



SPT Responses to Consultations on Climate Change, Rail Infrastructure and Bus Regulation

Committee Strategy and Programmes

Date of meeting 17 March 2017

Date of report 21 February 2017

Report by Assistant Chief Executive (Operations)

1. Object of report

To recommend approval of SPT draft responses to the following consultations:

- Scottish Parliament Rural Economy and Connectivity Committee's Call for Views on the Scottish Government's Draft Climate Change Plan. A joint draft response by the Regional Transport Partnerships of Scotland was submitted on time subject to approval by this Committee and is attached as Appendix 1;
- Scottish Government Consultation on Scotland's Rail Infrastructure Strategy to 2019. A draft response was submitted on time subject to approval by this Committee and is attached at Appendix 2; and,
- Scottish Parliament Public Petitions Committee invitation to comment on Petition PE1626 Regulation of Bus Services. A draft response was submitted on time subject to approval by this Committee and is attached at Appendix 3.

2. Background

Draft Climate Change Plan (CCP)

2.1 The Climate Change (Scotland) Act 2009 set targets to reduce Scotland's greenhouse gas emissions by at least 42% by 2020, and 80% by 2050, compared to the 1990/1995 baseline. The Draft CCP is the Scottish Government's Third Report on Policies and Proposals for meeting these targets during the period 2017-32.

Scotland's Rail Infrastructure Strategy

2.2 The Scottish Government is responsible, under existing rail legislation, for setting out a strategy for rail in Scotland, including specifying outputs for the rail industry and the funding that will be made available to support delivery. The Office of Rail and Road (ORR) is responsible for regulating this through their Periodic Review process, which for the next period is known as PR18. This runs from 2019-2024 and will determine Network Rail's Scottish Infrastructure Programme over that period.

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- 2.3 In submitting their plans to the ORR, the Scottish Government must develop a High Level Output Specification (HLOS) and a Statement of Funds Available (SoFA) by June 2017. This consultation is part of their engagement process to prepare these documents within deadline. Transport Scotland (TS) has emphasised through the consultation document that they are keen to devise a rail industry structure whereby programmes and major projects can be delivered in a flexible, accountable and transparent fashion.

Scottish Parliament Public Petitions Committee - Petition PE1626 Regulation of Bus Services

- 2.4 The Committee invited SPT to provide comments on the above petition on 20 January. The wording of the petition is as follows:

“Calling on the Scottish Parliament to urge the Scottish Government to legislate to regulate bus services in Scotland and to carry out an inquiry into the benefits of bringing bus services in Scotland into common ownership.”

3. Outline of proposals

Draft Climate Change Plan (CCP)

- 3.1 The draft joint response by the Regional Transport Partnerships of Scotland, which had input from SPT officers, is attached at Appendix 1. The key points of the response include:

- A more co-ordinated, integrated approach to transport emissions reduction could have achieved more significant results over recent years;
- The scale of reductions proposed is appropriate, but there could be more ambition shown in the policies and proposals; and
- There could be greater emphasis on behaviour change and demand management as regards reducing transport’s contribution to greenhouse gas emissions reduction.

Scotland’s Rail Infrastructure Strategy

- 3.2 SPT’s draft response is attached at Appendix 2. The key points of the response include:

- The need to have a better understanding of project / programme ‘risk’ and also greater certainty about costs in developing a railway infrastructure project in Scotland;
- Greater acknowledgement by Network Rail of wider transport network impacts of their projects during construction and appropriate funding to address these;
- Network Rail need to be more flexible and agile in their approach to project delivery; and
- Maximising existing capacity should be a priority, and all opportunities to secure funding from the wider public and private sectors should be explored and exploited.

Scottish Parliament Public Petitions Committee - Petition PE1626 Regulation of Bus Services

- 3.3 SPT’s draft response is attached at Appendix 3. The key points of the response include:

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- There are already legislative provisions which provide the opportunity for some form of franchising or regulation, namely the Quality Contract provisions of the Transport (Scotland) Act 2001. However, these provisions have yet to be used amid questions over their workability and whether they are fit for purpose in today's market.
- The phrase 'common ownership' needs carefully defined as there are numerous interpretations over what it could mean. In addition, 'one size does not fit all' within the current Scottish bus market, where significant patronage decline in the west contrasts with growth in the east.
- The only current example of 'regulation' in the UK (London) demonstrates that it can and does work – patronage doubling since 1986/87.
- SPT welcome in principle the opportunity to retain some form of workable regulatory provision within legislation and the opportunity to participate in any inquiry into buses being brought into 'common ownership'.

4. Conclusions

The opportunity to respond to these consultations again provides SPT with the chance to argue for positive change in the transport network of Scotland. The consultations are happening at a time when there are a considerable number of workstreams at various levels which, while looking at different aspects of transport, are all inter-related. Officers have highlighted the need for a co-ordinated approach in looking at each of these, and will continue to engage with relevant partners in relation to these and other developments, and will keep the Committee informed of progress as necessary in future.

5. Committee action

The Committee is recommended to approve the responses at Appendices 1 to 3 of this report.

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>None at present.</i>
Risk consequences	<i>None at present.</i>

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

APPENDIX 1

Edward Mountain MSP

Convenor of Rural Economy and Connectivity Committee

Scottish Parliament

Call for Evidence – Draft Climate Change Plan

Joint Regional Transport Partnership Response

Dear Convenor,

Thank you for the opportunity to provide evidence to the Rural Economy and Connectivity Committee on your scrutiny of the Scottish Government's Draft Climate Change Plan: the draft third report on policies and proposals 2017-2032 (RPP3).

Scotland's Regional Transport Partnerships (RTPs) are statutory organisations working closely with local authorities and other bodies to provide strategic transport policy and guidance for transport in their regions. Each has an approved, statutory Regional Transport Strategy, which contain policies including those to reduce the effects of transport on climate, noise and air quality and to reduce the environmental impacts of transport, in support of national targets.

The ambition of the RPP3 is welcomed, as is the recognition of the role of RTPs. There is a clear potential role in taking a new wider regional approach to tackling the challenges for the transport sector to deliver sustainable aggregated responses to certain transport-related climate change challenges.

Committee Questions

In relation to the specific questions raised by the Committee we would comment as follows:

Progress to date in cutting emissions within the sector/sectors of interest and implementing the proposals and policies set out in the RPP2;

Progress in transport is noted in paragraph 9.1.1 and tables 9.2.2 and 9.2.3. It is believed that more could have been achieved in a more co-ordinated approach, particularly with regard to active travel, with less reliance on limited time span initiatives, and that RTPs were, and are, well placed to have been at the heart of this approach.

The scale of reductions proposed within their sector/s and appropriateness and effectiveness of the proposals and policies within the draft RPP3 for meeting the annual emissions targets and contributing towards the 2020 and 2050 targets;

The scale of reductions is appropriate. However some of the policies should be more ambitious. Policy outcome 4, for example, aims for 50% of the Scottish bus fleet to be low emission by 2032. Considering the average age of buses, during this time most buses will have been replaced – a conservative, ballpark estimate puts this cost in total at around £1.5billion. While Scottish Government financial support through continuation of the Scottish Green Bus Fund is welcome, its scale is nowhere near the level required. Indeed, the continuation of the GBF at a low level is continuing while BSOG is being cut for low carbon buses – a more co-ordinated, joined up approach is required if we are to collectively achieve any national targets. In Policy outcome 7 the rate of electrification should be accelerated.

Electrification and the “sparks effect” will enable rail to hold its market share while major road improvements are proceeding on parallel routes, including dualling of the A9 and A96. Failure to make such improvements will place rail at a disadvantage and encourage modal shift to road. It must be noted in Policy outcome 8 that unless cycling increases very rapidly between 2017 and 2020 the Vision for 2020 of 10% of everyday journeys will not be achieved.

The appropriateness of the timescales over which the proposals and policies within the draft RPP3 are expected to take effect;

The time scales seem appropriate subject to the comments to the previous question.

The extent to which the proposals and policies reflect considerations about behaviour change and opportunities to secure wider benefits (e.g. environmental, financial and health) from specific interventions in particular sectors;

There are issues regarding behaviour change, which should be directly addressed by the Scottish Government. A “carrot” and “stick” approach is needed. The Plan offers “carrots” but “sticks” are needed to address the desire to reduce car use, for example, road pricing and the “proposed workplace parking levies”; these can only be addressed by the Scottish Government. In addition to a more integrated approach to public realm in our towns and cities being more intrinsically linked to bus priority measures, consideration is also needed of the full implications of technological change and particularly “disruptive” changes such as Uber and autonomous cars which may promote car use in preference to less environmentally damaging alternatives and, even though these may use low emission vehicles, the net effect could be to increase congestion and increase emissions from the remaining petrol and diesel engine vehicles.

Wider comments

The draft RPP3 focuses predominantly on emissions reduction via supply side interventions. It would be welcomed going forward to also consider in greater detail a wider range of potential demand side interventions and the impact these could have on potential latent demand for transportation generated by the long-term achievement of inclusive growth in Scotland which may continue for the near future to generate unsustainable travel practices prior to the impact of supply side policies and proposals outlined in RPP3 being able to generate the emissions reductions planned for them. It may also generate externalities in terms of congestion with economic albeit much reduced environmental externalities in future years, which could impact on economic performance and the resultant ability to resource further emissions reduction proposals and policies.

RTPs recognise that the largest contributor to land-based transport emissions is the road sector. And while it is acknowledged that the vast majority of these emissions come from private cars and vans, with a relatively small proportion from public transport including bus, this can create the misleading impression that bus is part of the problem rather than part of the solution. It must be remembered that bus is, per person carried, the smallest contributor of emissions on road. We would welcome greater emphasis, therefore, on the opportunities that bus services provide, including for people who live in our most deprived communities, to travel sustainably to employment, health, education and training. It is also worth highlighting that the Statutory Quality Partnership for bus in place in Glasgow helped deliver such a significant reduction in emissions in Parkhead Cross in the east end, a community in the 15% most deprived in the SIMD, that it was removed from the air quality management area in place. As the bus sector invests in renewed fleets it rightly requires to meet the EU’s progressively more stringent engine standards which will significantly increase the number of LEVs over the next decade. It will be essential that Government policy sees the industry as a

key partner in delivering a greener fleet and recognises the huge level of investment needed to achieve this while continuing to serve our communities. While the focus on electric vehicle technology is welcome it should not come at the expense of public investment in green bus fleets.

While it is welcome to see within the draft RPP3 a focused policy on ULEVs and a recognition that parking policies can incentivise public transport and active travel, as well as reducing congestion and contributing to improved air quality, RTPs would encourage a greater discussion of parking policies, including workplace parking charges for all vehicles, and also bus priority. Further, in terms of LEZs moving forward it would be useful to understand if councils will be able to charge, in order to cost recover, for LEZs given the potential magnitude of resources involved and as a further measure to alter behaviour alongside any access restrictions. It may also be appropriate to renew and revise strategic regional approaches to parking and demand restraint policies in order to strategically plan for the reduced boundary effects and therefore it would seem appropriate to reference RTPs as delivery partners. A good example of the type of initiative RTPs could take forward in this regard is the Strathclyde Bus Alliance, being led by SPT, which seeks to help reduce congestion for buses, thereby reducing emissions. If LEZs are focussed on air quality and modal shift outcomes then it will be important to take a whole system approach to their implementation.

Within the Plan many actions require preventative spend and it is good that the co-benefits section recognises this resourcing issue and observes it will bring benefits to the healthcare budget. It also perhaps highlights the need to develop a strategic model of co-production of such transport policies and proposals to enable benefits to be realised and enable commitment to policies such as interest-free loans and active travel beyond 2020/21.

The draft RPP3 makes welcome references to the need for further engagement with public sector run partnerships such as freight quality partnerships. It would be welcome in the final document if greater reference could be made to Freight Quality Partnerships¹ and initiatives such as the Strathclyde Bus Alliance run by RTPs and the potential for them to be involved in delivery of the outcomes required by various policies and proposals.

We welcome the recognition of Intelligent Transport Systems within the document and would be keen to see any ITS strategy also cover the wider aspects of ITS. Both SEStran and SPT currently run Real-Time Passenger Information systems to seek to enable passenger confidence in using public transport. In addition to Real Time systems there are other travel information and behavioural change initiatives, such as Tactrans' GoToo.com and Nestrans' Getabout. If future policies and proposals seek to encourage and enable a modal shift, it will be vital to cover maintenance and long term resilience of these systems as part of an ITS and wider information and behavioural change response to future travel demands. It will also be welcome if such a strategy could consider the costs of such maintenance and resilience of such systems.

On the proposals within the Transport Chapter, we would comment that RTPs could deliver greater efficiency and reach if we had greater access to funding such as Smarter Choices, Smarter Places alongside our constituent councils, although once again it should be emphasised that the scale of this funding is wholly insufficient in addressing the issues identified in progressing actions to reduce emissions. In recent months SEStran for example has concluded a report entitled X-Route² with YoungScot investigating young people's attitudes to active travel and potential barriers to its uptake. Given the timescale of RPP3 many of the respondents to this report will be established commuters by the end of 2032 and

¹ <http://www.sestran.gov.uk/news/30/minister-launches-sestran-freight-quality-partnership/>

² <http://www.youngscot.net/getting-active-with-xroute/>

many of the report recommendations highlight the need to engage and embed confidence to enable travel behaviour change for the long term. Certainly, an eye-catching result of the survey was that 75% of respondents had not heard of the term “active travel”, which highlighted the need to manage our messages to young people better when seeking to initiate behaviour change.

In the context of this work on X-Route and other sustainable travel initiatives, we recognise clearly the significance of 3 of the 10 key behaviour areas outlined in RPP3 relate to transport behaviours. Furthermore, that 30% of consumption emissions associated with individuals and households relate to transport. Therefore, whilst current progress is welcome on active travel and low carbon transport, we need to continue to make significant progress within the transport sector going forward and we recognise that RTPs must play our part in delivering these outcomes.

In relation to Travel Planning the RTPs have worked collectively with Transport Scotland to develop the national Travel Planning online toolkit, www.travelknowhowscotland.co.uk, an online resource which supports public and private sector organisations to develop, implement, promote and monitor effective Travel Plans for employee/business and other travel demands. Given the scale of ambition in the draft Climate Change Plan, it is now important that a greater emphasis is placed on reducing car travel as part of travel planning, and RTPs would be happy to have dialogue with Scottish Government colleagues in this regard.

The draft Climate Change Plan also makes welcome reference to the availability of trip-sharing. We would invite further promotion of trip sharing in the final RPP3. Given the predicted increase in population we will have to balance supply side measures with demand restraint to achieve emissions goals. RTPs have successful and ever-growing Liftshare schemes and it would be welcome if further proposals and policies could be considered in the final RPP3 alongside recognition of the role of RTPs in promoting them. The increase in lift-sharing opportunities could have a related co-benefit in terms of potential inclusion and accessibility impacts across urban-rural geographies.

We welcome the ambition for Scotland to have reduced transport emissions by over a third by 2032 and with almost complete decarbonisation of the Scottish economy by 2050. This will be a challenge for all sectors but especially in our view transportation given long-standing behavioural habits, current fuelling technologies and long lead-in times for consumer purchasing habits to change in terms of asset renewal if targets, such as 40% of ULEVs by 2032, are to be realised. It is highly possible to achieve, given current rates of fleet renewal, however it requires significant and quick consumer buy-in and ability to purchase such ULEVs. There will need to be a clear focus on financing routes for households and SMEs.

In terms of the companion draft Scottish Energy Strategy it is recognised that there is a clear pick up in terms of ULEVs registered in Scotland but there is still a significant gap between that figure and other conventionally fuelled vehicles. There is a requirement for clear public leadership on this matter to drive behavioural change and instil in all consumers that they can confidently buy and drive ULEVs over the next 10-15 years. This will be critical if transport is to meet its share of the 2030 “all-Energy” target outlined in the draft Strategy. We welcome the balance outlined in the Strategy between Hydrogen, Electricity and Fuel Cells, as transport in the future may be fuelled in different manners dependent upon the urban or rural geography in question.

Further, we would comment that a lot of consumer confidence could be engendered by proposals for a Government Owned Energy Company (GOEC) working with regional or local stakeholders to equalise current short-term fluctuations in the pricing of transport fuelling due

to global market conditions and also any price differentials as the outcome of geography e.g. current enhanced price of oil-based products due to transportation costs.

However, the draft Strategy and RPP3 focus on reducing the emissions impact of individualised modes of transport must not implicitly or inadvertently be allowed to strategically promote greater use of individual motorised modes over collective or active modes and so potentially contribute to the further decline of bus or rail modes of transport. There is a potential equity impact on those who in the future, despite interest-free loans, can't afford or access for other reasons individualised ULEVs. Alongside any equality impact, these ULEVs could still have externalities around economic and social impact e.g. congestion, albeit the environmental externalities of their carbon emissions would have been greatly reduced. We therefore welcome the reference in RPP3 to examining within the context of NTS2 the scope for climate change policies, including in relation to bus, across the public sector in high-level transport legislation, strategies and policies. We also welcome the reference to providing financial support for the purchase and operation of low carbon buses, but as mentioned earlier, a more joined-up, co-ordinated approach to funding is required given the recent cut in BSOG for low emission buses.

The Draft Energy Strategy also ends with a commitment to work with Local Authorities moving forward which is welcomed in terms of co-design principles. However, in terms of transport we would suggest that RTPs would offer a clear route for delivery of regional low-carbon outcomes and would be grateful if the final strategy made a similar commitment to work with RTPs on the issues of transport energy moving forward.

In conclusion we would welcome further discussion, in co-design terms, on policies that look at hypothecation of revenues back to further transport projects to deliver improvements to collective modes of transport and also resource the maintenance and adaptation of our existing networks to climate change and increased demand. At present it would appear that the RPP3 strategic approach is very much focussed on a supply-side revolution of fuelling of vehicles but if the incentives outlined in the document are not sufficient to change certain long-standing behaviour patterns, it may also be prudent to ensure that RPP3 also have policies and proposals to restrain demand in terms of equitable and re-distributive schemes.

That comment notwithstanding, RTPs welcome proposals for access limitation policies for certain vehicles e.g. Low Emission Zones and would welcome further discussions with Scottish Government over how these can be resourced and rolled out over the period of 2017-2032, and also discussion on such initiatives as the Strathclyde Bus Alliance and the forthcoming transport bill. We also recognise the co-benefits such policies could have for air quality and healthier outcomes for Scotland, as well as their demand management impact on transport choices towards potentially greener and more sustainable modes of transport and distribution

We would be happy to provide further information to your Committee if required on any of the points raised and plan to submit a further response to the draft RPP3 itself after consideration by respective RTP Boards over coming weeks.

Kind Regards

Bruce Kiloh

Head of Policy & Planning
Strathclyde Partnerships for Transport

APPENDIX 2

Transport Scotland Consultation on Rail Infrastructure Strategy from 2019 – SPT response

CONSULTATION QUESTIONS

1. Do you agree with our vision and approach? Will they help us to achieve the Scottish Government's purpose of increasing sustainable and inclusive economic growth?

While the vision is aspirational, the approach is heavily dependent on appropriate infrastructure, rolling-stock, manageable costs, and potentially, legislative change. The correct emphasis is placed on the broad functions of the rail network, however, and while there is greater emphasis on integration, there is no mechanism outlined as to how this can be achieved. Connecting bus services do exist but they are very often a bespoke service designed to widen the public transport catchment area of a station, and are very often supported services via Council or RTP funding. There is no solution offered as to the issue of competing public transport modes and the potential wastefulness where duplication occurs.

The vision and approach will assist sustainability and inclusive economic growth but this will, or at least could, depend on outside influences over which the rail industry (and its partners) has very little control. This is particularly pertinent for the location of Community Growth Areas or industrial zoning which may, or may not, be located adjacent to existing rail infrastructure.

Regional Transport Partnerships should have oversight of regional transport networks to ensure a fully integrated transport network which would including feeder bus services linking more effectively to the rail network for onward travel to towns and city centre e.g Bogota has a transport network which prioritises bus travel and cycling on key arterial routes feeds into the train and tram network. At present we have a good and growing rail network but poor links to it from bus services. This is wasteful of public investment and constrains opportunities for people, often in more deprived communities to access employment and training and ultimately supporting economic growth.

2. How might we make trade-offs and prioritise between different types of investments, while ensuring that our actions are aligned with our vision?

As stated within the document, costs are a particular issue when considering the affordable delivery of major projects. A mechanism, independent of partner influence, will require to be devised to audit and monitor costs – specifically those associated with any legislative change or as part of a STAG-type assessment of infrastructure requirements for the rail network.

The increases in costs from conception of a scheme to finalised construction can be considerable and industry cost risks can often be significant. This could potentially lead to a breakdown in trust between partners associated with a particular scheme. The issue of “risk” requires to be fully understood by all parties as it is often attributed to “third parties” which are more remote from the rail industry. “Value Engineering” is not practised – particularly up to GRIP 4 (and GRIP 5) and this will almost certainly inflate costs. It is not apparent if the most “economically advantageous solution” is always sought or pursued.

On a more strategic level, the cost base in NR's project development process should be reviewed. In simple terms, while the rest of the public sector is focused on delivering ‘more for less’, it can often seem that NR's approach results in ‘less for more’.

In addition, the wider costs of disruption to the transport network of a rail infrastructure project must be considered and paid for. For example, a temporary bridge/road closure as a result of a rail project can lead to significant costs being borne by the local authority, RTP or bus operator. This situation is both unacceptable and unsustainable and must be addressed in a more co-ordinated manner for future projects. SPT has established the Strathclyde Bus Alliance bringing together bus operators and partners across the transport industry to promote bus travel which has suffered decades of decline. The SBA is the ideal vehicle to tackle such issues around disruption in a coordinated and systematic way.

As regards the trade-offs that may be required where improvements to journey times may impact on levels of connectivity, or vice versa, it is self-evident that faster journey times will in most cases mean fewer stations served, unless there is a considerable change to the operation profile of the rolling-stock. Additional stations/stops will almost always mean longer overall journey times, and more services will require greater investments in signalling and other line capacity infrastructure in order to preclude overall network congestion. All of these operational considerations should be taken into account before a new station is procured or a new service pattern initiated. In reality it is worth considering whether the most beneficial intervention on many lines might be the operation of longer trains rather than more trains, although this will mean substantial investment in rolling stock as well as the infrastructure required to accommodate these new units. The proposed allocation of HST units for longer express type services will fulfil this function on these longer routes but a different approach, dependant on infrastructure restrictions, might be required to satisfy demand on more urban and suburban services.

3. Do you support the move to a more flexible ‘pipeline’ approach to scheme delivery, that does not force us to make early decisions on a detailed specification prior to the commencement of the five-year regulatory control period, without receipt of a robust business case?

It is essential that NR take a more flexible and agile approach, particularly with regard to project delivery. Whilst a more flexible approach would be welcomed, it should be acknowledged that although the Control Period and STAG approaches are very stringent, they do provide the kind of rigid project mechanism which might be the optimal approach for developments of the scales envisaged. It is essential, however, that project development/assessment is proportionate to the size and scale of the project being delivered. Insistence on the certainty of price and affordability derived from the business case prior to any decision being made will also require that the cost of “risk” associated with any project will similarly require to be made certain at the conception of the scheme. The failure to identify and adhere to costs associated with “risk” for projects (including costs of disruption to the wider transport network) from within the industry as schemes develop can preclude promoters from being able to properly finalise costs and present a credible business case.

In addition, it would be helpful to clarify at what stages in the development process individual projects get specified, as at present it is not clear to external partners what is involved in this, and greater transparency, consultation and engagement in this part of the process would be very much welcome.

Building on this last point, NR often refer to initiatives being promoted by external organisations as “third-party projects” even up until the final stages of delivery. Consideration should be given to removing use of this terminology as it goes against the inclusive, integrated and co-ordinated approach promoted by SPT, the Scottish Government and transport industry partners.

4. What are your views on the retention or removal of individual ring-fenced funds?

It makes scheme delivery easier if funds are ring-fenced, however, the variety of funds available to apply for, how they are administered and what they can deliver, can sometimes make it challenging for

scheme funders to pursue specific funding streams. A simplification of such funds, and funding streams, should be sought in order to encourage the widest possible input from promoters. Similarly any stated requirements for match-funding elements of such schemes should be less stringently applied as the requirement for match funding can very often cast doubt on the ability for the promoter to raise the necessary funding.

5. What alternative sources of funding could be used to help deliver the rail investment programme?

Developer funding via Section 75 Planning Permission is already a factor in funding improvements and/or new infrastructure for certain stations but, again, it is unlikely that such a source could substantially fund major improvements. Additional funding via a premium fare option would almost certainly be unacceptable. Opportunities such as those afforded by City/Growth Deals should be maximised in future where appropriate.

6. Do you agree with our approach to emissions reductions and climate change adaptation? What else should be considered?

It should be acknowledged that emissions, and other environmental impacts – particularly of electrically powered vehicles – are very often remote from the point of use and that the environmental costs associated with all power production (as well as other construction impacts) will, presumably, have been taken into consideration when developing the Strategy.

It is noted that the document states:

“Climate Change Plan will set out how the Scottish Government will continue to promote strategies to:

- reduce overall demand for transport
- facilitate modal shift to more sustainable forms
- decarbonize vehicles (including train rolling stock)
- make the transport network as efficient as possible”

To a degree it might be suggested that to aspire to “reduce overall demand for transport” could be considered at least potentially contradictory – this aspiration might suggest that the current plans for new rail services, electrification, potential new stations, major road improvement schemes, are shorter-term than might be at first suggested. The dualling of the A9, the Queensferry Crossing and road bypass schemes are all infrastructure examples which are not, at first glance, designed to necessarily reduce overall demand for transport.

It is also stated that the rail network generally has sufficient capacity to accommodate greater patronage, whilst this is undoubtedly true there is no solution offered to over-crowding at peak times and much reduced patronage and a resultant degree of over-provision on many services in off-peak times.

The impact of weather will require measured solutions and vulnerable locations, such as Saltcoats, are noted. Similarly the impact of the age of the network’s infrastructure (as witnessed at Lamington) combined with weather events will require a programme of targeted interventions and this is acknowledged within the Consultation. If such events are to become more frequent then a more robust network will require to be developed – realistic and quickly implemented diversionary route with deliverable timetables could be outlined and a portfolio of “future event proofing” of the network could also be looked at where specific, vulnerable or key locations are identified.

7. Do you agree with the proposed approach to specifying performance outputs?

Performance outputs as a measure of operational success and, thereby, customer satisfaction, are evidently useful, however, they are only of real value if the targets are realistic, achievable, measureable and testing. NR need to be incentivised to increase customer use (patronage) and therefore should not be solely performance-based – a move towards a “balance scorecard” style approach would be welcome.

It is stated that punctuality remains a main driver of passenger satisfaction, whilst true this could be modified to highlight that services offered require to be timetabled realistically and that the delivery of a realistic timetable would better serve passenger satisfaction rather than offering a timetable where any delay would adversely impact on a large number of trains and passengers. The provision of a seat for the passenger journey should also be a priority when considering passenger satisfaction.

If “rail performance and reliability” is measured against patronage and/or customer satisfaction there would be a direct correlation between the output and the outcome; similarly if there are achieved “service journey time reductions” then the same directly proportional input and outcome can be recognised, however, in this instance, service journey time reductions might be achieved at the expense of less regular stops at some less busy stations – thus disadvantaging the minority in order to best serve the majority of users – this is an approach which could be considered valid but could also be seen as contentious in some areas and whilst it might represent the optimal use of rolling-stock, available network capacity and increase patronage it might not be seen as best serving the communities along certain rail corridors. However, if investment is made in “increased rail network capacity and capability (e.g. supporting more or longer rail services, including through specified enhancement projects)” then the issues of “robbing Peter to pay Paul” on the rail network could be avoided. This is an option which, necessarily, could be expensive at certain locations, but it would also have the advantage of being perceived of as ensuring equal access to services and the network, for all users.

As regards connectivity the previously raised issue regarding the ability to co-ordinate modes is reiterated. There are areas and services which will be relatively easy to co-ordinate – supported rural bus services meeting trains at rail-heads for example, however, there can be a disconnect between modes when service quality regimes are applied when considering the potential delay caused to one or other mode by waiting on a potentially delayed connecting service. There is potential for a dis-location in connecting services, for example, if a ferry service is delayed by weather and/or operational issues and failure to connect with rail services on the mainland – this is particularly the case at locations where there are less frequent rail connections (Ardrossan, Wemyss Bay, Oban, Mallaig for example). Similarly rail delays and missed ferry connections are equally worth considering when considering service specifications and potential penalties within the respective franchises.

8. How should performance be balanced against the wider priorities for reduced journey times and the full utilisation of existing and new capacity?

The maximum, or better, use of existing capacity should be prioritised – and it is evident that some of the network alterations made in recent times (single-lead junctions, singling of branch lines etc.) did not (or could not) predict the increase in demand on some routes. Perhaps a priority should be set to re-instate certain elements of the existing network at key locations where capacity is now or soon to be at a premium – for example, those serving Glasgow Central. This can assist journey times – in many instances, particularly on urban or peri-urban routes, reliable journey times might be considered preferable to faster journey times. Performance on a more frequent, but necessarily congested

network, might be less satisfactory for the regular user than if the service level were less frequent but on-train capacity was substantially increased and punctuality, as far as is possible, guaranteed.

9. Do you have a view on our approach to safety? How can the closure of level crossings be better supported?

The emphasis throughout the document on the safety regime would seem to suggest that safety has the upmost priority for the rail industry, and SPT very much support this.

With regard to level crossings, there may be some locations where closure will not cause adverse hardship on local communities – but replacement of pedestrian level-crossings at certain locations with a bridged option might be precluded by construction demands brought on by the access needs for all members of society. As regards conventional level-crossings in the SPT area – there are relatively few such crossings which do not have a possible alternate route – however, there are some locations where a main route into certain communities is via level-crossing. Any increase in rail services at these locations will, as of necessity, reduce the window for road traffic along the routes served via the level-crossing route and, as such, this could be a potential constraint on rail service enhancements at certain locations. The provision of alternate routes or the replacement of a level crossing by a bridge or tunnelled option is very often not viable for reasons of topography, or nearby structures, and the costs of some alternatives could, or would in some cases, be prohibitive. It is noted that challenges and objections to some proposals have made this a difficult policy to implement.

10. Do you support our approach to innovation and new technologies? Please explain your answer and provide any relevant evidence.

Yes, there is no reason today given the huge advances in digital technology, iphones, GPS, route planning etc that we cannot most effectively coordinate e.g bus feeder services with the rail network to avoid missed connections, maximise the efficient use of resources, time, fuel and, most importantly, minimise the disruption faced by passengers.

As TS are aware, SPT has long been at the forefront of modern transport technology in its service delivery, for example through the development of our fully functioning, ITSO-compliant, smartcard service which remains available to be used as a template for other operators across all modes.

Any opportunity to innovate or adopt new technology should be sought, especially where this delivers a better and safer service for railway customers. An area of improvement in this regard is the current lack of use of modern communication technologies during disruptions to the transport network caused by rail projects – for example, some form of web-based portal. This is an opportunity missed at the present time, but has huge potential to provide a more effective and useful service for those affected by such disruptions.

The pace of change in technology is very fast – passenger WiFi on trains now is an expected part of the traveling experience when it was not 5-10 years ago – and so it is vitally important that the rail industry keeps up with that change both in new, innovative technologies and progressions in existing technology, for example, Real Time Passenger Information.

11. Do you have any other views on how innovation could be better supported through the HLOS process and Network Rail's broader management of the rail infrastructure?

It is perhaps natural that innovation and technology will develop faster than the rail industry can accommodate the developing innovations – this should be accepted and the danger of untested, new

and/or expensive innovations being incorporated into the industry and ultimately being proved less than optimal can be avoided if a programmed, co-ordinated release of technological innovation is followed.

On a more strategic level, regarding NR's management of rail infrastructure, an area of improvement is its focus on serving the passenger. A broader appreciation of the benefits of the rail infrastructure being delivered for the passenger should be at the heart of any communications strategy, and NR should seek to refocus on this for the future.

DRAFT

APPENDIX 3

CONSIDERATION OF PETITION PE 1626 (Regulation of Bus Services)

– Response to Scottish Parliament’s Public Petitions Committee by Strathclyde Partnership for Transport (SPT) – February 2017

Please note this response is to be considered at SPT’s Strategy and Programmes Committee on 17 March 2017 and should be treated as draft until then.

SPT is the Regional Transport Partnership (RTP) and Public Transport Authority for the west of Scotland, with an area comprising twelve local authorities and a population of 2.14m people. SPT plays a key role in coordinating the public transport network across our area and we work closely with our constituent councils, operators and others to seek to ensure that people across Strathclyde have access to facilities and activities including healthcare, employment, education, leisure, shopping, and visiting family and friends. SPT also acts to encourage more sustainable travel through our programme of investment in a range of initiatives across all modes of transport, and, on a revenue basis, supports socially necessary bus services across the west of Scotland, including the MyBus demand responsive transport service. Further information on SPT and the services we provide is available at www.spt.co.uk.

Bus services remain, by far, the main public transport mode for people and communities across Scotland, accounting for 77%¹ of all journeys, with the Strathclyde market split in mileage terms into circa 93% commercially-operated and 7% supported by SPT. It is worth noting however, that SPT funding for socially necessary services contributes to around 30% of services in the west of Scotland in whole or in part e.g. funding for the evening or weekend elements of some bus services.

SPT has, over recent years, invested significant resources into delivering the Regional Transport Strategy Strategic Priority of ‘Plan and provide a step-change for bus services, standards and infrastructure’. Indeed, this investment can be quantified at around £100m capital and revenue over recent years. Key projects and initiatives delivered include capital infrastructure improvements such as modernisation and refurbishments of Hamilton and Greenock Bus Stations and investment in over 100 modern, efficient adaptable buses, as well as continuing to deliver core revenue activities such as supporting socially necessary bus services, school transport and the MyBus demand responsive transport service.

In addition to the substantial investment undertaken in the bus network in the west of Scotland, SPT has, with Renfrewshire, Glasgow, South Ayrshire and Inverclyde Councils, and operators, delivered the first – and so far, only – Statutory Quality Partnerships (SQPs) in Scotland, demonstrating its commitment to working in partnership with public and private sector organisations to deliver positive change for bus for communities across Strathclyde. These SQPs have proven to deliver benefits, not just in terms of the quality of the bus offer, but also including, for example, significant improvements in air quality.

Yet even with this investment from SPT, and the efforts of others, the bus market of the west of Scotland is in a worrying position, as evidenced by the following statistics:

- Bus patronage in the west of Scotland reduced by 49m passengers in the period 2004/05 to 2014/15².

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.

- The bus network in the west of Scotland has shrunk by 24m kilometres over the period 2004/05 to 2014/15.

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 the reduction in bus passenger numbers. 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. In essence, a fundamental issue remains that passengers can't use the bus if there isn't one to use.

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 Lastly, the age profile of the bus fleet in the west of Scotland is concerning with its reliance on older diesel engine propulsion. This is both in terms of the generally poor standard of the offering and its performance against engine emission standards. The cost of bringing the fleet up to a reasonable standard to support air quality and carbon reduction requirements and better meet passenger needs, will be substantial. Indeed, it is likely that future emission and carbon reduction standards will become increasingly stringent requiring significantly more investment by the industry than is being witnessed at present.

In addition, congestion in our towns and cities is significantly impacting the attractiveness of bus – bus speeds in Glasgow are declining at a rate of 1.5% per annum, worse than London, Edinburgh and Manchester. Passengers will continue to drift away from bus if their journey is getting slower. It is also worth remembering that a slow running (or idling) bus is a polluting bus; whereas a bus running at optimal city running speed will be 'cleaner' in terms of air quality and carbon emissions.

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 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.

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>

So while the decline in bus use in the west of Scotland is worrying, bus remains the most flexible, value for money, economically viable public transport option available. That is why SPT has recently established a proposal to create the Strathclyde Bus Alliance (SBA). Major operators in our area are supportive of the proposal and SPT is in the process of formally seeking the support of our constituent councils and others for the SBA. The SBA would be based on current Statutory Quality Partnership legislation, and 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.

The key initial themes for the SBA to focus on 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

SPT anticipate that, subject to the endorsement of partners, the initial meetings of the SBA will take place over mid-2017.

In summary, SPT is of the firm belief that for the current west of Scotland bus market, the status quo is not an option. Direct action is required in order to turn the market back around before it spirals into a permanent and terminal decline. Initiatives such as the SBA are intended to be a first step towards addressing that issue.

SPT response to the Petition

The wording of the petition can be split into two separate points which we will seek to address in turn, namely:

1. *“Calling on the Scottish Parliament to urge the Scottish Government to legislate to regulate bus services in Scotland...”; and*
2. *“...to carry out an inquiry into the benefits of bringing bus services into common ownership”.*

It is worth highlighting that legislation already exists to allow some form of regulation within Scotland – the Transport (Scotland) Act 2001 provides the basis for the creation of Statutory Quality Contracts (QC) which, should they be introduced in an area, give the control over the provision of services to the public transport authority. Notwithstanding this, it is also worth highlighting that in the 16 years of the Act’s existence, no QC’s have been established in Scotland. While there are those who may argue that this is due to the fact that the market-led solutions provided by private sector operators has been sufficient enough to have negated the need for a QC to be pursued, the evidence of decline noted earlier in this response would appear to contradict this. More likely is the fact that the process for implementing a QC is very challenging and the risks associated with pursuing one are of a scale that has so far stopped any public transport authority from doing so. Central to this is the perception that “market failure” must be demonstrated prior to a QC being pursued. While it would be for others to define how “market failure” could be quantified, SPT would highlight the earlier statistics we noted about the current state of the bus market in the west of Scotland – 49m passengers down in the last 10 years, 24m km lost from the bus network – and emphasise that, no matter whether this

constitutes market failure or not, the west of Scotland bus market is in dire need of assistance to turn things round.

So while there is a mechanism for some form of regulation in Scotland, it has so far proved unworkable and could therefore be described as not being fit for purpose in today's market. However, the principle of having some form of 'regulation' available remains valid, provided it is workable. Indeed, this is currently being pursued in England through the emerging Bus Bill which includes an option to pursue franchising of an area's bus market should authorities wish to do so and provided various criteria are met. Interestingly, the 'test' for triggering the option of pursuing franchising through the Bus Bill has been simplified to be a 'public interest test'. While we await the detail of what is in the legislation in England, this approach appears to be affording a more workable solution than is currently available in Scotland.

In principle, therefore, SPT is supportive of there being a legislative option for some form of regulation/franchising of the bus market as a measure of last resort – “to legislate to regulate” as the petition suggests. Undoubtedly, a more effective regulatory regime for bus could indeed deliver a more comprehensive, integrated transport network across Scotland should complete, full re-regulation occur. However, more detail and clarity on the proposals is required, as dependent on the model chosen, it could mean significant cost to the public purse, could be open to significant – and lengthy – legal challenge, and could stifle investment and innovation by commercial bus operators. Notwithstanding this, it is reasonable to suggest that organisations such as SPT could deliver a more balanced network with greater powers of direction, seeking to encourage greater market stimulation and investment by the private sector while pursuing a reasonable, shared risk return for the public purse.

The most obvious example of “bus regulation” in the UK is London, and there is significant evidence of the positive effects on the bus market of this, in contrast with the rest of the UK. A briefing by PTEG (now the Urban Transport Group) on “Bus Franchising”¹⁰ explains what is in essence a two-tier system:

“Bus services outside London were deregulated in 1986. Since then, there have been two systems of bus provision – one for London and one for the rest of Britain. In London, Transport for London (TfL) (accountable to the Mayor) specifies what bus services are to be provided. TfL decides the routes, timetables and fares. The services themselves are operated under contract by private companies through a competitive tendering process. In the rest of the country, it's a free market meaning that anyone (subject to minimum safety and operating standards) can operate bus services. Bus operators are free to run whatever services they like, the fares they will charge and the vehicles they will use. This results in an uncoordinated network with a confusing array of ticketing options. Although in theory it is a competitive market, in reality most bus services are now provided by five large companies who rarely compete against each other (Arriva, First, Go-Ahead, National Express and Stagecoach). Operators focus on the most profitable journeys, with local transport authorities having to pay operators to run journeys and some routes that are socially necessary. Under this two-tier system, buses in London have thrived. Since 1986/87, patronage in London has doubled (up 99%), mileage has increased by 75% and fare increases have been lower than the city regions. But outside London, bus patronage is declining.”

In relation to the second point of the Petition – regarding an inquiry into bringing buses into common ownership – again, SPT would welcome the opportunity to be involved in any analysis in this regard. SPT has for some years been at the forefront of bus policy development in the west of Scotland. Our “Ten Point Plan for Bus” showed a viable potential alternative which

¹⁰ The full briefing is available at <http://www.urbantransportgroup.org/system/files/general-docs/Bus%20franchising%20briefing.pdf>

could provide the basis for improved bus services without the need for significant legislative change, could achieve improved value for money, and could maintain and grow a stronger partnership approach across the industry. Furthermore, as noted above, SPT's proposal for the Strathclyde Bus Alliance builds on the Ten Point Plan and offers a first step solution for addressing the current issues in the bus market. SPT has also undertaken a preliminary investigation into 'quality contracts/franchising' as a way of delivering bus services where the commercial market is failing. At this stage, while acknowledging that significant further analysis would need to be undertaken to fully assess the costs and benefits of adopting some form of franchising model, there could be potential to deliver a more holistic and comprehensive bus network in specific areas or on particular corridors through some form of franchising should legislative change occur (thereby mitigating other issues such as TUPE implications and pensions liability) and appropriate, albeit potentially significant, funding be made available.

It is worth highlighting that the phrase "common ownership" mentioned in the petition would need to be clearly defined as part of the Inquiry. Would this be private or public common ownership, or a mix of both? Would it relate to vehicles, bus stations, depots, bus stops/shelters, information, data? There are many options in relation to a potential franchising, common ownership or regulatory model, and it also must be remembered that "one size does not necessarily fit all" across Scotland – in contrast to the west of Scotland, the bus market in the Edinburgh and the Lothians is thriving. Similarly, a range of options means a range of costs, and consideration must be given to the affordability of any model, particularly given the current state of the market in the west of Scotland.

At any rate, the opportunity exists through the national Bus Stakeholders Group, convened and chaired by the Transport Minister, to pursue the suggested Inquiry, and indeed, the proposed Transport Bill due later in this Parliamentary session could prove to be the output for the outcomes of any such Inquiry.

In principle, it would be difficult for SPT to be against the proposals, namely to provide an option for some form of regulation – "*to legislate to regulate*" – and for a national Inquiry, but they must be seen within the current context. For example, SPT's promotion of the Strathclyde Bus Alliance is, in essence, a 'last chance saloon' for the industry to grab this collaborative approach; should they fail to do so, the public sector must be ready and enabled to step in. Having said that, it is important to note that until other issues are subject to complete revision (such as parking policy in our towns and cities), things will get worse, so councils and organisations such as SPT must play their part too. For example, public transport priorities must be built into the early stages of the planning system, with proper recognition of buses, not only as social provision, important though this is, but also as an enabler of economic growth and regeneration. Finally, and regardless of the regulatory model adopted, there needs to be recognition that going forward this sector must be better funded and prioritised by National and Local Government alike.