
To: AUDIT, SCRUTINY AND PETITIONS BOARD

On: 30 November 2015

Report by: Lead Officer

Heading: Bus Deregulation and its Effect on Transport Services in Renfrewshire

1. Summary

- 1.1 At its meeting on 1 June 2015 the Audit, Scrutiny and Petitions Board agreed a programme of activity for 2015/16 and 2016/17. This included a review to consider bus deregulation and its effect on transport services in Renfrewshire.
- 1.2 The purpose of this report is to provide background information on the relevant issues and to recommend the scope and timetable for the review.
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2. Recommendations

- 2.1 The Scrutiny Board is asked to:
- Approve the purpose and scope of the review
 - Approve the provisional timetable outlined in the report
 - Delegate the powers to the lead officer in consultation with the Convener and Depute
 - Convener of the Board, to alter the timetable giving regard to the availability of evidence and witnesses
 - Authorise the lead officer to contact those potential witnesses
 - Authorise the lead officer to make necessary arrangements to progress the review within the agreed timescales
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3. Background

- 3.1 The Transport Act 1985 led to the deregulation of bus services across the UK, including Scotland. This Transport (Scotland) Act 1989 restructured the Scottish Bus Group into ten separate independent bus companies which were subsequently, raising £90 million for the Exchequer.
- 3.2 Deregulation of bus services led to significant changes to the operating environment and the pattern of ownership in the bus industry. Bus operators were required to register routes and timing of each service with Traffic Commissioners.
- 3.3 In 2000, Scottish Government introduced the Transport (Scotland) 2000 which provided a framework intended to allow local transport authorities to enhance the provision of local bus services via Quality Partnerships and Quality Contracts. The Transport (Scotland) Act 2005 provides local authorities in the Strathclyde Partnership for Transport (SPT) area with concurrent powers to introduce Quality Partnerships and Quality Contracts. In reality, however, these mechanisms have been under used, with only a small number of partnerships or contracts in place.
- 3.4 Since the deregulation of bus services in 1985 the overall trend is that bus patronage has decreased and subsidies provided for bus services have also decreased. Over a similar timescale patronage on railways has increased by approximately 40% since the introduction of a franchise based system.
- 3.5 In the initial period following deregulation, a range of companies registered to provide bus services. One consequence of having a market driven system is that bus operators are attracted to profitable routes, but are less interested in providing services on non-profitable routes. This has led to a situation, in many rural areas in particular, where service provision is poor, or even non-existent.
- 3.6 Local Transport Authorities can subsidise services which would otherwise not be commercially viable, however, in general the level of subsidy provided in recent years has declined.
- 3.7 As the market developed, many smaller companies either ceased trading or were taken over by bigger rivals. Currently there are four main providers of bus services in Scotland. Lothian Buses (95% owned by City of Edinburgh Council) , First Bus, Stagecoach and McGills - the main provider of services in Renfrewshire.
- 3.8 Scottish Government established a national Bus Stakeholder Group to consider opportunities for changes to bus policy that would lead to positive change for bus users. Linked to this, SPT developed a "10 Point Plan" proposing changes to bus policy aimed at delivering a higher standard of bus service taking cognisance of public sector funding constraints.

- 3.9 In May 2013, Ian Gray, MSP for East Lothian, proposed the Bus Regulation (Scotland) Bill to provide transport authorities with greater powers to set service levels for local bus services, including power to group profitable routes with non-profitable routes before they are put out to tender with operators. In the consultation document associated with the Bill, Mr Gray cites examples from several areas of Scotland where bus services had been withdrawn by bus companies and local authority funding was removed for subsidised bus routes.
- 3.10 The stated aim of Mr Gray's Bill is to reform bus service regulation in Scotland, giving more power to transport authorities to secure a minimum standard of service from operators, ensuring better value for public money.
- 3.11 The Scottish Government states that its policy is based on a partnership approach between local authorities, regional transport partnerships and bus operators, working to provide good cost effective services via a regulated competitive market.
- 3.12 Although the Government's view is that the current system in Scotland generally works well, it recognises there is room for improvement. Transport Scotland and the national Bus Stakeholders Group are considering proposals aimed at improving aspects of bus service delivery, including consideration of the bus service registration process and proposals to improve the rules governing statutory quality contracts and quality partnerships.

4. Local Picture in Renfrewshire

- 4.1 According to the 2011 census, the percentage of households with access to a car is slightly lower than the Scottish average (65.6% compared to 69.5%). The SPT Renfrewshire Transport Outcomes Report for 2015/16 states that one in three Renfrewshire residents use the bus every week and 12% use a bus to travel to work. Areas of concern include connecting residents who live in areas of high deprivation to services and to employment opportunities as well as providing support to the growing older population and improving links to small towns and rural areas.
- 4.2 Strathclyde Transport Partnership (SPT) is the regional transport partnership for 12 Councils in the west of Scotland, including Renfrewshire. SPT agree joint work streams with Renfrewshire Council and provide funding with the aim of working towards the delivery of the Regional Transport Plan, including providing capital grants for bus infrastructure.
- 4.3 According to SPT, 93% of bus services in Renfrewshire operate on a commercial basis, provided predominately by McGill's, with a small number of services operated by First Bus. Where there are gaps in service, for example on some routes at evenings or Sundays, SPT provide services including 16 supported local bus services and 4 "MyBus" services.

- 4.4 Renfrewshire was the first local authority to enter into a statutory Quality Partnership agreement, with SPT and bus operators, aimed at improving bus infrastructure and setting minimum standards for buses in relation to emissions and accessibility.
- 4.5 Renfrewshire Council have considered the issues surrounding bus services and our relationship with SPT, most recently in 26 March 2015, when in response to a motion submitted by Councillors Andy Doig and Nicolson the Council decided *“that the Council agrees that we should concentrate the efforts of all services on delivering services that deliver results. Council believes that SPT is an effective model for the delivery of an integrated transport system that would be further enhanced by the power to re-regulate bus services. Council will write to the Minister for Transport seeking his support for the re-regulation of bus services proposed in the Bus Regulation Bill”*.
- 4.6 In his subsequent response to the letter sent to him by the Council, Derek MacKay, Minister for Transport and the Islands, advised that he had met with Ian Gray to discuss his proposals and that the Scottish Government was reserving its position.

5. Purpose of the Review

- 5.1 The purpose of the review is to evaluate the effectiveness of the current system in providing bus services to the travelling public and to consider the potential outcomes of proposed changes to legislation, or other options that emerge as part of the review.
- 5.2 The expected outcome of the review is that final report will be produced that will allow the Council to take an evidence based view on the current status of bus services in Renfrewshire and on the benefit or otherwise of proposed changes to the legislative framework.

6. Scope of the Review

- 6.1 It is recommended that the review takes the form of evidence gather from a range of stakeholders with an interest in the provision of bus services, including:
- Representatives of Bus operators;
 - Representatives of Strathclyde Partnership for Transport
 - Community representatives from areas with perceived poor bus services
 - Representatives from neighbouring or comparable local authorities

- Representative from Community Resources (Transport), Renfrewshire Council
- Traffic Commissioner
- Representatives of Transport Scotland
- Local MSPs
- Ian Gray MSP
- Relevant academic representatives

7. Timetable

7.1 It is proposed that the review commences at the meeting of the Scrutiny and Petitions Board on 29 November and is thereafter progressed through subsequent Board meetings, with a final report being submitted.

7.2 As outlined above a range of witnesses will be invited to submit evidence to the Audit Scrutiny and Petitions Board, either in writing or by presenting to the Board at its scheduled meetings in January, February and March 2016. A final report will then come to the Board at its meeting on 25 April 2016.

Implications of the Report

1. **Financial** - Cost of conducting the review will be met from within existing budgets
2. **HR & Organisational Development** – *None*
3. **Community Planning** – *None*
Children and Young People – *None*

Community Care, Health & Well-being - None

Empowering our Communities – None

Greener - None

Jobs and the Economy - None

Safer and Stronger – None

4. **Legal - None**

5. **Property/Assets – None**

6. **Information Technology – None**

7. **Equality & Human Rights**

The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety – None**

9. **Procurement – None**

10. **Risk – None**

11. **Privacy Impact - None**

List of Background Papers

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