

## Regional Transport Strategy development – progress update

**Committee** Strategy & Programmes

**Date of meeting** 18 February 2022

**Date of report** 2 February 2022

### Report by Chief Executive

#### 1. Object of report

The object of this report is to provide an update on progress on the development of the new Regional Transport Strategy (RTS), with a focus on four key studies being carried out to support that process.

#### 2. Background

Further to previous reports<sup>1</sup>, members will recall that studies on four key policy areas are being carried out to support the development of the new RTS. The studies are on the topics of Mobility as a Service (MaaS), the bus provisions of the Transport (Scotland) Act 2019, the affordability of public transport fares, and road transport decarbonisation. The outcomes of these studies will help shape the policies and key actions in the new RTS.

#### 3. Update

##### 3.1 General Update

Overall progress on development of the new RTS remains good and in line with previously advised timescales<sup>2</sup>. Recent work completed includes the spatial corridor elements of the strategy, and this is now being reviewed against the draft recommendations of the Strategic Transport Projects Review (STPR2) to ensure good alignment. Further, option appraisal is now underway, the options being appraised against STAG<sup>3</sup> criteria, the strategy objectives, high level feasibility/deliverability criteria, Strategic Environmental Assessment and Equality Impact Assessment objectives, and STPR2 scenarios.

##### 3.2 Mobility as a Service study

3.2.1 SPT and Glasgow City Council jointly commissioned a study on Mobility as a Service as part of their respective strategy development work at regional and local level. The study is now complete and a summary report is attached at Appendix 1.

<sup>1</sup> [https://www.spt.co.uk/media/lq2cl0yr/sp261121\\_agenda10.pdf](https://www.spt.co.uk/media/lq2cl0yr/sp261121_agenda10.pdf)

<sup>2</sup> Section 3.3.1, [https://www.spt.co.uk/media/lq2cl0yr/sp261121\\_agenda10.pdf](https://www.spt.co.uk/media/lq2cl0yr/sp261121_agenda10.pdf)

<sup>3</sup> Scottish Transport Appraisal Guidelines

- 3.2.2 MaaS can make transport more accessible and convenient by enabling users to plan, book and access multiple forms of transport from a single system, usually through a smartphone app. A MaaS system could mean that a user could travel across the region with tickets, payment and journey-planning for the entire journey managed from their phone, putting booking and ticketing in one place. A truly integrated MaaS system would include traditional forms of public transport and newer types of transport like car-sharing and bike-sharing.
- 3.2.3 The study outlined the various levels of integration of any given MaaS system, as follows:
- Level 0: No integration – single, separate services.
  - Level 1: Integration of information – travel planners and price information across different types of transport.
  - Level 2: Integration of booking and payment – the ability to find, book and pay for a trip across multiple types of transport from a single platform.
  - Level 3: Integration of service – bundling of travel prices into point-to-point fares, monthly or annual subscriptions across multiple transport types and other consumer-facing services.
  - Level 4: Fully integrated, with MaaS part of an accepted suite of transport and social policies.
- 3.2.4 The study noted that Level 2 integration is accepted by many organisations as the minimum additional capability for a service to be considered a true MaaS system. The study suggested that the SPT region is predominantly at Level 1 integration.
- 3.2.5 The study identified increased convenience as the key objective that can be achieved directly with MaaS. This is linked to strategic objectives and aims for modal shift to more sustainable modes and decreased transport emissions. A review of cities that have implemented MaaS trials and pilots found positive outcomes related to decreased car usage and increased public transport usage.
- 3.2.6 There is limited evidence about MaaS and inequalities, but in theory MaaS could help tackle inequality through developing specific services for specific users and reducing cost-related barriers to transport by improving access to shared mobility services and reducing upfront costs. A MaaS system also potentially provides a mechanism for directing and targeting subsidy and concessions to certain types of user.
- 3.2.7 The study sets out the conditions that need to be in place for MaaS systems to work well for users. These are grouped under 5 key themes: transport provision, operator data, digital infrastructure, policy and regulation, and citizen willingness. The study sets out the main barriers and opportunities in the SPT region within these 5 key themes. Overall, transport provision in our region is suitable for MaaS and there are few technological barriers to implementing MaaS.
- 3.2.8 However, the study found that there are significant regulatory and cultural barriers to MaaS. For example, operators are not required, in the main, to share data with local transport authorities. The study found that, under current

governance arrangements, a MaaS system in the SPT region could have integrated journey planning and potentially some booking functionality but not for all modes/services. However, a MaaS system would not provide users with a single price for multi-modal and multi-operator journeys and would rely on voluntary arrangements with operators and commercial arrangements to be agreed.

- 3.2.9 The study recommends that a MaaS “Readiness Programme” is developed and delivered, to build capacity and capability for MaaS over the next 1 – 5 years. The study sets out a range of actions for SPT and local authority partners to form the readiness programme. The key recommendations from the study will be included in the new RTS as strategic actions, whilst officers are currently working on a follow up workstream to develop the study findings into a MaaS Action Plan as part of the future RTS Delivery Plan. The full study report will be published on the RTS section of the SPT website.

### 3.3 Transport (Scotland) Act 2019 bus options scoping study

- 3.3.1 SPT as the Regional Transport Partnership and Glasgow City Council jointly commissioned a scoping study on the applicability of the bus provisions of Transport (Scotland) Act 2019. The study sought to consider the wider regional aspects that required to be considered as part of the RTS development and from a more local perspective, GCC’s Local Transport Strategy,. The regional perspective is especially important, given the reach of the west of Scotland network, including bus services that cross multiple council boundaries, the localised nature of the bus market in some areas, and the particular challenges facing the sustainability of bus in rural and outlying areas. This work is now complete and a summary report is attached at Appendix 2.
- 3.3.2 The bus system in the SPT area and Glasgow was benchmarked against a number of UK and international cities/regions in order to identify the desired outcomes for a ‘world class’ bus system in the region, and identify the gap between the current system in the west of Scotland and other cities/regions. The study sets out a set of desired outcomes for the bus system in the region, including: more efficient, faster and reliable bus services; better integration of services; cheaper and simpler fares; lower carbon impacts and lower tailpipe emissions; fully accessible buses, stops, information and communication; better safety and personal security when using the bus; resilience to change; and more people using buses.
- 3.3.3 In undertaking the benchmarking, it is worth highlighting the nature of the Strathclyde region public transport network in comparison with other regions in the UK, and many in Europe. For example, the west of Scotland has the largest suburban rail network in the UK outside London, and this affects demand for other public transport modes, including bus. Notwithstanding this however, the benchmarking found that the bus system in the region falls short of the ‘world class’ systems achieved elsewhere, especially in terms of integrated fares and ticketing, cost of fares, bus journey times, bus network coverage and level of usage.
- 3.3.4 The study found that changes to bus governance alone cannot achieve the desired outcomes noted above. For example, a significant increase in funding and reform of existing funding streams is required. The study provides high level indicative figures of additional funding requirements: circa £300m in capital funding in the region, £22.7m in additional revenue funding per annum,

and retention of existing levels of funding for concessionary travel reimbursement and Covid recovery funding. The additional funding would deliver interventions such as bus park and ride, passenger facilities, more real time and fully integrated information, zero emission buses, reduced fares, integrated ticketing, marketing, innovation such as Mobility as a Service and demand-responsive services, and more fundamentally, an increase in bus service provision.

- 3.3.5 Bus governance options from the Transport (Scotland) Act 2019 were assessed for risks and opportunities and ability to deliver the desired outcomes. Each option was assessed across a range of geographic/administrative settings including single local authority, cross-boundary networks and region-wide. The study report sets out a number of recommendations and next steps for consideration by SPT and individual council partners.
- 3.3.6 The study found that Voluntary Bus Partnerships are suitable for formalising relationships between bus operators and local transport authorities, but are not suitable for delivering transformational change.
- 3.3.7 For Bus Service Improvement Partnerships (BSIPs), the study found that these are suitable for delivering major capital investment in bus measures such as bus priority if local authorities commit road space, and commensurate committed improvements by operators in vehicles and services. The study found that the suitability of BSIPs for delivering transformational change across a network is unproven and that BSIPs are not suitable for delivering cheaper and more integrated fares. A BSIP in our region could be delivered by 2023 and would cost around £50,000 - £250,000 per annum to administer.
- 3.3.8 The study found that a Bus Franchising Scheme allows a single, integrated decision-maker to co-ordinate and deliver all bus services in an area to an agreed standard, and is suitable for delivering transformational change in bus infrastructure, services and fares. However, a Franchising Scheme carries considerable risk for the local transport authority(s) under what is new and untested legislation, but could be delivered by around 2030, with franchise development costs of between £4m - £15m based on experiences elsewhere.
- 3.3.9 Regarding Municipally Owned Bus Operators, the study found that these could be established in the short term to compete for tendered services and could be achieved by 2023 but all risks and costs rest with the local authority, and would not necessarily bring about improved integration, or cheaper fares. In the longer term, a single Municipally Owned Bus Operator could be achieved via franchising or acquisition of commercial operator businesses. This could be achieved by circa 2030 and cost around £200m.
- 3.3.10 The key findings and recommended next steps from the study are noted on page 4 of Appendix 2.
- 3.3.11 It should be noted that the formal regulations and guidance on the bus governance elements of the Transport (Scotland) Act 2019 have not yet been approved and published by Transport Scotland. Members will further recall that SPT has previously highlighted concerns, through responses to consultation and in dialogue with Transport Scotland, about the workability of some of the provisions of the 2019 Act, including in relation to BSIPs and the franchising process. Specifically, the regulations and supporting guidance must be effective in delivering the desired outcomes. The full study report will

be published on the RTS website in due course, and SPT officers are currently working on a follow-up workstream to develop an interim action plan to consider how best to take forward the key recommendations in the immediate/short term.

### 3.4 Affordability of public transport fares

3.4.1 This study, which is nearing completion, has three aims: improve understanding of the nature and scale of the affordability problem in the region; develop regional measures and policy on affordable fares; and develop and assess a number of options that could help address affordability issues. The developing options are wide-ranging and include ways to target measures at income-deprived passengers, ways to make fares lower for everyone, and ways to increase access to existing best value tickets. The final study report will be published on the RTS website and officers will report the outcomes of the study to a future committee.

### 3.5 Road transport decarbonisation

3.5.1 This study, which is around 50% complete, will develop a regional 'transition pathway' for road transport decarbonisation linked to national policy scenarios and targets. The aims of the study include: developing demand forecasts for different alternatively-fuelled vehicle types, sectors and infrastructure; understanding the different spatial and demographic characteristics of this transition including inequality matters; identifying the issues and opportunities within different road transport sectors particularly community transport, smaller bus operators, and van/LGVs; and gaining greater knowledge on energy sector constraints and opportunities.

3.5.2 The study will develop and assess options to support this 'transition' and set out a high-level route map for road transport decarbonisation in the region, which will inform the new RTS and subsequent action plans. The range of options being considered include the ways that SPT can support delivery of ULEV<sup>4</sup> charging infrastructure, behavioural change initiatives related to ULEV uptake among consumers, the ways that SPT can support specific sectors to decarbonise including community transport, and exploring the opportunities presented by hydrogen. The final study report will be published on the RTS website and officers will report the outcomes of the study to a future committee.

### 3.6 Transport for Strathclyde discussion paper and the four RTS studies

It is worth emphasising that the four studies noted in this report serve not only to take forward the developing new RTS, but also resonate with the SPT Chair and Vice Chairs' "Transport for Strathclyde" (TfS) discussion paper and proposals published in March 2021. Members will recall the report to the Partnership in August 2021 which aligned the four studies with the proposals contained in the TfS report<sup>5</sup>.

## 4. Conclusions

Progress in developing the new RTS remains positive. The studies outlined in this report cover a wide range of transport policy matters important to the west of Scotland. The

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<sup>4</sup> Ultra-Low Emission Vehicles

<sup>5</sup> Appendix 1, [https://www.spt.co.uk/media/rbppgiwa/p200821\\_agenda3.pdf](https://www.spt.co.uk/media/rbppgiwa/p200821_agenda3.pdf)

outcomes of the studies will support the development of actions and policies in the new Regional Transport Strategy.

## 5. Committee action

The Committee is recommended to note the contents of this report.

## 6. Consequences

Policy consequences	<i>The studies will support the development of actions and policies in the new Regional Transport Strategy.</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>

**Name** Neil Wylie  
**Title** Director of Finance & Corporate Support

**Name** Valerie Davidson  
**Title** Chief Executive

For further information, please contact *Bruce Kiloh*, Head of Policy and Planning at [bruce.kiloh@spt.co.uk](mailto:bruce.kiloh@spt.co.uk) or *Amanda Horn*, Senior Transport Planner at [amanda.horn@spt.co.uk](mailto:amanda.horn@spt.co.uk).



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# Scoping MaaS in Strathclyde: summary report

PREPARED FOR:

Strathclyde Partnership for Transport and Glasgow City Council





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The Catalyst, 3 Science Square  
Newcastle Helix  
Newcastle upon Tyne, NE4 5TF  
United Kingdom  
+44 (0)191 814 2210

Flour Mill,  
34 Commercial Street,  
Dundee, DD1 3EJ  
Scotland  
+44(0)138 22 40 40

[urbanforesight.org](http://urbanforesight.org)

[hello@urbanforesight.org](mailto:hello@urbanforesight.org)

**Summary:**



Mobility as a Service gives users a **single point of access for planning, booking and accessing all types of transport.**

This has the potential to make active and sustainable transport more convenient for users, increasing the use of lower-carbon transport and reducing private car use. SPT and GCC's evidence suggests people in Strathclyde are looking for more integrated travel – which MaaS offers.

There are some technical barriers but on the whole, major operators are technologically equipped to enable MaaS.

There are, however, **significant regulatory and cultural barriers to MaaS.** No operator is required to provide data to SPT or GCC, and bus operators lack trust in public authorities. This means that under current powers, a regional MaaS solution could have integrated journey-planning and some booking capabilities, but not for all transport options, not with access to a single price for multiple types of transport, and it would rest on **voluntary participation by operators.**

GCC and SPT should therefore begin a **MaaS Readiness Programme** which would build capabilities for a more sophisticated MaaS system over the next 1-5 years.

New powers under the Transport Act 2019 in smart ticketing and bus regulation could mandate operator participation in MaaS. These choices have significant financial and policy implications outwith the scope of this report, but for the purposes of MaaS alone, SPT and GCC should explore using these powers.

## What is this project?

This project scoped Mobility as a Service (MaaS) for the Strathclyde region. It defines the concept, explores potential opportunities and barriers to MaaS, and gives options for developing MaaS. It was commissioned by Strathclyde Partnership for Transport (SPT) and Glasgow City Council (GCC).

## What is MaaS?

MaaS makes transport more accessible by enabling users to plan, book and access multiple forms of transport from a single system.

This is usually through a smartphone app: a MaaS system in Strathclyde would mean that a user could travel across the region with tickets, payment and journey-planning for the entire journey managed from their phone. Unlike the current situation, this would put booking and ticketing in one place, and unlike existing apps it would include both traditional public transport and newer types of transport like car-sharing and bike-sharing.

This can lead to modal shift and support carbon reduction goals by increasing the relative convenience of public and active travel.

It can also support public authorities by creating a rich source of data on how people are moving around.

## What new functions does MaaS offer?

MaaS offers users more integrated transport. Most discussions of MaaS distinguish between the varying level of integration any given MaaS system offers, usually derived from Sochor et al (all references are available in the full report):

- Level 0: No integration – single, separate services
- Level 1: integration of information – travel planners and price information across different types of transport.
- Level 2: integration of booking and payment – the ability to find, book and pay for a trip across multiple types of transport from a single platform.
- Level 3: integration of service – bundling of travel prices into point-to-point fares, monthly or annual subscriptions across multiple transport types and other consumer-facing services.
- Level 4: integration of societal goals, with MaaS part of a suite of transport and social policies.

This framework is common and is used throughout this project because it creates an internationally-comparable reference point. Some organisations suggest that level 2 is the minimum additional capability for a service to be considered a true MaaS system, adding new functionality to existing journey-planning services.

## What is the potential for MaaS in increasing use of public transport?

In Scotland, HiTrans and Tactrans are developing MaaS apps and Dundee City Council is running mobility experiments through a MaaS app. Around 40 cities across Europe are trialling MaaS projects or have implemented MaaS solutions.

The experience of these places suggests that by bundling choices into a single package, offering seamless journey planning from point-to-point, and by making active and sustainable travel more convenient, it can lead to better transport outcomes:

- In Helsinki, after one year of a MaaS app offering annual and monthly subscriptions, 73% of trips were by public transport – compared to 48% of users outside the MaaS system.
- In Vienna, a trial of a MaaS app in 2014-16 found that 46% of participants changed their choice of transport on leisure trips – and 21% of users reduced their car use. 69% of users in a MaaS pilot said information outlining reduced journey times was their main motivation for using the system.
- In Gothenburg, 36% of non-car owner participants in a MaaS trial said they would delay purchasing a car thanks to the MaaS app.
- In Sydney, in a trial of 100 users a subscription MaaS system, 17% of participants reported a change in their view to be less in favour of car ownership.

## How could MaaS address inequality?

There is limited practical evidence of MaaS reducing inequality. Beyond the general role of public transport in creating opportunities for lower-income groups, three cases are made on how MaaS could in theory tackle inequality:

- **Offering specific services for specific users.** MaaS is about user-centricity, could enable services aimed at people with specific disadvantages and needs – for example, a booking system concentrated transport with wheelchair access, or an app for people with learning difficulties.
- **Improving access to shared services.** Services like car-sharing are often targeted at lower-income groups, because they may want to have access to a car, without the costs of ownership. MaaS improves access to these services.
- **Reducing poverty premiums.** Lower-income households often face higher up-front costs for services. In transport, this can include season tickets being cheaper – but requiring good credit or high up-front costs – leaving low-income users to buy daily tickets which are overall more expensive. It can also include higher costs for car insurance, which is usually priced by postcode and demographic data. MaaS could tackle these challenges by supporting lower-income users to take up subscriptions or integrated payments. This could either be through direct subsidy (for example, discounting a MaaS subscription for lower-income households), implicit subsidy (for

example, risk premiums which are set city-wide, effectively cross-subsidising low-income users) or through ‘mobility credits’ – a token which can be used in any transport mode and are added to low-income users’ accounts.

## How does this potential align with policy objectives in Strathclyde?

SPT and GCC both have strategic goals of reducing carbon and increasing use of public transport. These are outlined in:

- SPT’s draft Regional Transport Strategy, which prioritises reducing emissions and improving integrated transport.
- GCC’s Transport Strategy Case for Change, which has 8 objectives including low-carbon transport and improving integration of transport.
- GCC’s Climate Plan, which sets a target for carbon neutrality by 2030 and net zero emissions by 2045.

Wider city-region and city council policies emphasise the importance of inclusive growth and tackling inequality.

National policy also prioritises reducing carbon, with a Scotland-wide net zero target of 2045, a nationwide target for 20% fewer car kilometres by 2030, and a range of policies supporting sustainable travel and integrated ticketing.

Evidence from SPT and GCC on users’ current experience of accessing transport suggests that making transport more seamless and integrated is important to citizens. SPT’s RTS survey found that integrated ticketing was the most common theme among ‘residents, partners and stakeholders’ while in GCC’s Public Conversation, the most-selected statement for agreement (by 74% of respondents) was that ‘different ways to travel are not smart and integrated’.

MaaS therefore aligns well with key policies in Strathclyde.

## What needs to be in place for MaaS to work in Strathclyde?

MaaS works when a number of conditions are in place. These come under 5 main themes:

- **Transport provision:** MaaS needs a frequent, dense public transport network with a range of options for users. This creates underlying confidence in the availability of public transport, and creates demand for a tool to seamlessly navigate the system.
- **Operator data:** MaaS needs operators to share data to enable a central planning and booking system – such as timetable information, service availability, booking protocols, and payment systems. This in turn requires operational agreements over data, customer service, risk and revenue. The technical and legal requirements can vary significantly but accessing operator data is fundamental to MaaS.
- **ICT infrastructure:** MaaS assumes that vehicles or stations can be accessed or unlocked via smartphone, and that operators are capable of mobile ticketing and booking. A

standardised, interoperable smart-ticketing system is a useful foundation for MaaS – particularly systems which create individual user accounts - but is not necessary.

- **Policy and regulation:** MaaS requires a policy and regulatory environment that makes responsibilities clear, and sets out governance of data, operations, and relationships with national policymakers.
- **Citizen willingness:** MaaS assumes that a critical mass of transport users have smartphones, and are willing and able to access public transport by smartphone.

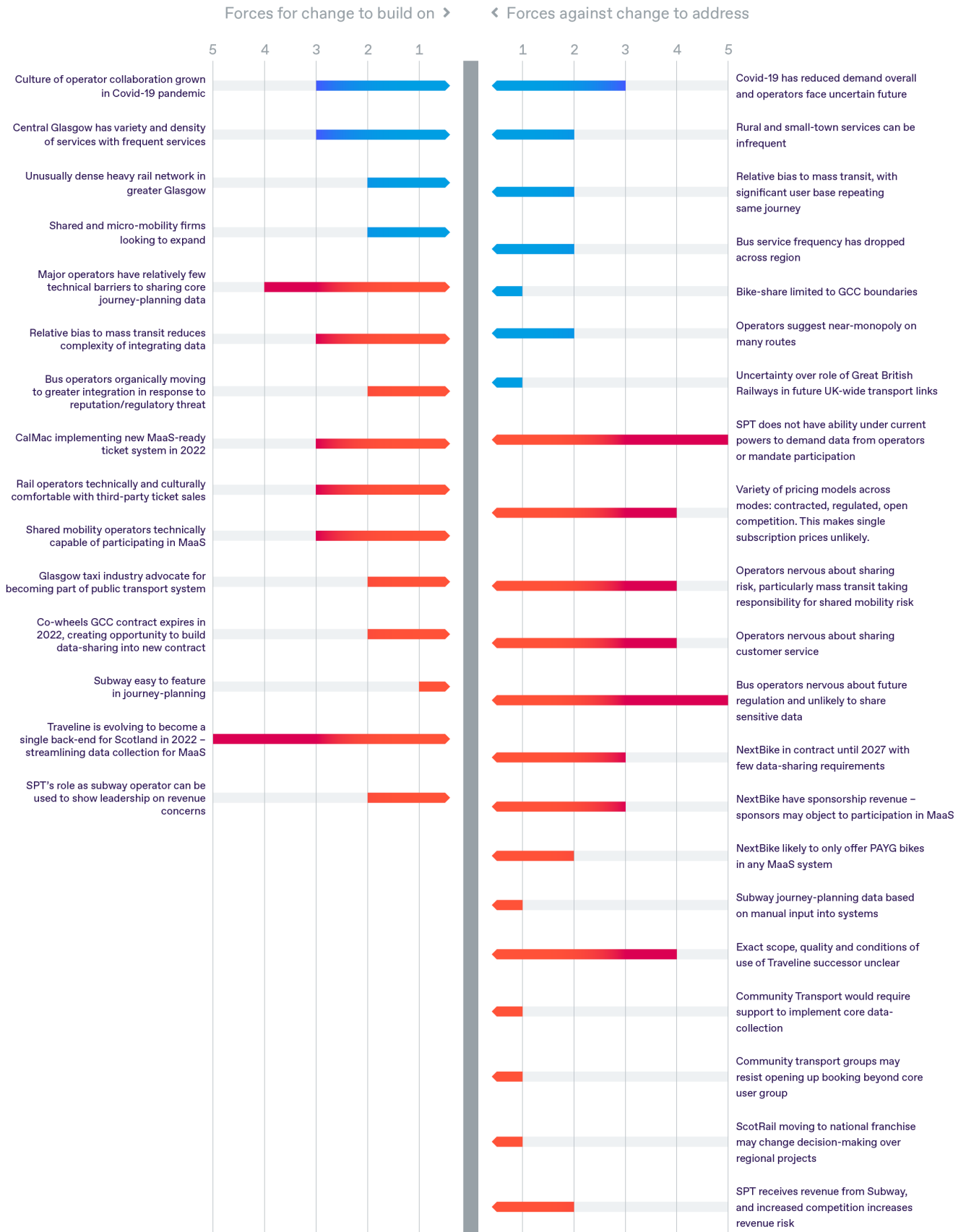
## What are the biggest opportunities and barriers for MaaS in Strathclyde?

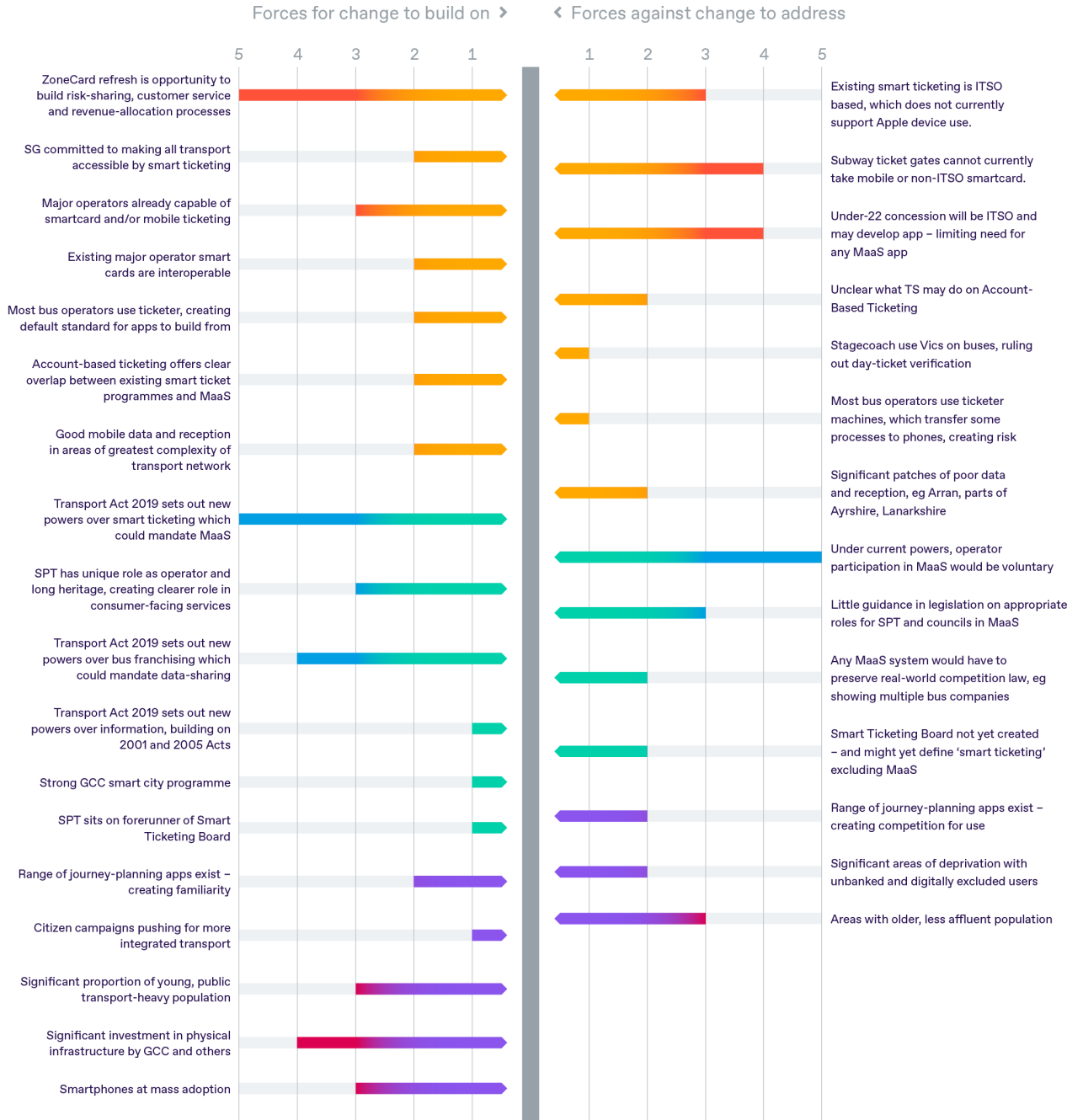
The project assessed how ready Strathclyde is for MaaS in each of these headings.

Summary chart 1 below shows the most important conclusions by theme and relative importance, and whether they support introducing MaaS – or represent a barrier to its introduction. The longer the bar, the more important each factor is to the future of MaaS in Strathclyde.

The narrative sections below isolate the most important factors and give more detail on each item.

■ Transport Services
 ■ Operators & Data





## What are the current opportunities for MaaS in Strathclyde?

### *Transport provision*

**The Covid-19 pandemic has placed operators on a publicly-supported, more coordinated footing.** As operators look beyond the pandemic a greater culture of collaboration which makes them favourable to MaaS-style integration may be sustained.

**Glasgow in particular has density of transport options.** The city centre has a range of options to make the same journey, while some inner suburbs have an unusual density of heavy rail services. This creates a core area of complexity which MaaS requires.

### *Operators and data*

**Major operators have relatively few technical barriers to sharing core data to enable MaaS.** In particular, ScotRail already allows other organisations to book its tickets, and CalMac will have the ability to offer this from early 2022. Major bus companies are either ready, or could reasonably be expected to develop, the technological basis to share journey planning information, and make booking and ticketing available to third parties. Shared mobility providers are similarly equipped.

**Traveline is evolving with Transport Scotland taking a more direct role and contracting with operators from next year.** In effect this will be a single data system for all Scotland. For Strathclyde, this does create a significant dependency on the quality and structure of Traveline, but most likely this means capturing operator data on journey planning and service availability is significantly streamlined. If it includes interoperable booking, it makes MaaS radically simpler for SPT and GCC.

**Co-Wheels' car-sharing contract with GCC is due to expire in 2022,** creating a specific opportunity to request minimum data contributions when the contract is retendered.

### *ICT infrastructure*

**ZoneCard is being refreshed.** ZoneCard is an existing multi-modal ticket with an established mechanism for revenue-sharing, risk-sharing and customer service – albeit procedures which rest on a legacy system. This creates a foundation for more complex processes in more integrated MaaS systems.

**Major operators are familiar with smart ticketing and mobile ticketing.** Major operators are participants in existing smartcard initiatives, such as interoperable smart-cards for subway, rail and some bus services. Most vehicles and railway stations accept mobile-based ticketing. Bus operators are moving towards more integrated ticketing on their own initiative.

**Most of Strathclyde has acceptable mobile reception and data.** Most of the region is covered by mobile networks, and the network is strongest where the transport network is most complex.



### *Policy and regulation*

**New powers.** The Transport Scotland (2019) Act sets out powers in smart ticketing and bus franchising which create a clear basis for mandating data from operators. This would enable MaaS, and as important, would change the relationship with operators which would support more direct leadership. These powers are available to local transport authorities, which includes SPT and GCC.

### *Citizen Willingness*

**A core demographic of young public transport users.** Glasgow city in particular has a significant population of young, digitally-savvy people. It also has generally higher usage of public transport than other places in Scotland. These types of people are more likely to use a MaaS system.

## **What are the current barriers to MaaS in Strathclyde?**

### *Transport provision*

**Areas with less choice and complexity.** Suburban, rural and small-town areas have significantly fewer options in transport. Shared mobility is concentrated on Glasgow. On some routes, there is limited choice of operators, and across the region frequency of bus services has dropped.

### *Operators and data*

**Under current regulatory arrangements, SPT and GCC do not have the ability to demand data from operators or mandate participation in a MaaS system.** The ability to lead or commission a MaaS systems rests on relationships, voluntary agreements, and partnership working. In the short term, this places strict limits on what kind of MaaS solution is possible. These are covered below.

**Operators work under different pricing regimes – making single ticket prices across multiple modes complex.** Ferries have prices set in legislation, rail fares are a mix of regulated and unregulated fares, and bus tickets are largely set by open competition. Over-60s have free travel and under-22s will soon have free bus travel, with operators reimbursed by a funding mechanism. This creates huge complexity, and means that agreeing a single ticket price (either pay-as-you-go or a monthly/annual subscription) for a journey which covers multiple modes is unlikely.

**Bus operators are wary of potential plans for bus franchising, and relationships with public authorities are defined by mistrust.** Bus operators are only likely to engage in a system if they can be confident it maintains or increases revenue, or preserves open competition, and does not expose information they consider commercially sensitive to either SPT, GCC or their competitors. In practice, that means they are likely to consider integrated journey planning and the ability to book services and show tickets – but not joint ticket prices, revenue-sharing, or information like how busy a bus is. It could also mean any MaaS solution simply links to operator's own app or sites when it offers booking, rather than being carried out in a single platform.

**In the long-term, a voluntary arrangement creates significant dependency on other organisations.** Any MaaS system risks operators seeing that they are exposed to new forms of competition and withdrawing. Unless a MaaS solution itself has a contract mandating participation on set terms – which is unlikely to be accepted by operators – it rests on operators believing it is in their interests to participate.

**NextBike are not required to share data and will likely to be in contract until 2027.** The NextBike contract with GCC is likely to run until its extension date of 2027 because it offers a yearly revenue stream to GCC. It does not require any data-sharing beyond minimum KPIs, or participation in integrated systems. NextBike would only gain revenue in any MaaS system by offering pay-as-you-go bikes, and NextBike also make significant advertising revenue from sponsorship, creating a wider risk that their sponsors object to diluting their brand through a common system.

**Incentives are not aligned to promote active travel.** While SPT could potentially see increased revenue by making the subway part of a much more integrated network it would also have to accept there is some risk of losing subway revenue to cycling and bus.

### *ICT infrastructure*

**Significant uncertainty over national initiatives.** The remit and format of Transport Scotland's replacement for Traveline is unclear. The National Entitlement Card may in time develop into an app – which would include free bus travel for under-22s - and the future of smart ticketing will be shaped by a Smart Ticketing Board which is not yet established.

**Fully including subway is difficult.** Existing smart ticketing is largely smartcard-based. For subway, this is on the ITSO format – which could be included in a mobile phone-based MaaS app, but not currently on Apple devices. Subway ticket gates would also have to be upgraded to enable mobile payment other than ITSO on Android, such as contactless payment or other mobile ticketing.

**Significant patches of poor reception and data.** Some parts of the region, notably Arran, Ayrshire and parts of the Lanarkshires, have limited mobile reception and data.

### *Policy and regulation*

**Under current powers, MaaS would be entirely voluntary for operators.** There is significant uncertainty over the roles of different organisations, with no single statement or policy on the appropriate roles of RTPs, national bodies, and councils. Under current relationships, MaaS would therefore be voluntary for operators.

### *Citizen willingness*

**Strathclyde has significant areas of deprivation.** Some areas are on average older, less affluent, and more likely to lack bank accounts or smartphones. This creates a risk of digital exclusion with MaaS.

**Strathclyde now has a range of consumer-facing mobility apps.** This means that the relative quality and functionality of any new MaaS app has to be relatively strong to gain a user-base.

## How integrated could a MaaS system be in Strathclyde at the moment?

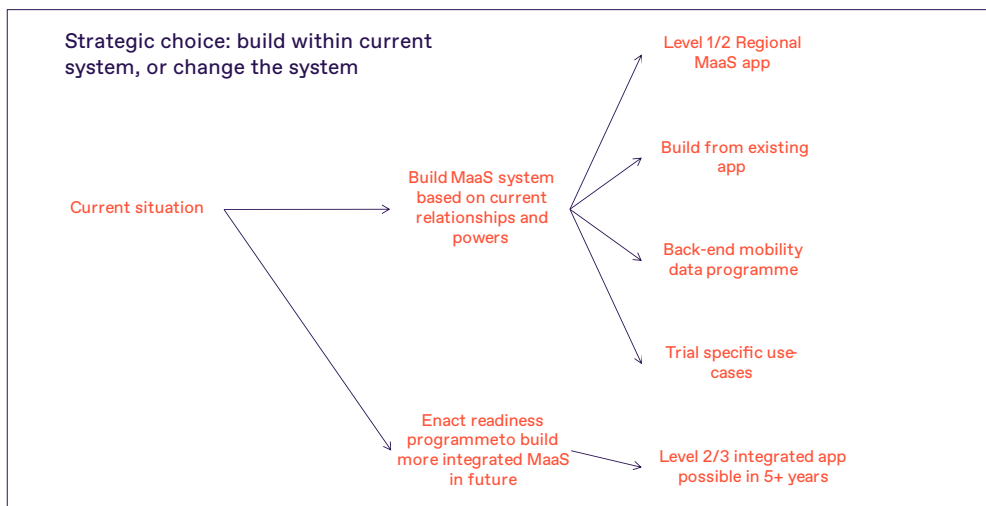
Summary table 1 shows the level of integrated MaaS service which is likely to be realistic, by type of transport, within the status quo of powers and relationships.

Summary table 1: level of integration likely, by mode.

	Level 1	Level 2	Level 3
	Integration of journey planning	Single point of booking and ticketing	Shared fares/subscriptions/services
Rail	●	●	●
Ferry	●	●	●
Subway	●	●	●
Bus	●	●	●
Taxi & ride-hailing	●	●	●
Car-sharing	●	●	●
Bike & micromobility	●	●	●
Community transport	●	●	●

## What does this mean for MaaS in Strathclyde?

This situation creates a strategic choice for Strathclyde: either to pursue a MaaS solution reflecting the current situation, or instead to focus on a MaaS readiness programme which builds capacity and aims to develop a more sophisticated system in future.



## What models of MaaS could be implemented in the current situation?

Considering the opportunities and barriers to MaaS, and the likely level of integration, the options for a MaaS solution under the current situation in Strathclyde are:

1. **A consumer-facing app** which rests on a voluntary arrangement with operators focussed on journey planning, access to booking and access to payment from a single platform, concentrated on existing mass transit modes. This would not be useable for all subway users without other investment and there is no guarantee over operator participation.
2. **Working with an existing app** to add MaaS-style features. This could be an operator app, a commercial journey-planner, or other public sector apps.
3. Creating a city-specific **open mobility data programme** to enable a range of front-end services. This would build on GCC's existing smart city portal.
4. **Trialling** a MaaS system looking at a particular use-case or target audience.

These options are appraised in the full report and are summarised in table 2.

**Summary table 2: options for MaaS**

Option	Governance	Spatial scale	Integration level	Transport included	Cost	Timescales
1: Build a new app focused on integrated booking and journey planning,	SPT/GCC commission app from software provider, manage contracts with operators for data sharing, voluntary participation from operators	Regional	Journey planning + some booking and payment	Rail, ferry, bus, car-sharing, bike-sharing. Subway only for journey-planning.	£200-500000 per annum  Resource costs	6-12 months
2: Build out from an existing app/service focused on integrated booking and journey planning	SPT encourages/work with existing app providers to add multi-modal journeys & integrated ticketing	Regional	Journey planning + some booking and payment	Rail, ferry, bus, car-sharing, bike-sharing.	<£100,000	1-6 months
3: A shared mobility data programme as part of wider smart city initiatives:	GCC hosts a single hub offering wider data sets on mobility	Glasgow city	Enabling others to offer journey planning + booking and payment	Workstreams on every mode	<£50,000	Immediate start, 5-year horizon
4: Build a trial/pilot service around use-cases or audiences.	SPT scopes, plans and delivers trials	Region-wide, local/hyper-local trials	Integrated journey planning, booking and pricing for selected groups	Mass transit + modes for particular user groups	£100-400,000	1-2 years

## What could enable a more sophisticated MaaS system in future?

A further option is not to target a solution immediately, but enact a **MaaS readiness programme**. This would start with an analysis of how to make the most of the opportunities and barriers outlined above. Potential responses could include:

### *Policy*

This includes writing council and SPT policies which align with the requirements of MaaS, particularly in mandating data-sharing in mobility contracts.

It also includes understanding how national policymakers will pursue important themes such as smart ticketing and the NEC.

### *Relationship-building*

This includes actions which focus on building trust: approaches which work within current powers to build operator comfort with integrated services through trials, cultural leadership and practical support.

### *Regulatory changes*

Relationships between SPT, GCC and operators could change under the terms of the 2019 Transport Act which creates new powers in bus franchising and smart ticketing. The Act creates the ability for a local transport authority to mandate participation in smart ticketing schemes, which likely includes MaaS; and a different regulatory relationship with bus services could include data-sharing provisions.

These wider policy choices have significant questions which are beyond the scope of this report. However, using these powers is the clearest route to implementing a more integrated MaaS system. At a minimum, SPT and GCC could more fully explore these powers and how considerations for MaaS interact with wider policy questions.

### *Operations changes*

This includes looking at changes to finance, legal and risk management processes to enable MaaS.

### *Technology upgrades*

This means software and hardware changes required to enable MaaS.

## What would a MaaS readiness programme involve?

A MaaS readiness programme would identify actions in policy, relationships, regulation, operations and technology. Taken as a whole, they would build capacity for MaaS.

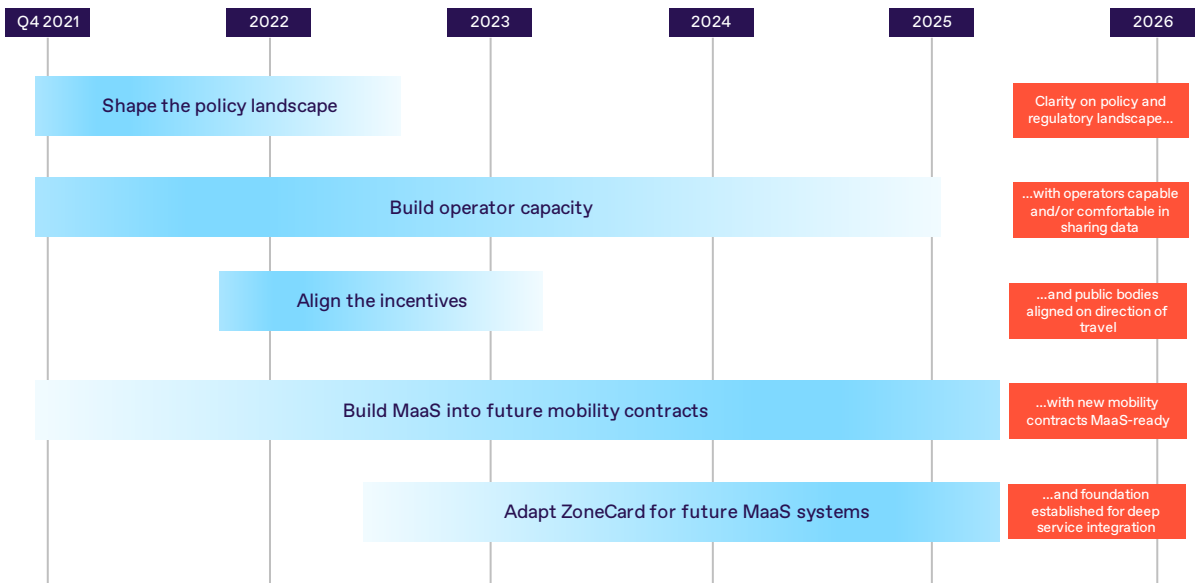
The objective is for SPT and GCC to be capable of commissioning a regional MaaS system which offers integrated journey-planning, booking, payment and ticketing verification – and

some elements of integrated pricing - in 5 years' time.

This programme should include actions under 5 headings, in broad order of priority:

1. **Shape the policy landscape.** SPT should push central policymakers to take decisions which support its ability to deliver a strong MaaS solution.
2. **Build operator capacity** for MaaS through tactical integrations between different operators, supporting hardware upgrades, and understanding operator projects.
3. **Align the incentives** for GCC and SPT to benefit from more integrated travel options in Glasgow City Centre.
4. **Build MaaS into new mobility contracts** with provisions for requiring data from operators.
5. **Develop ZoneCard** as a foundation for elements of a future MaaS system, such as using its revenue allocation method, risk-sharing and customer service tools.

Actions are summarised in table 3.



**Summary table 3: a MaaS readiness programme for Strathclyde**

Responsibility	Type of intervention	Action	Timescale: action within...
<b>Shape the policy landscape</b>			
SPT	Policy	Engage with Smart Ticketing Board to define smart ticketing as including MaaS	12 months
SPT	Policy	Engage with Transport Scotland to advocate for interoperable booking through Traveline	Immediate
SPT and GCC	Policy	Engage with Transport Scotland to understand future of account-based ticketing, the NEC and other services	6 months
SPT	Regulation	Take legal advice on use of Transport Act 2019 and explore other policy questions	6 months
GCC/councils	Policy	Pursue complementary policies in physical interchanges and core transport provision	Ongoing
<b>Build operator capacity and willingness for MaaS</b>			
SPT	Relationships	Build operator comfort by identifying value-added MaaS services – where there service is added to non-transport third parties	2 years
SPT	Relationships	Use CalMac’s new capability to build operator comfort with MaaS: adding ferry to existing apps, eg bus operators’ apps	12 months
GCC	Operations	Ask NextBike to speak to sponsors about MaaS and explore any potential conflicts	12 months
SPT	Technology upgrade	Identify and support community organisations looking to upgrade technology	2 years
SPT	Technology upgrade	Build mobile-first into future hardware upgrades including Subway accessible to mobile	5 years
SPT	Relationships	Understand direction of bus operator ticketing integration	Ongoing
<b>Align the incentives across organisations to pursue MaaS</b>			
GCC/SPT	Policy	Agree on subway/bike-sharing alignment of strategic goals and process for sharing revenue/risks	2 years
SPT	Policy	Coordinate new apps across region from public bodies	Ongoing
SPT and GCC	Relationships	Work with regional partners to upgrade digital connectivity	Ongoing

<b>Build MaaS into future contracts</b>			
SPT GCC and councils	Policy	Require data-sharing to enable MaaS in future mobility contracts	Ongoing
SPT, GCC/councils	Policy	Require industry-standard data formats in mobility contracts	
GCC/councils	Policy	Require industry-standard vehicle unlocking in mobility contracts	
GCC/councils	Policy	Avoid vendor lock-in: contracts with providers who have exclusive agreements with other providers	
GCC/SPT	Policy	Limit exposure to contractors who will resist integration	
<b>Adapt ZoneCard to build operational functions for future MaaS systems</b>			
SPT	Policy	Secure option for SPT to access or own data from ZoneCard	12 months
SPT	Operations	Design-in expanding ZoneCard's revenue allocation process to include future modes/contracts	2 years
SPT	Technology upgrade	Explore potential for ZoneCard app with journey-planner	5 years
SPT	Operations	Add shared mobility provider(s) to ZoneCard consortium	3 years
SPT	Operations	Agree shared customer service protocols between partners	5 years
SPT	Operations	Develop risk-allocation processes between partners	5 years





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The Catalyst, 3 Science Square  
Newcastle Helix  
Newcastle upon Tyne, NE4 5TF  
United Kingdom  
+44 (0)191 495 7350

[urbanforesight.org](http://urbanforesight.org)

Flour Mill,  
34 Commercial Street,  
Dundee, DD1 3EJ  
Scotland  
+44(0)138 22 40 40

[hello@urbanforesight.org](mailto:hello@urbanforesight.org)



# Glasgow & Strathclyde Transport Act Scoping

## Options Assessment Study

### Summary of Findings

**SYSTRA**



# Introduction

In September 2021 SPT and Glasgow City Council jointly commissioned SYSTRA to conduct a scoping study that examined the current bus offer in the Glasgow & Strathclyde region and advise on various bus reform options across different geographies within the region.

A staged approach was adopted to conduct this study:

Defining Objectives and Outcomes	<ul style="list-style-type: none"><li>• Agreed outcomes that set out what is required from bus services</li></ul>
Defining the Gap	<ul style="list-style-type: none"><li>• Analyse bus service provision in the Glasgow &amp; Strathclyde region to understand if desired outcomes are yet being met</li></ul>
Information Gathering and Insights	<ul style="list-style-type: none"><li>• Data collection, data analysis and stakeholder engagement</li></ul>
Addressing the Gap	<ul style="list-style-type: none"><li>• What actions need to be taken, irrespective of reform option, to better meet the desired outcomes</li></ul>
Defining Reform Options	<ul style="list-style-type: none"><li>• Set out the options and their operational, legislative and ownership characteristics</li></ul>
Assessing Reform Options	<ul style="list-style-type: none"><li>• Set out the key distinct aspects of each option that assist, or hampers, achieving desired outcomes</li></ul>
Recommendations and Next Steps	<ul style="list-style-type: none"><li>• Summary assessment of options and next steps required to deliver each option</li></ul>

# Aims and Outcomes

We began by agreeing a series of objectives for buses in the Glasgow & Strathclyde region, based on the existing and emerging transport planning and strategy context at national and regional levels.

An overall aim and a series of desired outcomes were established:

## Aim

**To provide a world class bus service for the Glasgow & Strathclyde area.**

## Desired Outcomes

**More efficient, faster and reliable bus services**

**Better integration of services**

**Cheaper and simpler fares**

**Lower carbon impacts and lower tailpipe emissions**

**Fully accessible buses and stops, information and communications**

**Better safety and personal security when using the bus**

**Resilience to change**

**More people using buses**

# Analysis and Insights

Our work during the study sought to engage with various stakeholders and interest groups to help inform our thinking. We also sought to collect as much data about today's bus services in the region, so that we could provide a quantitative analysis that adds value to our conclusions. As part of that data collection exercise, data about bus services were requested from all bus operators and we are grateful to those that responded positively. However most operators did not share data about their services, passengers and revenues.

Nevertheless we were able to undertake a high level analysis of the region's bus network, based on existing sources of information about the region's operators and information held by SPT. This allowed us to view the region alongside cities that offer world class bus services and comparator cities similar in size to Glasgow.

The analysis shows that buses in the Glasgow & Strathclyde region fall short of world class standards – especially in terms of fares and ticketing, bus journey times, the accessibility offered by bus services and, consequently, the number of people using the bus as a first choice for their day to day journeys. We then used this analysis as a start point to consider how these gaps can be closed.

# Addressing the Gap

To achieve a world class bus service in the Glasgow & Strathclyde region, steps need to be taken irrespective of the way bus services are delivered and whether that is reformed.

While further studies (at a one-off cost of up to £1.5m) are required to analyse the bus network in more detail and refine our work, we have estimated the need for additional funding for buses to deliver a world class standard of bus services across the region :

£22.7m of additional revenue funding per annum in 2021 prices, plus retention of existing levels of funding for concessionary travel reimbursement and post-COVID19 recovery

- To expand the bus network and close accessibility gaps
- To lower, simplify and integrate fares across the region
- To implement DRT using a region-wide booking platform

£300m of capital funding in 2021 prices

- To improve bus journey times and reliability
- To provide better public transport interchange, plus Park & Ride facilities that shorten car journeys
- To provide more zero emission buses

# Reform Options

We undertook an analysis of the bus reform options currently permitted by transport legislation in Scotland, assessing the opportunities and risks associated with each option. We came to the following headline conclusions:

## A Voluntary Bus Partnership Agreement

- Suitable for formalising day to day operator/LTA working relationships
- Unsuitable for delivering transformational change

## A Bus Service Improvement Partnership (BSIP)

- Suitable for delivering major investment in bus highways measures and commensurate committed improvements to vehicles and services
- Suitability for delivering other transformational change across a network is unproven - unsuitable for delivering cheaper and fully integrated fares
- Can be implemented in 12 months, admin costs of £50-250k per annum

## Bus Franchising Scheme

- Allows a single integrated decision maker to co-ordinate and deliver all public transport services in the region to defined standards
- Suitable for delivering transformational change in bus infrastructure, bus services and fully integrated/simplified bus fares
- Imports considerable additional risk to local transport authority
- Can be implemented in 7 years, development costs between £4m & £15m

## Municipally Owned Operator

- Short term - establish bus operator via Community Interest Company to compete for tendered services, can be implemented in 12 months
- Longer term - a single operator for all services can be achieved via franchising or acquisition of commercial operators' businesses, can be implemented within seven years with acquisition costing over £200m

The full report sets out in detail the differentiating factors to be considered when determining preferred options across different geographical areas, ranging from region-wide reform to action within single local authority areas and even single corridors.

A key conclusion is that should significant reform of bus service delivery only be implemented in part of the Glasgow & Strathclyde region (for instance in just one local authority area) there may be significant potential 'boundary effects' that will need to be carefully considered and mitigated in order to avoid degradation of bus service standards in neighbouring authority areas. For example, 73% of bus service journeys in Glasgow operate into the City Council's neighbouring authorities so decisions taken in that authority should also take account of its adjacent authorities.

Assessments of how each reform option could deliver the study's desired outcomes is provided in tabular form at the back of this summary document.

# Key Findings and Next Steps

In summary, we believe there is a strong case for the Glasgow & Strathclyde region to adopt the aim of having a world class bus network that is capable of delivering important transport, environmental and social outcomes.

To achieve this, we believe there needs to be a significant and sustained injection of funding into the bus network in the region – simply reforming bus service delivery without extra funding is unlikely to deliver the desired outcomes in full. This will halt the decline in bus use by improving network accessibility and affordability.

There is a strong case to pursue a Bus Service Improvement Partnership (BSIP) in areas where access to significant capital funding from the Bus Partnership Fund is anticipated. The BSIP will bring together local authority plans to invest in bus facilities and bus operator plans to improve bus services and vehicles, ensuring those plans become cast-iron statutory commitments.

A BSIP will create new revenue costs for local authorities, we estimate additional funding of £50k-250k per annum may be required plus up to £1.5m to fund upfront studies. The BSIP can commence within 12 months.

In the meantime, we recommend that over the next 12 months local authorities follow three parallel courses of action that will take steps towards the achievement of a world class bus network:

## Identify the scale of the challenge

- undertake a detailed bus network review programme in Glasgow, followed by similar reviews in each of the SPT partner authority areas, in order to assess the gaps in accessibility and develop ways in which those gaps can be filled, either by conventional bus services or by area-based demand responsive bus services

## Explore the available future funding envelope

- SPT and the local authorities should open a dialogue with Transport Scotland that explains their aspiration to establish a world class bus network in the region, making the case for retaining existing funding and sourcing additional revenue and capital funding to make that happen

## Prepare the ground for direct action

- take steps to establish a local authority-owned bus operator, or potentially several such operators in different Council areas, so that additional competition can be injected into the supported service contracts marketplace

Allied to these general actions, our recommended next steps in relation to potential further bus reform are:

- **Open discussions with bus operators** regarding the formation of a BSIP and what commitments can be made by all parties for inclusion in the BSIP Scheme (April 2022 to July 2022)
- **Open discussions with Transport Scotland** about prospects for attracting additional capital and revenue funding to kickstart the delivery of a world class bus service (April 2022 to July 2022)
- **Hold an open discussion about a Bus Franchising Scheme** with executive officers and elected members, based on the likely seven year lead-in time and £15m cost to develop a business case. The true appetite to accept the risks associated with taking control of bus services should also be explored (May 2022 to October 2022)
- **Determine the detailed practical steps required to establish a municipally-owned bus operator** capable of competing for secured service contracts (April 2022 to July 2022)
- **Open discussions about the practicality of funding the future acquisition of commercial bus operator businesses** with local authority Treasury and Democratic Services teams, should those businesses become available to purchase (April 2022 to July 2022)

# Conclusions

The Glasgow & Strathclyde region should adopt a clear set of objectives and outcomes founded on delivering a world class bus network. This will provide focus for local transport authorities and bus operators when developing improvements to bus services, including work to progress the current Glasgow Bus Partnership and voluntary partnerships that may form.

Partners delivering all aspects of bus services should commit to a world class bus network for Glasgow & Strathclyde that will exhibit:

faster bus journey times;  
fewer bus delays;  
a denser, more inclusive and safer bus network;  
cheaper, simpler and integrated bus fares;  
consistent, accessible and integrated journey information; and  
a greener bus fleet.

Bus reform alone will not deliver this world class bus network. Additional funding and reform of existing funding streams will be required to deliver the world class bus network envisaged.

Discussions with Transport Scotland should commence immediately to address this funding requirement.

In local transport authority areas where access to the Bus Partnership Fund will make significant improvements to bus journey times and bus delays, a Bus Service Improvement Partnership is recommended to formalise commitments to deliver the infrastructure and complementary improvements to bus operators' services and vehicles.

A BSIP should have a term of at least five years, to commence in 2023 at the earliest.

In the longer term, a Bus Franchising Scheme has the potential to offer a 'single integrated decision maker' that can source funding and deliver a world class bus service. A Bus Franchising Scheme can integrate with wider investment in public transport corridors (e.g. Glasgow Metro).

However this relies on untested legislation that will cost the LTA £4-15m to build a business case, take seven years to implement and pose significant new risks to local transport authorities.

Where competition for bus service contracts is weak, local authorities should consider the formation of a municipally owned bus operator.

In the longer term, a municipally owned bus operator could deliver all buses in a LTA area or the region, offering integrating decision making with all profits invested back into services. This would most likely require local authorities to acquire the businesses of today's commercial operators.

# Delivering Desired Outcomes

## Voluntary Bus Partnership Agreement

### More efficient, faster and reliable bus services

- Improved standards for bus services can be agreed at corridor and local authority level, but voluntary partnership unlikely to be correct vehicle to deliver transformational improvements.

### Better integration of services

- Any improvements to integration would be on a voluntary basis at the operator's choice, and are limited by competition law.

### Cheaper and simpler fares

- Any simplifications or reductions in fares would be the operator's sole choice.

### Lower carbon impacts and lower tailpipe emissions

- A voluntary agreement is an appropriate way to introduce newer and cleaner buses to a network.
- A voluntary agreement is less likely to be able to deliver significant transformational reductions in car traffic.

### Fully accessible buses and stops, information and communications

- A voluntary agreement is a good vehicle for agreeing improvements to boarding and alighting facilities and agreeing enhanced standards for driver/passenger interactions.
- A voluntary agreement may be a good way to agree improved information provision standards.

### Better safety and personal security when using the bus

- A voluntary agreement is a good way to improve enhanced standards for CCTV and other ways to enhance perceptions of personal security.

### Resilience to change

- A voluntary agreement is likely to collapse or require significant redrafting should a major shock to the bus network arise.

### More people using buses

- Overall, we consider that a voluntary agreement is a suitable way to deliver improvements to bus services that will deliver small increases in bus patronage. It is not the appropriate vehicle to deliver transformational change.

## Bus Service Improvement Partnership

### More efficient, faster and reliable bus services

- Improved standards for bus services can be agreed at corridor and local authority level, BSIP has direct access to capital funding for bus improvement measures for pre-qualified local authorities.
- BSIP can facilitate agreement to 'recycle' save vehicle resources and improve network coverage elsewhere, but that is reliant on operator agreement up front during difficult times commercially.

### Better integration of services

- Any improvements to integration would be at operators' discretion when the BSIP is formulated, but would then become a statutory duty to deliver.

### Cheaper and simpler fares

- Inclusion of new fare products and cheaper fares in the BSIP would become statutory requirements, however they would require a majority of operators to approve them before the BSIP is formed. A BSIP cannot exercise control of all operators' own fares.

### Lower carbon impacts and lower tailpipe emissions

- A BSIP is an appropriate way to introduce newer and cleaner buses to a network, establishing a binding statutory duty to deliver. A BSIP could include measures that lead to significant reductions in car traffic.

### Fully accessible buses and stops, information and communications

- A BSIP can include improvements to boarding and alighting facilities and agreeing enhanced standards for driver/passenger interactions, which would then become statutory duties to deliver.
- A BSIP can formally commit partners to improved information provision standards.

### Better safety and personal security when using the bus

- A BSIP is a good way to improve enhanced standards for CCTV and other ways to enhance perceptions of personal security.

### Resilience to change

- A BSIP may be able to weather some shocks to the market, but is likely to collapse or require significant redrafting should a major shock to the bus network arise (e.g. Glasgow Metro implementation).

### More people using buses

- Overall, we consider that a BSIP is a very suitable way to secure investment in bus priority measures and other capital investment to benefit bus passengers. It may be a vehicles for delivering transformational change, but achieving agreement of a majority of bus operators may be problematic.

# Delivering Desired Outcomes

## Bus Franchising Scheme

### More efficient, faster and reliable bus services

- A Bus Franchising Scheme can ensure that the enhanced service standards can be achieved, through the specification of contracts and the provision of supporting bus infrastructure that are both determined by a single integrated decision maker, the local transport authority.
- A Bus Franchising Scheme has differentiating features that mean it can deliver more improvements for the same resources currently required to deliver today's network.

### Better integration of services

- Integration is a key feature that can be baked into a Bus Franchising Scheme, integrating the networks and fares of different operators into one network and one fares offer, then integrating that one network and one fares offer with other modes. The single integrated decision maker is likely to also be responsible or influential in decisions about other public transport modes within an integrated network.

### Cheaper and simpler fares

- The single integrated decision maker for a Bus Franchising Scheme enables bus fares to be simplified and reduced provided that the cost of operating the franchising contracts can still be covered by farebox revenues, local transport authority spend commitments and external grants.

### Lower carbon impacts and lower tailpipe emissions

- A Bus Franchising Scheme can mandate the use of an enhanced minimum vehicle standard, provided the increased cost of purchase/lease and operation can be accommodated by the contract cost budget for the Scheme.

### Fully accessible buses and stops, information and communications

- The standards of infrastructure, information and communications can be co-ordinated within a Bus Franchising Scheme.

### Better safety and personal security when using the bus

- A Bus Franchising Scheme can mandate the provision of enhanced safety and security initiatives, such as on-board security staff, provided their provision can be funded.

### Resilience to change

- A Bus Franchising Scheme has a single point of reference and a single network-wide decision making structure that allows shocks to the network to be accommodated in a more rigorous and co-ordinated way, compared to today's operational model. This includes resilience to major changes to public transport networks (e.g. Glasgow Metro proposals).

### More people using buses

- Overall, we consider that a Bus Franchising Scheme is an appropriate model for securing a significant transformation by inserting a single controlling authority across the whole bus network. This has the potential to drive a significant additional increase in bus patronage compared to current operations.

## Municipally Owned Operator (delivering all services)

### More efficient, faster and reliable bus services

- In the short term, a municipal operator can use its lower profit aspirations to take over deregistered services and create new services, while still competing for contracted bus service work.
- In the longer term, a single municipally owned operation, suitably funded, could provide a fully developed world class bus service for the region.
- Care is required to minimise cost pressures in the public sector which might erode any surplus profits available for reinvestment in better services.

### Better integration of services

- In the longer term, integration can be a key business outcome for a municipally owned operator, integrating the networks and fares of different operators into one network and one fares offer, then integrating that one network and one fares offer with other modes.

### Cheaper and simpler fares

- In the longer term a single municipally owned operator in the region can be empowered to implement simplified and reduced bus fares provided that the cost of operating services can still be covered by farebox revenues, local transport authority funds and external grants.

### Lower carbon impacts and lower tailpipe emissions

- In the longer term a municipally owned operator can invest its profits into acquiring and operating buses to a higher minimum vehicle standard, including zero emission vehicles. In time, an expanded operation can attract motorists from their cars and achieve further reductions in transport-related emissions and carbon impacts.

### Fully accessible buses and stops, information and communications

- In the longer term the higher standards of buses, information and communications can be delivered by a municipally owned operator.

### Better safety and personal security when using the bus

- In the longer term enhanced safety and security initiatives can be implemented by a municipally owned operator.

### Resilience to change

- In the longer term a single municipal bus operator will be a company of considerable size with public sector backing, enabling it to be capable of absorbing shocks to the network in more rigorous and co-ordinated way, compared to today's operational model (subject to general restrictions on local authority spend and borrowing).

### More people using buses

- Overall, we consider that in the longer term a single municipally owned bus operator can grow to a considerable corporate size and place its focus on social and economic outcomes. These features can be used to drive a significant bus service transformation and deliver significant additional increase in bus patronage compared to current operations.



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