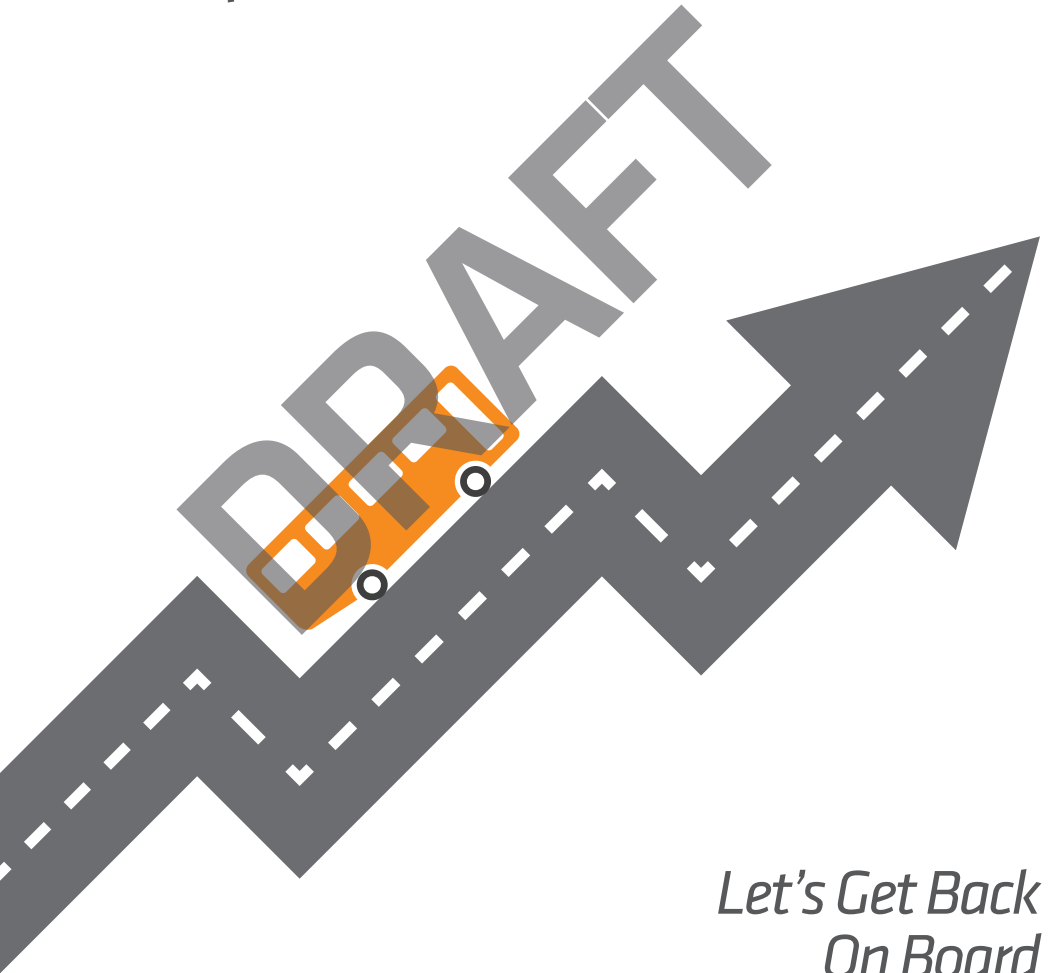
Each BA could be subject to review every three years, or sooner, if market conditions change sufficiently to mean the policies under the RTS or LTS are no longer being met. A summary monitoring report of the BA should be produced within six months of the end of each 'control period' detailing how or if the BA achieved the intended outcomes. If not, then action plans should be developed to address these issues and programme of interventions to achieve the goals as set out in the RTS/LTS which may include a franchise or municipally owned bus operation option.

We also believe that the Traffic Commissioner (TC) for Scotland has a key role to play in any new model of SIP, BA, or franchising. The TC's powers in regard to these should be made as clear as possible, and should include the ability to hold all partners – transport authority, local authority, operators – to account or 'call in' as necessary to ensure any agreements are being adhered to.

Lastly, as Transport Scotland is aware, SPT has been at the forefront of bus policy development in Scotland over recent years. To that end, we attach to our response, our proposal for establishing the Strathclyde Bus Alliance (Appendix 1.1). It is hoped that this, and our responses to the consultation questions, will assist Transport Scotland in taking the outcomes of this consultation forward.



# The Strathclyde Bus Alliance A Proposal



*Let's Get Back  
On Board*

**Strathclyde Partnership  
for Transport**

November 2016

[spt.co.uk](http://spt.co.uk)

# Executive summary

## Why bus passengers need the Strathclyde Bus Alliance...

The people and communities of the west of Scotland need a strong bus network – for sustainable economic growth, social cohesion and reducing carbon emissions.

But the west of Scotland's bus network is struggling – 49 million passengers down<sup>1</sup> over the last 10 years, with the size of the network reducing by 24 million kilometres<sup>2</sup> over the same time period. (In contrast, the south east of Scotland has seen passenger growth of 5m over the same period, with no decline in network size<sup>3</sup>).

But even with these reductions, more people still travel to work by bus than all other public transport modes put together – 77% of public transport trips<sup>4</sup> – and people across the UK use buses to make shopping & leisure trips to a value of £27.2billion per year<sup>5</sup>.

However, the Strathclyde bus network is facing more and more challenges – increased operational costs, competition for road space, more congestion on the streets, fares / affordability, more people shopping online, significant access issues in rural and outlying areas to name a few...and crucially, buses actually going where people want them to go!<sup>6</sup>

So our bus network is facing significant problems not being experienced as severely elsewhere in Scotland, at this present time.

## And that's why we need the Strathclyde Bus Alliance (SBA).

An equal partnership between passengers, SPT, operators, councils, and all those with a role to play in arresting decline and creating growth in Strathclyde's bus market.

Subject to approval, the SBA would be based on an enhanced or advanced SQP<sup>7</sup> model and initial focus would be on:

- Providing a route for the views of people and communities who rely on bus to be heard
- Reducing congestion affecting buses, improving bus priority and journey times
- Making sure that public transport provision is considered as early as possible in the planning process, when bus is generally the easiest, most flexible solution.
- Where there are issues on the road network e.g. roadworks, bus is not an afterthought
- Working together to deliver an integrated multi-operator, multi-modal smartcard
- Seeking to ensure that bus subsidies – Bus Service Operators Grant, Green Bus Fund etc – goes where it is needed most and are targeted to stimulate new routes.
- Where operators benefit from public sector intervention – e.g. bus priority measures – then those benefits are shared between SBA partners.

A successful SBA will also bring significant benefits for the people and communities of the west of Scotland. And the SBA is a first step towards delivering the bus network we all need.



We also believe that a successful SBA will be a huge step forward in meeting many national, regional and local outcomes, including the Regional Transport Strategy Outcomes of 'Improved Connectivity', 'Attractive, Seamless, Reliable Travel', 'Access for All', and 'Reduced Emissions', and will support the bus industry to better meet these needs. For too long bus has been seen as the poor relation of our transport network, so...

**Let's get back on board!**

## Why Bus Matters...

**It is important to remember the value of bus to our communities:**

- More people travel by bus than all other public transport modes put together – 77% of all trips<sup>8</sup>.
- One in ten bus commuters would be forced to look for another job, or give up work altogether, if they could no longer travel by bus<sup>9</sup>.
- **Support for socially necessary bus services (such as those provided by SPT) can generate benefit in excess of £3 for every £1 of public money spent<sup>10</sup>.**
- **In UK metropolitan areas, bus networks generate an estimated £2.5bn in economic benefits** against public funding of £0.5bn<sup>11</sup>.
- The best used bus services in urban centres may be **reducing carbon emissions from road transport by 75% or more<sup>12</sup>.**

**So bus matters...but why is its use declining in the west of Scotland?**



# The Problem

- **Fewer and fewer people are using bus** - Bus patronage in west of Scotland is down by 49 million passengers over last 10 years. There is no single reason for this 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 will all have contributed to it.
- **The bus network is shrinking** - The size of the west of Scotland bus network has shrunk by 24 million kilometres over the last 10 years, with many routes lost or reduced in urban, rural and outlying areas. How can passengers use the bus when there isn't one there to use?
- **Congestion in our towns and cities is killing bus** – bus speeds in Glasgow are declining at a rate of 1.5% per annum, worse than London, Edinburgh and Manchester . People won't use buses if their journey keeps getting slower.
- **Is there too much competition for road space? Too many vehicles on the streets? Too many car parks in the city centre?** – all these issues need to be objectively examined to ensure that local authority priorities are respected and that the hierarchy of sustainable transport is proportionately applied – walking and cycling, then bus.
- **Bus routes around the city are convoluted** - the complexity of the road network that buses are forced to use when they reach the city is frustrating passengers and costing operators time and money, and adding to pollution, poor air quality, and congestion.
- **Buses in rural areas are often few and far between** – rural areas and many outlying towns and suburbs have faced some of the greatest challenges in bus access. SPT and community transport organisations have sought to address these through initiatives such as MyBus and the West of Scotland Community Transport Network but much, much more needs to be done.
- **Bus can often be almost forgotten in the land-use planning process** - Time and again significant issues are identified too late and all too often little is done to address them.

**So what can we do? How do we get people back on board the bus?**





# The Strathclyde Bus Alliance – A Proposal

SPT proposes the creation of the Strathclyde Bus Alliance (SBA), with a clear aim and 2 simple objectives:

## **Aim: Get people back on board the bus!**

### Objectives

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

## **Key themes of the SBA would be:**

- **Delivering a comprehensive network** – that meets passenger needs
- **Maximising network performance and standards** – using less resources to move more passengers
- **A properly integrated network**
- **Promotion and simplification of the network**
- **Ensuring continuity of a safe and secure network**
- **Delivering a greener network.**

The SBA would be chaired by an independent person with the appropriate knowledge and drive to deliver positive results. It is proposed that governance arrangements based on an 'enhanced/advanced Statutory Quality Partnership' will be brought forward for approval.



## Members of the SBA would, in the first instance, include:

- Strathclyde Partnership for Transport
- Passenger representative(s)
- Local authorities
- Major Operators (First Glasgow, McGill's, Stagecoach)
- Smaller Operators – designated representative
- West of Scotland Community Transport Network.

## Key stakeholders would include:

- Traffic Commissioner for Scotland
- Mobility and Access Committee for Scotland
- NHS boards
- Scottish Roadworks Commissioner
- Bus Users Scotland
- Police Scotland
- Transport Scotland
- ClydePlan
- Glasgow & Clyde Valley City Deal and Ayrshire Growth Deal
- The ScotRail / Network Rail Alliance



## Initial areas for discussion would include:

- Working with councils and developers to ensure an early stage 'pre-planning' Transport Assessment is made mandatory and conducted in consultation with SBA members.
  - All road / utility infrastructure works to be mandatorily communicated more efficiently through the SBA.
  - Focused work by SBA members to reduce congestion and improve bus running speeds and priority delivering a more reliable service using less resource.
  - SBA members to sign up to one agreed integrated, simplified smart ticketing product.
  - SBA members to agree to work together on a rationalisation of main corridors/routes coupled with a package of social responsibility for non-commercial routes.
  - A focus on how to maximise the return for the traveling public of the current public funding put into bus.
- A commitment from SBA members to 'open data' to ensure solid evidence bases are created for SBA actions.
  - SBA members to commit to delivering a more streamlined administrative process for the registration of bus service changes.
  - A commitment by SBA members to work in partnership with third sector and public sector bus providers e.g. Community Transport, local authority social transport fleets to deliver a better holistic service for the passengers and communities who need it most.
  - Seek to ensure rural and outlying areas are better served by bus.
  - Maximising the benefit of the totality of members collective investment in bus infrastructure, vehicles and services through such initiatives as the Glasgow City Region City Deal.

It would be expected that the first meetings of the SBA would focus on developing an



agreed 'Charter' for partners to sign up to. The above points are intended only as a starting point for discussions.

# The SBA – Who Benefits?

## Everyone...

<b>The Public</b>	better – and more – services to more places at the times they want, higher quality vehicles, more certainty on fares and a simple smartcard ticketing system, better integration, less emissions and much, much more.
<b>Operators</b>	maximising investment, less operating costs through reduced congestion, better reliability, revenue growth – and a mechanism to sort out issues before they become problems.
<b>Public sector partners</b>	a better return for their significant investment in bus, and a more stable network.

## Next steps

SPT wrote to operators early in 2016 to gauge what their views were on the concept of the SBA and they responded positively.

We now want to work towards terms that can be formally agreed, delivered and monitored.

We want your organisation to participate in the SBA and would ask that you write to us at the address below to confirm your agreement:

Eric Stewart  
Assistant Chief Executive (Operations)  
Strathclyde Partnership for Transport  
131 St Vincent Street  
Glasgow G2 5JF

Thank you for taking the time to consider this proposal. We look forward to working with you in delivering a brighter future for the Strathclyde bus network...

**...Let's get back on board!**

# Endnotes

- <sup>1</sup> Transport Scotland (2016) Scottish Transport Statistics no.34. Figure is for 'South West and Strathclyde' (Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Renfrewshire, Inverclyde, North Ayrshire, South Ayrshire, South Lanarkshire, Renfrewshire, West Dunbartonshire, Glasgow City, North Lanarkshire) and is comparison between 2004/05 and 2014/15.
- <sup>2</sup> Transport Scotland (2016) Scottish Transport Statistics no.34. Figure is for 'South West and Strathclyde' (Dumfries & Galloway, East Ayrshire, East Dunbartonshire, East Renfrewshire, Inverclyde, North Ayrshire, South Ayrshire, South Lanarkshire, Renfrewshire, West Dunbartonshire, Glasgow City, North Lanarkshire) and is comparison between 2004/05 and 2014/15.
- <sup>3</sup> Transport Scotland (2016) Scottish Transport Statistics no.34. Figure is for 'South East Scotland'(Clackmannanshire, East Lothian, Falkirk, Fife, Midlothian, Scottish Borders, Edinburgh City, West Lothian).
- <sup>4</sup> Transport Scotland (2016) Scottish Transport Statistics no.34. Figure is for Scotland.
- <sup>5</sup> PTEG (2013) 'The Case for the Urban Bus'
- <sup>6</sup> Glasgow City Council (2016) 'Community Engagement Evaluation Report Glasgow Bus Services', Appendix B – Desired Bus Services: this provides an example of public views on where they believe buses should be going.
- <sup>7</sup> Statutory Quality Partnership. See <http://www.gov.scot/resource/doc/277937/0083501.pdf> for more information.
- <sup>8</sup> Transport Scotland (2016) Scottish Transport Statistics no.34. Figure is for Scotland.
- <sup>9</sup> Institute for Transport Studies (2012) 'Buses and Economic Growth'
- <sup>10</sup> PTEG (2013) 'The Case for the Urban Bus'
- <sup>11</sup> PTEG (2013) 'The Case for the Urban Bus'
- <sup>12</sup> Greener Journeys (2012) 'What is the environmental value of investment to increase the use of buses?'
- <sup>13</sup> Greener Journeys (2016) 'The impact of congestion on bus passengers'

**Strathclyde Partnership  
for Transport**  
131 St. Vincent Street  
Glasgow G2 5JF  
[spt.co.uk](http://spt.co.uk)