

RURAL ECONOMY AND CONNECTIVITY COMMITTEE

TRANSPORT (SCOTLAND) BILL

SUBMISSION FROM THE HIGHLAND COUNCIL

General

Highland Council was pleased to have the opportunity to give verbal evidence to the Committee. We are submitting further comments to state our views in more detail on certain aspects of the Bill.

Part 2: Bus Services

We welcome the increased options which the Bill would allow.

The provision in s.28 of the Bill as it stands would enable Councils to operate bus services directly, which may in some cases be cheaper than awarding a contract to an external operator. Therefore the question of whether such services are loss-making is less significant than the cost of providing the service (by whatever means).

Although it is implied in the Transport Act 1985, s.63, we believe that s.71A(2) should make it explicit that such services would require to be operated under a PSV Operator's Licence (unless the nature of the service allows a Section 22 Permit to be used).

There is no mention in the Bill of Council-owned arms-length companies. We believe that an arms-length company is the most appropriate model for any operation of Council-owned buses on more than a modest scale (although this would be for each Council to decide), so the Bill should enable Councils to set up or own arms-length companies. Also, such companies should have full commercial freedom and not be subject to the restriction in s.71A.

While we support the Bus Improvement Partnership proposals, the processes set out in Schedule A1 would allow the proposals to be blocked if a "sufficient number" (undefined) of operators object either to the original or to a modified proposal. There should be a method of over-ruling objections if the proposals can be shown to have broad support.

Regarding franchising, commercial bus operators cannot be expected to disclose their costs or revenues in an area where a franchise is proposed. Therefore, the lack of this information should not be a reason to fail the audit required under s.13F on the grounds of insufficient quality or quantity of information. Instead, the auditor should decide whether the financial implications have been assessed reasonably and rationally.

We believe that the level of detail required in the case for a franchise should be proportionate to the size of the proposed franchise. A requirement for excessive analysis could be an obstacle to introducing a worthwhile local franchise affecting a few routes. This may be a matter for Ministerial guidance. Also, we believe that the panel assessing the

franchise proposal should have regard to whether it supports the implementation of the Council's policies (as set out under s.13E(2)).

The Bill makes no mention of how the operator of a franchise agreement should be chosen. We understand and expect that normal procurement law would apply, but feel that the current wording of s.13L(2) could be taken to imply that once a franchise framework is made, no procurement process is necessary. Wording to clarify this would be useful.

Part 3: Smart Ticketing

We support the proposals on smart ticketing.

Part 6: Regional Transport Partnerships and Scotland's Canals

HiTrans and The Highland Council have collaborated on many positive and useful projects. We support the response submitted by HiTrans and agree that the less restrictive financial regulations proposed will be of benefit to all parties.