



Transport (Scotland) Bill – Call for Evidence by Scottish Parliament Rural Economy and Connectivity Committee – SPT response

Committee Strategy and Programmes

Date of meeting 7 September 2018

Date of report 14 August 2018

Report by Senior Director

1. Object of report

To recommend approval of SPT's draft response to the Scottish Parliament Rural Economy and Connectivity Committee's Call for Evidence into the Transport (Scotland) Bill. The draft response is attached at Appendix 1 and the closing date for responses is 28 September 2018.

2. Background

Further to the report to the Partnership in June¹ on the contents of the Transport (Scotland) Bill, the Rural Economy and Connectivity Committee has been appointed the lead Scottish Parliament committee for scrutiny of the proposed Bill. This means the Bill has entered Stage 1 of the Parliamentary Bill process, and the Committee's Call for Evidence is the first phase of that². It is worth highlighting that the opportunities for engagement with Transport Scotland and other stakeholders in the development of the Bill have been very good, and indeed there continue to be meetings on specific parts of the Bill e.g. bus elements, smartcard ticketing.

3. Outline of proposals

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

3.1 General comments

SPT welcomes, in principle, the Bill, but in some ways it could be regarded as a missed opportunity to assist in stimulating the Scottish transport market, and in particular with regard to bus. The Bill as it stands seems unlikely to create the right conditions for the step-change required in the west of Scotland bus market to arrest decline and deliver growth. Without some changes to the Bill (e.g. in relation to information required from operators for Bus Service Improvement Partnerships (BSIPs), and franchises) and strong complementary support and significant capital and revenue funding, key provisions of the Bill such as BSIPs, Low Emission Zones (LEZs) may be limited in their impact on delivering objectives of the Bill.

¹ http://www.spt.co.uk/documents/latest/rtp220618_agenda5.pdf

² See section 3.4 of the above report for more detail on the Parliamentary Bill process or visit <http://www.parliament.scot/parliamentarybusiness/Bills/99986.aspx>

Decision-making powers in relation to the bus elements of the Bill also appear to be weighted against democratically elected and accountable bodies; for franchising, for example, an unelected 'panel' is being proposed as having the final decision. The role of the transport authority, in the west of Scotland, SPT, must be strengthened within the Bill to ensure public interest and democratic accountability is at the core of choices made.

Notwithstanding the concerns highlighted in our response, SPT remains supportive of the principles of the Bill and will continue to work with the Scottish Government and other stakeholders to seek improvements to the Bill. Furthermore, should it become an Act, SPT will explore every opportunity afforded by the new legislation in regard to improving the transport network for the people and communities of the west of Scotland.

3.2 Low Emission Zones (LEZ)

The LEZ provisions appear sufficiently robust to deliver the change required provided any further regulations or guidance are detailed enough to provide clarity on the requirements and commitments of partners, an integrated approach is taken, complementary measures are delivered, and more fundamentally, an appropriate level of funding is made available by the Government to enable delivery.

3.3 Bus Service Improvement Partnerships (BSIPs)

The principle of BSIPs is welcome, and indeed provided transport authorities such as SPT are given the power to specify the information required from operators in developing a BSIP, they may present a good opportunity for genuine progress. We have some concerns over how they will work in practice, specifically in relation to making the provisions for setting standards work and giving greater recognition of the publicly accountable, democratically-elected transport authority in the BSIP development process, but are guided that much work on the practicalities of BSIPs will be dealt with through guidance, regulations and secondary legislation. The emphasis on BSIPs being binding, long-term commitments to improvement is very much welcomed, as is the fact that BSIP signatories will be held to account and subject to censure if they fail to deliver on those commitments.

3.4 Franchising

Without question, franchising has the potential to deliver transformational change in the west of Scotland bus market. In comparison with Quality Contracts, there is much to be welcomed in the Bill's provisions for franchising, such as a more progressive approach to demonstrating the need for such an intervention. Further, and similar to BSIPs, transport authorities such as SPT must be given the power to obtain detailed information from operators in developing a franchise. However, issues such as the final decision being proposed to be placed in the hands of an appointed, unelected panel add significant risk to an already delicate and potentially costly process.

3.5 Municipally-Owned Bus Companies

SPT supports the principle of these provisions; if a public body can prove it can run services more effectively and efficiently than the private sector, there should be legislative provision available to enable it to do so. However, by restricting the scope of municipally-owned bus companies to services that are 'socially necessary', this significantly restricts such a company's viability (as such services are, by definition, loss-making) and thereby reduces its attractiveness as a proposition. Were there to be greater flexibility given in the type of services such a company could run, then this

would be a more attractive proposition and SPT would welcome consideration of such a change in the Bill. Our response is attached at Appendix 1, and we have attached to that a list of the type of information required from operators (at Appendix 1a of our response) which we believe would be essential in developing a BSIP or franchise.

3.6 Information

SPT supports the principle of 'open data' and the provisions within the Bill, provided they are of sufficient detail and there are opportunities to censure those who do not comply with the information provisions within the Bill. As noted earlier, we would further suggest that stakeholders such as SPT should take the lead in specifying the information required from operators.

3.7 Smart ticketing

SPT welcomes the provisions in the Bill in relation to smart ticketing, for example, in relation to the proposals for a national advisory board (which SPT will be part of) and its role in advising the Minister to direct an authority to utilise existing legislation to progress ticketing matters.

3.8 Responsible parking

SPT welcomes the principle of this as there will be benefits for some societal groups, but are concerned that the impacts of these provisions on local authority resources will be significant, and that there could be unintended negative impacts on certain public service vehicles (emergency vehicles, buses, including demand responsive services like SPT's MyBus) which can only currently gain access around a housing estate due to road space created by cars being parked on pavements.

3.9 Road works

SPT is supportive of the provisions in relation to Road Works.

3.10 Regional Transport Partnerships Finance

SPT very much welcomes and supports the provisions in relation to RTP finance. This will allow RTPs to more effectively manage finance in the short term, while planning for longer term.

4. Further information

The Scottish Parliament's Rural Economy and Connectivity Committee has asked SPT to give evidence on the Bill at their meeting of 19 September 2018. In addition, we have been asked to host a meeting with the Committee at our offices in Glasgow on 26 October 2018 in relation to the Transport Bill. These are great opportunities to influence the future of the Bill. Officers will continue to liaise with Transport Scotland and other partners in development of the Bill and will update the Committee as progress is made.

5. Conclusions

It is thirteen years since the last Transport Act in Scotland. The 2005 Act created RTPs like SPT and there has been significant change economically, socially and environmentally since then, and across the transport sector. The significance of the new Transport (Scotland) Bill should therefore not be underestimated.

We are supportive of the Bill but believe there needs to be some changes to it to make it more effective, and these will be the focus of the evidence we provide to the Rural Economy and Connectivity Committee at the sessions on 19 September and 26 October.

6. Committee action

The Committee is recommended to:

- Note this report; and
- Approve the draft response at Appendix 1.

7. Consequences

Policy consequences	<i>The Bill will have significant implications for transport policy in Scotland, including the developing RTS.</i>
Legal consequences	<i>None at present.</i>
Financial consequences	<i>None at present, but potentially significant depending on whether elements of the Bill are taken forward.</i>
Personnel consequences	<i>None at present.</i>
Equalities consequences	<i>None at present.</i>
Risk consequences	<i>None at present.</i>

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APPENDIX 1

Scottish Parliament

Rural Economy and Connectivity Committee

Transport (Scotland) Bill – Call for Evidence

Response by Strathclyde Partnership for Transport

About SPT

Strathclyde Partnership for Transport (SPT) is the Regional Transport Partnership for the west of Scotland, covering 11 full council areas and part of one other – East Ayrshire, East Dunbartonshire, East Renfrewshire, Glasgow, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire, South Ayrshire, South Lanarkshire, West Dunbartonshire and the Helensburgh and Lomond area of Argyll and Bute – with a population of 2.14million. SPT was established by the Transport (Scotland) Act 2005 and has a range of responsibilities including the statutory Regional Transport Strategy, socially necessary bus services, the Subway, major bus stations, and various other operational and project development/delivery responsibilities. Further information on SPT is available from www.spt.co.uk.

General comments

SPT has long advocated the need for positive change in the framework for transport in Scotland to enable an improved and more effective and efficient transport system for the people and communities of our country, and indeed, the main issues seeking to be addressed by the Bill reflect some of SPT's key areas of focus for policy¹ over recent years.

In principle, therefore, we welcome the Bill, but believe that without amendment it may not deliver on the Government's desire to *"tackle current and future challenges, while delivering a more responsive and sustainable transport system for everyone in Scotland."*² The general comments on the Bill are noted below:

- SPT welcomes, in principle, the Bill, but in some ways it could be regarded as a missed opportunity to assist in stimulating the Scottish transport market, and in particular with regard to bus. The Bill as it stands seems unlikely to create the right conditions for the step-change required in the west of Scotland bus market to arrest decline and deliver growth. Without some changes to the Bill (e.g. in relation to information required from operators for Bus Service Improvement Partnerships (BSIPs), and franchises) and strong complementary support and significant capital and revenue funding, key provisions of the Bill such as BSIPs, Low Emission Zones (LEZs) may be limited in their impact on delivering objectives of the Bill.
- Decision-making powers in relation to the bus elements of the Bill also appear to be weighted against democratically elected and accountable bodies; for franchising, for example, an unelected 'panel' is being proposed as having the final decision. The role of the transport authority, in the west of Scotland, SPT, must be strengthened within the Bill to ensure public interest and democratic accountability is at the core of choices made.
- Notwithstanding the concerns highlighted in our response, SPT remains supportive of the principles of the Bill and will continue to work with the Scottish Government and other stakeholders to seek improvements to the Bill. Furthermore, should it become an Act, SPT will explore every opportunity afforded by the new legislation in regard to improving the transport network for the people and communities of the west of Scotland.

¹ SPT's Bus Policy: http://www.spt.co.uk/documents/latest/sp280314_agenda7.pdf

² <https://www.transport.gov.scot/our-approach/transport-scotland-bill/>

Detailed Comments

Part 1 – Low Emission Zones (LEZ)

Our comments on this come from a position of recent experience relating to the emerging first Scottish LEZ in Glasgow. SPT believes the proposed provisions of the Bill in relation to LEZs will be sufficiently robust to deliver the change required provided any further regulations or guidance are detailed enough to provide clarity on the requirements and commitments of partners, an integrated approach is taken, complementary measures are delivered, and more fundamentally, an appropriate level of funding is made available by the Government to enable delivery (e.g. through Strategic Transport Projects Review 2 (STPR2)).

Specifically in relation to complementary measures, these are essential for a successful LEZ, as Glasgow City Council recently acknowledged³. Improvements to traffic management, progressive parking policies, bus priority measures, and a better, more integrated, transport 'offer' are just some of the core components of the package of interventions required to achieve the objectives of an LEZ. It is therefore essential that any regulations or guidance facilitate commitment from the relevant organisations to deliver.

This integrated approach is acutely important for Glasgow as the bus market in the city and wider region is currently in a perilous state, experiencing a huge decline in patronage (60million (25%) over the last 10 years). A LEZ that does not deliver in a co-ordinated, multi-faceted way could inadvertently deal a fatal blow to a bus market such as that of Glasgow and the west of Scotland. It is therefore essential that legislation, regulations and guidance are clear that this is core to an LEZ's success, and not an optional part of it.

It is also worth highlighting that the Bill's provisions in relation to LEZs, and any subsequent regulations and guidance, must ensure a methodology and process are in place which facilitate the ability to deliver. While the provisions about revenue collected by authorities being channelled towards delivering LEZ objectives is to be welcomed, it remains the case that a far bigger pot of capital and revenue funding is needed. Indeed, it is important to remember that funding for an LEZ should not be solely focused on retro-fitting existing vehicles or buying new ones – funding for wider transport interventions (the complementary measures mentioned above) must be made available to ensure an effective and long-term package of measures is available to deliver an LEZ's objectives.

Part 2 – Bus Services - Bus Service Improvement Partnerships (BSIPs)

SPT is the only transport authority in Scotland to have successfully utilised the Quality Partnership provisions of the Transport (Scotland) Act 2001, creating 5 Statutory Quality Partnerships (SQPs) in areas of the west of Scotland, in partnership with local authorities and bus operators. SPT is therefore in the unique position of being able to compare our experience of SQPs with what are likely to be the realities of creating and maintaining a successful BSIP.

The principle of BSIPs is welcome, and indeed provided transport authorities such as SPT are given the power to specify the information required (see Appendix 1a) from operators in developing a BSIP, they may present a good opportunity for genuine progress. We have some concerns over how they will work in practice, specifically in relation to making the provisions for setting standards work and giving greater recognition of the publicly accountable, democratically-elected transport authority in the BSIP development process, but are guided that much work on the practicalities of BSIPs will be dealt with through guidance, regulations and secondary legislation. The emphasis on BSIPs being binding, long-term commitments to improvement is very much welcomed, as is the fact that all signatories will be held to account and subject to censure if they fail to deliver on those commitments.

³ Section 7.3 of Glasgow City Council report:
<http://www.glasgow.gov.uk/councillorsandcommittees/viewSelectedDocument.asp?c=P62AFQDN2U2UUTDN2U>

Franchising

The London model of a franchised bus network has proven to be enormously successful in terms of patronage growth over recent years, and this has proven a key factor in fuelling other regions desire to do the same. But it comes at a cost; London Buses had a net operating deficit of £599m⁴ in 2016/17 and in 2018/19 alone, Transport for Greater Manchester's work on bus reform⁵ (including assessing franchising) will cost £11.5m. It is, therefore, not something to be entered into lightly, and it is essential that any legislation in this regard facilitates a balanced, objective and robust decision which is rooted in the public interest.

Without question, franchising has the potential to deliver transformational change in the west of Scotland bus market. In comparison with Quality Contracts, there is much to be welcomed in the Bill's provisions for franchising, such as a more progressive approach to demonstrating the need for such an intervention. Further, and similar to BSIPs, transport authorities such as SPT must be given the power to obtain detailed information from operators in developing a franchise (see Appendix 1a). We also welcome the need to create a 'franchising framework' which could include any matter that the 'transport authority think fit', thereby recognising the 'public interest' role of such authorities.

We are concerned however, that the process for developing a franchise is not conducive to delivering an outcome in the affirmative. For example, placing the final decision on whether a franchise should proceed in the hands of an unelected panel adds far too many risks and uncertainties to an already delicate process. It could also be considered undemocratic, and may lead to the perception that decisions are not being taken in the public interest. SPT believes the final decision on any franchise should rest with the transport authority; a democratically accountable, legally constituted body which is duty bound to act in the public interest.

Indeed, should Scotland adopt the Bill's proposed franchise model – a "one size fits all" approach for all areas, large or small, urban or rural – this would contrast sharply with provisions elsewhere in the UK. In England, for example, at city region level, the decision on whether to pursue franchising rests with that city region provided they have an elected Mayor.

Municipally-Owned Bus Companies

SPT believes that when a public authority can prove that a service can be delivered more effectively and efficiently and at less cost than a private sector supplier, then there should be legislative provisions available to facilitate this.

SPT is therefore supportive in principle of the provisions in the Bill which relate to municipally-owned bus companies. The reality is, however, that by restricting municipal bus companies to only those services addressing social need (and are, by their very nature, loss-making and unattractive to a commercial operator), it is unlikely in the current funding climate that any eligible authority (in the west of Scotland, this is SPT) will pursue that course, given the likely significant and ongoing costs involved. Were there to be greater flexibility given in the type of services such a company could run, then this may be a more attractive proposition and SPT would welcome consideration of such a change in the Bill.

Information

SPT welcomes the provisions in the Bill which relate to the provision of information by an operator to the transport authority should they vary or withdraw a bus service. This will hopefully facilitate a more

⁴ TfL Business Plan: <https://tfl.gov.uk/corporate/publications-and-reports/business-plan>

⁵ TfGM Business Plan: https://assets.ctfassets.net/nv7y93idf4jq/7hFs4onchUgecSkSWkmcAG/e88ef60181eeaf530778be76d1656cf8/TfGM_Business_Plan_2018.pdf (p30)

pragmatic approach to ‘filling gaps’ in the bus network. It is SPT’s view that detailed passenger information, specified by the transport authority, should be publicly available for any service in receipt of public subsidy and this should be included within the provisions of the Bill.

We also welcome the provisions of the Bill which relate to what could be called ‘open data’ as this will facilitate the wider and likely more effective dissemination of robust transport information for the travelling public. Further, it is essential that the transport authority has the power to specify the information required from operators, as noted earlier regarding BSIPs and franchising. However, SPT would highlight a note of caution that similar provisions made in England and Wales through the Bus Services Act 2017 are proving very challenging to implement, and so lessons learned from there should be applied in the new Bill and any resultant regulations and guidance.

We would also emphasise the importance of the information specified being made available at a sufficiently detailed level to be useful and meaningful for its given purpose. Further, appropriate provisions should be contained within the Bill to enable the transport authority to censure an operator in some form should they not comply with the information provisions of the Bill.

Part 3 – Smart Ticketing

In principle, SPT welcomes the provisions of the Bill in relation to smart ticketing. SPT, through its joint venture Nevis Technologies Ltd, has led the way in smart ticketing with ‘Bramble’, now the most commercially successful transport smartcard in Scotland with over 168,000 cardholders, approaching £20m in transactions, and available for use on the Subway and ScotRail. We welcome the provisions in the Bill in relation to the proposals for a national advisory board and its role in advising the Minister to direct an authority to utilise existing standards legislation to progress ticketing matters.

SPT believes there could be greater clarity around the intentions of some parts of the Bill and trust that these will be addressed through guidance, regulations and secondary legislation. For example, there already exists, in the form of ITSO, a UK national ticketing standard which is widely used in Scotland for the National Concessionary Travel Scheme, ScotRail, Subway and most bus operators. A Scottish national standard could be expensive to implement in proportion to the limited potential market. The reality is that the current market is supporting m-tickets, ITSO and cEMV as a mix of ‘smart’ solutions that support varying applications and uses. However, we acknowledge and support the fact that any new such standard will arise as a recommendation from the proposed Advisory Board (which SPT must be part of).

Part 4 – Responsible Parking

SPT, in principle, supports the provisions in relation to responsible parking, and can see significant benefits for many societal groups – for example, those with mobility issues or parents with buggies. However, we remained concerned at the burden which will be placed on local authorities to enforce this legislation (if indeed, it is enforceable), and the potential negative effects on other road users, particularly emergency vehicles and buses. In relation to the latter, it is often the case that local bus services (including demand responsive services like SPT’s MyBus) can only gain access around a housing estate due to road space created by cars being parked on pavements. Should such practices be made unlawful, the unintended consequences could be a reduction or removal of bus services which previously served that area. It is essential that these provisions facilitate a holistic view of their implementation and impact on other modes.

Part 5 – Road Works

SPT is supportive of the provisions in relation to Road Works.

Part 6 – Regional Transport Partnerships Finance

SPT very much welcomes and supports the provisions in relation to RTP finance. This will allow RTPs to more effectively manage finance in the short term, while planning for longer term. All too often in transport, there is too strong a focus on new infrastructure, without much thought given to ongoing maintenance and revenue costs. The provisions in the Bill will give RTPs some of the tools to plan for that; although the availability of future funding to actually do so remains a significant issue.

However, SPT cannot stress strongly enough that the availability of funding, particularly revenue based funding, remains a significant issue to ensure the safeguarding and development of a quality transport network.

SPT funding, primarily received from local authorities, has reduced in recent years, reflective of the ongoing pressures on funding partners. However, the demand for socially necessary bus services and wider development of the transport network continues to increase. The objectives of the Bill cannot be delivered without adequate increased direct funding to deliver more and better quality services.

APPENDIX 1a

Examples of the type of information required from Operators by a Transport Authority in developing a Bus Service Improvement Partnership (BSIP) or Franchise

- Historic (e.g. previous 5 years) highly-detailed data concerning passengers, revenue, fares, vehicle distances; staff information; and forecasts.
- Ticket machine data covering passenger volumes, ticket types used, fares collected, and the location of boarding and (if available) alighting to give a comprehensive overview of each bus service.
- Details of period tickets offered are required, as is information related to smartcard use.
- Data relating to all staff, from front-line members to management, and covering rates of pay, grade progression, pension schemes, and employment conditions.
- Route/Service Performance Data – Journey Times, Journey Speeds, Dwell Times, Timetable Adherence, Lost Mileage, Completed Mileage, Buses Used/Environmental Performance.