

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

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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