



Update on Local Bus Network

Date of meeting 24 June 2022

Date of report 16 June 2022

Report by Chief Executive

1. Object of report

To update the Partnership on issues relating to the local bus network in Strathclyde.

2. Background

The impact of the Covid 19 Pandemic on the local bus network in Strathclyde has been profound, with patronage levels currently remaining at 75-80% of pre-Covid levels (representing up to c120 million per annum in Strathclyde and South West). Putting that into context, in the decade prior to the Covid 19 pandemic bus patronage in Strathclyde & South West fell by 22% to 150 million trips per annum (a reduction of 43 million trips) - the impact of the pandemic has only hastened this downward trend.

Substantial emergency funding (over £250 million) was provided by Scottish Government to local bus operators during the pandemic in order to support adequate service levels to meet accessibility needs (particularly those of key workers and people traveling to healthcare) and latterly to accommodate physical distancing on public transport, as passengers gradually returned to the local bus network.

Additionally, on 1 April 2022 the Scottish Government introduced the £40 million Network Support Grant (NSG) scheme, aimed at helping to maintain bus services through the transitional period as passenger numbers recover from the effects of the pandemic.¹ SPT understands that the NSG scheme is likely to close in coming weeks and that major local bus operators in Strathclyde are indicating that they may significantly reduce service provision to coincide with this decision, citing wage and fuel inflation as further contributory factors.

At circa £13 million per annum, SPT's budget for socially necessary bus services was already under increasing pressure to plug existing gaps in the commercial network whilst also faced with the same significant inflationary pressures, particularly in respect of increasing fuel and wage rates.

The anticipated impact of any commercial service withdrawal as a result of the end of NSG will only serve to increase the pressure on SPT's socially necessary services budget to an unprecedented scale. The net result will undoubtedly mean increased expectations that SPT will fill the gap, but the reality is the available resources will not meet those expectations. The implications of this could have significant effects for many communities across the region, affecting their ability to get to work, go to the shops and visit friends and family.

¹ <https://www.transport.gov.scot/news/more-flexible-support-to-maintain-bus-services/>

3. Outline of proposals

3.1 Patronage and Service Delivery

Operators have highlighted that passenger recovery currently remains relatively uneven (varies by time of day and day of the week) and that certain passenger groups (e.g. commuters, and aged 60+ Concessions) have been relatively slower to return to bus use. The challenges facing Glasgow city centre, town centres and high streets alongside the growth in online retail and continued working from home have been further highlighted by operators as impacting on the base demand for bus use.

Similarly, operators report that they have not as yet experienced the uplift in bus usage that had been envisaged as a result of the Scottish Government's Under 22 concession scheme, highlighting the relatively slow uptake of U22 concession cards.

In respect of service coverage, the majority of operators and services have yet to return fully to pre-Covid levels. Services have though generally been increased/restored where demand has returned accordingly. Some express commuter services and night buses remain a particular challenge in terms of lack of peak demand and ongoing commercial viability.

Furthermore, an acute shortage of bus drivers continues to limit the ability of operators to increase service coverage and has been a contributory factor in a significant increase in the volume of services being cancelled at short notice in Strathclyde. First Glasgow, as the largest operator in Strathclyde, have been particularly impacted by the bus driver shortage. It is without doubt that this situation negatively impacts on real and perceived bus service reliability, which in turn affects passenger's decisions about using services.

In addition and as noted earlier, the end of the NSG scheme and any potential service withdrawals arising from it will only compound the cumulative impact of the above issues on the people and communities of the west of Scotland.

3.2 SPT Supported Services

In respect of SPT Supported Services, full details on all routes are available at: <https://www.spt.co.uk/travel-with-spt/bus/all-services/subsidised-bus-services/>

The closure of the NSG scheme is also likely to increase the costs of operating SPT Supported Services and is already being reflected in higher tender prices being received.

It is clear from the above that without significant additional funding support, SPT are unlikely to be able to cover substantial additional gaps in the commercial bus network that could follow the closure of the NSG scheme.

3.3 2019 Transport (Scotland) Act

Relatedly, the bus provisions of the 2019 Transport (Scotland) Act, namely Bus Service Improvement Partnership's (BSIP), Municipal Operations and Local Franchising are yet to be enacted via the associated Regulations and Guidance. SPT understands that the Regulations and Guidance in respect of Municipal operations may follow later in 2022, with those for BSIP and Franchising scheduled to be available later in 2023. SPT officers remain in regular dialogue with Transport Scotland officials on the development of this legislation and will seek to further update the Partnership in due course.

SPT would note that significant start-up and additional ongoing funding support would be required should we or a partner council elect to utilise the provisions of the 2019 Transport

(Scotland) Act bus provisions to support delivery of the local bus network (and potentially reverse service cuts that may follow the closure of the NSG scheme / other changes). It is likely that such ongoing funding support would be far in excess of SPT's current c£13m per annum budget for socially necessary bus services and may take a number of years to implement. Members' attention is drawn to the report to the Strategy & Programmes Committee on 18 February 2022², which highlighted some of the potentially significant costs, benefits and funding required should some of the bus provisions options of the 2019 Act be pursued.

4. Conclusion

The local bus network in Strathclyde remains essential for people to access jobs, services, retail, healthcare and social networks. Therefore, the significant and profound bus patronage decline during the Covid 19 pandemic and slow recovery witnessed thereafter - on the back of a decade of significant decline in bus usage in Strathclyde - represents a major source of concern. It is evident that fundamental improvements are required if the local bus network is to be effectively harnessed to support ongoing delivery of national and regional policy objectives in respect of the economy, society and environment.

Whilst emergency funding to support bus networks for essential users during the Covid 19 pandemic was essential, it is understood that the NSG scheme aimed at helping to maintain bus services while passenger numbers recover from the effects of the pandemic is to be withdrawn by the Scottish Government while passenger numbers remain at only 75% to 80% of pre-Covid levels. Major local bus operators in Strathclyde are intimating that they may reduce service provision to coincide with this decision, which may in turn further negatively impact on patronage levels and potentially create further gaps in the commercial network to the detriment of affected communities.

Without significant additional funding support to SPT, the organisation will be limited in our ability to cover such further gaps in the commercial bus network. The bus provisions of the 2019 Transport (Scotland) Act that may have been considered alongside options to address bus network coverage are yet to be finalised through secondary legislation in respect of Regulations and Guidance. Given this, it is imperative that Scottish Government act urgently to provide significant additional funding support to public transport authorities, including SPT, to bolster supported bus networks and to ensure communities are not cut off from vital bus services.

5. Partnership action

The Partnership is asked to:

- (i) note the contents of this report; and
- (ii) agree to continue to make representation to the Scottish Government to provide additional recovery funding to SPT to support the vital local bus service network across Strathclyde.

6. Consequences

Policy consequences	<i>In line with the Regional Transport Strategy.</i>
Legal consequences	<i>None at present.</i>
Financial consequences	<i>None at present.</i>

² Section 3 and Appendix 2, https://www.spt.co.uk/media/vh5prl5y/sp180222_agenda11.pdf

Personnel consequences	<i>None at present.</i>
Equalities consequences	<i>Service withdrawals will have a potentially significant impact on equality groups.</i>
Risk consequences	<i>None at present.</i>
Climate Change, Adaptation & Carbon Consequences	<i>Service withdrawals could lead to greater use of high emissions modes, such as the private car.</i>

Name Neil Wylie
Title Director of Finance & Corporate Support

Name Valerie Davidson
Title Chief Executive

For further information, please contact Gordon Dickson, Head of Bus Strategy & Delivery on 0141 333 3407.