

PE1626/G

Confederation of Passenger Transport – Scotland submission of 3 March 2017

The Confederation of Passenger Transport – Scotland (CPT) welcomes the opportunity to give written evidence to the Public Petitions Committee on Petition PE01626 regarding the regulation of bus services.

CPT is the trade association that represents the bus and coach industries. Our members run over 90% of Scotland's registered bus mileage and include a wide range of bus operators ranging from small single vehicle operators to the larger bus groups as well as Scotland's one municipal bus company, Lothian Buses. These members have experience of operating in a variety of regulatory environments beyond the standard deregulated framework - such as in Shetland where all bus services are supported by ZETRANS, or, through our larger UK membership, in London. As such, we feel well placed to comment upon the current regulatory framework in comparison to the alternatives highlighted by Unite.

Scotland's Bus Market

While CPT shares Unite's aim of further improving bus services for Scotland's passengers we believe that the approach advocated by Unite is essentially misleading. Unite's case for regulatory change is based upon the assertion that Scotland's bus market is failing and that the causes for this failure are rooted in the deregulated commercial bus market.

Deregulation stemmed the decline in bus patronage and provided passengers with greater choice. People in Scotland's towns, cities and many semi-rural areas now benefit from frequent, good value bus networks, greener and more accessible bus fleets, real time information and a growing supply of smart ticketing options. There are challenges which need to be addressed if we are to reverse the recent fall in patronage but the cause of this fall, and the means to address it, are not linked to the regulatory model under which buses operate. Current statistics do not suggest a failing industry:

- **76%** of all public transport trips in Scotland are made on buses
- **409 million** journeys were made by bus in 2015/16.
- Passenger satisfaction is at an all-time high: **9 out of 10** passengers are satisfied with their services.
- Over **95%** of the Scottish bus fleet is now accessible or low-floor.
- Local bus fares in Scotland remain lower than the UK average and are increasing at a significantly slower rate.
- **83.5%** of mileage in Scotland is operated commercially, with that figure rising in urban areas.
- Bus operators have invested over **£200m** in the last five years on new, greener vehicles.

- Bus patronage in Scotland declined by **28%** in the fifteen years between 1971 and 1986 and more passengers were lost in this period than in the thirty years after deregulation.

The delivery of high-quality bus services is most often a shared responsibility between bus operators and local authorities; coordinating the provision of the vehicles, staff, bus stops, road infrastructure and, ideally, the bus priority measures required. When bus operators and local authorities work together in strong and lasting partnership real benefits for the passenger are achieved. Attempting to bring buses back under public control, whether that be through franchising or full public ownership, would be a costly exercise that would put pressure on local authority budgets and would fail to directly address the underlying issues that are preventing growth in bus use.

Further Regulation

The Transport (Scotland) Act 2001 made it possible for local authorities to introduce a Statutory Quality Partnership or Contract. A Statutory Quality Contract enables a transport authority to determine what local services should be provided and to what standards. Unite calls for it to be made simpler for local authorities to regulate buses but in the 16 years since this legislation was introduced no Scottish authority has attempted to bring forward an SQC.

An AECOM study into the benefits of SQPs and SPCs within the Strathclyde region in 2012 concluded that pursuing a SQC would come at a considerable cost and risk transfer to the public purse and that there was more merit in pursuing a partnership-based solution. This mirrors the conclusions of the Bus Stakeholders Group who re-considered the bus regulatory framework in 2014.

It is worth noting that commercial bus mileage in Scotland has fallen by 2% in the last 5 years. Subsidised bus mileage has fallen by 19% over the same period. There is an assumption by Unite that local authorities would channel additional funding into bus service provision if given greater control. Given the competing demands for local authority resources and recent cuts to local transport funding, this appears unlikely.

Generating Modal Shift

Several factors have impacted upon bus patronage over the past decade including a double-dip recession, low costs of car ownership, changing social patterns which have led to more internet shopping and less high street retail footfall and the ever growing problem of congestion.

Over the last 50 years, bus journey times have increased by almost 50% in the more congested urban areas. A recent Greener Journeys report contends that if bus passengers had been protected from this growth in congestion there would

potentially be between 48% and 70% more fare paying bus passenger journeys today.

The public sector would be best served by working with the bus industry to identify interventions in the road network that would enable buses to perform better. Buses offer the best combination of energy efficiency and space consumption in urban streets. One double-deck bus can take 75 cars off the road, giving a potential annual carbon saving of 67,200km.¹ Improving reliability and tackling congestion reduces emissions and free up resources that can be used elsewhere to offer a more comprehensive network. Who owns and operators the vehicle is very much a secondary concern to factors such as reliability and punctuality.

The TAS Partnership has recently produced a report that looks in more detail at the deregulated bus market in Scotland. The report is available at:

<http://www.cpt-uk.org/uploads/attachment/4142.pdf>

CPT would be happy to provide further information on any of the issues within this response or to provide oral evidence to the Committee if required.

¹ Greener journeys, 2010