



### Covid 19: Impact on SPT Supported Bus Services

**Committee** Operations Committee

**Date of meeting** 21 August 2020

**Date of report** 4 August 2020

#### Report by Assistant Chief Executive

#### 1. Object of report

To update the Committee on the operation of SPT Supported Bus Services during initial stages of the Covid 19 Pandemic.

#### 2. Background

The introduction of lockdown measures across the UK in response to the Covid 19 Pandemic on 16 March 2020, coincided with an unprecedented decline in local bus service patronage across Scotland over preceding weeks. As the public were encouraged to stay at home, operators reported a patronage reduction of over 80% on both Commercial and SPT Supported bus services, compared to normal operation.

An emergency funding package to support the bus industry was introduced by Transport Scotland at the end of March 2020, facilitating the continued payment of Concessionary Travel support and BSOG payments at pre-crisis levels. Local Transport Authorities across Scotland, including SPT, continued to provide support to operators of subsidised local bus services, as did Local Authorities for Home to School Transport contracts, to varying degrees. In return, local bus operators agreed to put in place an emergency network of bus services targeted at key workers, representing circa 30 – 35% of the pre-Covid level of service. Further information is available at; <https://www.transport.gov.scot/news/emergency-support-for-the-scottish-bus-industry/>

Subsequently, emergency local bus service registration arrangements were also introduced by the Traffic Commissioner for Scotland, to allow service changes to be made more swiftly (i.e. within 24 hours) than in normal circumstances when a 70 day process applies.

To monitor local bus services and deal with emerging issues, Transport Scotland established a weekly Covid 19 Bus Group including representation from the Bus Industry, ATCO, COSLA and SPT.

SPT support 218 registered local bus services, delivered by 18 contractors, representing over 10% of the (pre-Covid19) total registered service mileage in Strathclyde. The approved budget was £9m in 20/21.

SPT operate 24 'MyBus' and 10 'MyBus Rural' Services. The approved budget was £3.4m in 20/21.

### 3. Outline of proposals

#### *Supporting delivery of the emergency bus network*

Given the emergency situation, on Tuesday 24 March 2020, the following statement was issued by SPT to our Local Bus Service and MyBus contractors;

- *“In support of local bus operators, should an SPT supported service be suspended due to the Covid 19 outbreak, SPT will continue to pay 100% of the contract costs up to 31st March SPT, and 75% thereafter, until notified otherwise. In respect of SPT supported services which connect with Hospitals, or other strategic sites essential in dealing with this National Emergency, should operators be in a position to continue to operate such services, SPT will continue to meet 100% of the contract costs, and will consider any additional costs attributable to the service on an open book, no better / no worse off principal approach. In line with guidance offered by DfT, continued payments are based on the assumption that bus operators will continue to operate and pay staff, and that should it be necessary they are willing to redirect the contracted resource onto other duties in support of maintaining essential services if requested. SPT has taken this decision in good faith and will communicate its intention to Transport Scotland and all bus operators with whom it has contracted services.”*

As noted in the above statement, SPT's focus at that point in time was supporting the emergency bus network, particularly in respect of facilitating access by key workers to Hospitals and other key sites. The vast majority of SPT Local Bus Service contracts operate on a fixed price basis, therefore contractors rely on passenger revenues, as well as concession, BSOG support and subsidy from SPT, in order for these services to be viable. With the substantial drop in passengers and revenues witnessed due to Covid19, it became clear that without such action many services would cease to operate, as they had swiftly become unviable. It was also apparent that, without such an intervention, the sustainability of the market for local bus services faced a serious and immediate threat.

Following the principles set out in the above statement, SPT engaged with our contractors in order to secure suitable coverage of the SPT supported bus network. Below is a summary of the arrangements subsequently agreed with each of our contractors;

#### **McGill's**

- Prior to the Covid19 lockdown, McGill's operated 64 SPT supported local bus services, representing a weekly mileage of circa 51,237.
- Further to discussions with SPT Officers, it was agreed McGill's would continue to operate 57 SPT supported local bus services, with 7 local being suspended, representing a revised weekly mileage circa 33,112 (Reduction of 35%).
- Contract payments retained at circa Pre-Covid levels, subject to receipt of evidence on revenue losses as direct result of Covid19 Lockdown.
- Note; subsequently agreed with SPT that McGills would restore 100% of SPT supported local bus services from Monday 3<sup>rd</sup> August.

### **Western**

- Prior to the Covid19 lockdown, Western operated 31 SPT supported local bus services, representing a weekly mileage of circa 30,850.
- Further to discussions with SPT Officers, it was agreed that Western would continue to operate 27 SPT supported local bus services, with 4 services suspended, representing a revised weekly mileage circa 28,165 (Reduction of 8.7%)
- Contract payments retained at circa Pre-Covid levels, subject to receipt of evidence on revenue losses as direct result of Covid19 Lockdown.
- Note; subsequently agreed with SPT that Western would restore 100% of SPT supported services from Monday 10<sup>th</sup> August

### **First Group (First Glasgow No1, No2, and First Scotland East)**

- Prior to the Covid19 lockdown, First operated 35 SPT supported local bus services representing a weekly mileage of 20,373.
- Further to discussions with SPT Officers, it was agreed that First would continue to operate 17 SPT supported local bus services, 18 services were suspended, representing a revised weekly mileage of circa 10,924 (Reduction of 46%)
- Contract payments retained at circa Pre-Covid levels, subject to receipt of evidence on revenue losses as direct result of Covid19 Lockdown.
- Note; subsequently agreed with SPT that First would restore 100% of SPT supported services from 24 August.

### **Glasgow City Bus**

- Prior to the Covid19 lockdown, Citybus operated 6 SPT supported local bus services representing a weekly mileage of 1,947.
- Further to discussions with SPT Officers, it was agreed that Citybus would continue to operate 2 SPT supported local bus services, with 4 services suspended, representing a revised weekly mileage circa 738 (Reduction of 62%).
- Contract payments were reduced to 75% on the 4 suspended services.
- Note; restoration of 100% of SPT supported services operated by CityBus yet to be agreed.

## ***Other Operators***

- Prior to the Covid19 lockdown, other operators provided 82 SPT supported local bus services representing a weekly mileage of circa 37,873.
- Further to discussions with SPT Officers, it was agreed that 65 of these SPT supported local bus services would continue to operate, with 17 services suspended, representing a revised weekly mileage circa 27,823 (Reduction of 26%)
- Contract payments were reduced to 75% on the 17 suspended services.

## ***Suspension of MyBus & MyBus Rural***

In addition, MyBus & MyBus Rural services were suspended by SPT on Tuesday 24<sup>th</sup> March 2020. This decision was taken given the particular vulnerability of MyBus users to the Covid 19 Virus, most of whom being older elderly passengers, alongside many disabled users, including those required to 'shield' at home during the lockdown.

Further to discussions with SPT Officers, it was agreed that the following MyBus contractors would continue to receive contract payments at 75% of the pre Covid levels, on the basis that should it be necessary they would be willing to redirect the contracted resource onto other duties in support of maintaining essential services if requested.

- Shuttle Buses – 13 MyBus / 2 MyBus Rural Services
- McGills – 5 MyBus / 3 MyBus Rural Services
- McColls – 4 MyBus Services
- Stuarts – 1 MyBus / 2 My Bus Rural Services
- Other – 18 MyBus / 10 MyBus Rural Services

Recognising the MyBus service was likely to be suspended for a significant period of time, the above MyBus resource was subsequently utilised by SPT in the following ways;

- The following MyBus contractors were redeployed on SPT local bus services which had been suspended by First Glasgow, as described above – namely, Shuttle Buses, McColl's Coaches, Stuart's Coaches and Craig's of Cumbernauld.
- The following MyBus contractors were redeployed on SPT local bus contracts which had expired – namely, McColls, Stuarts, JMB Travel and Craig's of Cumbernauld.
- The following MyBus contractors also redeployed resource to support the closure of the Subway on 4 and 5 July 2020 – namely, Shuttle Buses, McColls Coaches, Stuarts Coaches and McGill's, JMB Travel, and Craig's of Cumbernauld.

At the time of writing MyBus & MyBus Rural services remain suspended, pending further review by SPT.

## ***Additional Scottish Government support for local bus services***

Further to the above, an additional 8 week support package to the bus industry totalling £47m was introduced by Transport Scotland on 19 June 2020. In return, bus operators agreed to ramp up local bus services in line with the lifting of lockdown restrictions in Scotland, with a view to having close to 100% of services (i.e. both Commercial &

Supported Services) back in place by the end of the 8 week period on 16 August 2020. The agreement does not include support for demand responsive services, such as MyBus. Further information on the additional funding package is available at; <https://www.transport.gov.scot/news/467-million-to-help-increase-bus-services/>

A requirement of the above agreement is that operators of registered local bus services must adhere to strict physical distancing restrictions, initially limiting spacing between passengers to 2 metres, and more recently relaxed to 1 metre with the wearing of face coverings also now mandatory for passengers. These measures have significantly restricted passenger carrying capacity on local bus services by around 50%.

A further £63 million 12 week emergency support package was announced by the Scottish Government on Friday 7 August 2020, further details available at; <https://www.transport.gov.scot/news/further-63-million-to-maintain-bus-services/> .

At the time of writing, operators have restored approximately 90 to 100% of commercial local bus services, with discussions on-going to restore SPT's supported services from around 90% to 100% of pre Covid 19 levels. However, passenger volumes while growing remain very low, and services are significantly restricted by capacity constraints due to social distancing restrictions.

#### **4. Conclusions**

The onset of the Covid 19 pandemic coincided with the most significant reduction in local bus service patronage ever witnessed in Scotland. To support continued delivery of the emergency bus network across Strathclyde, particularly in respect of supporting access to Hospitals and other key sites, it was essential that SPT acted swiftly and with flexibility to secure adequate local bus provision, while passenger numbers and revenues had collapsed. The continued sustainability of the local bus market faced a serious and immediate threat, which whilst stabilised for now, will continue to pose a significant risk until passenger volumes and service revenues are restored over time.

Working closely with the local bus industry, Transport Scotland, Local Authorities, NHS Boards and other key stakeholders, over 90% of SPT supported local bus services continued to operate during the first 13 weeks of the national lockdown. To protect vulnerable SPT MyBus users, services were suspended, with contracted resource redeployed as appropriate. During this period and despite the significant challenges faced, these services, and operators, were supported utilising approved SPT budgets only, and without any direct emergency funding support from Government.

As the national lockdown measures begin to ease, SPT continues to work closely with our partners in order to restore local bus services, re-establish demand and support the re-start of both the economy and wider society in Strathclyde.

Additional funding support from the Scottish Government to the Bus Industry to ramp up local bus services towards 100% of previous levels has been agreed, with requirements to maintain physical distancing by passengers restricting capacity by up to 50%. Further rounds of emergency funding support are likely to be required to maintain these service levels and capacity restrictions, as passenger volumes and fare box revenue are re-established over time. SPT Officers will provide further updates on this in due course.

## 5. Committee action

The Committee is recommended to note this report.

## 6. Consequences

Policy consequences	<i>In line with the RTS.</i>
Legal consequences	<i>None at present.</i>
Financial consequences	<i>Please refer to financial implications report at this Committee.</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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