



## **Briefing for SPT Board Members on Strathclyde Regional Bus Strategy**

### **Take Our Buses Back into Public Control**

The new powers in the Transport (Scotland) Act 2019 offer Strathclyde a once-in-a-generation opportunity to end the chaos which has been caused by bus deregulation and bring our bus network back into public control. We need SPT to seize these.

We want you to follow the example being set by the large city-regions in the north of England, which are currently in the process of regulating their bus networks through franchising: Greater Manchester, Liverpool City Region, West Yorkshire and South Yorkshire (collectively home to 8.5 million people).

Transport for Greater Manchester is the furthest along this process and its new [Bee Network](#) integrated public transport system is built around six commitments to the region's people that it will be: safe, accessible, reliable, affordable, accountable and sustainable. These are pledges which they can only deliver by having control of the whole bus network. As Mayor Andy Burnham [has said](#):

“With the launch of the Bee Network, Greater Manchester is blazing a trail for other city-regions who are ready to follow our lead in reversing the **failed bus deregulation experiment** and creating an integrated transport network that is run in the interests of, and accountable to, our communities.”

We expect nothing less for Strathclyde. The franchising powers available to SPT offer the opportunity for a significant re-empowerment of your organisation and a step change in the amount of funding SPT receive. When fully-implemented, not only would all bus fares taken in the Strathclyde area go directly to SPT, but you would also directly receive all the public subsidies which Transport Scotland currently hands directly to private bus companies with little-to-no strings attached (i.e. the Network Support Grant, and the Concessionary Travel Scheme payments etc). SPT can then use this money to cross-subsidise routes through contracts which have been designed to serve our communities' needs. This will create a direct line of accountability between the transport authority and the services being delivered (something completely absent in the current blame game created by deregulation).

Although SPT is several years behind our English counterparts (largely because of Transport Scotland's delay in enacting the powers in the Act), SPT now has a **significant advantage due to the additional power available in the Scottish Act** (not available in England), which allows you to set up a new publicly-owned operator for Strathclyde. This offers SPT the opportunity to deliver franchising in a much more cost-effective way in the longer-term and to gradually get more of the network back into direct public ownership – eventually re-building a municipally-owned monopoly, like Edinburgh's successful and affordable Lothian Buses (This approach is set out in paragraphs 6.6.5 – 6.6.6 of Systra's previous [Scoping Study](#)).

This is why it is vital that the new Strathclyde Regional Bus Strategy sets out the aim to utilise these two new powers in the Act *in tandem*:

- Firstly, SPT must **set up a new publicly-owned operator for Strathclyde** to start running subsidised services in a more cost-effective way. Highland Council's current [pilot project](#) running just 10 previously contracted-out routes is saving £1.4 million every year. If SPT's current [165 subsidised routes](#) were run by a new public operator, the savings would be vast. Having a new regional operator (co-owned by the 12 constituent councils through SPT) would also help spread the costs and benefits across the region and to improve regional connectivity across local authority boundaries.
- Secondly, SPT must immediately proceed with the complex process of re-regulating the existing private bus companies operating in Strathclyde, through 'franchising'. Not least because initiating this process unlocks powers in the Act which enable SPT to demand operating information from the private bus companies for the purposes of preparing the franchising business case. This is information which has been completely hidden from transport authorities since deregulation in 1986, making the task of transport planning all that much harder. We are aware that it may take several years for the franchising framework to be complete, but by the time it is, your new public operator should have the experience and capacity to be able to bid to run sections of the network. This will ensure that there is a public sector benchmark to check that private operators are not tendering over the odds – a safeguard which the English transport authorities do not have, and which some are now campaigning for the power to deliver.

To summarise – as Systra state in their previous [Scoping Study](#) – it is only these two powers that are “**suitable for delivering transformative change**”. And it's transformative change that we urgently need, to address chronic poverty and inequality in our region and meet our pressing climate targets: The Scottish Government aims to reduce car miles by 20% by 2030 (a target SPT has also adopted in your Regional Transport Strategy), and Glasgow City Council aims to get to net-zero emissions by the same date.

We therefore expect the Strathclyde Regional Bus Strategy to make these commitments as detailed above.

## Reject Partnerships

We have serious concerns about the proposal made in Systra's previous [Scoping Study](#) that SPT enter into a so-called 'Bus Service Improvement Partnership' (BSIP) with the private bus companies for "a minimum of five years". This is despite the fact that the same Study acknowledges that BSIPs are "unsuitable for delivering cheaper and fully integrated fares" – the two things we most urgently want to see.

There is a huge amount of evidence (including in Centre for Cities' most recent '[Miles better](#)' report) that no partnership model, no matter how it is framed, can deliver the transformational change that we need to see to our public transport system. A BSIP would simply maintain the failing status quo that SPT has highlighted so well in your [Case for Change](#). This fact was put most succinctly by the former UN Special Rapporteur on Extreme Poverty & Human Rights, Professor Philip Alston, when he wrote in his 2021 [report into the UK bus sector](#), "It is time partnerships are recognised as a tried-and-failed approach that should be retired in favour of actual regulation of public transport." p.33

We note that *none* of the English city regions, which are now pursuing bus franchising: Greater Manchester, Liverpool City Region, West Yorkshire and South Yorkshire, first entered into a statutory 'Enhanced Partnership' (the English equivalent to a BSIP) with bus companies before or whilst developing franchising. If SPT was to take this **misguided approach** it would be a costly waste of time which would only delay even further, and potentially sabotage altogether, the complex, but essential process of taking the bus network back into public control through franchising.

This is because BSIP regulations have also been delayed by Transport Scotland, and are now not likely to be enacted until April 2024. Even then, the Systra Scoping Study states that the process of creating a BSIP could cost £1.5million to establish and £50-£250k annually to run – money which would much better be invested in accelerating the franchising process. But most importantly, any proposal to enter into a BSIP has to be put out to a full public consultation – at which point it will face *fierce public opposition* for all the reasons described above.

Transport Scotland have assured us on numerous occasions, that funding from the Bus Partnership Fund for bus infrastructure can still be accessed even if SPT decides to pursue franchising (or municipal ownership), so this is the approach you can and must take.