

Report To: Environment & Regeneration Committee **Date:** 18 January 2018

Report By: Corporate Director Environment, Regeneration & Resources **Report No:** ERC/ENV/WR/17.319

Contact Officer: Steven Walker **Contact No:** 714828

Subject: Scottish Government/Transport Scotland – Various Consultations

1.0 PURPOSE

1.1 The purpose of this report is to seek Committee approval to support and endorse the consultation responses of Strathclyde Partnership for Transport in respect of Scottish Government/Transport Scotland Consultations in relation to bus services, free bus travel, smart ticketing, and low emission zones.

2.0 SUMMARY

2.1 The Scottish Government and their agency, Transport Scotland, have issued four consultation documents, as follows:

- “Local Bus Services in Scotland – Improving the Framework for Delivery”;
- “Free Bus Travel for Older and Disabled People and Modern Apprentices”;
- “The Future of Smart Ticketing in Scotland”; and
- “Building Scotland’s Low Emission Zones”.

2.2 Given the primary role of Strathclyde Partnership for Transport (SPT) in relation to bus services, and the significance of the role of public transport in relation to the successful delivery and operation of future low emission zones, SPT have prepared detailed responses to each of the above listed consultations.

2.3 Council Officers have reviewed SPT’s responses to the Scottish Government/Transport Scotland and consider that it is appropriate to support and endorse these responses.

3.0 RECOMMENDATIONS

3.1 That the Committee support and endorse the consultation responses of Strathclyde Partnership for Transport in respect of Scottish Government/Transport Scotland “Local Bus Services in Scotland – Improving the Framework for Delivery”, “Free Bus Travel for Older and Disabled People and Modern Apprentices”, “The Future of Smart Ticketing in Scotland”, and “Building Scotland’s Low Emission Zones”.

Willie Rennie
Head of Environmental and Commercial Services

4.0 BACKGROUND

4.1 The Scottish Government and their agency, Transport Scotland, have issued four recent consultation documents, as follows:

- “Local Bus Services in Scotland – Improving the Framework for Delivery”;
- “Free Bus Travel for Older and Disabled People and Modern Apprentices”;
- “The Future of Smart Ticketing in Scotland”; and
- “Building Scotland’s Low Emission Zones”.

4.2 Given the primary role of Strathclyde Partnership for Transport (SPT) in relation to bus services, and the significance of the role of public transport in relation to the successful delivery and operation of future low emission zones, SPT have prepared detailed responses to each of the above listed consultations.

4.3 SPT have received requests from a number of Councils for their views on these consultations. Council Officers have reviewed SPT’s responses and consider that these align with the Council’s aspirations in relation to the delivery of high quality, integrated public transport services, along with building a sustained focus on long term national and local aims in relation to improving air quality for all. As such, Officers consider that it is appropriate to support and endorse SPTs consultation responses to Scottish Government/Transport Scotland.

5.0 RECOMMEDATIONS

5.1 That the Committee endorse the consultation responses of Strathclyde Partnership for Transport in respect of Scottish Government/Transport Scotland “Local Bus Services in Scotland – Improving the Framework for Delivery”, “Free Bus Travel for Older and Disabled People and Modern Apprentices”, “The Future of Smart Ticketing in Scotland”, and “Building Scotland’s Low Emission Zones”.

6.0 IMPLICATIONS

6.1 Finance:

One-off costs:

Cost Centre	Budget Heading	Budget Years	Proposed spend this report (£000s)	Virement from	Other comments
N/A					

Annually recurring costs:

Cost Centre	Budget Heading	Budget Years	Proposed spend this report (£000s)	Virement from	Other comments
N/A					

6.2 There are no legal implications arising from this report.

Human Resources

6.3 There are no specific HR implications arising from this report.

Equalities

6.4 As this report does not involve a new policy or a new strategy, there are no equalities issues arising.

Repopulation

- 6.5 The provision of good quality bus services and associated policy and facilities, along with the development of low emission zones, will have a positive benefit to the Council's Repopulation Strategy.

7.0 CONSULTATIONS

- 7.1 The Chief Financial Officer, Head of Legal & Property Services, and the Corporate Procurement Manager have been consulted on the contents of this report.

8.0 LIST OF BACKGROUND PAPERS

- 8.1 None.

Appendix 1 – “Local Bus Services in Scotland – Improving the Framework for Delivery”

APPENDIX 1

Transport Scotland Consultation Local Bus Services in Scotland – Improving the Framework for Delivery

SPT response – DRAFT

Partnership

Q1. Do you think that legislation (either via the existing sQP model or another) is required to secure the benefits of partnership working? Yes/No?

SPT response: Yes.

Please explain your answer to this question.

SPT response:

At the outset, it is worth highlighting that it could be argued that the need to legislate to stimulate any market is regrettable. Healthy markets often need checks and balances brought about by legislation and other means to ensure a level playing field for competition, for health and safety reasons, for regulatory purposes, and others, and that is understandable. Where there is evidence that a market is on an apparently consistent downward trend – as could be argued in the west of Scotland bus market where patronage is in steep decline - relying on legislation to stimulate growth or arrest this decline is a worrying situation. This in turn raises the wider question of what kind of market bus should aspire to be, but that is perhaps a deeper issue which would require a more fundamental and wider ranging review.

SPT believes true and meaningful partnership working must form the heart of any new legislative provision to address the decline in the bus market of the west of Scotland. This means new arrangements must have the flexibility to reflect local and/or regional circumstances; must enable new partnerships/alliances to accommodate membership by organisations across the broad spectrum of society – community, business, planning, others; must be accountable, through established transport authority governance procedures, and to the Traffic Commissioner; have the power and ‘teeth’ to deliver; be empowered to establish their own ‘voting’ procedures, while also respecting the role of the transport authority; and last but not least, have the ability to access appropriate levels of new funding to deliver the change required. SPT believes that our proposal for the Strathclyde Bus Alliance should form the model for any future changes to the Scottish bus delivery framework.

In response to Q1, given the range of public and private sector interests in the bus market (there are currently 53 bus operators in the west of Scotland) and who may have conflicting agendas, it is both appropriate and necessary that any formal

agreements backed by statute can be created and put in place. Legal agreements necessitate a robust level of scrutiny and assessment that, by their very nature, voluntary agreements do not. Should there be disagreement within a partnership, legal agreements also provide an agreed basis to work from in conflict resolution.

Notwithstanding the above, the current legislative framework for bus in Scotland has not, in the west of Scotland at least, delivered the step-change improvements expected or required. Having said that, it is worth highlighting that the statutory Quality Partnerships (sQPs) 'made' in the west of Scotland – the only ones in the country as a whole - may not have stimulated the bus market as much as would have been envisaged but they have certainly made it 'less worse' in certain places and/or for periods of time by slowing decline. So while the bus market may not have seen long-term, sustainable growth as the outcome, it is undeniable that the west of Scotland sQPs have succeeded in improving the quality of the bus 'offer' to the public.

In conclusion, SPT believe the case for legislation with regard to the west of Scotland bus market is strong and undeniable, provided the right framework and mechanisms are available to partners, and are effective enough to deliver the necessary improvements for passengers.

Notwithstanding this however, and while appreciative of the timebound restrictions of the parliamentary process for new legislation, we believe it would be more appropriate and in line with logical process for any new transport-related Bill to be presented following the completion of the new National Transport Strategy (NTS2), in order to take the provisions of the new strategy into account.

Q2. Do you feel that statutory Quality Partnerships as defined in the Transport (Scotland) Act 2001 provide the right framework for partnership working? Yes/No?

SPT response: No.

Please explain your answer to this question.

SPT's response derives from the experience of being the only transport authority in Scotland with direct knowledge of developing and making an sQP, which in itself speaks volumes about making the current legislation work in practice.

The reality is that, despite enormous effort and significant resource, trying to get all parties – transport authority, local authority, operators – to agree to an sQP of sufficient scale to adequately deal with issues identified proved very challenging and ultimately, futile. This in turn necessitated the diminution of an sQP to, in essence, a position of compromise. In the end, it could be said that sQPs were unworkable; partners realised the reality of delivering an ambitious sQP was beyond them, opted for a compromise, and ended up with a sub-optimal outcome that did not deal with

problems sufficiently. A final point to note is that, perhaps contrary to accepted belief, operators were not the problem in delivering effective sQPs; their aspirations were sufficiently high.

There were, however, some positives to take from the sQP experience – as noted above, their achievements on the whole made the market ‘less worse’ and in some cases, arguably delivered improvements. Good examples would be Paisley town centre, Glasgow Streamline and Fastlink.

Fundamentally though, the key issue faced by sQPs was getting partners to deliver. A general inability to do so perhaps reflect a deeper apprehension about tackling a whole range of issues: overreliance on cars, failures in planning, place-making, public realm, integration, over-provision of parking, and not dealing with congestion are just some of these. There is also perhaps a lack of understanding or appreciation of the importance of bus in today’s society from a social, economic and environmental perspective. These are core issues which require greater focus and attention, and we believe addressing them should be a key outcome of this consultation.

In summary, ambitious but workable new forms of partnership are essential if the bus market is to survive its decline, and the experiences noted above must be borne in mind in the development of any new such partnerships.

Q 3. Do you agree with our proposals for Service Improvement Partnerships as outlined in pages 32-35? Yes/No?

SPT response: No

Please explain your answer to this question.

SPT has long advocated effective change in the policy and delivery framework for bus in Scotland through the ‘Ten Point Plan’ and more recently, our proposal for the Strathclyde Bus Alliance.

We strongly support the need for change, but do not believe that Service Improvement Partnerships (SIPs), in their current proposed form, will deliver the level of change needed to stimulate the bus market.

We very much welcome the fact that the proposed SIPs would be based on the Enhanced Quality Partnerships (EQPs) of the Bus Services Act 2017, and indeed hope that they could be even more progressive than EQPs. We would advise though that in order to more appropriately reflect the partnership approach at the heart of any new model, the term ‘Bus Alliance’ (BA) should be used instead of ‘Service Improvement Partnership’.

SPT is supportive of the proposal to extend the range of standards beyond those of an sQP to include setting service frequencies and maximum fares. We are also very supportive of the commitment to making any new arrangements genuine partnerships in development and delivery.

Regarding the process for establishing a SIP, SPT supports the proposed first step of a review of the bus service network being undertaken which would in turn form the basis of the SIP, and that this is done in partnership between the transport authority and operators. However, in an area such as Strathclyde where there are 53 bus operators, we would expect the transport authority (SPT) to take the lead in this as we are the 'independent party' who would work in the interests of all, especially passengers. It is essential that the role of the transport authority is recognised and given sufficient status in order to make effective decisions which are in the interests of all, particularly the travelling public.

Moreover, we believe that the review of the bus network should be extended to "transport network" in order to take a truly integrated and co-ordinated approach to transport planning and delivery in the area concerned. Again, transport authorities such as SPT are ideally placed to take the lead in this.

Taking the above proposal further, it is worth highlighting that the relevant Regional (or dependent on area, Local) Transport Strategy is the ideal vehicle for such a review, as it already has statutory powers, is enshrined in legislation and is ultimately approved by Scottish Ministers. Indeed, the requirements of such a review – or "Improvement Plan" – as noted in section 5.28 could be undertaken within the auspices of an RTS. In essence, a transport authority, having undertaken due process and consultation in developing an RTS, should be able to mandate the introduction of an Improvement Plan and Scheme.

We welcome the proposal that, once the review or "Improvement Plan" is complete, the transport authority and operators work in partnership to identify how issues identified should be addressed through an "Improvement Scheme", and broadly agree with the scope of a Scheme as outlined in sections 5.30-5.32. We would however highlight that similar to how the Scheme would 'require' a transport authority to undertake specified actions, the Scheme should also be allowed to 'require' an operator to do the same.

SPT agrees with the proposals regarding requesting information from operators and the flexibility of a Scheme as outlined in sections 5.33-5.34.

We do, however have significant concerns about some of the proposals put forward in sections 5.35-5.39 ("Voting Mechanism and Consultation"). Firstly, regarding the proposal of operators being able to 'express a view' when a Plan and Scheme are drafted does not seem to take account of the fact that operators would have been involved in both the Plan and Scheme development as outlined in previous sections

(5.27, 5.29). This proposal and that of the transport authority only being able to progress the Plan and Scheme if there were 'sufficient support' from operators appears to give operators a 'veto' or 'final say' on a Plan and Scheme despite having been involved in their development. This is an unworkable situation and, as noted earlier, the transport authority must be allowed to do its job, have appropriate powers, take the lead, make decisions and move forward. A SIP which requires 'full' consensus is destined to fail; this simply will not happen.

Looking at the west of Scotland, if SPT were to progress a SIP and continually have to check that operators were content with proposals while working in fear that one operator disagreeing would stop the SIP, this would be a wholly unacceptable situation that is not in the best interests of the public.

We also have concerns about the next stage of the process, where if a Plan and/or Scheme have 'support' from operators, the transport authority may then be allowed to initiate a consultation. Again, this is an unworkable proposition that does not recognise the role of or give sufficient weight to the transport authority. This, and the next stage where, after consultation, the transport authority 'makes' the Plan and Scheme, subject to "sufficient support from operators" would appear to give operators yet another chance to 'veto', which again, is unacceptable.

Regarding consultation, it is worth highlighting that it is expected that a key component of our Strathclyde Bus Alliance proposal will be to create a formally constituted community engagement panel with an appropriate range of representatives from across the west of Scotland, and a clear remit. The model being considered is similar in style to London TravelWatch.

The proposal as outlined provides at least 3 opportunities for operator(s) to 'veto' a SIP for any reason at any time, without need for explanation. This scenario is wholly unacceptable, unworkable, and would be a retrograde step to a position which would be far weaker than current legislative provisions.

In addition to a greater recognition of the powers and publicly accountable decision-making responsibilities of a transport authority, the integrity and validity of consultation/engagement/co-design must be acknowledged. Unfortunately, the process as outlined could lead to the situation where a SIP has the support of the transport authority, the public, other stakeholders (Councils, NHS, Chambers of Commerce, and others) but is halted by an operator for commercial reasons without explanation. This is fundamentally wrong, is not what our failing bus market needs in future to arrest decline and generate growth, is not in the best interests of the 'public purse', and, crucially, not in the interests of the public and passengers.

Finally in relation to this section, we believe that, contrary to Transport Scotland's desire for the new partnership system to not be "overly bureaucratic", the proposed 'Voting Mechanism and Consultation' approach as outlined has the potential to

create significant additional bureaucracy, confusion, and ultimately wasted effort; a system which would not work in the public interest and is simply unworkable.

SPT has attached our proposal (Appendix 1.1) for the Strathclyde Bus Alliance (SBA) to our response. We believe this model, given legislative backing, would deliver far greater improvements than the SIP model. As can be seen, our SBA model has a far wider remit, covering issues such as a combined authority approach to ensuring transport is considered earlier (at site selection stage) in the development management process through improved and mandatory transport assessments.

Q 4. If a new form of statutory Partnership is introduced, do you agree that statutory Quality Partnerships as defined in the Transport (Scotland) Act 2001 should be replaced (i.e. they would no longer be available as a tool for LTAs)? Yes/No? Please explain your answer to this question.

SPT response: Yes.

While we are supportive of this, we agree with Transport Scotland that those sQPs currently in place should be allowed to run their course, unless it makes sense to utilise any effective new legislation arising from this consultation.

SPT is firmly of the view that there is little point in progressing legislative change to the framework for bus service delivery in Scotland if current mechanisms are allowed to continue. Both sQPs and Quality Contracts have been available for use for many years yet these have been options rarely, if at all, considered (the SPT area sQPs being the exceptions). The proposals in the consultation for SIPs, local franchising and municipal bus companies should be the successor arrangements for sQPs / QCs, provided they are developed further to be more effective.

Local Franchising

Q 5. Do you think that transport authorities should have the power to franchise bus services (either via Quality Contract or another system)? Yes/No? Please explain your answer to this question.

SPT response: Yes.

It may be worth considering that an interim step between 'partnership' and 'franchising' might be the Public Transport Authority being able to exercise 'powers of direction'. Sometimes very simple changes could be made to services and routes to enable them to better meet public need, but are not made voluntarily by operators due to operational efficiency or expediency; 'powers of direction' could be a very useful tool in this regard.

Before considering the concept of franchising, it is worth highlighting that such an intervention would not be necessary if transport authorities were actually allowed to do their job i.e. plan the transport network. Any new Scottish Transport Act needs to further empower and enable a transport authority to have formal powers and statutory responsibilities in planning the transport network, which others must then work towards. Where the commercial transport market provides a solution in line with the transport authority's plans (e.g. Regional Transport Strategy), that is good; if not, the authority should have a mandate to look at other options e.g. SIP, franchising.

For too long now, public authorities committed to improving the transport network have had to rely on goodwill to deliver goals - for example, 'integration' between modes. This will only happen if we make it happen, and this must be through empowering the transport authority to do so.

SPT believe that any new bus delivery framework in Scotland must be sequential in nature, i.e. voluntary partnerships considered first, potentially the 'powers of direction' step mentioned above, then 'SIP', then franchising/authority run bus services.

With regard to funding, the hard reality is that too little has gone into the bus market over recent years; this despite the fact that bus is by far the biggest public transport mode in Scotland, carrying four times as many passengers as rail. Current funding in reality only allows transport authorities to 'react' to what is happening in the bus market, and is not at a level where they would have the ability to 'plan' it. In this regard, it may be worth considering some form of future intervention similar to the previous Bus Route Development Grant (BRDG), which provided funding to the network through the transport authority.

Specifically in regard to franchising, a scenario where, for whatever reason (such as major operator failure), a bus network is wholly or substantially removed and thousands of passengers are left without a service, and there is no commercial willingness to provide a solution, having no provision for a responsible authority to step in and provide that service even on a temporary basis is wholly unacceptable. So for this reason alone, having a legislative option to franchise a bus network is essential.

However, across the entire spectrum of franchising options, it is difficult to imagine how any option could be assembled without appropriate funding in place. Moreover, clarity on the realities and financial risks to public authorities of franchising a bus network need to be made clear to those considering such an option – the most obvious of these is in relation to funding and taking the revenue risk.

On a more local level, there may be scenarios where current service provision in an area is deemed unsatisfactory, perhaps in terms of areas served or at particular times of day (evenings, for example). Presently, the solution to such scenarios is sub

optimal: either the transport authority (without any legislative backing) attempts to convince a commercial operator to provide a service, or that authority attempts to subsidise the service, often impossible due to costs or budgetary constraints. Having the 'threat' of (and easier route to) franchising could go a long way in resolving this.

Q6. Do you think that the existing Quality Contracts require change to make franchising a more viable option? Yes/No? Please explain your answer to this question.

SPT response: Yes.

SPT believes that the current legislative provision for Quality Contracts requires more than just change; it needs completely replaced. Our views on the current QC mechanism are referred to in the consultation document – that QCs in their current form are unworkable – and we therefore welcome such proposals as Transport Scotland's desire (section 5.68) to simplify the justification for considering any future franchise option.

Q 7. Considering the information on our proposal on pages 38-42, a) Do you think that there should be any consent mechanism for an authority to begin the process of assessment for franchising? Yes/No? Please explain your answer to this question.

SPT response: Yes.

SPT is firmly in agreement with the statement in section 5.67: "[Transport Scotland] think that the ability to consider any of the options for improving bus services in their area should apply to all transport authorities where they think it will to any extent deliver their policies". Building on this, it is worth noting that Scotland has a wide range of often very different bus markets facing very different futures. The most obvious example is comparing the west and east of Scotland's central belt: In the west, bus patronage has declined by 56million over the last 10 years, and the market is served by 53 bus operators (who are not, it is worth noting, evenly spread across the region); in the east, bus patronage has increased over the same period (although now appears to be levelling out), and is served by one main operator and a handful of smaller operators.

In determining how to address the future of their bus market, the local/regional transport authority is best placed to take the lead on this, and it is vital that there are as many 'tools in the box' as possible for them to deal with issues effectively. It is therefore essential that that 'toolbox' contains an option to franchise should circumstances require it.

However, to ensure buy-in and certainty from the outset of any option appraisal that may include franchising, it is essential that a transport authority has a definable

mandate or has received consent to pursue a franchise option. This would ensure that authority has demonstrated awareness of the benefits/disbenefits of such an option, as referred to in section 5.70.

SPT believes the most effective way of achieving this mandate or consent is through the transport authority's Local/Regional Transport Strategy (and potentially through undertaking a 'BA review' as we outline in response to Q13). For example, in the case of an RTS, this is a statutory document as defined by the Transport (Scotland) Act 2005 which is subject to a rigorous development process and wide consultation, and is ultimately approved by Scottish Ministers. Should the relevant PTA choose to clearly define the criteria in which it will consider a franchising option within an RTS, and this receives support through consultation, then this would be a clear mandate to pursue such an option.

7b) Do you think that there should be a requirement for independent audit of the business case for franchising? Yes/No? Please explain your answer to this question.

SPT response: No.

RTPs such as SPT are already subject to significant scrutiny and audit through established governance structures. SPT Partnership Board decisions can be scrutinised by the SPT Audit and Standards Committee which can challenge decisions made. SPT believes that a transport authority, who wishes to pursue franchising and has reassurances about funding being in place, is best placed to be able to make the decision about the most appropriate option to take forward. This resonates with Transport Scotland's view at section 5.67 which we referred to earlier.

7c) Do you think that there should be an approval process beyond that of the transport authority itself, before franchising can take place? Yes/No? Please explain your answer to this question, including (if yes) what kind of approval process.

SPT response: No.

Further to our answer to Q7a, SPT believes that if the development process, option appraisal/business case for a franchise is done effectively, appropriately, proportionately and transparently, and there is funding in place, then there would be no further requirement for approval to franchise beyond that of the transport authority itself, especially if the sequential approach we suggest is adopted, meaning the rigorous SIP process would already have been completed. This again resonates with Transport Scotland's comment at section 5.67.

It is worth remembering that transport authorities like SPT are democratically accountable public bodies with established governance procedures and a range of legislative requirements and responsibilities to fulfil. This makes them ideal vehicles for the consideration and approval to franchise.

Transport Authority Run Bus Services

8 (a) Do you think that transport authorities (including 'model III' RTPs) should be able to directly run bus services? Yes/No? Please explain your answer to this question.

SPT response: Yes.

We believe it is essential that SPT retains the powers to run bus services – for example, in the circumstances outlined in our response to Q8(b) - as a 'model III' RTP.

It is SPT's firm view that consideration of PTAs running their own bus services, or indeed franchising – again, if funding is in place - should not find itself in competition with established, well run and efficient commercial bus services delivered under the direction of the 1985 Transport Act which facilitated 'deregulation'. Where it is clear and evident (identified through the LTS/RTS or the 'BA review' process we refer to in response to Q13) that the public are not receiving an adequate bus service, then PTAs running their own bus services should be considered as an option.

As the consultation notes, SPT already has the right to run bus services should we wish to or should our councils wish us to do so. While this is not an option we have been required to pursue previously, we remain ready to take action in that regard should circumstances make it necessary.

Similar to our answers to earlier questions, the ability to run a bus service ensures that we stand ready as the 'operator of last resort' should there be a major or catastrophic failure in the west of Scotland bus market.

8 (b) Please describe the circumstances in which this might be appropriate.

Below are some examples where, if funding is available, SPT may consider it appropriate to operate a bus service:

- Catastrophic market or operator failure.
- If, through some new form of partnership such as the Strathclyde Bus Alliance, SPT directly operated the "socially necessary" bus network while the commercial network was run by operators.
- Where it can be demonstrated that best value for the public purse would be achieved if an arms-length organisation ran a socially necessary bus service rather than accepting a tender from private operator.
- Where a market in a particular area and/or at a particular time was deemed insufficient for the local community or economy, and there was no interest from private operators in running a service – an example would be the Public Social Partnership developed by SPT currently providing a service in rural Ayrshire.
- To provide interchange connections between transport modes.

8 (c) What, if any, safeguards do you think should be put in place to ensure that no operator has an unfair advantage in a deregulated market? Please explain your answer to this question.

SPT response:

For clarity, SPTs interpretation of the above question is that the operator in question is a 'transport authority bus service operator' and therefore our response is from that perspective.

As is outlined in the consultation document, the bus market has been deregulated across the UK outside London for more than 30 years. This would seem more than sufficient time for decision-makers to assess whether the deregulated market has appropriate checks and balances in place to ensure no operator has an unfair advantage, and then to act on that assessment.

We note Transport Scotland's comments at sections 5.102 and 5.103, and agree with the principle of them, but would highlight that, if a transport authority must prepare a business case to enter the bus market as an operator, and that business case examines whether this intervention would distort competition or give an operator unfair advantage, that should provide sufficient reassurance regarding any concerns about market distortion.

8 (d) What, if any, checks and balances do you think should be put in place for a transport authority looking to set up an arms' length company to run buses? Please explain your answer to this question.

SPT response:

It is worth highlighting that there is already a range of legislation in place which any public body considering setting up an arms-length organisation must consider and adhere to prior to establishment of that organisation.

Similar to our responses on local franchising, SPT believes that any checks and balances should be considered as part of the development process (for example, criteria could include targets set for the franchise e.g. relating to patronage) for a proposal to set up a transport authority's arms-length bus company. Above all though, best value, and whether the proposal is in the public interest, should guide decision-makers on the benefits / disbenefits of setting up such a company (again a good example here would be the Public Social Partnership developed by SPT working with the Third Sector to operate a service in rural Ayrshire). In any event, any bus operation whether municipally owned or operated or privately operated, must continue to be subject to current regulatory provisions (on safety, driver competency, Protection of Vulnerable Groups, vehicle standards, etc.) and there should be no dilution in that regard as a result of any new legislation.

NOTE: Questions 9(a) to 9 (d) – see responses to Q8.

Open Data

10. Do you agree with our proposals to require the operators of local services to release open data on routes, timetables, punctuality and fares in a specified format? Yes/No? Please explain your answer to this question.

SPT response: Yes.

SPT is very supportive of Transport Scotland's proposals regarding open data. We believe there are significant public interest benefits in requiring operators to release open data on routes, timetables, punctuality, and fares, including:

- Much improved travel information for the public, comparable with other modes such as rail.
- Vital for traffic control systems for bus priority measures that support network reliability.
- For management of any disruption on the transport network.
- Stimulating third party development of digital journey planners (e.g. smartphone apps).
- Better, and more, data for use in transport planning analysis and project development.

SPT has developed and is further enhancing a suite of digital products which will be able to extract RTPI, route, fares and timetable information for utilisation by and dissemination to a range of media in both digital and 'hard copy' form.

Fares, timetable and route performance (punctuality, reliability) is vital in ongoing collective efforts to encourage greater public transport (specifically, bus) use.

We further believe that detailed bus service and stop patronage data should similarly be made available for transport planning purposes. At present this data is not released and can severely restrict effective transport planning and project development, which again is not in the public interest.

11 (a) Do you think that data provided by operators should be stored in a central data hub? Yes/No? Please explain your answer to this question.

SPT response: No.

Given that the bus registration process must go through the responsible transport authority (in our area, SPT), with data then passed to Traveline Scotland, it could be considered that they are the appropriate independent body which could host a central hub. The data should be made available online through some form of data portal.

Q 11 (b) if you do not support the use of a central data hub how do you think data should be stored/ made available?

SPT response: See response to 11(a).

12. Do you support proposals for transport authorities to have the power to obtain, information about revenue and patronage of services being deregistered, and where appropriate disclose this as part of a tendering process? Yes/No? Please explain your answer to this question.

SPT response: Yes.

This proposal would allow transport authorities such as SPT to ensure, if the deregistered commercial service is proposed to be replaced by a supported (subsidised) service, that best value is achieved for the public purse. In this regard, it should be noted that information on both revenue and costs is needed. The information required may also relate to only part of a route or individual journey. It would also assist in more effective transport planning.

In addition, the sharing of data would be central to the success of *de minimis* tendering which requires an 'open book' approach.

Other

13. Please provide any other comments or proposals around the regulation of bus services in Scotland that were not covered in the above questions.

SPT has attended both of the consultation events held by Transport Scotland in regard to this consultation. Discussion at these has highlighted the potential benefits of utilising a *de minimis* approach with regard to bus service procurement. SPT is very supportive of this and believe it should be a key outcome of this consultation and be a core part of the new Scottish Transport Act. The utilisation of *de minimis* within the realms of 'best value' has the potential to result in significant financial and time savings in the procurement of supported bus and school contract services. There is further useful information on *de minimis* in the DfT's Guidance on Tendering of Road Passenger Transport contracts. Central to the success of any *de minimis* intervention is an 'open book' approach to dialogue between private and public sector, and therefore this must be a prerequisite of any change to processes.

SPT has developed a 'Tender Assessment Model' which assists in the prediction of anticipated costs of future bus service tenders. This could be a useful tool in a *de minimis* style process and SPT would be happy to discuss enabling wider access to this model with Scottish Government if such processes are to be pursued.

On a more strategic note, such changes to the procurement process for bus services must take into account wider legislative provisions such as the Community Empowerment Act 2015 e.g. in relation to participatory budgeting.

With regard to SIPs, or as we believe they should be called, 'Bus Alliances' (BAs), we believe there is a case that these be made mandatory across Scotland i.e. in all cases a Public Transport Authority is requested to undertake a review to establish whether a BA in their respective area or areas is needed. This would establish the adequacy of existing public transport provision and determine the status of bus

service provision considered against the respective 'Guideline Criteria for Supporting Socially Necessary Bus Services' within their local or regional areas.

The preparation for a BA should identify existing bus services, assess whether they are meeting the needs of local communities and providing adequate access to health, employment and educational services. This should highlight any service gaps or where the policies defined within the respective RTS or LTS and Guideline Criteria are not being met.

Further, any new legislation should preclude consideration of franchise arrangements, or consideration of establishing municipally-operated bus operations unless a BA has been implemented and has either not met the intended outcomes or there was no existing infrastructure or service operators which could deliver expected outcomes.

Each BA could be subject to review every three years, or sooner, if market conditions change sufficiently to mean the policies under the RTS or LTS are no longer being met. A summary monitoring report of the BA should be produced within six months of the end of each 'control period' detailing how or if the BA achieved the intended outcomes. If not, then action plans should be developed to address these issues and programme of interventions to achieve the goals as set out in the RTS/LTS which may include a franchise or municipally owned bus operation option.

We also believe that the Traffic Commissioner (TC) for Scotland has a key role to play in any new model of SIP, BA, or franchising. The TC's powers in regard to these should be made as clear as possible, and should include the ability to hold all partners – transport authority, local authority, operators – to account or 'call in' as necessary to ensure any agreements are being adhered to.

Lastly, as Transport Scotland is aware, SPT has been at the forefront of bus policy development in Scotland over recent years. To that end, we attach to our response, our proposal for establishing the Strathclyde Bus Alliance (Appendix 1.1). It is hoped that this, and our responses to the consultation questions, will assist Transport Scotland in taking the outcomes of this consultation forward.

Appendix 2 – “Free Bus Travel for Older and Disabled People and Modern Apprentices”

APPENDIX 1

Consultation on Free Bus Travel for Older and Disabled People and Modern Apprentices – Strathclyde Partnership for Transport

Question 1

Do you think that we should retain the existing age eligibility criteria for the Scheme?

Yes No

Please use the box below to provide details.

My Comments:

SPT is the largest of Scotland's seven Regional Transport Partnerships (RTPs) and our responsibilities include development of the Regional Transport strategy; supporting socially necessary bus services; promoting integrated and smart ticketing; investing in transport infrastructure including modernisation of the Subway; managing and operating bus stations; investing in bus infrastructure including bus stops and shelters; and organising school transport on an agency basis for our partner councils.

In addition to our functions as an RTP, SPT also acts as secretariat to the Strathclyde Concessionary Travel Scheme (SCTS) and has the responsibility for administration of the SCTS Scheme. This is undertaken on behalf of our partner councils but the SCTS is a separate legal entity from SPT and is the responsibility of our partner councils.

For the purposes of this consultation therefore, we wish to make clear that the views contained within this response are those of Strathclyde Partnership for Transport (SPT). A SCTSJC response to the consultation will be submitted separately and while there may be many areas of agreement between this response and SPTs and should not be taken as the views of the Strathclyde Concessionary Travel Scheme Joint Committee (SCTSJC).

In relation to the question of age eligibility, SPT would request that further analysis be undertaken by Transport Scotland to consider the wider socio economic and health and wellbeing impacts of its proposals before committing to a particular proposal.

Fundamentally, it is essential that the budget for the NCTS is not looked at in isolation. How much is being saved elsewhere in the Scottish Government through the positive social, economic, environmental and especially health benefits arising from the NCTS?

Notwithstanding our appreciation of the budgetary dilemma facing the Scottish Government, the fundamental and perhaps guiding principle should always be: is this money being targeted to those most in need? Could, for example, additional funding for concessionary travel (e.g. to young people aged 16-25) be used to generate wider societal benefits such as reducing reliance on the private car?

While it could be argued that the age eligibility as originally set may have been generous, it is worth comparing the level of public investment in the scheme in relation to its wider benefits and drawing some comparisons with levels of subsidy across the transport network. The level of public expenditure for the bus industry is already substantially lower than the subsidies offered to rail and ferry services.

The social impact of rail and ferry services is often considered paramount as regards access to services and facilities, but the social cohesion offered by bus services is far wider than those modes. For example, the introduction of Road Equivalent Tariff aimed at equalising journey costs for island residents and business, has added to the level of public subsidy. While these are welcome developments they do raise questions about why the National Bus

Scheme has been singled out for cost savings, particularly given the potentially disproportionately adverse impacts which will fall on people from some of our most disadvantaged communities. As will be seen in our response to question 6, we have some doubts about the actual level of savings which this proposed change will make.

There are a number of other issues arising from the proposal to increase the age of eligibility which we believe are important and must not be overlooked when making final decisions.

Firstly, SPT considers that the consultation has not provided sufficient supporting evidence which would allow for any informed decision to be made; for example, changes may likely increase older people's social isolation, therefore reversing many of the positive benefits which the scheme has helped achieve. How have these potential implications been considered?

SPT considers that changes to the age eligibility may have significant and negative implications on older people's lives, particularly those aspects connected to the wider health and social benefits which concessions schemes provide. The social benefits, which may in fact out-weigh any financial savings, must be considered and the implications of changes fully understood by the Scottish Government before changes to the age eligibility of the national Scheme are made. To reinforce the point, there have been a number of studies which have highlighted the physical and mental health benefits that the national Scheme has supported; not least than that shown in evidence highlighted by the Scottish Government from their own commissioned research. We note the findings from that research to include:

- 48% of respondents said they now make journeys that they would not previously have made.
- There was also evidence that the Scheme is encouraging modal shift, with 41% stating that they use the car less. It is also encouraging some cardholders to walk more to and from bus stops.
- The research confirms the Scotland-wide "Free" Bus Travel Scheme is greatly valued and works well for card holders for a number of reasons including financial savings, reducing isolation, engendering a sense of greater independence and increasing confidence in their own ability to travel.
- The research highlights how cardholders perceive the scheme as having improved their mental and physical well-being.

Similar studies have also evidenced the physical and mental health benefits of travel by bus, in particular the research by Greener Journeys.^{1,2,3} At a more basic level, there is evidence which shows that regular bus use can contribute towards meeting government recommended levels of daily activity therefore helping increase levels of physical activity amongst older people. Other benefits include helping reduce social isolation and giving people increased confidence in their own ability to travel.

SPT believes that the "free" national bus Scheme, since it was established in 2006 for those people aged 60+ and those who are disabled, has almost certainly had a positive impact on people's lives. We would have concerns should changes to the age eligibility criteria result in fewer people being able to access "free" bus travel. With the social and health benefits clearly evidenced, we would once again urge that the Scottish Government takes account of these factors before deciding changes.

¹ <http://www.greenerjourneys.com/blog/health-benefits-of-bus-commuting/>

² <http://www.greenerjourneys.com/news/why-taking-the-bus-is-good-for-your-health/>

³ <http://www.greenerjourneys.com/news/catching-bus-can-good-health-new-research-reveals-launch-catch-bus-week-2014/>

Finally, whilst it is to be welcomed that people are generally living longer and healthier lives, SPT considers this is very much a simplistic viewpoint and disregards the complexities that lie behind the varying life expectancies seen throughout Scotland.

For example, published figures show significant disparities in life expectancy between certain areas of deprivation and areas of affluence across Scotland. National Records of Scotland (NRS) figures show that there may be anywhere up to 13 years difference in life expectancy between the most and least deprived areas in Scotland⁴. In some of the most deprived areas of Glasgow, NRS figures show life expectancy to be a little under 68. Any increase to age eligibility we believe will impact most greatly on older people who live in some of our most socially deprived communities where there is generally a lower life expectancy alongside traditionally lower household incomes. There is a strong reasoning to say that it is older people from our most deprived areas who rely most on the national bus Scheme.

It is worth noting that the Scottish Government has recently consulted on its proposals to introduce a Socio Economic Duty that will require public sector bodies to consider carefully how they can reduce poverty and inequality when making decisions affecting people's lives.

Underlying the duty are four principles which provide a useful test of public policy and which could be very well applied to the current proposals for the National Concessionary Travel Scheme:

- Reforms must empower people and communities receiving public services by involving them in the design and delivery of the services they use;
- Providers of public services must work much more closely in partnership to integrate service provision and so improve the outcomes they achieve;
- We must prioritise expenditure on public services which prevent negative outcomes from arising;
- And our whole system of public services – public, third and private sectors – must become more efficient by reducing duplication, improving performance and sharing services wherever possible.

A basic reading of these principles (particularly the first three) in relation to the current proposals gives cause for concern, particularly given the disparities in life expectancy noted above. While there is evidence that the bus scheme provides benefits for people in terms of improved health and reduced isolation, the negative impacts of increasing the age eligibility will most negatively fall on people from our most economically deprived communities who on average live much shorter lives than those from more affluent communities.

SPT would therefore request that the Scottish Government considers the wider socio economic and health and well-being impacts of any changes on older people, particularly those living within socially deprived communities, before committing to a decision which may have unintended but nonetheless damaging consequences.

⁴ National Record of Scotland - Life Expectancy in Scottish Council areas split by deprivation, 2011-2015 (East Renfrewshire Least Deprived Vs. Glasgow Most Deprived)

Question 2**Are you in favour of raising age eligibility to female State Pension age in this way?**Yes No **Please explain your answers.**

SPT believes it is important to lessen the impact of any proposed changes on people's lives. We believe that raising the age eligibility in one step would have a negative impact upon people, particularly on those who approaching the current eligibility age of 60.

It must also be borne in mind that changes to eligibility not only affect bus users but also bus operators. The bus industry, like any other business, must be given sufficient time to plan for changes, particularly when it may affect how bus services are operated in future. In addition, the Scottish Government should address two unintended consequences arising from the reimbursement aspect of the scheme as currently administered. Firstly, the steadily reducing compensation rate due to bus operators. Since this is calculated on the value of the standard single fare, operators have sought to minimise the loss of revenue by increasing their standard fare. This has pushed up bus fares more generally, making it less attractive in comparison to car travel, where reduced fuel costs and the comparatively low upfront cost of car purchasing and leasing arrangements have driven growth.

Secondly, and partly as a consequence of the reduced reimbursement rate, there has been a reduction in the number of bus services. Should this trend continue we face the real danger that while people have the right to 'free' bus travel they cannot, in practice, exercise this since no services are available in their area.

Question 3**Are you in favour of raising age eligibility to female State Pension age gradually over time? Yes No** **At what rate?**By 1 year per year By half a year per year **Please explain your answers.**

SPT does not believe the Scottish Government has presented sufficient evidence or justification for changes to the National Concessionary Travel Scheme (the "Free" Bus Scheme). We believe that the currently vulnerable state of the bus market in the west of Scotland, with network size and passenger numbers both in severe decline, could see that decline accelerated due to any such changes to eligibility or reduction in NCTS funding available.

SPT believes all steps should be taken to help lessen the impact of any NCTS changes on people's lives, operators' ability to maintain services, and on the public purse of those authority's responsible for subsidising bus services.

Question 4

Are you in favour of providing free bus travel to Modern Apprentices? Yes No

Should this be targeted at Modern Apprentices under Age 21? Yes No

Is there a better way to provide support to help with the travel costs of Modern Apprentices? Yes No

If so, please specify below.

We agree in principle with the Scottish Government's proposal to introduce "free" bus travel for Modern Apprentices under the age of 21. SPT certainly supports the notion that the cost of travel should not in any way act as a deterrent to young people developing their skills and careers through programs such as the Modern Apprenticeship Scheme.

However, should the Scottish Government see fit to provide financial support to help with travel costs for Modern Apprentices under 21, then we would also ask that consideration be given to a wider roll-out of "free" or certainly supported travel to younger people, not only to include those in Modern Apprenticeship Scheme but perhaps also to those who are in the latter years of secondary school education or those who have moved on to further or higher education. There appears to be a lack of information around the rationale for choosing MAs under the age of 21.

Whilst we support the proposal to give young people "free" bus travel and agree that it will help support the estimated 27,000 people in Modern Apprenticeship Schemes; there are around 110,000 16-20 year olds who are in either later stages of secondary school education⁵ or who have moved onto tertiary education and for whom surely the very same or even worsened financial pressures exist. We would welcome more detail around the decision and rationale to include Modern Apprentices but not other young people who are similarly looking to develop their skills and education and find themselves subject to similar financial pressures.

Furthermore, in March 2014, the SCTSJC wrote to the then Minister for Transport and Veterans, requesting that the government give consideration to introducing discounted travel to young people who live on islands, in particular to enable more affordable travel in order to access training or education services located on the mainland. There are an estimated 2000 16-21 year olds who live on Strathclyde's islands and peninsulas⁶. It is these young people on our islands who need to travel to the mainland for education training purposes, for whom travel costs can be particularly expensive. The Scottish Government responded at that time by saying they had no such plans to extend the Scheme beyond the four journeys to the mainland per year already provided by the Scheme. We believe that the Scottish Government should re-consider such young people and we take the opportunity, within the context of looking at supporting young person's travel, to raise the point once again.

Again, we believe that there has been a lack of detail provided on how "free" Modern Apprenticeship travel would be administered, for example, will travel be restricted only for travel to/from place of work? How will bus operators be compensated? We believe that in order that an informed opinion can be given, the Scottish Government must provide more details.

It is noted that the use and number of card holders is not increasing proportionately to age profile. The average use of the current card is of the order of 1.8 trips per week per card – potentially Modern Apprentices (MAs) may have to make many more trips than this. Similarly

⁵ Scottish Funding Council Statistics 2015-16

⁶ 2011 Scotland Census Figures

operators might require to be compensated for these trips at the full cost rather than at the current reimbursement rate of 56.9% of the full adult single fare. Whilst there will be substantially fewer MA tickets their usage of the scheme for “essential” reasons could well be much higher and therefore incur a far higher cost to the operation of the scheme.

One proposal to minimise the cost of the scheme for MAs would be to prepare a travel plan for each MA, identify their most cost effective way of getting to work, and then utilise Transport Scotland funding, in addition to support from their employer, to giving them assistance in paying for that travel. It may also be that for these reasons it makes sense that the concessionary budget for MAs is ring-fenced, kept separate, and decoupled from the NCTS.

In summary to this question, SPT agrees with the principle of ensuring that travel costs do not act as deterrent to young people in developing their training and education. However, as pointed out previously, the subject of travel costs is a wider issue for young people in general and not just for Modern Apprentices. The issue of travel costs, as highlighted, is particularly relevant to young people living on our islands who are often faced with significantly higher travel costs than perhaps those young people on the mainland. SPT requests that should the Scottish Government decide to introduce “free” travel for Modern Apprentices, then wider similar consideration to other young people must be given.

The compensation rate to operators for “generated” trips will be impacted upon by these proposals – what examination has been undertaken of the potential impact on service levels should commercially services become uneconomic and be de-registered by the operator – what costs would then potentially fall upon RTPs and taxpayers in order to support services where de-registration has occurred?

Bus operators could rightly argue that trips made by Modern Apprentices are not “generated” trips in the same manner as some existing concession fare trips are considered as part of the reimbursement process.

Question 5

Are you in favour of providing a companion card for disabled under 5s where this is needed?

Yes No

SPT fully supports the Scottish Government’s proposal to provide disabled under-5s with access to a companion bus pass where this is needed. SPT agrees that this is an anomaly within the national Scheme which should be corrected.

Question 6

Do you have any other comments about any of the issues raised in this consultation?

Yes No

If so, please use the box below to provide details.

Bus is by far the most used public transport mode in Scotland – over 4 times as many passengers as rail. It remains the most flexible resource and is readily adaptable - far more so than other modes. The bus industry however, continually compares ongoing and significant subsidy to other modes, yet argues it seems to be bearing the brunt of the effect of cuts, and faces continual uncertainty annually on the direction of longer term funding availability.

With each successive reduction in Government support for bus services, the unintended consequences appear to be (directly) an increase in bus subsidy costs and (indirectly) a cut in services; leading consequentially to further subsidy requirement – a vicious circle.

Population

The consultation references that 70,000 Scots turn 60 each year, however, we believe this does not reflect the true net population projections from the NRS⁷, which shows that the 60+ age group in Scotland is expected to grow by only 28,000 each year over the next ten years. Over the same period, NRS figures further show that the projected population increases for those ages between 60-75 averages out at only 15,000 each year or 150,000 in total over ten years.

Impact on Bus Services

A stated objective of the national Scheme when it was established in 2006 was that it provided an opportunity for improvements to public transport. Concession trips on bus services make up around a third of all bus journeys in Scotland⁸, and as a proportion of all bus journeys in Scotland continues to grow. It could be said that the national concessionary bus Scheme in Scotland has helped support the bus industry during what has been a challenging period and which has seen a reduction of 50 million passenger journeys in the last ten years⁹.

A decrease in the number of people who are able to access the “free” bus scheme may in fact worsen overall bus service provision. Without concessionary bus trips, there is a possibility that bus services, particularly those on the fringes of commercial viability, may be forced to reduce service levels or indeed see complete removal of services. This would not only have implications for concession customers, but also for non-concession bus users. The consultation has not evidenced the full impacts of eligibility changes on bus services.

Costs of the Scheme

The consultation provides figures which it says are savings which would be realised if the eligibility age were raised immediately to female state pension age. These range from £10million in 2018 to £111 million by 2027. At this stage and without further details on the assumptions used, these figures appear to be somewhat overstated. We know however that the Scheme currently costs £192 million to operate and that the number of concessionary trips overall has been reducing almost year on year.

As noted in our response to question 1, it would be worthwhile to analyse the cost of the Scheme when compared to the costs associated with the provision of other supported public transport in Scotland – specifically the Rail and Ferry networks. SPT would welcome a more in depth analysis of the overall costs and benefits of the scheme in the context of wider priorities for public subsidy.

⁷ <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-projections/population-projections-scotland/2014-based/list-of-tables>

⁸ Scottish Transport Statistics No.35

⁹ Scottish Transport Statistics No.35

Options not favoured by the Scottish Government

The consultation has highlighted several options which the Scottish Government is not minded to adopt. These include making a contribution towards the costs of a concessionary scheme as is the case with the SCTS. This enables the SCTS to be maintained on a secure and sustainable financial footing, ensures that bus operators are appropriately reimbursed and as such are not incentivised to increase their standard single fare to capture what they consider an equitable return, and does not cause pressure on the sustainability of services.

Once again, we consider there is insufficient information provided within the consultation to say at this stage whether these options should be ruled out or in fact be considered further. SPT considers there is merit in these options and that these options should in fact be considered in more detail and do not believe that the reasoning for not favouring these is particularly strong. Furthermore, we do not understand the rationale for effectively deciding on outcomes within a consultation. Would it not make sense to keep an open minded view? For example, people may be willing to sacrifice a payment of some kind in order to retain the Scheme broadly in its current form.

As an example, SCTS is a concession Scheme whereby a fare is applied, as is a peak-time restriction, with these having been successfully implemented and are used as at least one method to help manage SCTS costs. Whilst we acknowledge that such items may be easier to manage operationally on rail, Subway and ferry, we do not consider that such concepts could not also be applied on bus. Furthermore, on-going developments in smartcard ticketing and mobile technologies would undoubtedly provide the technology platform that would allow for some of these options to be re-introduced.

SPT considers that the options which the Scottish Government states they are not minded to adopt are in fact realistic cost saving options which should have been included within the full consultation itself and should not therefore be discounted from the outset.

SPT would urge the Scottish Government to re-consider these as potential options meriting further analysis as part of the process to help ensure long-term viability of the national Scheme.

Question – Equality Impacts Are there any likely impacts the proposals contained within this Consultation may have on particular groups of people with reference to the 'protected characteristics' listed above? Please be as specific as possible.

Yes, it will have negative outcomes for people over 60 who may have benefitted from the scheme and for whom it would have reduced travel costs of employment, training, access to healthcare, leisure and shopping. In particular, it will negatively impact those people on lower incomes for whom transport costs represent a significant element of their outgoings.

It will have positive impacts in relation to younger people who will benefit from inclusion in the scheme as Modern Apprentices.

Question – Children and young people Do you think the proposals contained within this Consultation may have any additional implications on the safety of children and young people?

N/A

Question – Privacy impacts Are there any likely impacts the proposals contained in this Consultation may have upon the privacy of individuals? Please be as specific as possible

Depending on how the scheme in relation to MAs is administered, information may require to be collected on individuals home and work details and details of their travel pattern between home and work.

DRAFT

Appendix 3 – “The Future of Smart Ticketing in Scotland”

APPENDIX 1

Smart ticketing consultation

SPT response – DRAFT

Note: Text in italics is from Transport Scotland consultation document

Key issues on the future of smart ticketing in Scotland

“Availability of smart ticketing schemes in Scotland”

“What is it?”

In addition to individual smart ticketing schemes currently offered by individual transport operators (e.g. Stagecoach Megarider, SPT Bramble product for Glasgow subway or Lothian Buses Ridacard), our intention is to ensure that there is a consistent smart payment option (epurse) available across all of Scotland and on all main public transport modes, and to ensure that regional multi-modal schemes are fully supported.”

“What does it mean for me?”

It would mean that, when fully delivered, at least one smart ticketing or payment option was available for passengers – and would remain available - across all of the main public transport modes in Scotland.”

“What will it cost or save?”

It is not intended that Scottish Government should interfere in or influence fares setting, so it will remain a decision (as now) for transport operators about how to price the various smart tickets and products on offer. In terms of the smart infrastructure, most of the elements required are already in place, and it is not envisaged that costs will be routinely passed on, directly or indirectly, to passengers. Transport Scotland will incur a modest cost – estimated at £100,000 per annum – in supporting the national epurse.”

“What is the justification for claimed costs/savings?”

For the epurse, it is anticipated that this new national smart product will prove popular with passengers, as it has in many other countries.”

“Question 1

Do you think our intention to have a consistent smart payment option available across Scotland and on all main public transport modes would promote use of public transport in Scotland?”

SPT response: No.

Please explain your answer.

SPT response:

Smart ticketing on its own will not deliver the required results; it must be part of a package of measures (including, specifically, reliability) which the outcomes of this and the other TS consultations underway will hopefully go a long way to deliver.

From the passenger's point of view, the most important aspect is to have a 'safe, secure and convenient' smart payment option available, rather than merely 'consistent'. Indeed, this would also be the same for operators.

The majority of public transport users travel with a single operator. Scottish Transport Statistics (Feb 2016) report three per cent of trips are multi-modal and we believe many of these regular commuters will use existing multi-modal/multi-operator season products such as ZoneCard in the west of Scotland and OneTicket in Edinburgh. Only a very small number of passengers would gain any benefit from a 'consistent' payment option across all operators.

Nevis Technologies (SPTs Joint Venture with Rambus), is already meeting that need to provide passengers and operators with what they expect i.e. a safe, secure and convenient payment option (an e-purse) which has been in operation since 2013 and transacted £14million. This model embraces all the emerging smart technologies – smart, mobile, barcodes, QR codes and others - to specifically meet what the market expects and demands.

Scheme ownership is irrelevant to the user and we would welcome the opportunity to have Transport Scotland engage with the provider of SPTs preferred supplier option in a collaborative approach which could be of benefit to all.

We welcome Transport Scotland's commitment to ensuring regional multi-modal schemes are "fully supported", and presume that this implies additional funding will be made available in future.

We note the suggestion that a national smart payment product is expected to be popular based on experience elsewhere. One of the examples cited in the consultation document is the Leap Card in Ireland; it is worth highlighting that this product benefits from fare capping which undoubtedly plays a key factor in its popularity. The competitive and fragmented nature of the current west of Scotland transport market makes fare capping a challenge.

"Transport modes and services to be included in national and regional smart ticketing schemes

What is it?

As well as the obvious transport modes such as bus and rail, there are a number other transport offerings that could conceivably be included in such smart ticketing schemes. Our intention is that, for now, our smart ticketing plans should be limited to local bus services in Scotland, scheduled rail journeys entirely within Scotland, foot passengers on scheduled ferry services entirely within Scotland, the Glasgow subway and the Edinburgh tram. Other things such as air services, taxis, coach tours and heritage rail/tram/bus services, as well as peripheral offerings like car hire and cycle hire, and cars and freight vehicles on ferries, are proposed - for now – to be outside of scope.

What does it mean for me?

By focusing on a manageable number of services and modes, we believe that we will increase the likelihood that our plans can be delivered within a reasonable timescale.

What will it cost or save?

By focusing on modes that mostly have existing smart infrastructure, additional costs will be kept to a minimum.

What is the justification for claimed costs/savings?

As well as avoiding spending extra money on widening the scope of smart ticketing, it should also ensure a faster route to delivery.

Question 2

Do you agree that the scope of smart ticketing should – for now – be limited to the modes and services outlined above?"

SPT response: No.

"Please explain your answer."

SPT response:

Given the significance and extent of their passenger base, it makes sense that those leading in this field will be bus and rail operators. They are driven by commercial imperatives, and that is why they are actively pursuing smart ticketing options.

With the advent of new technology providers such as Uber and initiatives such as Mobility as a Service, these types of solutions will be commercially driven to integrate with mainstream transport providers. The market will drive itself and therefore there would appear little need or demand for central government intervention.

The proposed approach outlined is inconsistent, as it includes ferry services, while acknowledging in the consultation document that "we are still at a very early stage of trialling ITSO ticketing for ferries."

If the approach described by Transport Scotland is taken forward, the definition of 'local bus' should be confirmed to include all timetabled bus services; ideally this should be aligned with the extents of coverage for concessionary bus travel.

A deliberately 'limited' approach would restrict the potential benefits to operators and customers. An expanded approach offers greater opportunities to deliver the wider objectives of SPT, Transport Scotland and others. A 'limited' approach would put at risk the opportunities for smart ticketing platforms to integrate with emerging transport developments such as Mobility as a Service.

As Transport Scotland is aware, SPTs preferred supplier option has from inception ensured that their product is a safe, secure, transferable, flexible, interoperable (ITSO compliant) product which is ready to be utilised in a variety of different ways.

SPT support that ITSO is mandated to be the minimum standard for smartcard, and believe interoperability should be focused on the needs of the passenger and be provided by the market i.e. the operator. The priority should be to ensure there are 'safe, secure and convenient' systems, such as are utilised on the Subway, ScotRail, Lothian Buses and McGills Buses.

“Scheme Compliance

What is it?

In addition to the provision of a national epurse that is accepted by bus, rail, ferry, tram and subway operators across Scotland, we also envisage a number of regional multi operator, multi modal smart ticketing schemes, based on Scotland's main city regions. These regional schemes could be based on existing regional ticketing legislation provision within The Transport (Scotland) Act 2001. There are a number of considerations ranging from defining the requirements to take part in national or regional smart ticketing schemes, monitoring and controlling compliance, through to whether and how to apply sanctions for noncompliance by operators – and, indeed, what these sanctions might look like.

What does it mean for me?

We think that the simpler and more consistent we can make these arrangements the more likely prospective passengers are likely to have confidence in the new schemes. Similarly, from an operator perspective, it will be clearer what is expected of them.

What will it cost or save?

In terms of the smart infrastructure, most of the elements required are already in place, and it is not envisaged that costs will be routinely passed on, directly or indirectly, to passengers. Transport Scotland will incur a modest cost – estimated at £100,000 per annum – in supporting the epurse.

What is the justification for claimed costs/savings?

For the epurse, it is anticipated that this new national smart product will prove popular with passengers, as it has in many other countries.

Question 3 – epurse

a) Are you in favour of a clearly defined national epurse scheme?”

SPT response: No.

“Please explain your answer.”

SPT response:

As Transport Scotland is aware, there is already SPTs preferred supplier option in place, which has attracted over 180,000 users since its launch on the Subway in 2013, and which could be rolled out relatively simply nationwide.

As the cost of many journeys on national rail exceeds the recognised limits for epurse transactions there are other appropriate solutions to deal with higher value fares. We understand that since this consultation started the national epurse is not being pursued; SPT's preferred supplier option may prove to be an attractive alternative.

Our experience to date suggests that development of a new national scheme would require a substantial time and funding commitment by operators in the development stages.

“b) Should all relevant bus, rail, ferry, tram and subway operators be expected to participate in a national epurse scheme?”

SPT response: No.

“Please explain your answer.”

SPT response:

The commercial market is already providing solutions. It is inconsistent in a deregulated market place, predicated on commercial free will, that the Government mandates ticketing solutions that are far better delivered commercially in response to customer demands. Simply focusing on the ticketing element could be considered as interfering with the market; in reality, wider, more collaborative interventions are what the market needs, and would be more appropriate and measurable.

We would expect operators to participate, and indeed as part of any Partnership/Alliance agreement there may be a case for all participants being compelled to do so, where appropriate.

If an epurse is designed and delivered in the appropriate way – ITSO compliant, with a robust HOPS, Business Rules etc – then it will be attractive to operators who will sign up voluntarily, as has been the case with SPTs preferred supplier option. As more operators sign up, the ‘domino effect’ obtains and makes business sense for others to join.

“c) Should participation in a national epurse scheme be monitored and controlled?”

SPT response: No

Without question, any epurse scheme dealing with customers’ money needs to be robustly monitored and controlled as is mandated by the Financial Conduct Authority (FCA) where any scheme is handling financial transactions on behalf of two or more parties: the passenger and commercial operator(s).

Participating operators and scheme providers have Service Level Agreements and regulatory oversight to ensure their schemes are monitored and controlled effectively.

“d) Should sanctions be imposed for non-compliance in a national e-purse scheme?”

SPT response: No.

“Please explain your answer.”

The public transport industry is predicated on it being delivered on a commercial basis. Passenger growth and future prosperity is based on robust, flexible, attractive, competitively priced ticketing solutions which must have one overriding principle – that customers’ money is secure and guaranteed.

If non-compliance with an e-purse scheme is meant in the sense of an operator actively choosing not to participate in the scheme, that is a wholly separate issue (and may indeed be better addressed through other means e.g. the Service Improvement Partnerships or franchises being proposed in the separate TS consultation on bus).

“Question 4

a) Are you in favour of a clearly defined multi-modal, multi operator regional smart ticketing scheme?”

SPT response: Yes.

“Please explain your answer.”

SPT response:

SPTs involvement in multi-modal, multi-operator regional transport ticketing is well documented and stretches back over 30 years with Zonecard.

SPTs preferred supplier option was designed to be multi-operator and multi-modal and is making good and consistent progress in that regard as covered in answers to other questions in this section. SPT and partners will continue to promote our preferred supplier option as the smartcard product of choice for passengers and operators in Scotland, building on its success to date. For example, SPT’s preferred supplier option is also delivering the multi-operator ‘Smartzone’ schemes for Glasgow and Edinburgh.

“b) Should all relevant bus, rail, ferry, tram and subway operators be expected to participate in a multimodal, multi operator regional smart ticketing scheme?”

SPT response: Yes.

“Please explain your answer.”

SPT response:

SPT is firmly of the view that the best way of getting operators to participate in a regional smart ticketing scheme is to make it commercially attractive and viable,

and attractive to passengers. This has been at the heart of SPT and partners plans for development of our preferred supplier option and it is obvious that this has been a key factor in its success.

Similarly SPT administers the ZoneCard regional multi-modal multi-operator ticket on behalf of bus, rail, Subway and ferry operators. ZoneCard is a voluntary ticketing arrangement and operates successfully on the basis of being a commercially appealing proposition to operators and an attractive ticket option for customers.

“c) Should participation in a multimodal, multi operator regional smart ticketing scheme be monitored and controlled?”

SPT response: No

Without question, any e-purse scheme dealing with customers' money needs to be robustly monitored and controlled as is mandated by the Financial Conduct Authority (FCA) where any scheme is handling financial transactions on behalf of two or more parties: the passenger and commercial operator(s).

Participating operators and scheme providers have Service Level Agreements and regulatory oversight to ensure their schemes are monitored and controlled effectively.

“d) Should sanctions be imposed for non-compliance in a multi-modal, multi operator regional smart ticketing scheme?”

SPT response: Yes.

“Please explain your answer.”

SPT response:

Our response to this question should be read in conjunction with our response to Q3d, relating to the different meanings of 'non-compliance'.

If, however, the term 'scheme' is meant in the sense of a Scheme – as opposed to an Arrangement - under the Transport (Scotland) Act 2001, then any operator who did not comply with or participate in the Scheme would be breaking the terms of bus service registration and the Traffic Commissioner would deal with them in the appropriate way.

“Legislation vs voluntary participation or other means of ensuring participation in smart ticketing schemes

What is it?

New legislation would, on the face of it, be a clear cut and attractive means of specifying what is expected of operators in respect of participation in the national e-purse and regional smart ticketing schemes, and ensuring they have available the appropriate smart ticketing infrastructure. However, for example, a combination of encouraging voluntary participation, making – for bus – provision of appropriate

ticketing equipment a condition of their service registration, or a requirement of the Bus Service Operator Grant might be considered an effective alternative.

What does it mean for me?

We think that the simpler and more consistent we can make these arrangements the more likely prospective passengers are likely to have confidence in the new schemes. Similarly, from an operator perspective, it will be clearer what is expected of them.

What will it cost or save?

For those operators – typically a few smaller bus operators and the Scottish ferry industry - who have still to invest in smart ticketing equipment there will be some costs. A new bus smart enabled ticket machine might cost £3,000.

What is the justification for claimed costs/savings?

Most operators have already invested in, or have plans to invest in, appropriate ticketing equipment, so the cost of achieving full infrastructure provision across Scotland is already largely addressed.

Question 5

Are you in favour of new legislation that requires transport operators to participate in national and regional smart ticketing schemes?"

SPT response: No.

"Please explain your answer."

SPT response:

In addition to this being driven by compelling passenger demand and a commercial case, SPT believes that current legislative provision from the Transport (Scotland) Act 2001 (in relation to ticketing 'schemes' and 'arrangements') is sufficient to enable the widespread adoption of smartcard in Scotland. In addition, these legal provisions used properly and proportionately, in tandem with voluntary participation, and consideration of making commitments to smartcard and related infrastructure provision a condition of, for example, as suggested, service registration or Bus Service Operators Grant (BSOG), will enable growth in smartcard adoption.

"Governance of smart ticketing in Scotland

What is it?

A recurring theme in this consultation document is that to deliver interoperable smart ticketing requires a common and proven infrastructure to be in place. Currently that is ITSO, the interoperable smartcard standard in the UK. However, alternative technologies are at various stages of being available and proven. At some point in the future the more progressive transport operators will wish to adopt one or more of these alternatives, while their passengers may increasingly expect to see greater use of, for example, mobile phones and contactless bank cards.

Transport operators have already invested significantly in smart ticketing infrastructure and, understandably, any shift to a newer technology – a further outlay for operators – needs to be carefully planned for, to ensure that systems remain fully interoperable and consistent with passenger expectations. It therefore seems important that public transport operators should play some role in decision making, or at least advising, moving forward, probably working in partnership with Scottish Ministers and other public bodies. The best way of approaching governance of both smart ticketing infrastructure and national and regional smart ticketing schemes is therefore a key consideration.

What does it mean for me?

From a passenger perspective an orderly and planned migration to newer technologies, as these emerge, will ensure that all of the benefits of smart ticketing and payment are retained, and remain easy to use and understand. From an operator perspective, investment decisions can be planned for and, collectively, a migration to newer technology platforms can be implemented in such a way that passengers are both able to benefit from technology advances and remain confident and informed about the integrity of the smart offering. It seems essential that governance arrangements are in place to oversee all of this, and that these arrangements are effective as well as – as far as possible – establishing, representing and implementing the consensus view of transport operators in Scotland, regardless of mode or size.

What will it cost or save?

It is not envisaged that governance arrangements will place any burden on costs for either the passenger, the public purse or for operators.

What is the justification for claimed costs/savings?

No costs to consider.

Question 6

To ensure delivery of a consistent approach to meet the expectations of passengers now and in the future, should we establish a single governance group so that the technology implemented across Scotland for smart ticketing schemes is controlled?"

SPT response: No.

"Please explain your answer."

SPT response:

SPT believes that ITSO provides a sufficient standard, guidance and governance over such issues, and note that Transport Scotland is already represented on the ITSO board.

For information and noting, while strong and robust governance is essential, our experience to date suggests that governance activities can require a substantial time commitment from operators.

“Should such a governance group be established formally and supported by legislation? Should such a governance group have a role in advising on development, implementation or administration of smart ticketing schemes?”

SPT response: No.

“Please explain your answer.”

As per previous answer.

“Are there any other areas that a governance group should have a role in?”

SPT response: No.

“Please explain your answer.”

As per previous answer.

“Are there any other issues you wish to raise which are not covered above?”

The Scottish Government welcomes any further comments and suggestions on smart ticketing schemes or governance, and how these might be improved or made more sustainable.

Question 7

Do you have any other comments about any of the issues raised in this consultation?”

SPT response: No.

“If so, please use the box below to provide details.

My comments:”

The consultation document Glossary includes “EMV” meaning contactless bank card payment. This should be listed as “Contactless EMV”.

Section E47 of the consultation document describes the Smart Ticketing Challenge Fund (STCF). For completeness this section should be clear that the STCF only offered 40% funding towards ticketing equipment.

Section E63 of the consultation document describes the future interoperability between Subway and ScotRail smartcards. This is in fact already in place.

Appendix 4 – “Building Scotland’s Low Emission Zones”

APPENDIX 1

Building Low Emission Zones

Draft SPT response

1 Do you support the principle of LEZs to help improve Scottish air quality? Please be as specific as possible in your reasoning.

Yes, in principle LEZs are a welcome policy tool and fit well with the Regional Transport Strategy. Given there are estimates of 40,000 premature deaths in the UK per annum as a result of poor air quality, it is essential that we tackle the issue as a priority.

If LEZs are intended to accelerate fleet replacement to low emission propulsion technologies, this in isolation is unlikely to be successful or deliver the desired benefits. Poor air quality is only one of a number of interrelated challenges facing our towns and cities. To deliver the intended outcomes LEZs must address a whole range of issues such as unfettered growth in private car usage, lack of appropriate parking policies, increasing congestion, lack of priority for buses, poor public transport infrastructure provision, growing carbon emissions from transport and noise pollution. These all hamper development, fly in the face of the placemaking principle, and ultimately impact negatively on efforts to promote sustainable and inclusive economic growth.

Therefore any proposals for LEZs should be included in a robust STAG assessment incorporating these wider issues in order to develop a co-ordinated and comprehensive package of measures, inclusive of vehicle emissions restrictions, which seek to address the relative health, environment and economic objectives, in addition to air quality. Indeed, given the wider societal benefits likely to be delivered from such initiatives consideration should be given to how LEZs are funded from the respective Scottish Government Health and Economic Development budgets, not simply Transport alone.

2 Do you agree that the primary objective of LEZs should be to support the achievement of Scottish Air Quality Objectives? If not, why not?

Yes and No. The primary issue faced here is the negative health impacts of poor air quality. Therefore the primary objective of LEZs should be to improve the health outcomes for the people of Scotland.

Secondary objectives of LEZs should take into consideration the wider impacts on the economy, society, and the environment as a whole, and not just air quality in isolation.

In summary: Less premature deaths = More people = Less spending on health = More economic activity & prosperity for Scotland.

3a Do you agree with the proposed minimum mandatory Euro emission criteria for Scottish LEZs?

Broadly yes. In respect of emissions of Particulate Matter and NOx from diesel engines, E6 is a proven solution.

However, the proposed criterion is silent on CO2 performance which is a fundamental weakness. For buses, consideration should be given to the standards set by the UK Office for Low Emission Vehicles (OLEV) Low Emission Bus Scheme

<https://www.gov.uk/government/publications/low-emission-bus-scheme> and corresponding capital funding packages, plus on-going revenue support (i.e. BSOG).

If PM and NOx compliance is achieved by exhaust retrofitting, there may well be an impact on fuel consumption and cost which will be passed onto operators and ultimately passengers. Further solutions are available to address CO2 (and fuel consumption), such as those available from Avid (<http://avidtp.com/>) and Graysons (<http://www.graysonts.com/>) and should be an integral part of any 'retrofitting' effort.

Also, where applicable, 'Zero Emission' criteria should be a minimum standard option for Scottish Low Emission Zones, particularly if in semi-pedestrianized areas (e.g. Argyle Street), and as a number of technologies now allow this including Electric Buses, and Geofenced MicroHybrids (e.g. Wrightbus).

Standards should also be set for minimum journey times & speeds for vehicles travelling through the LEZ, otherwise (despite the minimal standards proposed) the emissions benefits will be negated (E6 vehicles need a good running speed for the DPF/ SCR & AdBlue to work properly).

3b Do you agree with the proposal to use the NMF modelling in tandem with the NLEF appraisal to identify the vehicle types for inclusion within a LEZ?

The NMF and NLEF should most certainly be part of the assessment, but only part of many other ways of how best to deliver improved air quality. The NMF only looks at engine type; it does not consider other measures which could be used to tackle air quality.

They should be used to inform the evidence base for any proposed LEZ. Any LEZ proposals brought forward should form part of a wider STAG appraisal of the issues, opportunities, problems and constraints faced at each locale. NMF emission models must not be used in isolation as they will not address the range of potential solutions to achieving the desired outcomes and do not highlight the problems that will result if an ambitious rollout of the LEZ cannot be achieved on the ground, resulting in changed transport and travel patterns brought about, for example, by altered / reduced bus services.

Modelling and appraisal also needs to look beyond 'per vehicle' emissions to 'per person carried' emissions, particularly with regard to high passenger capacity bus services, and to give equity between modes.

3c Should emission sources from construction machinery and/or large or small van refrigerated units be included in the LEZ scope, and if so should their inclusion be immediate or after a period of time?

Yes.

For the avoidance of doubt, all internal combustion vehicles (from taxis and private cars to HGVs) operating within the LEZ should be included. Where matters of public health have been stated as the aim, it is inexcusable that responsible authorities were aware of problems but did not act.

Emission sources from construction machinery and/or large or small van refrigerated units should also be included in the LEZ scope. However, this will require further consideration of the potential costs and benefits and to how such standards / restrictions would be enforced,

monitored and evaluated. Such further assessment should determine whether such elements are included from day 1 of an LEZ or some time thereafter.

It should be highlighted that a similar argument also applies to diesel trains entering pollution hot spots (e.g. Glasgow Central, Glasgow Queen Street) and that emissions from such trains should be tackled accordingly. SPT would request that Transport Scotland give further consideration to this issue and potential remedies for diesel trains entering Low Emission Zones.

4 What are your views on adopting a national road access restriction scheme for LEZs across different classes of vehicles?

SPT would query the need for a 'national' level road access restriction scheme as LEZs will be 'local' schemes with 'local' management & operating costs. LEZ Standards must be national, but schemes defined locally.

It should also be noted that management, enforcement and operation of any LEZ won't be cost neutral, and on-going revenue (from passengers) will undoubtedly be required to fund the LEZ 'operator'. Given this, alternative funding sources will have to be found, potentially such as a workplace parking levy, to fund the LEZ operation.

5 What are your views on the proposed LEZ hours of operation, in particular whether local authorities should be able to decide on LEZ hours of operation for their own LEZs?

This should be decided on a case-by-case basis, but with the default being, 24 hours a day, 365 days a year.

6 What are your views on Automatic Number Plate Recognition enforcement of LEZs?

ANPR is essential and well-proven technology. However, it is not the panacea and would on its own be inadequate for enforcement. It would require complementary (mandatory) telematics monitoring of the vehicle application. As per our response to Q 4, any LEZ enforcement scheme requires adequate funding.

7a What exemptions should be applied to allow LEZ to operate robustly? Please be as specific as possible in your reasoning.

Exemptions should be kept to a minimum but should be handled sensitively through the phased introduction of the LEZ. Any exemption should be dealt with through a permit system which is common practice in other LEZs elsewhere in the UK and Europe. Examples of those vehicles which could be considered for exemption may be occasional use of vintage / heritage vehicles, vehicles for special events, construction vehicles, recovery vehicles, or (in certain circumstances) long distance coaches.

7b Should exemptions be consistent across all Scottish local authorities?

National standards should apply, but there should be ability for specific local exemptions for particular circumstances.

8 What are your views on LEZ lead-in times and sunset periods for vehicle types shown in Table 2?

A longer lead-in time would be preferable, allowing fleet managers to manage any acquisitions accordingly e.g. four years plus. It would also allow a more suitable period to scope, procure and deliver any retrofitting activity, and to source funding.

9 What are your views about retrofitting technology and an Engine Retrofitting Centre to upgrade commercial vehicles to cleaner engines, in order to meet the minimum mandatory Euro emission criteria for Scottish LEZs?

Views on retrofitting technology:

- Key technologies – Diesel Particulate Filter (DPF), Selective Catalytic Reduction (SCR), Urea Injector (AD Blue) – all well developed and proven
- Variations – Custom retrofit configuration required for all bus models and variants
- Proven UK Suppliers – EminoX, HJS and Green Urban
- High demand for retrofitting across UK - will impact on lead-in time for systems
- Business case for retrofitting depends on expected remaining life of vehicle – long life left = good idea, short life left = Less so.
- Requires a full assessment of each and every vehicle in question in terms of the condition of the engine, exhaust and ancillary components. May require remedial works to the engine (e.g. new pistons) in advance of the exhaust retrofit, to ensure the final 'product' is E6 compliant and robust.
- Warranties and safety are key consideration (e.g. impact of retrofit on likelihood of vehicle fires)
- Approach to linking retrofit equipment to on-vehicle diagnostics needs consideration by bus operators.
- Retrofitting will have an impact on fuel consumption (particularly on older vehicles)
- Retrofitting is done in vain, unless adequate running speeds are achieved, as the DPF/SCR/ADBlue systems do not work as designed at low speeds / low engine temp.
- Retrofitting alone does nothing for Carbon Emissions. 'Retrofitting' should therefore also encompass carbon / fuel savings technologies, such as efans and improved thermal management systems – as provided by firms such as Avid (<http://avidtp.com/>) and Graysons (<http://www.graysonts.com/>).
- Retrofitting alone does nothing for the attractiveness of the Bus to passengers.
- Retrofitting adds additional costs in respect of the capital equipment, maintenance staff training required and serviceable items (filters etc) which must be met.
- Any retrofitting package must be supported by a centrally managed telematics system to monitor the performance of retrofitted vehicles against the policy requirements.

Views on Engine Retrofitting Centre;

- A physical (garage) National Engine Retrofitting Centre is not required, offers no clear benefits and would likely become obsolete through time.
- In particular Local Bus Operators should be free to contract with an approved/certified retrofitter of their choice, both in terms of the system chosen, fit out and on-going maintenance. Such activity will sit alongside other operator activities necessary to meet daily service availability including ongoing maintenance, MOT programme, cleaning, daily vehicle preparation and inspections to name a few.

- A National Engine Retrofitting Advisory Service may be required to regulate and coordinate the process.

10 How can the Scottish Government best target any funding to support LEZ Consultation on Building Scotland's Low Emission Zones implementation?

Funding must come through the public transport authority to ensure targeted in the right direction and be used for:

- Retrofitting
- Scrappage
- Support for fuelling Infrastructure for Low Emission Vehicles - Particularly LNG and CNG for HGVs, Council Refuse Fleets and potentially buses.
- BSOG – TS review of BSOG should be accelerated in light of LEZ development. Requires a longer term incentive for operators to invest in new buses, which are low emission and low carbon.

Fundamentally though, LEZs should not be allowed to become a new (and very costly) additional layer of bureaucracy. Existing governance and processes should be utilised as much as possible to maximise effectiveness and efficiency. For example, analytical technologies should be used for oversight of an LEZ, with the scheme being managed via the existing bus registration process and through, for example, the proposed Bus Alliance / Service Improvement Partnership.

11 What criteria should the Scottish Government use to measure and assess LEZ effectiveness?

As has been raised in previous discussions, in order to objectively and more equitably measure the true impact of each mode on air quality, the Scottish Government should measure emissions on a 'per passenger' or 'per person carried' basis.

Further, it could be said that an LEZ will be working when there are "less buses" but "more passengers". Below are some further suggestions:

- Relevant provisions of STAG
- Telematics – results of which go to the transport authority for monitoring and assessment.
- Measurements should include the reduction in number of people whose health is affected by poor air quality.
- Provisions of the Scottish Government's new Socio-Economic Duty.
- Surveys of changed travel behaviour, changes in vehicle types used, changed trip patterns, and others.

12 What information should the Scottish Government provide to vehicle owners before a LEZ is put in place, during a lead-in time and once LEZ enforcement starts?

A similar approach to how Transport for London is introducing its Ultra Low Emission Zone should be used, as this is an example of good practice and could form the basis of the Scottish approach.

13 What actions should local or central government consider in tandem with LEZs to address air pollution?

- Infrastructure and initiatives to support Active Travel.
- Promotion of Active travel
- Congestion reduction measures
- Congestion charging / road user charging etc
- Traffic management enhancements
- No car zones
- Bus Priority Measures (Bus Gates, Bus Lanes, Traffic Signal Priority)
- Parking Policy in favour of edge of town / city parking
- Stricter Parking Enforcement
- Workplace Parking Levy
- Minimum Parking Charges / higher charges in or close to LEZs
- Prioritise Public Transport orientated development
- Freight Consolidation Centres?
- Manage Roadwork's Better?

14 How can LEZs help to tackle climate change, by reducing CO2 emissions in tandem with air pollution emissions?

- By more strongly encouraging and enabling people to switch to more sustainable travel modes e.g. public transport, active travel.
- Make CO2 reduction an inclusive part of LEZs.
- Carbon 'retrofitting' – eFans etc
- Long term funding support for low emission vehicles (e.g. Enhanced BSOG)
- Support for fuelling Infrastructure for Low Emission Vehicles - Particularly LNG and CNG for HGVs, Council Refuse Fleets and potentially buses.

15 What measures (including LEZs) would make a difference in addressing both road congestion and air pollution emissions at the same time?

Examples which should be given consideration include:

- Congestion reduction measures e.g. improved traffic management, bus priority (Bus Gates, Bus Lanes, Traffic Signal Priority)
- Improvements to parking policy to further discourage taking car into city centre and consideration of wider measures such as Workplace Parking Levy
- Improved parking enforcement
- Improved management of roadworks

16 Do you have any other comments that you would like to add on the Scottish Government's proposals for LEZs

An LEZ in the west of Scotland cannot be delivered unless underpinned by very significant central government funding support. The bus industry, particularly in the west of Scotland is experiencing significant passenger recession, yet despite that, will be required to make very significant additional investment commitments to comply with LEZ. However it is inconceivable that they will be able to meet LEZ standards without significant Government support.

Unfortunately during this consultation period, the focus of LEZ development appears to have targeted bus alone. Without complementary measures on public transport priority,

infrastructure, parking restraint, congestion management, and development that aligns with the bus network, it is likely bus operators will ask (and perhaps legally challenge) why the responsibility to deliver a public policy is being placed on them alone.

- Development, governance, enforcement, monitoring and evaluation of LEZs should be managed by the appropriate authority.
- An annual Scottish Conference on LEZs should be established to outline the progress in the development of LEZs, emerging Health Impacts and the latest technological advances.
- Annual/ biennial report on performance and wider consequences of LEZs prepared including in neighbouring council areas as appropriate.

17 What impacts do you think LEZs may have on particular groups of people, with particular reference to the 'protected characteristics' listed in paragraph 5.2? Please be as specific as possible in your reasoning.

There is evidence that those people living in the 'most deprived' areas are worst affected by harmful emissions, and this should be a key factor in how an LEZ is developed, delivered and monitored.

Similarly, the LEZ should be closely monitored to identify and unintended consequences such as an operator cutting bus services in 'most deprived' areas in order to pay for compliance with an LEZ.

18 Do you think the LEZ proposals contained in this consultation are likely to increase or reduce the costs and burdens placed on any sector? Please be as specific as possible in your reasoning.

Yes, it will increase the costs and burdens faced by transport operators. Moreover, with a third of all bus services in the Strathclyde area requiring some subsidy in whole or in part, it is likely the LEZ proposals will lead to an increase in these costs for the PTA (in the west of Scotland, SPT) and also Local Authorities in terms of managing the enforcement and operation of LEZs, and their own fleets.

However, conversely, the long term savings to the health budget may offset the funding needed to establish the LEZ.

19 What impacts do you think LEZs may have on the privacy of individuals? Please be as specific as possible in your reasoning?

There is the potential for an LEZ to impact on an individual 's privacy through the use of such technology as Automatic Number Plate Recognition (ANPR), although as this is becoming more commonplace there will be established processes and protocols in place to provide reassurance in this regard.

20 Are there any likely impacts the proposals contained in this consultation may have upon the environment? Please be as specific as possible in

- Proposals will impact on air quality only as they currently stand.
- The proposed criteria for LEZs is lacking on addressing CO2 emissions which is a fundamental weakness. For buses, consideration should be given to the standards set by the UK Office for Low Emission Vehicles (OLEV) Low Emission Bus Scheme

<https://www.gov.uk/government/publications/low-emission-bus-scheme> and corresponding capital funding packages + on-going revenue support (i.e. BSOG).

- If PM and NOx compliance is achieved by exhaust retrofitting, there may well be an impact on fuel consumption and cost which will be passed onto operators and ultimately passengers. Further solutions are available to address CO2 (and fuel consumption), such as those available from Avid (<http://avidtp.com/>) and Graysons (<http://www.graysonts.com/>) and should be an integral part of any 'retrofitting' effort.
- Potential displacement of fleets could result in higher emissions in other areas. Changes in land-use / trip making / modal shift (to car) as a result of restrictions in city and reduced bus services will result in higher car use and displacement of more polluting vehicles to other areas.

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