

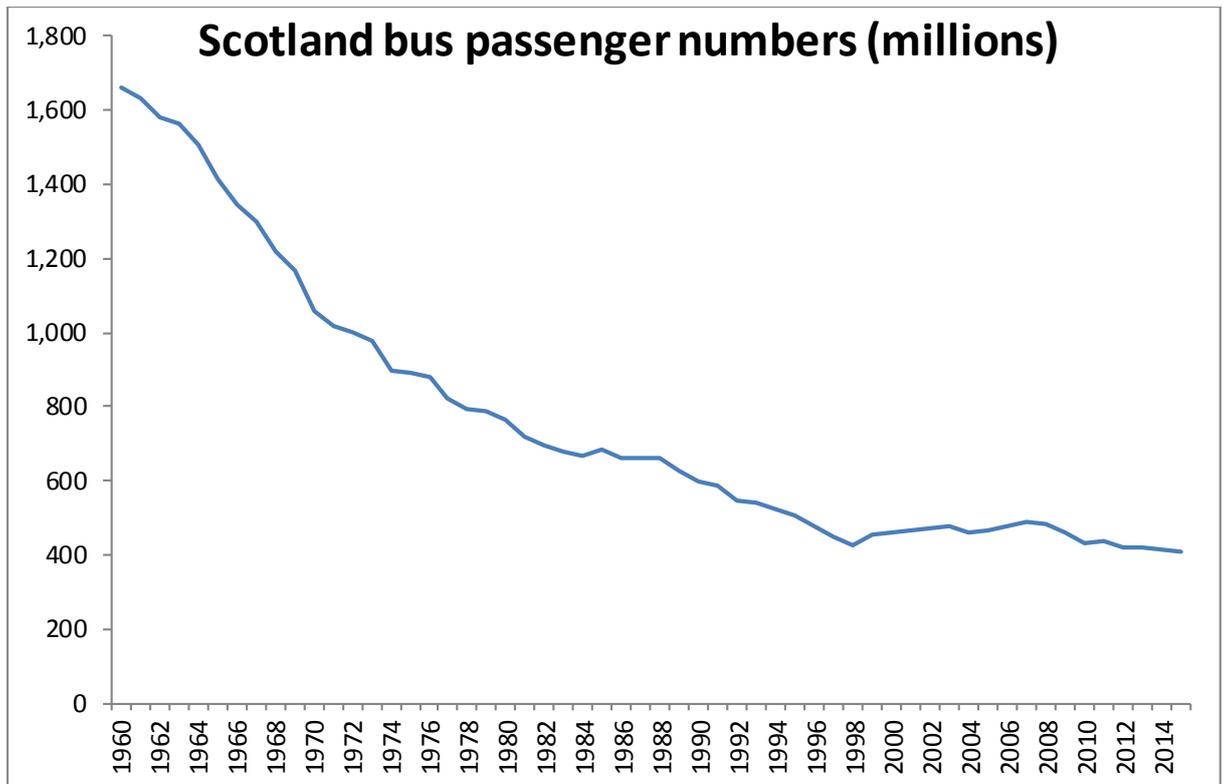
PE1626/E

Scottish Government submission of 22 February 2017

1. The Scottish Government fully recognises the importance of bus services in Scotland. Buses account for over three quarters of all journeys made in Scotland by public transport. Bus can provide part of the solution to a range of societal and government aims such as reducing greenhouse gases, improving air quality, enabling the economy to grow, improved social inclusion and improving health outcomes.
2. The Scottish Government provides substantial funding, sets out a strategic direction for policy and works with stakeholders across the sector, including through the Bus Stakeholder Group, to monitor and review the performance of bus. The Scottish Government will introduce a Transport Bill in this session of Parliament which has bus as its focus.
3. This paper starts by outlining some of the challenges faced by bus and bus satisfaction statistics, before outlining Government funding, bus service registration changes and the bus elements of the upcoming Transport Bill. Conclusions are made at the end.

Bus issues

4. Bus passenger numbers in Scotland have been declining since at least the 1960s, going from around 1,700 million in 1960 to 900 million in 1974 – this was the steepest period of the decline. The graph below shows the trend from 1960 to 2015. The decline between 1986 (when deregulation began) and 1998 from 660 million to 424 million annual passengers generally follows the same trend as in previous years – this is affected by a complex set of factors and it is not possible to directly attribute declines since this period to deregulation itself. Bus passenger numbers have remained fairly stable at around 460 million passengers per year since then, with a decline in recent years to around 409 million passengers in 2015.



Source: Department for Transport statistics

5. The more recent drop in patronage is linked to factors such as increasing car use, national life style changes such as online and out of town shopping and cities becoming more congested. However, within Scotland there are still areas which have stable or increasing patronage levels contrasted by areas where the reductions can be quite substantial and over a long period. This makes clear that decline is not inevitable and that the issues and solutions vary across the country and require local action.
6. Congestion causes slower bus speeds, longer journey times, higher fares and less passengers. The effects are better understood and the tools to address congestion are already available but there needs to be a concerted effort from all the affected stakeholders. The Government is working with stakeholders to identify appropriate actions to mitigate the effect of congestion.
7. Eighty-four per cent of the bus network in terms of vehicle kilometres is provided on a commercial basis whilst the remaining sixteen per cent is supported by local transport authorities.

Bus satisfaction

8. The Bus Passenger Survey by Transport Focus is the recognised measure of bus passenger satisfaction. The autumn 2014 survey covered England and Scotland and included 23 local transport authorities with 49 bus company areas and a survey in the four areas which account for most bus journeys made within Scotland.

9. Across the Scottish areas surveyed, overall satisfaction was 92% and value for money was rated as 71%. The area with the highest overall satisfaction was in the South East of Scotland (with 94%) (the area covers Fife, Clackmannanshire, Falkirk, West Lothian, City of Edinburgh, Midlothian, East Lothian, and Scottish Borders Council). The operators with the highest overall satisfactions were Stagecoach in Tayside & Central (95%) followed by Lothian Buses (94%). Lothian Buses had the highest value for money with an 83% rating.
10. Across the English areas surveyed, overall satisfaction was 88% and value for money was 63%.
11. This provides a positive endorsement of bus services in Scotland from those who use them regularly and indicates that for the majority of passengers the current regulatory framework is reasonably effective. It is noted that the figures are high level and there will be variations in satisfaction across the country.

Funding

12. Recognising bus's importance the Government invests over a quarter of a billion pounds in the sector every year. This takes different forms including a bus subsidy (called the Bus Service Operators Grant (BSOG)) which helps to keep fares at an affordable level and supports the overall bus network. BSOG will be increased in 2017/18 from £50m/year to £53.5m.
13. We also fund the national concessionary bus travel scheme, which in 2017/18 amounts to £192.9m, to enable disabled and older people to continue to travel for free on the bus service network.
14. Funding is also provided through the annual grant settlement to local authorities to enable them to support bus services which are not commercially viable but which are considered to be socially necessary. Local authority bus support was £59m in 2015-16.
15. The Scottish Green Bus Fund provides help with the difference in costs between diesel and low carbon vehicles and which through six rounds has seen over 300 low carbon vehicles operating in the Scottish Fleet. The total number of low carbon vehicles now operating in Scotland is approaching 500 out of a total fleet of 4,300 vehicles.

Bus Registration change

16. Legislation regulates the process for bus operators registering bus service changes. The government introduced legislation in January 2016 to increase the period of notice provided by operators to local authorities before submitting bus service registration changes to the Traffic Commissioner. In some areas there has been a noticeable improvement in dealing with

substantive bus network changes. With operators sharing information at an early stage, outlining the changes and explaining the need for change. Operators shared this information with government, local authorities and communities and were willing to consider a range of alternative options when convincing cases were made for routes. Local authorities are bringing communities and people together using Bus Users Scotland to ensure that passengers' views are at the centre of decision making.

17. This did not happen everywhere or overnight but it is an example of the difference changes in attitude and processes can make where not only the passenger benefits but the whole of the local area.

Transport Bill

18. The Transport Bill provides an important opportunity for the whole sector to improve bus services and tackle declining patronage. We will look at how we can improve the options available to local authorities to influence and improve bus services in their area. We do not see wholesale re-regulation as the answer, but do want to see more effective and simpler processes for partnership working and local franchising where there is a case for it.
19. The Bill will empower transport at a local level to consider how bus networks need to develop to be able to meet future needs such as enabling development of employment opportunities, improving air quality and improving access to essential services. Effective planning needs the involvement of all stakeholders, a shared understanding of the plan and how it is being delivered and appropriate powers to enable local authorities to enable them to implement with stakeholders the agreed network.
20. Some of the measures in the UK Bus Services Bill could provide a basis for developing bus policy in Scotland which faces some of the same challenges as those seen across the UK. However there are differences and we will be developing a model that is appropriate to meet the needs of the Scottish bus sector.

Conclusion

21. The Government's view is that the current model for bus service delivery in Scotland delivers effective bus services which as the bus users survey demonstrates meets the needs of a large majority of passengers.
22. We believe that the ownership of the means of delivery is less important than the outcomes delivered.
23. The Transport Bill will increase the ability of transport authorities to work with operators in partnership to deliver a jointly agreed local network of bus services which meet local needs.
24. Local franchising will also be available to local authorities where there is a case for it.

25. The Government is taking action and developing legislation which will change the current regulatory environment for bus. There will be opportunities in consultation and in the Parliament for people to comment and contribute to the developing bus policy.
26. For these reasons we do not accept or support the need for a separate enquiry on bus regulation. Issues such as declining patronage and congestion will vary from area to area but the Government will make sure that there is a range of effective responses available to local authorities.
27. We strongly believe that there is no inevitability to declining bus services in Scotland and that we are putting in place tools and measures to empower local action within a national framework, firmly aimed at enabling the bus sector to fully deliver on its potential.